

# **NATH INDUSTRIES LIMITED**

**40TH ANNUAL REPORT**

**2021-22**

<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 Kashinath Iyer Ganapathy Shri Hitesh Purohit</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>

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 40th **ANNUAL GENERAL MEETING** of **NATH INDUSTRIES LIMITED** will be held on Thursday the 30<sup>th</sup> June, 2022 at 03.00 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, 2022 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 Mr. Kashinath Iyer (DIN-01195975) as Director of the Company, who retires by rotation and being eligible, offer himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **3. APPOINTMENT OF MR. HITESH RAJNIKANT PUROHIT 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 Hitesh Rajnikant Purohit (DIN 02340858), who was appointed as an Additional Director of the company by the Board of Directors with effect from march 31, 2022 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. Hitesh Rajnikant Purohit 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. MADHUKAR DESHPANDE, 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 Madhukar Deshpande (DIN 07630081 ), who was appointed as an Additional Director of the company by the Board of Directors with effect from May 30, 2022 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. Madhukar Deshpande 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. TO APPROVE CONTINUATION OF DIRECTORSHIP OF MRS. JEEVANLATA NANDKISHOR KAGLIWAL, AS NON-EXECUTIVE-NON INDEPENDENT DIRECTOR IN TERMS OF REGULATION 17 (1A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LODR) REGULATIONS, 2015.**

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

**“RESOLVED THAT**, pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (LODR) Regulation, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of the members be and is hereby accorded to continue and hold office of Non-Executive- Non independent Director of the Company by Mrs. Jeevanlata Nandkishor Kagliwal (DIN: 02057459), who will attain 75 years age on 30.04.2023.”

**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 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/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 authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the EGM/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 EGM/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 EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/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 EGM/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 EGM/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 EGM/AGM has been uploaded on the website of the Company at [www.nathindustries.com](http://www.nathindustries.com) . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE at [www.bseindia.com](http://www.bseindia.com) and the EGM/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. EGM/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, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
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 2021-22 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 2021-22 will also be available on the Company's website [www.nathindustries.com](http://www.nathindustries.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> June 2022 to 29<sup>th</sup> June 2022 both days inclusive.
14. As there is no special business, hence no Explanatory Statements is given, pursuant to Section 102(1) of the Companies Act, 2013 during the year.
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 AND JOINING GENERAL MEETING ARE AS UNDER: -**

**The remote e-voting period begins on 27.06.2022 at 09:00 A.M. and ends on 29.06.2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 24.06.2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 24.06.2022.**

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home</li> </ol>

	<p>page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <p>  <b>App Store</b>      <b>Google Play</b> </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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.
  - How to retrieve your 'initial password'?
    - 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'.
    - 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:
- 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).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - 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 etc.
  - 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.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 nehapagrawal@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 1020 990 and 1800 22 44 30 or send a request to Mr Sanjeev Yadav of NSDL Official 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:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@nathindustries.com](mailto:investor@nathindustries.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@nathindustries.com](mailto:investor@nathindustries.com) . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/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 EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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.
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 [investor@nathindustries.com](mailto:investor@nathindustries.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@nathindustries.com](mailto:investor@nathindustries.com)) from 27<sup>th</sup> June, 2022 (9:00 a.m. IST) to 29<sup>th</sup> June, 2022 (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.

For Nath Industries Limited

Abhaykumar Jain  
Director  
(DIN: 02454426)

CIN: L21010MH1980PLC022820

Registered Office:

Nath House, Nath Road, Aurangabad 431 005.

Email: [investor@ramapulp.com](mailto:investor@ramapulp.com)

Date : 30.05.2022

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

### **ITEM NO 3**

#### **APPOINTMENT OF MR. HITESH RAJNIKANT PUROHIT AS INDEPEDENT, NON-EXECUTIVE DIRECTOR**

The Board appointed Mr Hitesh Rajnikant Purohit, as additional Director with effect from 31<sup>st</sup> March 2022. 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. Hitesh Rajnikant Purohit is given in the Annexure.

### **ITEM NO 4**

#### **APPOINTMENT OF MR. MADHUKAR DESHPANDE AS INDEPEDENT, NON-EXECUTIVE DIRECTOR**

The Board appointed Mr Madhukar Deshpande, as additional Director with effect from 30th May 2022. 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. Madhukar Deshpande is given in the Annexure below.

### **ITEM NO 5**

#### **CONTINUATION OF DIRECTORSHIP OF MRS JEEVANLATA NANDKISHOR KAGLIWAL**

Mrs. Jeevanlata Nandkishor Kagliwal will attain age of 75 years on 30.04.2023. Accordingly, to comply with the provisions of Regulations 17 (1A) of the SEBI (LODR) Regulations, 2015, Company is seeking approval of the members through Special Resolution.

The brief profile of Mrs. Jeevanlata Nandkishor Kagliwal is given in the Annexure below.

For Nath Industries Limited

Ramniklal Salgia  
Director  
(DIN: 02704031)

CIN: L21010MH1980PLC022820

Registered Office:

Nath House, Nath Road, Aurangabad 431 005.

Email: investor@nathindustries.com

**ANNEXURE:-**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT AT ANNUAL GENERAL MEETING**

<b>NAME OF DIRECTOR</b>	<b>Mr. Hitesh Rajnikant Purohit</b>
<b>Date of Birth</b>	25.06.1963
<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>	1. Agri-Tech (India) Ltd 2. Techindia Nirman Ltd 3. Nath Bio-Genes (India) Limited 4. Nath Securities Limited 5. NCFS Limited
<b>Chairman/ Member of Committees of other Companies</b>	1. Agri-Tech (India) Ltd 2. Techindia Nirman Ltd 3. Nath Bio-Genes (India) Limited
<b>No of shares held in the Company</b>	NIL

<b>NAME OF DIRECTOR</b>	<b>Mr. Madhukar Deshpande</b>
<b>Date of Birth</b>	01.04.1957
<b>Qualification</b>	B.com
<b>Expertise in specific Functional areas</b>	Wide Business experience in the field of Processing, Stores, Logistics, quality assurance across variety of industries.
<b>Director in other Public Companies</b>	1. Agri-Tech (India) Ltd 2. Techindia Nirman Ltd 3. Nath Bio-Genes (India) Limited
<b>Chairman/ Member of Committees of other Companies</b>	1. Agri-Tech (India) Ltd 2. Techindia Nirman Ltd 3. Nath Bio-Genes (India) Limited
<b>No of shares held in the Company</b>	NIL

**DETAILS OF DIRECTORS SEEKING CONTINUATION OF DIRECTORSHIP AT ANNUAL GENERAL MEETING**

<b>NAME OF DIRECTOR</b>	<b>Mrs. Jeevanlata Nandkishor Kagliwal</b>
<b>Date of Birth</b>	30.04.1948
<b>Qualification</b>	M.A.
<b>Expertise in specific Functional areas</b>	Administration and Finance
<b>Director in other Public Companies</b>	1. Techindia Nirman Limited 2. Nath Royal Seeds Limited 3. Global Transgenes Limited 4. Agri-Tech (India) Limited 5. Nath Bio-Genes (India) Limited 6. Nath Bio-Technologies Limited
<b>Chairman/ Member of Committees of other Companies</b>	1. Agri-Tech (India) Ltd 2. Techindia Nirman Ltd 3. Nath Bio-Genes (India) Limited
<b>No of shares held in the Company</b>	213

## **DIRECTORS' REPORT**

Dear Shareholders,

We have the pleasure in presenting the 40<sup>th</sup> Annual Report of the Company and the audited statement of accounts for the year ended 31<sup>st</sup>March, 2022.

### **FINANCIAL PERFORMANCE**

A summary of the financial results is given below:

(Rs. In Crores)

<b>FINANCIAL RESULTS</b>		
<b>Particulars</b>	<b>Year Ended</b>	
	<b>31.03.2022</b>	<b>31.03.2021</b>
Total Income	423.18	293.40
Profit before Interest & Depreciation	27.46	31.20
Interest & Depreciation	11.17	9.55
Profit before Tax	16.29	21.65
Provision for Taxes	-0.36	6.41
Surplus for the year	16.65	15.24
Other Comprehensive Income	-1.80	0.79
Total comprehensive Income for the year	14.85	16.03
Earnings per Share (Rs.)	8.76	8.02

### **REVIEW OF OPERATIONS**

The company is operating in following segments

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

By the end of 2021 when normalcy was being achieved, second wave of Covid-19 broke out in Apr 2022 which not only impacted business but also human lives also. The impact of second wave of covid 19 was much harsher as well as dangerous and longer than the first outbreak of covid-19 and impacted the industry from all the corners. Lock downs in various countries such as America and Europe resulted in non-availability of waste papers. European Union decision of banning export of waste paper to India further added to the shortage of raw materials. Non-availability of raw material was further aggravated by shortage of containers and international liners. The shortage was so acute that the logistic cost of 40ft container increased from \$1600-\$1800 to \$2800 to \$3600 resulted in increase in cost of imported waste paper over 50%. Decision of Indonesian Government decision of banning export of coal and shortage of containers resulted in sky rocketing the prices of coal from Rs 6 per kg to Rs. 15 per kg. In February 2022, the Indian Government levied an import duty of 2.5% on imported waste paper.

Despite all the above adverse factors, your company has registered a total income of Rs 423.18 Cr and Net Profit of Rs. 16.65 Cr.

### **PAPER DIVISION**

As explained above the overall paper industry in general suffered due to the pandemic but we could register the better results by taking various step by improving the energy efficiencies and

also by exploring the new export markets. Paper Division recorded turnover of Rs. 315.30 Crores as against the turnover of Rs. 213.00 Crores recorded in previous year thereby posting an increase in turnover by 48%. The Paper Division was able to record EBIT of Rs 10.18 Crores as against the EBIT of Rs. 10.13 Crores despite in huge upward revision in the prices of key raw materials.

### **UNIT- RAMA PAPER**

Unit Rama Paper achieved Turnover of Rs. 133.41 Crores as against turnover of Rs. 95.52 Crores in previous year. Sales volume increased to 22,590 MT as against the 18,777 MT of previous year. Export turnover was increased from Rs. 39.32 Crores as compared to Rs. 16.12 Crores recorded in previous year.

The capacity expansions undertaken by the unit has been completed and we could enhance the capacity of our paper machine 1 by around 30 %.

The project for the FBC boiler and 2 MW power plant is also progressing well and we will be able to commission it by September 2022.

### **CERTIFICATIONS**

Company's quality standards are about maintaining high parameters driven out of people's expertise in their respective fields.

Continuous excellence achieved in the field of Quality and Service management, has led the path for company's validation under ISO certifications of 9001:2015 and 14001:2015.

The steady compliances of sustained high norms of Eco friendliness and Save Environmental moves have, persuaded the World forestry organization FSC COC to continue the validation for code of conduct of our quality and Global acceptance of products.

### **PRODUCTS AND NEW PRODUCTS LAUNCH**

Green Movement is grown vastly and supported world wide. Continuing our full support to this cause, Mac D Kraft launched last year for Paper Bags, which is well established and contributing greatly. Valuing synergic combination, we will launch Carry Bags / shoppers Bags grade paper for volumes and value addition both.

Company has greatly succeeded to attain sizeable market share for its crown product, Absorbent Kraft in Global and domestic turf. In consideration to this, your Company is rigorously working to develop and launch, the other affiliated and value-added products like Barrier Paper and Print Base paper which will generate good revenue and further consolidate our market leadership.

Our M G White Tissue, Colour tissue and Brown Wrapping Paper are well accepted internationally for decorative and Gifting segments, the company has developed Electro thermal (heat resistant) grade of Paper for creating frills and designs in Garments.

Considering the constant Growth in home and international markets, the company braves up to have its bigger share of Markets for Carry Bags paper for shoppers, Two more Speciality

grades of MG Kraft papers for Automobiles painting and digital printing in garment and textile Segments.

These technically innovated products will be added this year to company's product **mix / profile** for further enrichment.

## **MARKETING STRATEGIES**

The annual growth in Global production of Paper and Paper boards is predicted at the very healthy rate of 6 -7.5%. According to an international survey the estimated global production of paper and paper boards may achieve the target of USD 255 billion by 2026, at a CAGR of 5.0%.

Company's growth of its Exports of Absorbent Kraft, White Tissue and Colour Tissues has already expanded its wings to many countries like Indonesia, Thailand, Philippines, Hong Kong, South Korea, Saudi, Mexico, Chile, Sri Lanka, Bangladesh, Portugal, Germany, Sweden , Southampton , Israel. The new markets recently added to this segment are Malaysia, Italy, Guatemala, Argentina, Brazil and Fiji.

Being consumer durable item the growth in high pressure laminates Global markets is expected to rise and is expected to be approximately estimated to USD 11.60 Billion between 2022 to 2028 from USD 6.5 Billion in 2018.

The above study itself provides the Solid ground for us to define our future business growth and going forward with new products like Barrier Paper, print base, Masking and Protection Paper. A remarkable growth rate in business is foreseen generated out of these specialised segments.

