

NATH INDUSTRIES LIMITED

(Formerly Known as RAMA PULP AND PAPERS LIMITED)
CIN No. L21010MH1980PLC022820

Regd. Office: Nath House, Nath Road, Aurangabad-431 005, Maharashtra
Admn. Office: 1, Chateau Windsor, 86, Veer Nariman Road, Charchgate, Mumbai-400 020.
Tel.: 22875653/54, Website: www.nathindustries.com E-mail: info@nathindustries.com | investor@nathindustries.com

August 28, 2024

To,
BSE Ltd.,
PJ Tower, Dalal Street,
MUMBAI - 400 001.

Scrip Code: 502587

Dear Sir,

Ref: Regulation 34 of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015

Sub: Notice of 42nd Annual General Meeting and Annual Report for the Financial Year 2023-24

We wish to inform that 42nd Annual General Meeting (AGM) of the Members of the Company will be held on Friday, the 27th September, 2024 at 12:30 p.m. through Video Conferencing (VC)/Other Audio-Visual Means (OAVM).

We enclose herewith Notice of 42nd AGM and Annual Report for the FY 2023-24 for your records. The 42nd AGM Notice and Annual Report are uploaded on the website of the Company at www.nathindustries.com

Register of Members and Share Transfer Book of the Company will remain closed from 24th September, 2024 to 26th September, 2024 (both days inclusive) for the purpose of Annual General Meeting.

The cut-off date for reckoning voting of the members is 20th September, 2024. The remote e-voting will be available from 24th September, 2024 (at 9:00 a.m. IST) and ends on 26th September, 2024 (at 5:00 p.m. IST). Voting at AGM is also available through e-voting.

Kindly note that the soft copies of the Notice and Annual Report 2023-24 is being dispatched to the members of the company through e-mail.

Thanking you,

Yours faithfully,
For NATH INDUSTRIES LIMITED


AUTHORISED SIGNATORY

Encl: As above

NATH INDUSTRIES LIMITED

42ND ANNUAL REPORT

2023-24

| | |
|--|---|
| <p>Registered Office</p> <p>Nath House, Nath Road Aurangabad- 431005 Maharashtra</p> <p>Corporate Office</p> <p>1, Chateau Windsor, 86, Veer Nariman Road, Churchgate, Mumbai – 400 020</p> | <p>Units:</p> <p>i) Rama Paper Plot No. 293-296, Phase II, G.I.D.C., Vapi – 396195 Gujarat.</p> <p>ii) Nath Paper Nath Nagar (north), Village Wahegaon, Taluka Paithan, Dist. Aurangabad.</p> <p>iii) Nath Chemical Plot No. 295, Phase II, G.I.D.C., Vapi – 396195 Gujarat</p> |
| <p>Directors:</p> <p>Shri Akash Kagliwal Shri Abhaykumar Jain Shri Kashinath Iyer Ganapathy Shri Hitesh Purohit Shri Madhukar Deshpande Ms. Nupur Lodwal</p> <p>Company Secretary:</p> <p>Ms. Nupur Lodwal</p> | <p>Statutory Auditors:</p> <p>N R Agrawal & Co Chartered Accountants</p> |
| <p>Registrar & Share Transfer Agent:</p> <p>Big Share Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Makwana Road Marol, Andheri-East, Mumbai-400059</p> | <p>Bankers</p> <p>State Bank of India</p> |

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd **ANNUAL GENERAL MEETING** of **NATH INDUSTRIES LIMITED** will be held on Friday, 27th September, 2024 at 12.30 P.M. through Video Conferencing (VC)/ other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS.

To receive, consider and adopt Audited Balance Sheet of the Company as at March 31, 2024 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 Ms Nupur Lodwal (DIN 10150318) as Director of the Company, who retires by rotation and being eligible, offer herself for re-appointment.