Constant innovations and rigorous R&D and regular trials are integral part of quality maintenance and excellence. Enriching existing product mix and newly developed products, provide strength and creating good space in all market segments.

We take pride to announce that, a huge, strong and well organised distributors network spread all over the country and overseas destinations creates easy passage for marketing company's products with a consistency in quality and value.

## **UNIT -NATH PAPER**

The performance of Unit Nath Paper has been satisfactory despite various economic and industry challenges. Despite challenges like erratic demand, competitive market scenario and heavy volatility in the raw material & fuel prices, your company has been able to put forth a satisfactory performance.

Your Company's Unit-Nath Paper has produced 38,939 MT of Core Board (Previous Year 36602 MT) and Thermal Paper 2734 MT (Previous Year 2318 MT).



Unit Nath Paper has achieved turnover of Rs. 184.43 Crores (Previous Year Rs. 130.52 Crores) by selling 38793 MT of Core Board (Previous Year 36532 MT) and 2777 MT of Thermal Grade Paper (Previous Year 2312 MT).

During the year, various measures were undertaken by your company to enhance product efficiency & production capacity. The Company's capital investment has helped in reducing the power consumption and increase in production at the same time.

Company is setting 1 MW solar power on OPEX basis, which will be commissioned by May 2022. This measure will help in reduction of the energy cost of the Company.

### **Products:**

Unit-Nath paper is producing high GSM Core Boards and Thermal Paper, which are well received in the market.

- Core Board is used for manufacturing of paper tubes used by textile and plastic films manufacturing industry. Company is producing Core Board TTP 500 & TTP 600 grade.
- Thermal Paper is firmly established in many areas of daily life with wide range of applications like ATM Rolls, Cash Deposit Kiosks, Point of Sales Receipts, Cash Registers, Movie Tickets, Bus Tickets, Parking Slots, and Toll Tickets etc. This technology provides speedy, reliable, economical, and high-definition images.
- There is a good demand for paper bags with the ban on plastics, hence we have developed Bag Paper, which in the coming year will also become one of our major products.

### **Market:**

Company's higher GSM Core Boards and Thermal Paper is well accepted in the market. Demand for both these grades is growing constantly. Domestic market for manmade fibre has been growing rapidly and many expansions are in the pipeline. TTP 500 and TTP 600 grade used in POY/FDY paper tubes & plastic films. The Company also manufactures a specialty grade paper called Thermal Grade Paper, used for fax machines, ATMs & POS machines. The company has high quality products and competitive rates.

The Company is expanding its overseas market also. Unit-Nath Paper has exported core board of 8483 MT (Previous Year 6221 MT) during the year. Company has exported mainly to China, Thailand, Sri Lanka & Middle east. Company also has stable business with its existing customer base.

Demand of thermal sensitive paper globally is robust and is growing at CAGR of 15%. Domestic consumption is strong and is set to further expand due to digital Initiatives by the government of India. It has high export potential due to low cost of conversion and high degree of value addition in converted rolls form (small bobbins). Company enjoys leadership position

in this segment and have plan to set up one more machine for production of thermal paper with capacity of 7200 MT per annum. This will give better profitability in the coming years.

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

## **CHEMICAL DIVISION**

### **UNIT-NATH CHEMICAL**

During the year the chemical industry has seen so many ups and downs, however, our endeavor was to keep the performance study. As the chemical unit of your company is flexible in its product mix, the unit Nath chemicals could give a better performance by changing the product mix from time to time based on the market situation.

The chemical segment sold 91,524 MT of equivalent acid and the sales realisation during the year for the chemical unit was Rs 102.77 Crores.

### **FUTURE PLANS**

#### **PAPER DIVISION**

The implementation of co-generation project by installing a High-Pressure boiler of 16.5 TPH and back pressure steam turbine of 2 MW capacity is progressing well and we are hopeful that it will be commenced / commissioned by September 2022. As already informed the boiler will generate high pressure steam which will be used in power generation through turbine and low-pressure steam will be used in drying of paper.

This co-generation project will substantially reduce the requirement as well as dependency of power from Grid and will result in saving power cost significantly.

## **CHEMICAL DIVISION**

### **Focus on manufacturing of Diversified speciality intermediates:**

To consolidate footprints into complex chemistries and cater to diversified sectors, the company has futuristic and sustainable plan to invest into robust infrastructure capabilities to manufacture value added product line. In line with forward integration and value addition to the current chemistries, the company has concrete execution plans to manufacture Sodium Sulphite, Sodium Metabisulphite, Sulfuryl Chloride to cater to the potential sectors like water treatment and food industry.

The company has aggressive plan to venture into diverse products like Dimethyl Aniline, Dimethyl Sulphate to cater to the pharma and dyes intermediates sector requirement. The growing demand of these products in dyes and pharma sectors further will boost and help to have better top lines and bottom lines.

By virtue of the new forwarded integrated, value-added products, the company envisages to create a brand entity in chemical market by offering a mix of the current existing commodity range and speciality products to elevate the brand entity in the chemical domain.

### **Exports:**

The forward integrated product line and speciality product would initiate the export sales and cater to the global market demand. This would ensure presence of “Nath” brand in the global markets.

### **Capacity Expansion:**

The company has concrete plan to capitalise on the legacy and has aggressive execution plans to expand the capacities of current commodity Sulphur derivatives from 280 TPD to 500 TPD. This would help to further expand the geographies and cater to the growing demand of the current and potential customers.

Growth in Pharma sector would be a great key driver for intermediate sulphur derivatives like Thionyl Chloride. Dyes sector demand upsurge would push the sales of Sulphuric acid and Chlorosulphonic acid .

Robust agrochemical sector growth would catalyse the demand of Thionyl Chloride and Liquid SO<sub>2</sub>

### **Markets:**

With the future plan, the company would strive and would be able to serve and add value to the customers – Domestic and Global.

The company looks up to the water treatment chemical as future potential industry and intends to cater to the demand by **Imports and new product development** to cater to the diverse water applications like Effluent/waste water treatment, Aquaculture & Hospitality Industry.

The company further plans to penetrate aggressively into current sectors viz: Agrochemicals / Pharmaceutical / Dyes & water treatment to further accelerate the financial growth.

### **DIVIDEND**

In view of the proposed growth plans, the Directors have not recommended dividend for the financial year 2021-22.

## **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**.

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

As per the Provisions of Sec 135 of the Companies Act, 2013 related to Corporate Social Responsibility (CSR), the amount of CSR required to be spent for the FY 2021-22 is Rs. 30 Lakhs which has already been incurred by the Company. The initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure-III** which is part of this report.

## **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-IV**.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made there under, Mr Kashinath Iyer (DIN 01195975) Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment, for which

necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends the re-appointment of Mr Kashinath Iyer as a Director of the Company.

Further, Mr Shrirang Agrawal (DIN: 00119681), Independent, Non-Executive Director resigned from the Board of your company with effective from close of business hours on 31<sup>st</sup> March 2022. The Board places on its sincere appreciation for the valuable guidance and contribution made by Mr Agrawal in the deliberations of the Board during his tenure.

Further, Mr Ramniklal Salgia, Executive Director resigned from the Board of your company with effective from close of business hours on 30<sup>th</sup> May 2022. The Board places its sincere appreciation for the valuable guidance and contribution made by Mr Ramniklal Saigia in the deliberations of the Board during his tenure.

Mr. Hitesh Rajnikant Purohit (DIN: 02340858) was appointed as Additional Directors (Independent, Non-Executive) on the Board with effect from 31<sup>st</sup> March 2022 and who holds office till the date of the AGM, in terms of section 161 of the Companies Act, 2013.

Mr. Madhukar Deshpande (DIN: 07630081) was appointed as Additional Directors (Independent, Non-Executive) on the Board with effect from 30<sup>th</sup> May 2022 and who holds office till the date of the AGM, in terms of section 161 of the Companies Act, 2013.

In terms of Regulation 17(1A) of SEBI (LODR) Regulations, the Board of Directors, on recommendation of Nomination and Remuneration Committee, accord its approval to continue and hold office of Non-Executive – Non-Independent Director of the Company by Mrs Jeevanlata Nandkishor Kagliwal (DIN 02057459). Further, Mrs Jeevanlata Nandkishor Kagliwal has affirmed that she is not debarred from holding the office of Non-Executive – Non-Independent Director by virtue of any SEBI order or any other such Authority.

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, 2022, 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, 2022 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-V**

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.

### **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, CSR 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 details in respect of Internal Financial Control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

The Company has a robust internal control mechanism across all units. The Company has also developed a set of documented SOPs for all major functions which laid down policies, procedures, and guidelines that forms part of internal control system. The internal control systems devised is commensurate with the size of its business operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statues, safeguarding assets from the unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate SOPs. The company also has well defined delegation of power with authority limits for approving expenditures as well as contracts.

Services of external Audit firm is also availed to further strengthen its effectiveness. The audit is based on internal audit plan which is reviewed and approved by the Audit Committee. Based on evaluation, the Audit Committee has concluded that company's internal control system were adequate and operating effectively.

## **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.nathindustries.com](http://www.nathindustries.com). It is affirmed that no person has been denied access to the Audit Committee.

## **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 woman 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.nathindustries.com](http://www.nathindustries.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-VI**.

## **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 2021-22. The Secretarial Audit Report is annexed herewith in **Annexure-VII** 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**

The company's decision to use less Energy to save Energy , is now contributing in many ways to the growth of company , like savings on Energy and reduce the dependence on Natural resources.

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

Your company's capability to utilize the technical knowledge from internal and external sources, is benefiting company's products for continuous improvement and acceptance for



Global standards. 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 2021-22. The rupee equivalent of that amount has been given hereunder:

Particulars	Rs. In Crores
Total Earnings	69.62
Total Expenditure	123.50

**ACKNOWLEDGEMENT**

The Board of Directors thank the customers, vendors, bankers, regulatory and Government Authorities, stock exchanges, business associates and all other stakeholders for their assistance, support and co-operation extended. The Board of Directors also thank the shareholders for reposing the faith on Company's performance. The Board of Directors also places on record its appreciation for the committed services of all the employees of the company.

The Board of Directors also regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked his life and safety to fight this pandemic.

The Board of Directors appreciate and value the contribution made by every member of the NATH Family.

For and on behalf of the Board,

Place: Mumbai  
Date: 30.05.2022

Abhaykumar Jain  
Director  
(DIN: 02454426)

**Annexure – I**

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2022</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 %
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	933	351	1284	0.00	933	351	1284	0.00		-
b) Central Govt. or State Govt.										
c) Bodies Corporate	14003037	6787	14009824	73.74	14003037	6787	14009824	73.74		-
d) Bank/FI										
e) Any other										
<b>SUB TOTAL:(A) (1)</b>	14003970	7138	14011108	73.74	14003970	7138	14011108	73.74		-
<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>	14003970	7138	14011108	73.74	14003970	7138	14011108	73.74		-
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	190	7473	7663	0.04	2740	4923	7663	0.04		-
b) Banks/FI	51865	5891	57756	0.30	51865	5891	57556	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>	52055	13364	65419	0.34	54605	10814	65419	0.34		-
<b>(2) Non Institutions</b>										
a) Bodies corporate										
i) Indian	1969602	8578	1978180	10.41	1948274	8578	1956852	10.30		-0.11
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital up to Rs.1 lakhs	1550606	112434	1663040	8.75	1724368	111937	1863305	9.66		0.91
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	887003	19000	906003	4.77	769661	0	769661	4.05		-0.72
c) Others (specify)										
i) Trust	1	0	1	0.00	1	0	1	0.00		0.00
ii) Clearing member	21561	0	21561	0.11	72497	0	72497	0.38		0.27
iii) N R I	195578	1949	197527	1.04	146938	1949	148887	0.78		-0.26
iv)HUF	156039	0	156039	0.82	138148	0	138148	0.73		-0.09
v) Employees	0	1122	1122	0.01	0	1122	1122	0.01		
<b>SUB TOTAL (B)(2):</b>	4780390	143083	4923473	25.91	4799887	123586	4923473	25.91		0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	4832445	156447	4988892	26.26	4854492	134400	49888592	26.26		0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00		0.00
<b>GRAND TOTAL</b>	18836340	163660	19000000	100.00	18858387	141613	19000000	100.00		0.00

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

(iii) Change in Promoter's shareholding: -

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

**(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	644086	3.39	644086	3.39
2	Tapovan Farms LLP	405651	2.13	405651	2.13
3	Wexford Trading Co Pvt Ltd	333333	1.75	333333	1.75
4	Malpani Financial Services Limited	129473	0.68	124485	0.66
5	Adesh Venture LLP	244798	1.29	244798	1.29
6	Ritman Concrete Pvt. Ltd.	111968	0.59	109468	0.58
7	Vijaypriya S Mollyn	48868	0.26	41742	0.22
8	Sudhir Laxman Nayak	98704	0.52	98704	0.52
9	Seetha Kumari	4547	0.02	53866	0.28
10	J M Financial Services Ltd	0	0.00	36531	0.19

**(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	213	0.00	-	213	0.00	-	-
<b>Total</b>	<b>213</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:

Particulars	Rs. In Crores			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the Beginning of the financial Year</b>				
i)Principal Amount	10.45	39.64	-	50.09
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10.45	39.64	-	50.09
<b>Changes during financial year</b>				
Addition	29.91	-	-	29.91
(Reduction)	-	(4.30)	-	(4.30)
Net Change	29.91	(4.30)	-	25.61
<b>Indebtedness at the end of the Financial year</b>				
i)Principal Amount	40.36	35.34	-	75.70
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	40.36	35.34	-	75.70

**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	21.61 -
	Total 1	21.61
	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	20.31 -
	Total 2	20.31
	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	22.31 -
	Total 3	22.31
	Vijay Saboo ( 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	35.35 -
	Total 4	35.35
	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	102.22

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:

Effective corporate governance practises constitute strong foundation on which successful commercial enterprise are built to last. Strong governance is fundamental to building a resilient business and driving success fairly and transparently The Company is committed to maintain the highest standards of corporate governance in its conduct towards shareholders, employees, customers, vendors and other stakeholders. The company believes that sound and strong corporate governance leads to durable sustenance of business and generates long term value for all stake holders.

#### 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 31<sup>st</sup> March 2022 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 Member ship	Committee Chairman ship
Mr. Akhilesh Sharma	Executive Director	-	-	-
Mr. Ramniklal salgia	Executive Director	-	1	-
Mr. Abhaykymar Jain	Executive Director	-	-	-
MrsJeevanlata Kagliwal	Non-Executive Women Director	6	3	-
Mr. Shrirang Agrawal	Non-Executive & Independent Director	4	4	4
Mr Kashinath Iyer Ganpathy	Non-Executive & Independent Director	1	4	1
Mr. Hitesh Purohit	Non-Executive & Independent Director	4	4	4

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

During the year ended 31<sup>st</sup> March 2022, seven meetings of the Board were held on the following date:

- (1) 27.04.2021 (2) 30.06.2021 (3) 10.08.2021 (4) 31.08.2021 (5) 12.11.2021  
(6) 11.02.2022 (7) 31.03.2022

The attendance record of the Directors at the Board Meetings held during the year ended 31<sup>st</sup> March, 2022 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	7	Yes
Mr. Ramniklal Salgia	7	Yes
Mr. Abhaykumar Jain	7	Yes
Mrs Jeevanlata Kagliwal	7	Yes
Mr. Shrirang Agrawal	6	Yes
Mr Kashinath Iyer Ganpathy	7	Yes
Mr Hitesh Purohit	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 2021-22, Composition of Audit Committee and the meetings attended by members are as follows:

Name of Directors	Categories	No. of Meeting Attended
Shri Shrirang Agrawal	Member	Five
Shri Kashinath Iyer Ganpathy	Chairman	Six
Shri Ramniklal Salgia	Member	Six
Shri Hitesh Purohit	Member	One

During the Financial Year 2021-22, Six Meetings of the Audit Committee members were held on the following dates:

(1) 27.04.2021 (2) 30.06.2021 (3) 10.08.2021 (4) 12.11.2021 (5) 11.02.2022 (6) 31.03.2022

#### **Terms of reference:**

The Terms of Reference of Audit Committee include overseeing the Company's financial reporting process and disclosure of financial information, reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval; reviewing with the management, the performance of Statutory and Internal Auditors and adequacy of internal control systems and all other matters specified under Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Section 177 of the Companies Act, 2013 read with rules framed there under.

#### **5. Corporate Social Responsibility Committee (CSR) :**

The CSR Committee is constituted in line with provisions Section 135 of the Companies Act 2013.



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

During the financial year 2021-22, Composition of CSR Committee and the meetings attended by members are as follows:

Name of Directors	Categories	No. of Meeting Attended
Shri Shrirang Agrawal	Chairman	Two
Shri Kashinath Iyer Ganpathy	Member	Three
Mrs. Jeevanlata Kagliwal	Member	Three
Shri Hitesh Purohit	Chairman	One

During the Financial Year 2021-22, Three Meetings of the CSR Committee members were held on (1) 30.06.2021 and (2) 12.11.2021 (3) 31.03.2022.

### **Terms of reference:**

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

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII.
- ii. Recommend the amount of expenditure to be incurred on the activities referred to in clause (i).
- iii. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

### **6. 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 2021-22, Composition of nomination and remuneration committee and the meetings attended by members are as follows:

Name of Directors	Categories	No. of Meeting Attended
Shri Kashinath Iyer Ganpathy	Chairman/Member	Three
Mrs Jeevanlata Kagliwal	Member	Three
Shri Shrirang Agrwal	Member	Two
Shri Hitesh Purohit	Chairman	One

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

During the Financial Year 2021-22, Three Meetings of the Committee were held on 27.04.2021, 12.11.2021 and 31.03.2022.

### **Terms of reference**

The role of the committee shall, inter-alia includes 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 Vijay Saboo CFO	Ms. Nupur Lodwal Company Secretary
Salary as per Provisions of Section 17(1) of I.T.Act,1961	21.61	22.31	20.31	NIL	NIL	NIL	35.35	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>21.61</b>	<b>22.31</b>	<b>20.31</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>35.35</b>	<b>2.64</b>

During the year no sitting fees paid to any Directors.

#### **7. 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 2021-22, Composition of stakeholder relationship committee and the meetings attended by members are as follows:

Name of Directors	Categories	No. of Meeting Attended
Shri Shirang Agrawal	Chairman	Two
Mrs Jeevanlata Kagliwal	Member	Three
Shri Kashinath Iyer Ganpathy	Member	Three
Shri Hitesh Purohit	Chairman	One

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

During the Financial Year 2021-22, Three Meetings of the Committee were held on 30.06.2021, 12.11.2021 and 31.03.2022.

### **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, 2022**

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

### **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>
2018-19	30 <sup>th</sup> September, 2019 at 11.00 a.m..	Nath House, Nath Road, Aurangabad – 431 005
2019-20	30 <sup>th</sup> September, 2020 at 03.30 p.m.	Nath House, Nath Road, Aurangabad – 431 005
2020-21	30 <sup>th</sup> September, 2021 at 02.30 p.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**

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 and do not attract the provisions of Section 188 of the Companies Act 2013. 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. Suitable disclosure as required by Ind AS 18 has been made in the notes to the financial statement. 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.nathindustries.com](http://www.nathindustries.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 Meeting

Date, Time and Venue	30th June, 2022 at 3.00 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> June, 2022 to 29 <sup>th</sup> June, 2022 (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 2022	First week of August, 2022
Results for quarter ending 30 <sup>th</sup> Sep. 2022	Last week of Oct. 2022
Results for quarter ending 31 <sup>st</sup> Dec. 2022	First week of Feb. 2023
Results for quarter ending 31 <sup>st</sup> March 2023	Last week of May, 2023
Annual General Meeting	September 2023

### c. Status of listing fees: Paid for the year 2022-23.

### 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 2021	91.95	77.05	Oct. 2021	105.00	93.00
May 2021	125.05	76.50	Nov. 2021	108.00	76.05
June 2021	120.00	93.00	Dec. 2021	86.80	77.00
July 2021	115.90	95.60	Jan. 2022	94.50	80.00
Aug. 2021	114.95	93.00	Feb. 2022	94.90	74.15
Sept. 2021	103.20	87.00	Mar. 2022	102.00	78.05

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, 2022.
- 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, 2022

No. of Equity Share Held in Rs	No. of Share Holders	% of Share Holders	Amount in Rs.	% of Total
1-500	25988	88.58	1521920	0.80
501-1000	1065	3.63	932730	0.49
1001-2000	669	2.28	1044710	0.55
2001-3000	443	1.48	1124530	0.59
3001-4000	153	0.52	555240	0.29
4001-5000	242	0.83	1176340	0.62
5001-10000	321	1.09	2518030	1.33
10001-above	467	1.59	181126500	95.33
Total	29338	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. 295, 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@nathindustries.com](mailto:investor@nathindustries.com) \_ Website: [www.nathindustries.com](http://www.nathindustries.com)

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

**i. 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, 2021.

Place: Mumbai  
Date: 30.05.2022

For and on behalf of the Board,  
Abhaykumar Jain  
Director  
(DIN: 02454426)

## **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, 2021 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, 30<sup>th</sup> May 2022



## CEO and CFO Compliance Certificate

We, Akhileshkumar Sharma, Executive Director and Vijay Saboo, Chief Financial Officer certify that:

a) We have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2022 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, 2022 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) We have indicated to the Auditors and the Audit Committee that

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

Vijay Saboo  
Chief Financial Officer

Mumbai

30.05.2022

## **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 31st March, 2022.

For and on behalf of the Board,

Place: Mumbai  
Date: 30.05.2022

Abhaykumar Jain  
Director  
(DIN: 02454426)

### Annexure III

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee

At Nath Industries Limited, Corporate Social Responsibility (CSR) is being embedded in the long-term business strategy of the Company. For Nath Industries Limited, business priorities and social commitments are meant to co-exist in harmony for the development of people and communities at large. The Company's CSR initiative is in promoting education including special education & employment enhancing vocation skills.

2. The Composition of the CSR Committee as on 31.03.2022.

Name of Directors	Categories	No. of Meeting Attended
Shri Shrirang Agrawal	Chairman	Two
Shri Kashinath Iyer Ganpathy	Member	Three
Mrs. Jeevanlata Kagliwal	Member	Three
Shri Hitesh Purohit	Chairman	One

3. Average net profit of the Company for last three financial years: Rs. 1,490.38 lacs

4. Prescribed CSR expenditure: Rs. 29.81 lacs

(two percent of the amount mentioned in item 3 above)

5. Details of CSR spent during the financial year: 30.00lacs

- Total amount to be spent for the financial year: 30.00 lacs
- Amount unspent, if any: Nil

Manner in which the amount spent during the year: Details given below:

#### DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2021-22

S. No.	CSR Project or Activity identified Sector in which project is covered (Clause no of Schedule VII to the Companies Act 2013 as amended)	Project of Program (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Spent	Mode of Implementation - Direct-(Yes/No)	Name of the implementation agency and CSR Registration No
	(ii)-Education	Local Area- Maharashtra	Rs 30.00 lakhs	No	N Kagliwal Education & Research Foundation – CSR Reg No : CSR00026749

## **Annexure IV**

### **MANAGEMENT DISCUSSIONS AND ANALYSIS**

#### **1. INDUSTRY OVERVIEW**

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

There is a perception that the pulp and paper industry will eventually be hindered by the current digital age in which we live. While it sounds logical, that's not the reality of what's happening. In fact, the pulp and paper industry has been thriving and will continue to do so in the coming years.

The paper Industry is often hailed as 'not good for the environment.' However, in reality, paper is one of the very few truly sustainable products. Made from wood, agricultural residue, or waste paper, it is – renewable, reusable, and recyclable. The manufacturing process is also becoming environment-friendly with the changing times. Gone are the days when the industries used to release untreated water into rivers and streams. Today, not just paper, but every industry is doing its bit to make the world a better place to live and technology is playing a vital role in it.

The life cycle of paper products is circular by nature. The raw material used to make it is perpetually regrown, the energy used to manufacture it is generated using mostly carbon-neutral biofuel, and the circle is completed as used paper is recycled into new products at a higher rate than any other material.

India's share in the demand for paper across the globe is growing, as the domestic demand is increasing at a steady pace, while the demand in western nations is shrinking. Notably, the demand for domestic paper in India rose from 9.4 million tonnes to 15.4 million tonnes in just three years. Despite the continuous growth in the industry, per capita paper consumption in the country stands at a little over 14 kg, which is still well below the global average of 57 kg and considerably below 200 kg in North America.

***The Indian paper & paper products market is projected to grow exhibiting a CAGR of 7.8% during 2019-2024.***

The Indian paper & paper products market has been segmented into raw material, application and region. Based on raw material, the market has been categorized into waste & recycled paper, wood and agro residue. 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 paper & packaging caters to industries including Laminates, FMCG, food & beverages, textiles and pharmaceutical. The segment 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.

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.

## **B. CHEMICAL INDUSTRY**

### **Overview on Indian chemical Industry 2022 and way ahead 2025**

The Indian Chemical industry has a huge role to play to make India a US \$5 trillion economy by contributing around US \$300 billion to the GDP by 2025. The industry is growing with CAGR of 9.3% and is expected to attract investments of Rs 8 lakh crore by 2025. As the sector plays a significant role in enabling the growth of the Indian economy, the country needs to build a competitive landscape for the chemical industry.

Already facing contracting gross margin due to soaring raw material cost and increasing operating costs due to higher freight during the second half of 2021, Indian chemical industry is re-orienting its strategy to regain the lost ground. The opportunities are knocking the door as US is likely to slap investment and export sanctions against more Chinese chemical companies. This will result in a shift for chemical majors to explore reliable alternative. According to industry experts, this emerging scenario has created grand opportunities for Indian chemical companies that are well positioned to benefit from this shift and garner a major chunk of the pie.

Indian chemical industry should also experience increased capital expenditure as major players have focused on building capacity and expanding their reach into new and emerging markets.