SPECIAL BUSINESS:

3. RE-APPOINTMENT OF MR KASHINATH IYER GANAPATHY AS AN INDEPENDENT DIRECTOR

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the LODR Regulations”) [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee, and that of the Board, Mr Kashinath Iyer Ganapathy (DIN: 01195975), who holds office as an independent director up to 20th March , 2025, be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term of 5 (five) years with effect from 21st March 2025 up to 20th March 2030.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution

4. TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2024-2025

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. , M/S RAJA DUTTA

& CO, Cost Accountants (Firm Registration no. 101555, Membership No-30063) appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on March 31, 2025, amounting Rs. 50,000/- (Rupees Fifty Thousand Only) plus Goods and Service tax and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved.”

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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 . The Notice can also be accessed from the websites of the Stock

Exchanges i.e. BSE at 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.

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 2023-24 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 2023-24 will also be available on the Company's website www.nathindustries.com, website of the Stock Exchange i.e. BSE Limited at 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 24th September 2024 to 26th September 2024 both days inclusive.
14. As there is special business, hence Explanatory Statements is given herewith this notice, 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 JOIN MEETING ARE AS UNDER: -

The remote e-voting period begins on 24.09.2024 at 09:00 A.M. and ends on 26.09.2024 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., 20.09.2024, 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 20.09.2024.

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"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home 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 e-Voting service provider i.e. NSDL and |

| | |
|---|---|
| | <p>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.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 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 e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>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.</p> |

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 evoting@nsdl.com or call at no.: 022-4886 7000 |
| 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 helpdesk.evoting@cdslindia.com or the CDSL helpdesk number 1800-21-09911 |

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:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

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

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?

1. 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.
2. 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.

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.com. 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 to reset the password.
2. 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 or call on no.: 022 – 4886 7000 or send a request to Mr Sanjeev Yadav of NSDL Official at evoting@nsdl.com

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
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 . 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.com 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 . 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) from 26th September, 2024 (9:00 a.m. IST) to 26th September, 2024 (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
Akash Kagliwal
Managing Director
(DIN: 01691724)

CIN: L21010MH1980PLC022820

Registered Office:

Nath House, Nath Road, Aurangabad 431 005.

Email: investor@nathindustries.com

Date : 26.08.2024

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

ITEM NO 3

RE APPOINTMENT OF MR KASHINATH IYER GANAPATHY AS INDEPENDENT NON EXECUTIVE DIRECTOR

Mr Kashinath Iyer Ganapathy was appointed as an independent director of the Company pursuant to Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (“the Appointment Rules”) by the Board, effective 21.03.2020, to hold office up to 20.03. 2025. The members at the AGM held on 30.09.2020 had approved the same. He is due for retirement from the first term as an independent director on 20.03.2025. The Nomination and Remuneration Committee (NRC), after taking into account the performance evaluation of Mr Kashinath Iyer Ganapathy during his first term and considering his knowledge, expertise, experience and substantial contribution and time commitment, has recommended to the Board his reappointment for a second term of 5 (five) years.

Based on the recommendation of the NRC, the Board, recommended the reappointment of Mr Kashinath Iyer Ganapathy as an independent director, not liable to retire by rotation, for a second term of 5 (five) years effective 21.03.2025, to 20.03.2030 (both days inclusive). As per Section 149 of the Act, Mr Kashinath Iyer Ganapathy fulfills the requirements of an

independent director as laid down under Section 149(6) of the Act, and Regulation 16(1)(b) of the LODR Regulations. The Company has received notice in writing pursuant to Section 160 of the Act, from a member proposing the reappointment of Mr Kashinath Iyer Ganapathy for the office of independent director under the provisions of Section 149 of the Act. The Company has received all statutory disclosures / declarations from Mr Kashinath Iyer Ganapathy, including:

- (i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Appointment Rules,
- (ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and
- (iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

In the opinion of the Board and based on its evaluation, Mr Kashinath Iyer Ganapathy fulfils the conditions specified in the Act, and Rules made thereunder and LODR Regulations for his reappointment as an independent director of the Company and he is independent of the Management of the Company.

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

ITEM 4

TO RATIFY THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2024-2025

The Company is directed under the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, to have the audit of its cost records conducted by a Cost Accountant. Further, in accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board, on recommendation of the Audit Committee has approved the appointment and remuneration of M/s. , M/S RAJA DUTTA & CO, Cost Accountants (Firm Registration no. 101555, Membership No-30063) as Cost Auditors of the Company to conduct the audit of the cost records of the company for the Financial Year 2024-25 at a fee of Rs. 50,000/- plus applicable taxes and reimbursement of out of pocket expenses, as remuneration.