While the growth of the Indian chemical industry is on the right trajectory, these companies will also have to focus on sustainability and decarbonisation. This becomes more necessary as the US and European Union are speeding up sustainability for the chemical industry and Indian chemical companies will have to align themselves with the sustainability goals. Most of these companies have already charted out their plans for increased investment in green, recycling technology, R&D, digitization etc to achieve their sustainability goals.

## **2. Opportunities and Threats**

### **PAPER INDUSTRY**

#### **Rapid penetration of Online Retail is creating demand for paper packaging: -**

Rapid penetration of the internet and smartphone has increased online retailing in emerging economies such as India, China, Brazil, South East Asian Countries and others. Consumers, especially at younger age are buying groceries, food, cosmetics and many other goods online. According to India Brand Equity Foundation, online shoppers are projected to reach 220 millions by 2025. Paper packaging is light weight and convenient for logistics. Also, the

increasing need for sustainability in retail packaging to reduce the adverse effect of plastic packaging waste pushes demand for paper based packaging products. Therefore, with rapid online retailing, demand for corrugated boxes and paper bags is expected to increase.

### **Increasing demand for Eco-friendly Packaging Material is driving growth market:**

Paper is the most sustainable and recyclable packaging material available in the world. Owing to rising environmental concern, both the manufacturers as well as consumers are shifting their preferences towards more sustainable paper packaging solutions. Leading food and cosmetic and FMCG companies are continuously engaging with the paper manufacturers to develop advanced paper packaging solutions to meet their commitment towards sustainability. In 2019, Nestle S.A. started to launch its products in recyclable paper packaging as a part of company's commitment to make 100% of its packaging products recyclable by the end of 2025.

New innovations and trends are constantly emerging in the paper industry. The novel coronavirus has brought a focus on cleanliness creating new opportunities for tissue and toilet papers. Within the past year, the e-commerce boom has created a structural change in consumer habits. With the increase in online shopping, there has been a significant surge in corrugated and containerboard demand. According to a recent report by rating agency CRISIL, a strong revival in consumer spending amid the waning impact of the COVID-19 pandemic will help the paper packaging industry bounce back with a revenue growth of 15 percent this fiscal.

## **CHEMICAL INDUSTRY**

### **Sulphur Derivatives : Global Scenario**

The COVID-19 pandemic has moderately affected the sulfuric acid market. The imposition of lockdowns across various countries and disruptions in supply has affected the chemical sector. However, since sulfuric acid is among the primary chemicals used in the chemical sector, high demand is anticipated during next 3 years.

- Major factors driving the market include increasing application in fertilizer manufacturing and growing demand from the chemical & pharmaceutical sectors.
- On the flip side, stringent environmental regulations are expected to hinder the growth of the sulfuric acid market.
- The Asia-Pacific region dominated the sulfuric acid market across the globe, with the highest consumption from countries such as China, India, and Japan.

### **Sulphur Derivatives: India market overview ; Opportunities**

India Sulphuric Acid market stood at 14.15 million Tonnes in FY2021 and is expected to reach 24.40 million Tonnes by FY2030, growing at a healthy CAGR of 6.24% until FY2030. Sulphuric Acid has various applications in the chemical industry due to its extraordinary oxidizing and dehydrating properties.

The surge in the consumption of Sulphuric Acid in India is augmented by the overall growth of the Indian chemical industry wherein it is widely utilized for synthesizing myriad derivatives. Sulphuric Acid is primarily being used as a feedstock for the synthesis of nitrogenous and phosphatic fertilizers against the backdrop of its abundant demand from the fertilizer industry.

Slowed operations in the fertilizer industry followed by the temporary turnarounds in some of the major downstream companies negatively affected its growth rate in the final quarter. However, demand fundamentals for Sulphuric Acid are expected to showcase a V-shaped recovery with scheduled capacity additions in its downstream derivatives under the government initiative of self-reliant India.

## **Exports**

The current global turbulent situation will pave a positive wave for India chemical exports . Sulphur derivatives / Forward integrated products will have an encouraging potential in the global market due to the China production / capacities slowdown and the upsurge in the demand globally for Pharma markets / Pesticides and Textile derivatives. The demand will remain robust with a healthy bottom line and capacity utilisation for financial year 2022-23

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

The Company believes that Internal Control System is an important pillar of corporate Governance. The Company has adequate internal controls and standard operating procedures in place covering all financial and operational functions commensurate with the size and nature of the business. The same are reviewed and monitored through internal audits and operational Reviews. Company has also installed ERP system ‘PAPERBIZ’ which has also helped in strengthening internal controls.

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

The company has registered EBIDTA of Rs.27.46 Crores and a net profit after tax of Rs. 16.65 Crores in the current year as against the EBIDTA of Rs. 31.20 Crores and a net profit after tax of Rs. 15.24 Crores in the previous year despite the adverse impact of second wave of Covid-19 pandemic.

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

Industrial relations with the employees remain cordial during the year. Human Resource Development activities continued to receive considerable attention. The emphasis was on imparting on-job training, safety training and developing skill set of the employees to enable them face the challenge in an increasingly complex environment.

For and on behalf of the Board,

Place: Mumbai  
Date: 30.05.2022

Abhaykumar Jain  
Director  
(DIN: 02454426)

## **Annexure V**

### **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 Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of the employees of the Company for the financial year 2021-22 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.2021-22 (in Lakhs)	% Increase in Remuneration in the F.Y. 2021-22
1	Shri Akhilesh Sharma	21.61	13.58%
2	Shri Ramniklal Salgia	20.31	0%
3	Mrs. Jeevanlata Kagliwal	NIL	NA
4	Shri Abhaykumar Jain	22.31	0%
5	Shri Vijay Saboo	35.35	0%
6	Ms. Nupur Lodwal	2.64	0%

## **Annexure VI**

### **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 break-downs in internal control.
  - Review the nature and level of insurance coverage.

## ANNEXURE VII

### SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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, 2022** 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, 2022** 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. Contract 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.

Place: Aurangabad  
Date: 30.05.2022

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, 2022, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information including the statement of Other Comprehensive Income, Cash Flow statement and Statement of changes in Equity for the year ended and Notes to the Ind AS Financial Statement, including 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 Ind 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, 2022, its profit including other comprehensive income and its cash Flow and the 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, 2022;

(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 and cash Flow statement 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, 2022, and taken on record by the Board of Directors, We report that none of the director is disqualified as on March 31, 2022, 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 with respect to other matters to be included in Auditors Report in accordance with Rule 11 of the companies (Audit & Auditors) Rule 2014 as under.
  - i. The company does not have any pending litigation which would impact its financial position except Service Tax liability and excise duty 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.

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

Place: Mumbai  
Date: 30<sup>th</sup> May 2022

Amit Nagar  
Partner  
Membership No: .056156  
UDIN:- 22056156AKGCRT6561

**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, 2022**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.
- 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.

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**

Situate at Wahegaon Gut no 319 to 324, 50/2 to 50/6, 37/3, At Issarwadi Gut no 54/1 to 54/5, At Pimpalwadi 26/1, 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 Rs. 5136.63 lakhs

Total Area 4,93,676 sq meter

Held in the name of transferor company Nath Pulp and Paper Mills Limited since date of merger order dated 22nd August 2019

**Reason** - Transfer/Registration is under process

**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 Rs. 4375.36 lakhs

Area 39020 sq meters,

Held in the name of the transferor company Nath Industrial Chemicals Limited, since date of merger order dated 22nd August 2019

**Reason** – Transfer/Registration is under process

**Revaluation & holding Benami Property** - Not applicable for the year ended on 31/3/2022.

- ii) a) Physical verification of the inventory has been conducted at reasonable intervals by the management. Procedures of physical verification of inventory followed by the management are appropriate reasonable and adequate in relation to the size of the company and nature of its business. No material discrepancies were noticed on physical verification
- b) The company has been sanctioned working capital limits in excess of 5 crores, in aggregate, from banks on the basis of security of current assets. Quarterly returns or statement filed by the company with such banks are in agreement with books of accounts.
- iii) a) Company has made investments in shares, provided guarantee, & granted unsecured loans & advances in the nature of loans to companies, firms or limited liability Partnerships.

Aggregate amount advanced given to parties other than subsidiaries, joint ventures & associates is Rs. 2,13,29,363 & Balance outstanding at the balance sheet date is Rs. 38,19,060/- which consist of Rs. 37,20,000/- being advance given for CSR Expense.

Aggregate amount of Corporate Guarantee and collateral security provided is for Rs. 6,00,00,000 (Rupees Six Crores Only) to Tapovan International Trading Pvt Ltd for the loan availed by them from Malkapur Urban Co-op Bank Ltd.

- b) Investments made, guarantee provided & terms & conditions of all the loans & advances in the nature of loans & guarantees provided are not prejudicial to the company's interest.
- c) In respect of loans & advances in the nature of loans, schedule of repayment of principal & interest is not stipulated Receipt of the principal amount are regular. However receipt of interest is not regular.
- d) There is no overdue amount as on 31<sup>st</sup> March 2022.
- e) No loans & advances in the nature of loans, has fallen due during the year. Hence question of renew or extension or granting of fresh loan do not arise.
- f) Company has granted loans & advances in the nature of loans, either repayable on demand without specifying any terms or period of repayment, aggregating Rs. 37,20,000/- being advance for CSR Expenses. Percentage to total loans granted is 97.40%.

Aggregate amounts of loans are granted to related parties as defined in section 2 (76) of the companies act 2013 Rs. 37,20,000/-

- iv) In respect of loans, investments, guarantees, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v) The company has not accepted deposits, hence question of compliance with 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) a) Maintenance of cost records has been specified by CG u/s 148(1) of the Companies Act, 2013  
b) Such cost accounts & records are being made & maintained by the company.
- 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 Goods & Service Tax, Provident Fund, Employees State Insurance, income tax, sales tax, Service 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>Name of statue</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, Ahmadabad.	2,59,56,040	16.05.2008 to 31.03.2010

Excise Duty	Unit- Nath Paper – Commissioner of appeal, Nasik has remanded back dispute to assessing officer	74,36,435	2010-2011 to 2014-2015
Excise Duty	Unit- Nath Chemicals Customs Excise & Service Tax Appellate Tribunal, Ahmadabad for reversal of Modvat	8,84,386	F.Y. 2004 to 2006

- viii) There is no unrecorded transaction or income in the books of the company which is surrendered or disclosed as income during the year.
- ix) a) The company has not defaulted in repayment of loans from Financial institution or bank or debenture holders.
- b) Company is not declared as willful defaulter by any bank or financial institution or any lender.
- c) Company has taken term loans from Bank and term loans were applied for the purpose for which they were obtained.
- d) Funds raised on short term basis have not been utilized for long term purposes.
- e) Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiary, associates or joint venture.
- f) Company has not raised any loans during the year on pledge of any securities held in its subsidiary associates or joint venture.
- x) The company has not raised any funds during the year by way of any public issue or preferential allotment or private placement or debentures
- xi) a) According to the information and explanations given to us, there is no fraud by the company or on the company during the year.
- b) Auditors have not filed any report under section 143 (12) of the Companies Act 2013 with Central Government
- c) Their no whistle-blower complaint received during the year by the company
- xii) In our opinion & according to the information & explanation given to us, the company is not a nidhi company. Accordingly clause (xii) of the order is not applicable.
- xiii) Transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where ever applicable & the details have been disclosed in financial statements as required by the applicable accounting standards.
- xiv) a) In our opinion & according to information & explanation given to us, company has internal audit system, commensurate with the size of the company and the nature of its business.
- b) Reports by the internal auditors has been considered by the statutory auditors.
- xv) 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.



- xvi) a) Company is not required to be registered under u/s 45-IA of the Reserve Bank of India Act, 1934.
  - b) Company has not conducted any non-banking financial or housing finance activities.
  - c) Company is not a Core Investment Company.
  - d) Group do not have any Core Investment Company.
- xvii) There are no accumulated losses at the end of the financial year of the company and neither any cash losses are incurred in such financial year or in the immediately preceding financial year.
- xviii) There is resignation by the statutory auditors during the year.
- xix) In our opinion & according to information & explanation given to us, there is no material uncertainty exists on the date of audit report. Company is capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date.
- xx) There is no unspent amount as per provisions of section 135 of the Companies Act, 2013
- xxi) In our opinion & according to information & explanation given to us, there are no qualifications or adverse remarks by respective auditors in the CARO reports of group companies

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

Place: Mumbai  
Date: 30<sup>th</sup> May 2022

Amit Nagar  
Partner  
Membership No: .056156  
UDIN:- 22056156AKGCRT6561

## **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 2022 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 for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable 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 2022 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

Place: Mumbai  
Date: 30<sup>th</sup> May 2022

Amit Nagar  
Partner  
Membership No: .056156  
UDIN:- 22056156AKGCRT6561

Nath Industries Limited  
Balance Sheet as at March 31, 2022  
L21010MH1980PLC022820

(Rs. in Lakhs)

Particulars	Note No.	As on 31.03.2022	As on 31.03.2021
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	20,648.85	20,226.03
(b) Capital work-in-progress	2	459.62	101.69
<b>(c) Financial assets</b>			
(i) Investments	3	0.20	0.25
(ii) Loans and Advances	4	367.61	657.84
(iii) Other Financial Assets	5	415.85	441.80
(d) Other non-current assets	6	4,101.09	3,203.59
		<b>25,993.22</b>	<b>24,631.20</b>
<b>Current assets</b>			
(a) Inventories	7	4,160.71	3,465.86
<b>(b) Financial assets</b>			
(i) Investments	8	1,135.02	-
(ii) Trade receivables	9	6,348.92	5,416.50
(iii) Cash and Cash Equivalents	10	65.19	259.62
(iv) Other Current Financial Assets	11	140.34	88.89
(c) Other current assets	12	1,398.97	1,204.93
		<b>13,249.15</b>	<b>10,435.80</b>
<b>Total Assets</b>		<b>39,242.37</b>	<b>35,067.00</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	13	1,900.00	1,900.00
(b) Other equity	14	22,536.38	21,051.30
		<b>24,436.38</b>	<b>22,951.30</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	15	1,897.80	373.18
(ii) Deferred Sales Tax Liabilities payable as per Govt Scheme	16	2,979.20	3,316.02
(b) Provisions	17	555.53	490.26
(c) Deferred tax liabilities (net)	18	2,576.01	2,506.90
		<b>8,008.54</b>	<b>6,686.36</b>
<b>Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	19	2,692.54	1,319.43
(ii) Trade payables	20	2,608.74	2,589.91
(b) Other current liabilities	21	902.86	743.05
(c) Provisions	22	327.55	359.97
(d) Current Tax Liabilities (net)	23	265.76	416.98
		<b>6,797.45</b>	<b>5,429.34</b>
<b>Total Equity and Liabilities</b>		<b>39,242.37</b>	<b>35,067.00</b>
Significant Accounting Policies and notes form an integral part of Financial Statements	1 & 33 to 47		

FOR AND ON BEHALF OF THE BOARD

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

AKHILESH K SHARMA  
(DIRECTOR)

AMIT NAGAR  
(PARTNER)  
M NO. 056156  
UDIN:-22056156AKGCRT6561  
PLACE: MUMBAI  
Date:-30th May 2022

ABHAYKUMAR JAIN  
(DIRECTOR)

Nath Industries Limited  
Statement of Profit and Loss for the year ended March 31, 2022  
L21010MH1980PLC022820

(Rs. in Lakhs)

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Income</b>			
Revenue from operations	24	42,133.21	29,170.38
Other income	25	184.52	169.49
<b>Total income</b>		<b>42,317.73</b>	<b>29,339.87</b>
<b>Expenses</b>			
Cost of material consumed	26	28,059.03	16,988.45
Purchase - Trading	27	409.21	44.37
Changes in inventories	28	(705.90)	184.76
Employee benefits expense	29	1,908.52	1,684.16
Finance costs	30	442.61	312.59
Depreciation and amortization expense	2	674.49	643.01
Other expenses	31	9,901.04	7,317.84
<b>Total expenses</b>		<b>40,689.00</b>	<b>27,175.18</b>
<b>Profit before tax</b>		<b>1,628.73</b>	<b>2,164.69</b>
<b>Tax expense :</b>			
(1) Current tax	32	(104.97)	643.75
(2) Deferred tax		69.11	12.11
(3) Mat Credit:- F.Y. 2019-20		-	(14.83)
<b>Total</b>		<b>(35.86)</b>	<b>641.03</b>
<b>Profit for the year</b>		<b>1,664.59</b>	<b>1,523.66</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(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		(179.53)	79.12
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the period</b>		<b>1,485.06</b>	<b>1,602.78</b>
<b>Earnings per equity share</b>			
(1) Basic		8.76	8.02
(2) Diluted		8.76	8.02
Significant Accounting Policies and notes form an integral part of Financial Statements	1 & 33 to 47		

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

AMIT NAGAR  
(PARTNER)  
M NO. 056156  
UDIN:-22056156AKGCRT6561  
PLACE: MUMBAI  
Date:-30th May 2022

FOR AND ON BEHALF OF THE BOARD

AKHILESH K SHARMA  
(DIRECTOR)

ABHAYKUMAR JAIN  
(DIRECTOR)

Nath Industries Limited  
Cash Flow Statement for the year ending 31.03.2022  
L21010MH1980PLC022820

(Rs. in Lakhs)

Particulars	For the Year Ended		For the Year Ended	
	31st Mar, 2022		31st Mar, 2021	
<b>A. Cash flow from operating activities</b>				
Net Profit after Tax		1,664.59		1,523.68
<u>Adjustments for:</u>				
Depreciation and amortisation	674.49		643.01	
Finance costs	442.61		312.58	
Tax Expenses	(35.86)		655.86	
Mat Credit Income	-		(14.83)	
Interest income	(46.19)		(30.67)	
Dividend Income	(0.04)		-	
Profit on Sale of Investment	(10.68)		(110.13)	
		1,024.33		1,455.82
Operating profit / (loss) before working capital changes		2,688.92		2,979.49
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(694.85)		(487.00)	
Trade receivables	(932.42)		(903.32)	
Security Deposits	-		(14.00)	
Other non-Current Financial Assets	25.96		(131.76)	
Current Financial Assets	(51.45)		(2.84)	
Other Current Assets	(194.04)		152.79	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	18.83		378.58	
Other current liabilities	159.82		152.54	
Net Income tax Paid	(25.01)		(350.25)	
Provision for Expenses / ( Paid)	12.51		41.57	
Short Term Employee Benefits Paid	(44.92)		26.59	
Long Term Employee Benefits Paid	65.27	(1,660.30)	(39.69)	(1,176.79)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>1,028.62</b>		<b>1,802.70</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(1,097.32)		(350.60)	
Change in Capital work in progress	(357.93)		(49.35)	
Proceed from Sale of Shares / (Investment in Shares)	(1,314.50)		262.56	
Advance given for Land Development	(23.71)		7.54	
Advance given for purchase of Land	(36.15)		111.39	
Loans and advances Received Back / (Given)	269.00		22.25	
Capital Advances Paid	(837.63)		-	
Interest received	46.19		30.67	
Dividend Received	0.04		-	
Profit on Sale of Investment	10.68		110.13	
		(3,341.33)		144.60
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(3,341.33)</b>		<b>144.60</b>
<b>C. Cash flow from financing activities</b>				
Repayment of Trade & Inter corporate Deposits	(326.21)		(705.04)	
Increase in Long term Borrowings	1,605.11		17.01	
Increase in / (Repayment off) Deferred Sales Tax Liability	(104.03)		87.42	
Increase / (Repayment) of Short-term borrowings from Banks	1,386.02		(1,024.08)	
Finance cost	(442.61)	2,118.28	(312.58)	(1,937.27)
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>2,118.28</b>		<b>(1,937.27)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(194.43)</b>		<b>10.03</b>
Cash and cash equivalents at the beginning of the year		259.62		249.59
Cash and cash equivalents at the end of the year		65.19		259.62
Comprises: Cash and Cash Equivalents				
(a) Cash on hand		7.24		6.15
(b) Balances with banks in Current Accounts		57.95		253.47
		65.19		259.62
<b>IN TERMS OF OUR REPORT ATTACHED FOR VIDYA &amp; CO CHARTERED ACCOUNTANTS FIRM REG. NO. 308022E</b>			<b>FOR AND ON BEHALF OF THE BOARD</b>	
			<b>AKHILESH K SHARMA (DIRECTOR)</b>	
<b>AMIT NAGAR (PARTNER) M NO. 056156 UDIN:-22056156AKGCRT6561 PLACE: MUMBAI Date:-30th May 2022</b>			<b>ABHAYKUMAR JAIN (DIRECTOR)</b>	

## Statement of Changes in Equity:-

## A. Equity Share Capital

(amount in Lakhs)

Balance as at 01st April 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as on 01st April 2021	Changes in equity share capital during the current year	Balance as at 31st March 2022
1,900.00	-	-	-	1,900.00

Balance as at 01st April 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as on 01st April 2021	Changes in equity share capital during the current year	Balance as at 31st March 2021
1,900.00	-	-	-	1,900.00

## B. Other Equity as on 31st March 2022

	Reserve and Surplus						Other Comprehensive Income	Equity attributable to shareholder of the Company
	Capital Subsidy	Capital Reserve	Forfeited Share App. Money	Share Premium	General Reserve	Retained Earnings		
Balance as at 01st April 2021	45.00	570.07	31.25	7,710.00	300.00	12,429.74	(34.76)	21,051.30
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	45.00	570.07	31.25	7,710.00	300.00	12,429.74	(34.76)	21,051.30
Profit for the year	-	-	-	-	-	1,664.59	-	1,664.59
Other Comprehensive Income/(Losses)	-	-	-	-	-	-	(179.53)	(179.53)
Total Comprehensive Income	45.00	570.07	31.25	7,710.00	300.00	14,094.35	(214.29)	22,536.38
Dividend	-	-	-	-	-	-	-	-
Transfer to Retained earning	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	45.00	570.07	31.25	7,710.00	300.00	14,094.35	(214.29)	22,536.38

## B. Other Equity as on 31st March 2021:-

	Reserve and Surplus						Other Comprehensive Income	Equity attributable to shareholder of the Company
	Capital Subsidy	Capital Reserve	Forfeited Share App. Money	Share Premium	General Reserve	Retained Earnings		
Balance as at 01st April 2020	45.00	570.07	31.25	7,710.00	300.00	10,906.08	(113.88)	19,448.52
Changes in Accounting Policies or prior period errors	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the current reporting period	45.00	570.07	31.25	7,710.00	300.00	10,906.08	(113.88)	19,448.52
Profit for the year	-	-	-	-	-	1,523.66	-	1,523.66
Other Comprehensive Income/(Losses)	-	-	-	-	-	-	79.12	79.12
Total Comprehensive Income	45.00	570.07	31.25	7,710.00	300.00	12,429.74	(34.76)	21,051.30
Dividend	-	-	-	-	-	-	-	-
Transfer to Retained earning	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	45.00	570.07	31.25	7,710.00	300.00	12,429.74	(34.76)	21,051.30

## **NOTE NO. 1**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31<sup>st</sup> March 2022**

#### **A. CORPORATE INFORMATION:**

**Nath Industries Limited –CIN L21010MH1980PLC022820** (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 & 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 30<sup>th</sup> May 2022.

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

##### **a) Basis of Preparation & presentation:**

- i. The financial statements have been prepared on historical cost basis in accordance with applicable Indian Accounting Standards (herein after referred to as ‘Ind AS’) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (‘Act’) 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 based on both, payments made in respect of goods cleared / services provided.

**(iv) Export Benefits**

Export entitlements (arising out of Duty Drawback and RoDTEP) 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 is in conformity with the Indian generally accepted accounting principles which 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. 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.
- ii. Properties are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified 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.
- iii. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.
- iv. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.
- v. 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 charged as revenue expenditure in that year itself.

- vi. 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.
- vii. 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.

**(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.

**(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:-

<b>Assets</b>	<b>F.Y. 2021-22 Useful Life</b>	<b>F.Y. 2021-22 Rate of Dep %</b>
<b><u>Building :</u></b>		
Pulp mill building , 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		
Paper machine, gen plant & Machinery, boiler, Steam line pipe,	25	3.80
DM plant, coal conveyor, water line		
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		
Office equipment	10	9.50
HF Transmitter	5	19.00
Water cooler	5	19.00
Computer	5	19.00
<b><u>Vehicles :</u></b>		
Van and Scooter	3	31.67
Motor Car	10	9.50
Pay Loader	8	11.88
	8	11.88

- iii) 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.

- iv) 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.
- v) 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. 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 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 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, cash in hand and cheques in hand.

**(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. 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 and Deferred Sales Tax Asset:-**

Deferred Sales Tax/SGST Liability is the liability pursuant to the company being eligible under package scheme of incentives (PSI-1988) of Government of Maharashtra. Company was eligible to collect the sales tax upto 30<sup>th</sup> October 2020 and defer its payment as per the Package scheme of Incentives. Accordingly, Company recognized the same as deferred sales tax liability as current liability and non-current liability.