In pursuance of Section 148 of the Companies Act 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Accordingly consent of the members is sought by way of an Ordinary Resolution as set out in Item No. 4 of the Notice for ratification of the remuneration amounting to Rs. 50,000/- plus applicable taxes and reimbursement of out-of-pocket expenses, as remuneration.

Hence this resolution is put for the consideration of the shareholders.

The Board recommends an Ordinary Resolution set out at Item No 4 in the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the accompanying Notice.

For Nath Industries Limited
Akash Kagliwal
Managing Director
(DIN: 01691724)

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

| | |
|--|---|
| NAME OF DIRECTOR | Mr Kashinath Iyer Ganapathy |
| DIN | 01195975 |
| Date of Birth | 13.09.1952 |
| Qualification | B.Com |
| Expertise in specific Functional areas | Wide business experience across variety of industries |
| Director in other Public Companies | No |
| Chairman/ Member of Committees of other Companies | No |
| No of shares held in the Company | NIL |

DIRECTORS' REPORT

Dear Shareholders,

We have the pleasure in presenting the 42nd Annual Report of the Company and the audited statement of accounts for the year ended 31st March, 2024.

FINANCIAL PERFORMANCE

A summary of the financial results is given below:

(Rs. In Crores)

| FINANCIAL RESULTS | | |
|---|-------------------|-------------------|
| Particulars | Year Ended | |
| | 31.03.2024 | 31.03.2023 |
| Total Income | 325.22 | 414.12 |
| Profit before Interest & Depreciation | 16.92 | 12.36 |
| Interest & Depreciation | 16.15 | 12.14 |
| Profit before Tax | 0.77 | 0.22 |
| Provision for Taxes | 0.28 | -2.45 |
| Surplus for the year | 0.49 | 2.67 |
| Other Comprehensive Income | 1.57 | -3.84 |
| Total comprehensive Income for the year | 2.06 | -1.17 |
| Earnings per Share (Rs.) | 0.26 | 1.41 |

REVIEW OF OPERATIONS

The company is operating mainly two segments

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

The Company achieved Total Income of Rs. 325.22 Cr as compared to Rs. 414.12 Cr recorded in previous year. The fall in turnover was because of lower utilization of capacities due to shutting downs of plants for Capacity Expansion, Modernization and Energy Saving Projects undertaken by the Company.

We are pleased to inform to the stake holders that as all the projects undertaken by the company have successfully been implemented and the company is going to have very good results in the ensuing year.

The projects under taken by the company for Rs 90 Crores outlay consisted mainly of the expansion of capacity and cost reduction projects viz

- Installation of co-generation power plant of 2 MW unit Rama Paper,
- Enhancement of sulphuric acid manufacturing capacity from 280 TPD to 500 TPD and installation of 3.3 MW Turbine,
- Installation of efficient online coating machine with capacity of 9000 TPD p.a. and
- Installation of pulping street offering flexibility in uses of raw materials

All the above projects were completed in last quarter of the year and now operational at its planned capacities.

For implementation of above projects, synchronization with existing set up, trial runs and addressing initial teething issues, the plants were required to shut down frequently which impacted the performance of the company. Revenue from operation was decreased from Rs. 414.12 Cr to Rs. 325.22 Cr. However, despite drop in turnover, under utilisation of its capacities, and under recovery of overheads, the company was able to record Profit Before Tax of Rs. 0.77 Cr as against Rs. 0.22 Cr recorded in previous year.

Apart from the projects, the operations of Paper Divisions were also impacted due to continuation of war between Russia-Ukraine and freshly broken out war between Iran-Israel. The sanctions placed by United Nations and European Nations resulted in weak global demands which adversely impacted industries in India having exports. Similarly, the sanctions also resulted in short supply of few commodities, sudden increase in ocean freights, refusal by insurance companies to take risk exposure on middle east route disrupted the scheduled supplies which adversely impacted supply chain. It was a double whammy situation which also impacted operations as well as the margins. Further the measures taken across the world to control inflation also resulted in decrease in consumption which also led to reduction in demand. Increase in interest rates also further added to demand cycle adversely. Mismatch in supply and demand also resulted in pressure on margins.