With the introduction of GST, Company was eligible to get refund of Gross SGST based upon approved eligible investment. Accordingly, Company has recognized refund receivable as Non-current Asset and deferred its repayment as 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:**  
**iii)**

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

Notes to financial statements for the year ended March 31, 2022

Note no 2:- Property, Plant and Equipment:-

Property, Plant and Equipment, and Intangible Asset as on 31st March 2022:-

(Rs. in Lakhs)

Sr No	Particulars	ASSET					ACCUMULATED DEPRECIATION					Net Block as on 31.03.2022
		Opening Balance as on 01.04.2021	Asset acquired on Merger	Addition During the year	Sold/ Disposed During the year	Balance as on 31.03.2022	Balances as at April 1, 2021	Add:- Accumulate Depreciation on assets purchases on merger	Depreciation charge for the year	Depreciation on asset sold/ disposed off	Total Accumulated Depreciation upto 31.03.2022	
1	Freehold Land	5,136.64		-	-	5,136.64	-		-	-	-	5,136.64
2	Leasehold Land	7,023.20		-	-	7,023.20	496.42		114.67	-	611.09	6,412.11
3	Building	1,851.07		91.40	-	1,942.47	321.82		74.70	-	396.52	1,545.95
4	Plant and equipment	8,122.74		861.05	-	8,983.79	1,344.99		423.61	-	1,768.60	7,215.19
5	Office equipments	13.42		4.94	-	18.36	7.43		2.90	-	10.33	8.03
6	Electrical Installation	129.64		25.97	-	155.61	25.24		13.11	-	38.35	117.26
7	Furniture and Fixtures	35.20		82.29	-	117.49	18.39		6.62	-	25.01	92.48
8	Computers	15.74		7.27	-	23.01	12.37		2.57	-	14.94	8.07
9	Vehicles	255.26		24.40	-	279.66	130.23		36.31	-	166.54	113.12
	Total	22,582.91		1,097.32	-	23,680.23	2,356.89		674.49	-	3,031.38	20,648.85
	Capital Work in progress											459.62

Property, Plant and Equipment, and Intangible Asset as on 31st March 2021:-

(Rs. in Lakhs)

Sr No	Particulars	ASSET					ACCUMULATED DEPRECIATION					Net Block as on 31.03.2021
		Opening Balance as on 01.04.2020	Asset acquired on Merger	Addition During the year	Sold/ Disposed During the year	Balance as on 31.03.2021	Balances as at April 1, 2020	Add:- Accumulate Depreciation on assets purchases on merger	Depreciation charge for the year	Depreciation on asset sold/ disposed off	Total Depreciation upto 31.03.2021	
1	Freehold Land	5,136.64	-	-	-	5,136.64	-	-	-	-	-	5,136.64
2	Leasehold Land	7,023.20	-	-	-	7,023.20	381.75	-	114.67	-	496.42	6,526.78
3	Building	1,851.07	-	-	-	1,851.07	248.13	-	73.69	-	321.82	1,529.25
4	Plant and equipment	7,777.02	-	345.72	-	8,122.74	946.53	-	398.46	-	1,344.99	6,777.75
5	Office equipments	12.18	-	1.24	-	13.42	5.04	-	2.39	-	7.43	5.99
6	Electrical Installation	129.64	-	-	-	129.64	12.92	-	12.32	-	25.24	104.40
7	Furniture and Fixtures	33.64	-	1.56	-	35.20	14.42	-	3.97	-	18.39	16.81
8	Computers	13.67	-	2.07	-	15.74	9.90	-	2.47	-	12.37	3.37
9	Vehicles	255.26	-	-	-	255.26	95.18	-	35.05	-	130.23	125.03
	Total	22,232.32	-	350.59	-	22,582.91	1,713.88	-	643.01	-	2,356.89	20,226.02
	Capital Work in progress											101.69

Capital Work-in progress ageing as on 31st March 2022

(Rs. in Lakhs)

Particulars	Amount in capital work-in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Project in progress	459.62	-	-	-	459.62
Total	459.62	-	-	-	459.62

Capital Work-in progress ageing as on 31st March 2021

Particulars	Amount in capital work-in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Project in progress	101.69	-	-	-	101.69
Total	101.69	-	-	-	101.69

**Note 3 : Non-current investments**

(Rs. in Lakhs)

Particulars	As on 31.03.2022	As on 31.03.2021
<u>Investment at Fair Value Through Other Comprehensive Income</u>		
<u>Investment in Equity Instruments</u>		
Unquoted shares		
2,000 Eq Shares of M/s Saraswat Co-operative Bank Ltd	0.20	0.20
51 Eq Shares of Zoaratrian Co-Operative Bank	-	0.05
<b>Total</b>	<b>0.20</b>	<b>0.25</b>
Aggregate amount of unquoted investments	0.20	0.25
Aggregate amount of impairment in value of investments	-	-

**Note 4 : Non-current Loans and advances**

Particulars	As on 31.03.2022	As on 31.03.2021
Loans and Advances	38.19	307.19
Mat Credit Entitlement	329.42	350.65
<b>Total</b>	<b>367.61</b>	<b>657.84</b>

**Note 5 : Non-current Other financial Assets**

Particulars	As on 31.03.2022	As on 31.03.2021
Security Deposits	386.95	418.01
Earmarked Bank Deposits	28.90	23.79
<b>Total</b>	<b>415.85</b>	<b>441.80</b>

**Note 6 : Other non-current assets**

Particulars	As on 31.03.2022	As on 31.03.2021
Capital Advances	837.64	-
Advances for land development	690.89	667.18
Advances for purchase of land	1,250.16	1,214.01
Deferred Sales Tax Receivable	1,322.40	1,322.40
<b>Total</b>	<b>4,101.09</b>	<b>3,203.59</b>

**Note 7 : Inventories**

Particulars	As on 31.03.2022	As on 31.03.2021
Raw Materials	1,567.20	1,821.35
Raw Material in transit	-	24.42
Coal/Lignite Stock	57.68	23.60
Dyes and Chemicals	429.91	189.51
Stores, Spares & Tools	429.87	436.82
Finished Goods	1,538.85	890.45
Stock In Process	137.20	79.71
<b>Total</b>	<b>4,160.71</b>	<b>3,465.86</b>

**Note 8 : Current Investments**

Particulars	As on 31.03.2022	As on 31.03.2021
<b>Investment at Fair Value Through Other Comprehensive Income</b>		
<b>Investment in Equity Instruments</b>		
5,32,000 Eq Shares of M/s Nath Biogene (I) Ltd (Quoted , Face Value per share Rs. 10/-, Average cost per share is Rs. 247.096/- per share and market price as on 31.03.2022 is Rs. 213.35(Previous year -NIL)	1,135.02	-
<b>Total</b>	<b>1,135.02</b>	<b>-</b>
Aggregate amount of quoted investments (Cost)	1,314.55	-
Aggregate amount of quoted investments (Market Value)	1,135.02	-

**Note 9 : Trade receivables**

Particulars	As on 31.03.2022	As on 31.03.2021
<b>Due for a period of more than six months</b>		
Secured, considered good	1.00	-
Unsecured, considered good	216.01	231.70
<b>Total Debtors o/s for more than 6 months</b>	<b>217.01</b>	<b>231.70</b>
<b>Others</b>		
Secured, considered good	115.00	50.50
Unsecured, considered good	6,016.91	5,134.30
<b>Total Other o/s Debtors</b>	<b>6,131.91</b>	<b>5,184.80</b>
<b>Total</b>	<b>6,348.92</b>	<b>5,416.50</b>

**Trade Receivable ageing Schedule as on 31st March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6months -1 year	1-2 Years	2-3 Years	More Than 3 years	
Un-disputed Trade Receivables -Considered Good						
Un-disputed Trade Receivables -Considered Good	6,131.91	15.01	18.37	175.91	7.72	6,348.92
Undisputed Trade Receivable- Which have significant increase in credit risk	-	-	-	-	-	-
Un-disputed Trade Receivables -Credit Impaired	-	-	-	-	-	-
Un-disputed Trade Receivables -Considered Good	-	-	-	-	-	-
Disputed Trade Receivable- Which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables -Credit Impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>6,131.92</b>	<b>15.00</b>	<b>18.37</b>	<b>175.91</b>	<b>7.72</b>	<b>6,348.92</b>

Trade Receivable ageing Schedule as on 31st March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6months -1 year	1-2 Years	2-3 Years	More Than 3 years	
Un-disputed Trade Receivables -Considered Good	5,184.80	23.95	199.70	4.28	3.77	5,416.50
Undisputed Trade Receivable- Which have significant increase in credit risk	-	-	-	-	-	-
Un-disputed Trade Receivables -Credit Impaired	-	-	-	-	-	-
Un-disputed Trade Receivables -Considered Good	-	-	-	-	-	-
Disputed Trade Receivable- Which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables -Credit Impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,184.80</b>	<b>23.95</b>	<b>199.70</b>	<b>4.28</b>	<b>3.77</b>	<b>5,416.50</b>

Note 10 : Cash and Cash Equivalents

Particulars	As on 31.03.2022	As on 31.03.2021
Cash and cash equivalents		
Balances with Scheduled banks	57.95	253.47
Cash on hand	7.24	6.15
<b>Total</b>	<b>65.19</b>	<b>259.62</b>

Note 11 : Other current financial assets

Particulars	As on 31.03.2022	As on 31.03.2021
Interest accrued on deposits	13.37	11.70
Interest receivable	32.96	22.49
Advances to Employees	13.43	17.89
Export Incentive Receivable	78.91	36.81
Other	1.67	-
<b>Total</b>	<b>140.34</b>	<b>88.89</b>

Note 12 : Other Current Assets

Particulars	As on 31.03.2022	As on 31.03.2021
Prepaid expenses	21.74	24.44
Advance for Expenses	11.29	11.35
Balances with government authorities	758.83	795.02
Advances to suppliers	607.11	374.12
<b>Total</b>	<b>1,398.97</b>	<b>1,204.93</b>

Nath Industries Limited

Notes to financial statements for the year ended March 31, 2022

**Note 13 : Equity Share Capital**

(Rs. in Lakhs)

Particulars		As on 31.03.2022		As on 31.03.2021
<b>Share capital</b>				
Authorised :		5,350.00		5,350.00
5,35,00,000 Equity Shares of Rs. 10/- each (Previous Year 5,35,00,000 Equity Shares of Rs 10 each)				
Issued, Subscribed and Fully Paid up :				
1,90,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,90,00,000 Equity Shares of Rs.10 each)		1,900.00		1,900.00
(a) Reconciliation of Number of Shares				
Issued, Subscribed and Fully Paid up :				
Equity Shares as on 01.04.2021		1,90,00,000		1,90,00,000
Add:- Issued During the year		-		-
<b>Total Equity Share capital As on 31.03.2022</b>		<b>1,90,00,000</b>		<b>1,90,00,000</b>
( b ) List of Shareholders holding more than 5% of the total Number of Share issued by the Company	No of shares	Holding %	No of shares	Holding %
M/s. Akash Farms LLP	69,27,809	36.46%	69,27,809	36.46%
M/s Ashu Farms LLP	59,39,745	31.26%	59,39,745	31.26%
M/s. Tapovan Paper Board Pvt Ltd	10,00,000	5.26%	10,00,000	5.26%

(c) Disclosure regarding Shareholding of promoters

Shareholding of Promoters as at 31st March 2022

Promoter Name	No of Shares	Holding %		% Change during the year
1. Akash Farms LLP	69,27,809	36.46%		-
2. Ashu Farms LLP	59,39,745	31.26%		-
3. Tapovan Paper and Board Pvt Ltd	10,00,000	5.26%		-

Shareholding of Promoters as at 31st March 2021

Promoter Name	No of Shares	Holding %		% Change during the year
1. Akash Farms LLP	69,27,809	36.46%		-
2. Ashu Farms LLP	59,39,745	31.26%		-
3. Tapovan Paper and Board Pvt Ltd	10,00,000	5.26%		-

Note 14 : Other equity

Particulars		As on 31.03.2022		As on 31.03.2021
Capital Subsidy		45.00		45.00
Capital Reserve		570.07		570.07
Forfeited Share App. Money		31.25		31.25
Share Premium		7,710.00		7,710.00
General Reserve		300.00		300.00
Retained Earnings				
Opening Balance		12,429.76		10,906.08
Add:- Net profit after Tax for the year		1,664.59		1,523.66
Total Retained earning		14,094.35		12,429.74
Other Comprehensive Income				
Opening Balance		(34.76)		(113.88)
Less: Other Comprehensive Profit / ( Loss) for the year		(179.53)		79.12
Total Other Comprehensive Loss		(214.29)		(34.76)
Total		22,536.38		21,051.30

Note 15 : Non-current Borrowings

Particulars		As on 31.03.2022		As on 31.03.2021
Term Loans from Financial Institutions		1,874.79		333.33
Vehicle Loan		23.01		39.85
Total		1,897.80		373.18

Note 16: Deferred Sales Tax Liabilities

Particulars		As on 31.03.2022		As on 31.03.2021
Deferred Sales Tax Liabilities - VAT		1,656.79		1,993.62
Deferred Sales Tax Liabilities - SGST		1,322.41		1,322.40
Total		2,979.20		3,316.02



**Note 17: Provisions (Non-current)**

Particulars		As on 31.03.2022		As on 31.03.2021
Provision for gratuity		450.10		382.68
Provision for leave encashment		105.43		107.58
<b>Total</b>		<b>555.53</b>		<b>490.26</b>

**Note No 18:- Deferred Tax Liabilities / (Asset)**

Particulars		As on 31.03.2022		As on 31.03.2021
<u>Deferred Tax Liability</u>				
Fixed Assets		2,784.54		2,709.50
<u>Deferred Tax Asset</u>				
Employee Benefit		205.57		199.64
Long Term Capital Loss		2.96		2.96
<b>Total</b>		<b>2,576.01</b>		<b>2,506.90</b>

**Note 19: Current Borrowings**

Particulars		As on 31.03.2022		As on 31.03.2021
Short Term Bank Borrowing		1,715.71		329.69
Inter-corporate Deposits		-		326.21
Current maturity of long term loans		462.12		381.63
Current maturity of Deferred Sales Tax Loan		514.71		281.90
<b>Total</b>		<b>2,692.54</b>		<b>1,319.43</b>

**Note 20 : Trade payables**

Particulars		As on 31.03.2022		As on 31.03.2021
Outstanding dues of micro and small enterprises		-		-
Others		2,608.74		2,589.91
<b>Total</b>		<b>2,608.74</b>		<b>2,589.91</b>

Trade Payables ageing Schedule as on 31st March 2022

Particulars	Outstanding for following periods from the due date of payment				Total
	Less Than 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	2,546.62	5.06	0.92	1.75	2,554.35
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	54.39	54.39
<b>TOTAL</b>	<b>2,546.62</b>	<b>5.06</b>	<b>0.92</b>	<b>56.14</b>	<b>2,608.74</b>

Trade Payables ageing Schedule as on 31st March 2021

Particulars	Outstanding for following periods from the due date of payment				Total
	Less Than 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	2,261.33	230.00	6.15	38.04	2,535.52
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	54.39	54.39
<b>TOTAL</b>	<b>2,261.33</b>	<b>230.00</b>	<b>6.15</b>	<b>92.43</b>	<b>2,589.91</b>

Note 21 : Other current liabilities

Particulars	As on 31.03.2022	As on 31.03.2021
Advance from customers	238.11	169.04
Trade deposits	297.41	208.18
Statutory Liabilities	223.66	230.12
Other Liabilities	143.68	135.71
<b>Total</b>	<b>902.86</b>	<b>743.05</b>

Note 22 : Provisions (Current)

Particulars	As on 31.03.2022	As on 31.03.2021
Provision for expenses	177.15	164.64
Provision for gratuity	84.77	136.98
Provision for leave encashment	5.92	6.36
Provision for bonus	59.71	51.99
<b>Total</b>	<b>327.55</b>	<b>359.97</b>

Note No 23-Current Tax Liabilities (Net)

Particulars	As on 31.03.2022	As on 31.03.2021
Current Tax Liabilities	265.76	416.98
	<b>265.76</b>	<b>416.98</b>

## Nath Industries Limited

Notes to financial statements for the year ended March 31, 2022

## Note 24 : Revenue from operations

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Manufacturing</b>		
Papers	30,727.00	21,001.38
Chemicals	10,246.64	7,824.41
Other revenues	746.11	289.40
<b>Trading</b>		
Waste papers	88.58	25.46
Chemicals	324.88	29.73
<b>Total</b>	<b>42,133.21</b>	<b>29,170.38</b>

## Note 25 : Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest income</b>		
- from banks	4.20	3.40
- from others	42.00	27.27
- from Income Tax Refund	46.72	1.11
<b>Profit on Sale of Investment</b>	<b>10.68</b>	<b>110.13</b>
<b>Dividend income</b>	<b>0.04</b>	<b>-</b>
<b>Insurance claim</b>	<b>7.64</b>	<b>7.17</b>
<b>Other miscellaneous income</b>	<b>55.65</b>	<b>20.41</b>
<b>Refund of Rates and Taxes(Notified)</b>	<b>17.59</b>	
<b>Total</b>	<b>184.52</b>	<b>169.49</b>

## Note 26 : Cost of material consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Raw materials</b>		
Opening stock	2,035.28	1,329.66
Add : Purchases	28,020.86	17,694.07
Less : Closing stock	(1,997.11)	(2,035.28)
<b>Total</b>	<b>28,059.03</b>	<b>16,988.45</b>

Note 27 : Purchase (Trading)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Waste paper	88.92	23.58
Acid	320.29	20.79
<b>Total</b>	<b>409.21</b>	<b>44.37</b>

Note 28 : Changes in inventories:-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of finished goods & work-in progress	970.16	1,154.92
Closing stock of finished goods & work-in progress	(1,676.06)	(970.16)
<b>Total</b>	<b>(705.90)</b>	<b>184.76</b>

Note 29 : Employee benefits expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries & wages	1,678.64	1,492.42
Contribution to provident fund and other funds	104.16	95.54
Staff welfare expenses	125.72	96.20
<b>Total</b>	<b>1,908.52</b>	<b>1,684.16</b>

Note 30 : Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on Working Capital	380.20	195.54
Interest on term loans	41.43	77.91
Interest on trade deposits	10.80	12.36
Interest on others	10.18	26.78
<b>Total</b>	<b>442.61</b>	<b>312.59</b>

Note 31 : Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Stores ,Spares & Packing Material Consumption	1,517.26	1,082.44
Power & fuel	4,896.99	3,410.82
Water charges	180.72	164.86
Repair to others	10.64	12.25
Repairs to building	5.73	4.13
Repairs to plant & machinery	270.70	207.66
Other Manufacturing Expenses	278.61	183.54
Hire charges - fork lift	20.30	16.44
Insurance charges	40.65	37.27

Transportation & materials handling	143.24	109.21
Technical consultation charges	38.10	33.00
Discount on sales	911.80	872.60
Freight outward charges	869.78	538.43
Bank charges	39.24	24.55
Processing charges - bank loan	-	1.39
Auditor's fees	3.50	3.50
GST Audit fees	0.50	0.50
Tax audit fees	3.00	3.00
Internal audit fees	3.00	2.75
ITC reversal due to OGS/BT	-	1.89
Corporate social responsibility expenses	30.00	18.00
Donation	2.76	2.14
Legal & professional fees	285.19	179.39
License, inspection and testing charges	11.50	3.80
Listing fees	3.00	3.00
Membership fees & subscription	4.53	4.20
Depository service charges	3.02	3.65
Business Development / Business promotion expenses	5.41	8.81
Computer expenses	8.14	10.05
Conveyance	17.60	12.22
Corporate office expenses	14.10	4.52
Garden expenses	7.46	6.81
Motor car expenses	27.68	17.14
Stamp Duty Expense	29.22	129.51
Other expenses	59.58	48.47
Postage & telegram	2.89	3.61
Printing & stationery	9.28	7.96
Prior Year Expenses	0.39	8.57
Rent, rates & taxes	39.63	58.04
Security services	33.85	33.86
Sundry balances written off	46.64	31.00
Telephone Expenses	6.37	5.56
Traveling expenses	19.04	7.31
<b>Total</b>	<b>9,901.04</b>	<b>7,317.84</b>

Note 32 : Current Tax

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax	449.96	643.75
Income Tax Adjustment of Earlier years	(554.93)	-
	<b>(104.98)</b>	<b>643.75</b>

**Note No.:33****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 31.03.2022	As on 31.03.2021
Net Debts* (A)	7,569.54	5,008.63
Equity ** (B)	24,436.38	22,951.30
Debt Equity Ratio (A/B)	0.31	0.22

\* Net Debts includes Non-Current borrowings, Deferred Sales Tax Liability and Current borrowings.

\*\* Equity Includes share 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:-

Particulars	(Rs. In Lakhs)	
	As on 31.03.2022	As on 31.03.2021
Trade Receivables	6,348.92	5,416.50
Loans and Advances	38.19	307.19
<b>TOTAL</b>	<b>6,387.11</b>	<b>5,723.69</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 accending 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 drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company is required to pay. The table includes principal cash flows.

(Rs. In Lakhs)

Particulars	F.Y. 2021-22		F.Y. 2020-21	
	Upto 1 Year	Above 1 Year	Upto 1 Year	Above 1 Year
Term Loan	462.12	1,897.80	381.63	373.18
Deferred Sales Tax Liabilities	514.71	2,979.20	281.91	3,316.03

#### c. Maturities of financial assets:-

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

(Rs. in Lakhs)

Particulars	F.Y. 2021-22		F.Y. 2020-21	
	Upto 1 Year	Above 1 Year	Upto 1 Year	Above 1 Year
<b>Non-current Financial Assets:-</b>				
Security Deposits	-	386.95	-	418.01
Fixed Deposit with Bank	-	28.90	-	16.29
Loans and Advances	-	367.61	-	657.84

**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.: 34**

**Employee Benefits:**

**Provident Fund:**

During the year, the Company has recognized the following amounts in the Profit & Loss Account.  
(Rs. in Lakhs)

Particulars	FY 2021-22	FY 2020-21
Employers Contribution to Provident Fund	85.16	77.40
Employers Contribution to ESIC	18.83	17.96
Employers Contribution to Labour Welfare Fund	0.17	0.18

**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	31.03.2022			31.03.2021		
	Unit Rama Paper	Unit Nath Chemicals	Unit Nath Paper	Unit Rama Paper	Unit Nath Chemicals	Unit Nath Paper
Discount Rate	7.11%	7.11%	6.82%	6.75%	6.72%	6.04%
Salary Escalation Rate	5.00%	5.00%	7.00%	5.00%	5.00%	7.00%
Expected rate of return Plans assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected average remaining service of employee in the number of years	15	13	8	13	14	8

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2022

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

(Rs. in Lakhs)

Change in present value of Obligation	As on 31.03.2022	As on 31.03.2021
Present Value of Obligation as at the beginning of the year	519.66	529.55
Interest Cost	34.75	33.08
Current Service Cost	26.81	25.33
Benefit Paid	-39.88	-51.41
Actuarial (gain) /loss on obligation	-6.46	-16.89
Present value of Obligation as at the end of the year	534.88	519.66



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

<b>Change in Fair value of Plans Assets</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Fair Value of plan Assets as at the beginning of the year	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 the end of the year	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>31.03.2022</b>	<b>31.03.2021</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	534.88	519.66
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>534.88</b>	<b>519.66</b>

**e. Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2022:-**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Current Service Cost	34.75	25.33
Interest Cost	26.81	33.08
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	-6.46	-16.89
Past Service cost	-	-
Net Gratuity (income) / expense	<b>55.10</b>	<b>41.52</b>

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

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
Present value of obligation	534.88	519.66
Fair value of plan assets	-	-
(Surplus) / Deficit	534.88	519.66

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:-

Particulars	(Rs.in Lakhs)	
	31.03.2022	31.03.2021
Liability for leave encashment and compensated absence	111.35	113.93

**Note No.: 35**

**Secured Loans**

**a. Working Capital and Term Loan:-**

Loans Repayable on demand or on due date and GECL availed from the State Bank of India is primarily secured by Hypothecation of present and future stock of raw materials, Stock in process, finished goods, Stores & spare parts and Book debts.

Term loan availed from the State Bank of India for Thionyl Chloride (TC) plant is primarily secured by the TC plant. During the year, State Bank of India has sanctioned Rs. 12.50 Cr for installation of co-generation power plant and Rs. 22.50 cr for enhancement of manufacturing capacity of Sulphuric Acid plant from existing capacity of 100 TPD to 320 TPD. Both the term loans are primarily secured by the present and future assets of Co-generation and Sulphuric Plant.

All the above facilities are 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 and existing leasehold land and building bearing Survey No 621/P, 58/P, 56/P, 136/P, 137/P situated at Industrial Plot No 294, 295 and 296/P, within the limits of Chirri and Chanod, Vapi, Taluka Pardi, Dist Valsad – 396195 admeasuring 39,020 sq mtrs,

- b. Working capital term loan availed from Aditya Birla Finance Limited is secured by registered mortgage on land at
- i. Gut No 50/2, 50/3 and 50/6 at Wahegaon and Gut No 54/1, 54/2, 54/3 and 54/5 50/5, 50/6 and 54/1 at Issarwadi, both lands at Tal. Paitha, Dist Aurangabad owned by the company admeasuring 30.59 acres
  - ii. Gut No 321, 322, 323, 324 and 37/8 at Wahegaon Tal Paithan, Dist. Aurangabad admeasuring 31.89 acres and
  - iii. Utsah Bunglow, Ground Floor at Plot No 3, CTS no. 20186 bearing Municipal no 5-14-67, Adalat Road, Aurangabad owned by Mrs Jeevanlata Kagliwal admeasuring 1598 sq ft. and
  - iv. Utsah Bunglow, First Floor at Plot No 3, CTS no. 20186 bearing Municipal no 5-14-67, Adalat Road, Aurangabad owned by Mr Akash Kagliwal admeasuring 1598 sq ft. and portion admeasuring 305 sq ft on second floor.