In Chemical Unit, Company has successfully commissioned new plant of Sulphuric acid manufacturing with capacity of 320 TPD by replacing old plant of 100 TPD capacity and now the total capacity of sulphuric acid manufacturing is 500 TPD. The commissioning of new plant involved dismantling of existing plant and installing a new plant for which the operations of plant no. 1 were shut for almost 9 months. Company has also installed 3.3 MW turbine in the place of 2 MW Turbine, which will generate electricity from the steam generated in manufacturing process sufficient enough to fulfil the electricity requirement of chemical unit. With 500 TPD capacity, Unit will have surplus steam which can be exported to paper division or can be exported as Green Energy to other companies. This will bring additional revenue to the company.

Despite all these odds, company is profitable and generating profits because of its customised product offerings, flexibility in manufacturing profitable product mixes and ability to use different variety of raw material mix. Installation of co-generation power plant in Unit Rama Paper will substantially reduce the requirement of electricity from grid. Installation of 3.3 MW turbine will make electricity requirement from grid of Unit Nath Chemical virtually zero and it will have surplus steam and power which can be exported to paper division or exported to others as green energy.

The continuous efforts in research and developments in its customised paper product offerings have resulted in global demand for its paper. Company has accredited with **“TWO STAR Export House”** by the Directorate General of Foreign Trade in recognition of its export performance. Company is again honoured with **“Export Excellence Award”** Gold for FY 2020-21 and Silver for FY 2021-22 in Multi Product (Non-MSME) category by Federation of Indian Export Organization, Western Region. Company is recipient of this award for 4 consecutive years.

PAPER DIVISION

Despite planned shutting downs of paper plants for installation of Co-generation power plant, installation of new coating machine, new pulping street and challenges in supply chain management because of on-going wars between Russia-Ukraine and Israel-Iran, the paper division has recorded total income of Rs. 267.82 Cr as against the turnover of Rs. 304.63 Cr recorded in previous year. The war posed challenges in the form of sudden increase in ocean freights, denial of marine and other insurance coverages by the insurance companies to some countries which resulted in postponement of despatch schedules.

However things are normalized now and company is witnessing revival of demand in both domestic as well as overseas market.

CERTIFICATIONS

Certifications and awards do have a significant impact on a company's Growth journey. reflecting its credibility, and reputation. On its continued journey to achieve Excellence, Company is awarded the status of **2 Star Export house**. At the same time Company's compliances of sustained **Eco friendly and Save Environment** moves dedicated to afforestation have, persuaded the World forestry organization **FSC COC** to continue the validation for following code of conduct for its products quality. In order to match the Global standards of procedure the company adheres to **ISO 9001:2015 and 14001:2015**

The excellence in quality of products has crowned your company to receive "**Export Excellence Award**"- **Gold** in Multi Products Category for three years consecutively for year **2018-2019**, year **2019-2020** and year **2020-2021**. More proudly the company placed itself in a Global leadership position in related segments.

PRODUCTS AND NEW PRODUCTS LAUNCH

Company's existing products range of **Absorbent Kraft , Bag Kraft (Mac D) , MG White Tissue , Colour tissue and Gift Tissue** are well established and has Global acceptance. This year company proposes to launch a niche grade in Absorbent kraft to be named as **Diamond** to fill in the space created by shifting of country's few premiere producers to other areas. Good margins and an edge over quality along with vital growth is assured with our presence in this segment. Last year your company had successful launched the kraft for square bottom paper bags named as Mac D to support state's ban on Single use Plastic movement. The Mac D Kraft/ Shoppers Bags Kraft are now well accepted.

Other product produced by Company such as One Time Carbon Base Paper and print Transferring Base paper are already well accepted and moving in Global markets.

Unstoppable move and continuous Research & Development work in laboratory to evaluate and develop new products is scheduled to come out with new elite products like Gold Rust and Masking paper, Protection paper by this year end or early 2025, are slated only to bring higher revenue and reputation to the company.

MARKETING STRATEGIES

Plans of action set to achieve specific business goals and objectives is all time vision for Company's Marketing strategies to promote and channelise it's policy to increase the sales and revenues and attain sustainable advantage in markets. Consistency in product's quality and sales after service per excellence contribute an important role in expanding and retaining the market share. Company's Marketing strategies are mainly based on following three steps –

- Product: We develop the products that meet customer /consumer needs.
- Price: prices are designed to balance revenue and affordability to meet level playing field.
- Promotion: Through strong and dedicated distribution network and other media partners.

The global paper industry is expected to grow at a compound annual growth rate (CAGR) of 3.80 % from 2024 to 2032. Increasing demand for paper packaging and other segments is expected to increase due to the growth of e-commerce as well as the other solutions.

We are on leading position in domestic market and more focused on expanding export markets for our products like Absorbent Kraft, White Tissue and Colour Tissues and M G Kraft from South East Asian countries, Middle East to Africa, Europe and South America and encash the maximum potential of industrial and commercial growth in these regions.

Company's products Absorbent Kraft and Gift wrap Tissues and their synergic components are heading to capture a sizable part of the phenomenal growth in international demand. The growth in demand of Laminates and Decorative laminates is estimated to USD 12.50 Billion between 2024 to 2028.

CHEMICAL DIVISION

UNIT-NATH CHEMICAL

Chemical industry also faced the adverse impact of rising interest rates, inflation, melting down global demand and Unit Nath Chemical was no exception. The products produced by Unit Nath Chemical are mainly used in agro-chemicals, fertilizers, dyes and pigments, pharmaceuticals, textile and various industries. Agro chemical, fertilizers, textiles industries were badly impacted in FY 23-24. Dumping of chemicals and textiles by China resulted in reduction of export of chemicals, textiles and other products which in turn also impacted demand for our product. Because of slow-down in demand and over supply, prices of chemicals were impacted.

Unit Nath Chemical has successfully completed the project undertaken viz increasing Sulphuric Acid manufacturing capacity from 280 TPD to 500 TPD and also replaced its 2 MW Turbine with advance and efficient turbine of 3.3 MW. Enhancement in acid manufacturing capacity with installation of efficient and high capacity turbine has fulfilled power requirement of Unit Nath Chemical. It has virtually made Unit Nath Chemical a Power Surplus unit.

Enhancement in manufacturing capacity has also resulted in surplus steam generation even after meeting its steam requirement and conversion of steam into power to meet its power requirement. The surplus steam which is also in significant quantity can be exported as Green Energy which will add to its revenue and profitability significantly.

DIVIDEND

The Board of Directors have not recommended Dividend for the Current year due to conservation of profit for the future operations and continued investments.

TRANSFER TO RESERVES

The Board of Directors have decided not to transfer any amount to the Reserve for the Current Year.

SUBSIDIARY COMPANY, JOINT VENTURE OR ASSOCIATE COMPANIES

As on 31.03.2024, Company doesn't have any Subsidiary, Joint Venture and Associate Company.

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 company is having website i.e. www.nathindustries.com and Annual Return in form no MGT-9 of the company has been published on website and form part of the Boards Report in Annexure-I.

CORPORATE GOVERNANCE

The Company has adopted best corporate practices and committed to conducting its business in accordance with the applicable laws, rules and regulations. The Company's Corporate Governance practices are driven by effective and strong Board oversight, timely disclosures, transparent accounting policies and high level of integrity in decision making. A separate Report 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 and given in **Annexure-II**.

NUMBER OF MEETINGS HELD DURING THE YEAR

A total Six Board Meetings were held during the financial year 31st March 2024. The names of the members of the Board, their attendance at the Board Meetings is given in Para 2 of Annexure-II.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR liability for the FY 2023-24 is NIL because of non-applicability of provisions laid down in Section 135 of the Companies Act 2013. However Company is still active as far as the CSR initiative undertaken in earlier years by reviewing the CSR activities carried out by the implementing agency. No amount is unspent on account of CSR as on 31st March 2024.