- 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.2021-22		F.Y. 2020-21	
Upto 1 Year	1 to 3 years	Upto 1 Year	1 to 3 years
462.12	1,897.80	381.63	373.18

**Note No.:36**

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

Value of Imported and Indigenous Material and Components consumed as on 31<sup>st</sup> March 2022 is as under: (on CIF Basis)

(Rs. In Lakhs)

Account Head	F.Y. 2021-22		F.Y. 2020-21	
	Rs. in Lakhs	%	Rs. in Lakhs	%
<b>(a) Raw Material</b>				
Imported	14,392.50	51.29	6,736.23	39.65
Indigenous	13,666.53	48.71	10,252.22	60.35
<b>Total</b>	<b>28,059.03</b>	<b>100.00</b>	<b>16,988.45</b>	<b>100.00</b>
<b>(b) Stores and Spare Part</b>				
Imported	24.50	1.61	29.66	2.74
Indigenous	1,492.76	98.39	1,052.77	97.26
<b>Total</b>	<b>1,517.26</b>	<b>100.00</b>	<b>1,082.43</b>	<b>100.00</b>

**Note No.: 37**

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

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

(Rs. in Lakhs)

	As on 31.03.2022	As on 31.03.2021
<b>Assets</b>		
(a) Deferred tax assets arising on account of timing differences:-		
(i) Unabsorbed capital loss	2.96	2.96
(ii) Employee Benefits	205.57	199.64
<b>Liability</b>		
(b) Deferred Tax Liabilities arising on account of timing differences in WDV	2,784.54	2,709.50
<b>Net Deferred Tax Asset</b>	-	-
<b>Net Deferred Tax Liability</b>	<b>(2,576.01)</b>	<b>(2,506.90)</b>

**Note No.:38**

**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 Vijay Saboo ,Chief Financial Officer  
Ms Nupur Lodwal ,Company Secretary

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

Mrs. Jeevanlata Kagliwal  
Shri Hitesh Purohit, 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)

Sr. No.	Particulars	Year Ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> march 2021
1)	Remuneration paid to Key Managerial Personnel and Relatives	119.01	97.92

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 Tapovan International Trading Private Limited
- iii. Mrs Sweta Kagliwal
- iv. N Kagliwal Education & Research Foundation.

- 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. 2021-22	F.Y. 2020-21
i.	Tapovan International Trading Pvt Ltd	Purchase of waste paper	3,378.91	2,193.01
ii.	Akash Farms LLP	(Advance received )	(0.23)	(85.50)
iii.	Mrs. Sweta Kagliwal	Consultancy Fees paid in her professional capacity	15.00	15.00
iv	N Kagliwal Education & Research Foundation.	Advance given/(Return of Advance given) for CSR Expense	(39.00)	81.20

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

(Rs. in Lakhs)

Sr No	Name	As on 31.03.2022	As on 31.03.2021
i.	Tapovan International Trading Pvt Ltd	424.51(cr)	508.01 (cr)
ii	Akash Farms LLP	0.23 (cr)	-

iii.	Mrs. Sweta Kagliwal	13.50 (cr)	13.88 (cr)
iv	N Kagliwal Education & Research Foundation.	37.20(Dr)	106.20(Dr)

**Note No.:39**

**Contingent Liabilities not provided for :**

(Rs. in Lakhs)

<b>Particulars</b>		<b>As on 31.03.2022</b>	<b>As on 31.03.2021</b>
i)	Bank Guarantee given to the DGVCL	169.00	169.00
ii)	Bank Guarantee given to the GPCB	7.50	7.50
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. Commissioner (Appeals) has remanded back the case to Adjudicating officer.	333.92	333.92
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	8.84
vi)	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	600.00
vii)	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.	-	-
viii)	Disputed demands of Water Cess (MPCB)	15.98	15.98
ix)	Disputed demand of Property Tax from Wahegaon Gram Panchayat	27.13	27.13
x)	Deferred sales tax Liability transferred to another Company (with recourse) in earlier year	1,586.36	1,586.36
xi)	Capital Commitments :- Estimated amount of contracts remaining to be executed and not provided for tangible assets	1,706.35	27.86
xii)	Income Tax Liability:- Department has preferred appeal before Bombay High Court against the order of ITAT which are in favour of the company for A.Y. 2007-08 and A.Y. 2009-10. No provision is made for Rs. 58.61 Lakhs and Rs. 47.33 lakhs for the A.Y. 2007-07 and A.Y. 2009-10 respectively in case the Bombay High Court decides the matter against the Company.	105.94	-

**Note No.:40****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. 2021-22</b>	<b>F.Y. 2020-21</b>
<b><u>Earnings in Foreign Exchange:-</u></b>		
Receipt against Export of Goods	6,962.25	3,431.68
<b><u>Expenditure in Foreign Currency:-</u></b>		
Purchase of Imported Raw Materials	12,265.94	7,370.06
Purchase of Imported Stores	24.50	29.66
Purchase of fixed asset	59.28	36.05
<b><u>Foreign Exchange Gain / (Loss)</u></b>	<b>56.58</b>	<b>9.61</b>

**Note No.:41****Segment Reporting :****i) Primary Segment:-**

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)	31,530.25	10,602.96	42,133.21
Other Income	114.26	70.26	184.52
<b>Total Revenue</b>	<b>31,644.51</b>	<b>10,673.22</b>	<b>42,317.73</b>
Expenses	30,217.05	9,354.85	39,571.90
Depreciation	409.89	264.60	674.49
<b>Operating Income</b>	<b>1,017.57</b>	<b>1,053.77</b>	<b>2,071.34</b>
<b>Un-allocable Expenses</b>			
Finance Cost			442.61
<b><u>Un-allocable Tax</u></b>			
Income Tax incl earlier year adjustments			-104.98

Deferred Tax			69.11
Total Unallocable Expenses			-35.87
Profit after tax			1,664.60
<b>Other Information</b>			
<b>Assets</b>			
Non Current Assets	15,962.30	9,799.26	25,761.56
Current Assets	10,915.69	2,565.12	13,480.81
<b>Equity and Liabilities</b>			24,436.38
Non Current Liability	5,275.44	2,500.18	7,775.62
Current Liability	6,037.27	993.10	7,030.37

**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. 2021-2022			F.Y. 2020-2021		
	Domestic	Export	Total	Domestic	Export	Total
Revenue	35,170.96	6,962.25	42,133.21	25,738.69	3,431.68	29,170.37
Carrying Amount of Trade Receivable	6,215.49	133.43	6,348.92	4,790.08	626.42	5,416.50
Carrying amount of Current Assets other than Trade Receivable	6,900.23	-	6,900.23	5,700.58	-	5,700.58

**NOTE No.:42**

**Deferred Sales Tax Liability**

Nath Industries Limited –Unit Nath Paper was the beneficiary of Package Scheme of Incentive (PSI-1988) of Government of Maharashtra upto 2008-09. As per the scheme Unit-Nath Paper was eligible to defer its VAT 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 instalments.

The Department of Industries, Government of Maharashtra has further sanctioned vide their letter dated 07.12.2015 the Eligibility for the unutilized 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 been valued at Book value, which would have been Rs 2,121.76 lakhs if valued at Fair Value as required under the IND AS -113 Fair Value Measurement. Company has recognized the same at its Book value considering the fact that the company is liable to pay the entire dues to the Government of Maharashtra as per the schedule of repayment.

**Note No.:43****Earning Per Share:**

The net profit 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)	1,628.73	2,164.69
Tax Provision (Net of MAT Credit and earlier year tax adjustment) (Rs. in Lacs)	-35.86	641.03
<b>Profit after tax</b>	<b>1,664.59</b>	<b>1,523.66</b>
Weighted Average Number of Equity Shares	1,90,00,000	1,90,00,000
Basic & Diluted Earning per Share (EPS)	8.76	8.02
Face Value per share Rs.	10	10

**Note No.:44****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.:45****Corporate Social Responsibility (CSR) in terms of section 135 of Companies Act:**

(Rs.in Lakhs)

<b>Corporate Social Responsibility Expenditure</b>	<b>F.Y.2021-22</b>	<b>F.Y.2020-21</b>
(a) Gross amount required to be spent by the Company for the year @ 2% of average profit of last 3 years	30.00	18.00
(b) Expenditure towards Corporate Social Responsibility Activities incurred	30.00	18.00
(c) Shortfall at the end of the year	-	-
(d) Total of Previous years shortfall	-	-
(e) Reasons for shortfall	N.A.	N.A.
(f) Nature of CSR Activity	Education	Education
(g) Details of Related Party Transactions	(39.00)	106.20



**Note No: 46****Additional Regulatory Information: -****a. Title Deeds of Immovable Properties not held in the name of the Company:-**

Particulars	Description of Property	Gross Carrying Value (Rs in lakhs)	Title Deeds held in the name of	Whether Title Deed holder is a promoter, director or relative of promoter/Director or employee of promoter/director	Property Held Since date	Reason for not being held in the name of the company
Property, Plant and Equipment	Freehold Land at Gut no 319 to 324, 50/2 to 50/6, 37/3 at Wahegaon, Gut no 54/1 to 54/5 at Issarwadi, Gut no 26/1 at Pimpalwadi, Gut no 124 at Muddalwadi. All land parcels situated at Tal Paithan, Dist Aurangabad	5136.64	Nath Pulp and Paper Mills Limited	No	Merger order dated 22.08.19	Nath Pulp and Paper Mills Limited and Nath Industrial Chemicals Limited were amalgamated with Nath Industries Limited vide NCLT order dated 22.08.2019. Process for transfer of title of Freehold Land and Lease hold Land in the name of Transferee Company from the transferor Companies is under process.
	Leasehold land at Plot No 294,295 and 296, IInd Phase, GIDC, Vapi, Gujarat – 396 195	4298.60	Nath Industrial Chemicals Limited	No	Merger order dated 22.08.19	NCLT order dated 22.08.2019. Process for transfer of title of Freehold Land and Lease hold Land in the name of Transferee Company from the transferor Companies is under process.

**b. Particulars of Loans and advance in the nature of Loans:-**

(Rs.in Lakhs)

Relation	Name of the Party	Amount of Loan or advance in the nature of loan outstanding	% to the total Loans and Advances in the nature of Loans
Related	N Kagliwal Education and	37.20	97.41%

Party	Research Foundation		
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c. The Company is enjoying working capital facility of Rs. 4100.00 lakhs from the State Bank of India. Quarterly and half yearly statements submitted to the bank are in agreement with the books of accounts.

d. Charges pending for satisfaction with the Registrar of Companies (ROC):-

(Rs. in lakhs)

Sr No	Name of the Institution	Date	Charge Id	Amount	Reason
1	State Bank of Hyderabad	16/10/1996	90218043	554.00	All these pending charges of the transferor company Nath Pulp and Paper Mills Limited which got merged with Nath Industries Limited. All the dues are already paid off and the company is in the process of completing the formalities for satisfaction of charges.
2	HDFC Bank	25/03/1994	90218974	55.00	
3	Oman International Bank	02/06/1992	90217584	100.00	
4	Oman International Bank	10/01/1991	90217468	100.00	
5	Oman International Bank	07/09/1990	90217434	100.00	
6	The ICICI Ltd	30/11/1990	90216159	1800.00	
7	Industrial Development Bank of India	08/11/1989	90217359	350.00	
8	Industrial Credit and Investment Corporation of India Limited	08/11/1989	80046543	175.00	
9	Industrial Development Bank of India	18/03/1989	90217303	326.00	
10	H.D.F.C.	27/02/1987	90218825	26.00	
11	The ICICI Ltd	08/06/1980	90216700	16.00	
12	The ICICI Ltd	05/04/1978	90216641	35.00	
13	IDBI Bank	18/02/1978	90219906	76.75	
14	Central Bank of India	20/09/1976	90219901	19.13	
15	Industrial Finance Corporation of India	08/11/1989	80046544	175.00	
16	IFCI	11/02/1981	90216734	16.00	
17	IFCI	14/04/1980	90216696	12.00	

e. Ratios:-

Sr No	Ratio	Numerator	Denominator	Current Year	Previous Year	Change	Reason
1	Current Ratio	Total Current Assets	Total Current Liabilities	1.95	1.92	1.41%	
2	Debt-Equity Ratio	Debt Consist of Borrowing from Financial Institutions, Deferred Sales Tax Liability and Unsecured Loans	Total Equity	0.31	0.22	41.95%	More utilization of current borrowing in current year due to increased operation , hence debt to equity ratio is high as compared to previous year.
3	Debt Service Coverage Ratio	Net Profit After Tax +Non Cash Operating Expense +Finance Cost+ Other Non-cash adjustment	Finance Cost + Principal Payment	2.64	4.07	-35.02%	Repayment of CCECL loan started in Current year and repayment of Term Loan installment resulted in increase in principal repayment.
4	Return on Equity	Net Profit after Tax	Average Total Equity	88%	80%	9.25%	
5	Inventory Turnover Ratio	Revenue from Operations	Average Inventory	11.05	9.05	22.06%	
6	Trade Receivable Ratio	Revenue from Operations	Average Trade Receivable	7.16	5.88	21.90%	
7	Trade Payable Turnover Ratio	Purchases + Trading Purchases + Other Expense	Average Trade Payable	14.76	10.44	41.29%	Because of prompt payments to trade payables, trade payable turnover ratio is improved from 10.44 to 14.76
8	Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital Ratio	7.35	7.36	-0.02%	
9	Net Profit	Net Profit for the	Revenue from	3.95%	5.22%	-24.36%	

	Ratio	year	Operations				
10	Return on Capital Employed	Profit before Tax and Interest	Net worth + Total Debts	6.47%	8.86%	-16.39%	

**Note No.:47**

**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  
 Partner  
 M.No.: 056156  
**UDIN:- 22056156AKGCRT6561**  
 Place : Mumbai  
 Date: 30<sup>th</sup> May 2022

Akhilesh K. Sharma  
 Director  
  
 Abhaykumar Jain  
 Director