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, Ms Nupur Lodwal (DIN 10150318) Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer herself for re-appointment, for which necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends the re-appointment of Ms Nupur Lodwal as a Director of the Company.

Mr Kashinath Iyer Ganapathy was appointed as an independent director of the Company pursuant to Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ("the Appointment Rules") by the Board, effective 21.03.2020, to hold office up to 20.03.2025. The members at the AGM held on 30.09.2020 had approved the same. He is due for retirement from the first term as an independent director on 20.03.2025. The Nomination and Remuneration Committee (NRC), after taking into account the performance evaluation of Mr Kashinath Iyer Ganapathy during his first term and considering his knowledge, expertise, experience and substantial contribution and time commitment, has recommended to the Board his reappointment for a second term of 5 (five) years.

Based on the recommendation of the NRC, the Board, recommended the reappointment of Mr Kashinath Iyer Ganapathy as an independent director, for your approval for a second term of 5 (five) years effective 21.03.2025, to 20.03.2030 (both days inclusive).

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, 2024, 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 31,2024 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

In terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the necessary disclosures have been annexed as “**Annexure-V**” of the Directors Report.

None of the employee including Whole Time Director of the company have received remuneration more than the limit set out in Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014,

EVALUATION OF BOARD

The Board of Directors have evaluated the performance of all Independent Directors, Non-Independent Directors and its committees viz Audit Committee, Nomination and Remuneration Committee, Compliance Committee and CSR Committee. The Board deliberated on various evaluation attributes for all Directors and after due deliberations made an objective assessment and evaluated that all the directors in the Board have adequate expertise drawn from diverse industries and business and bring specific competencies relevant to the Company’s Business and operations. The manner in which the evaluation was carried out is mentioned in the Corporate Governance Report.

INTERNAL CONTROL SYSTEM

Internal Control System consist of policies and procedures designed and adopted to ensure correct and timely reporting of financial information, accuracy and completeness of accounting records, legal and statutory compliances, safeguarding of assets, prevention and detection of frauds and validation of Information Technology Security controls. The Company remains committed to have robust and effective internal control mechanism across all plants and offices that provides assurance of existence and effectiveness of internal control system.

The Internal Control System is in existence, implemented and effective is checked by the external team of Independent Auditor appointed by the Company. Observations and findings on internal control system is regularly shared by the Auditor and the same is reviewed by the Audit Committee. During the year, no major irregularity or deviation from the defined Internal Control System was observed and the Audit Committee has concluded that Internal Control System is implemented and effective.

The information about the Internal Control System and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has always strived to conduct its business fairly, ethically and with integrity. In line with this belief, the Company has in place Whistle Blower Policy Vigil Mechanism in compliance with the provisions of Sec 177(9) and (10) of the Companies Act 2013, for the Directors and employees to report their genuine concerns or grievances related to actual or suspected fraud, unethical and corrupt behaviour, or violation of Company's code of conduct or Ethical Policy and any other incidence or event which would be detrimental to the interest of the company. The Vigil Mechanism Policy is uploaded on the website of the company at www.nathindustries.com.

During the year, 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

The Company has zero tolerance policy as far as sexual harassment of women at work place. The Company has a documented policy as required under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act 2013. The Company has Internal Complaints Committee (ICC) at its work place to redress the complaints of women employees.

During the year, no complaint is filed with Internal Complaints Committee. Further no complaints are pending as on 31st March 2024.

RISK MANAGEMENT POLICY

The Board of Directors have designed risk management policy in compliance to the provisions of Section 134(3) of the Companies Act, 2013. It helps in identification of risk, assessment of impact of risk and mitigation thereof. The implementation of Risk Management Policy helps in timely and corrective decision making and minimising the risk. The risk management policy is monitored, reviewed and revised to meet the strategic, operational and other goals set by the Company. Risk Management Policy of the Company is given in **Annexure IV** of the Annual Report.

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 41st Annual General Meeting held on 29th September, 2023, appointed M/s N R Agrawal & Co, Chartered Accountants, Mumbai (having Firm Registration No.100143W) as Statutory Auditors of the Company for a period of five years upto the conclusion of the 46th Annual General Meeting .

COST AUDITOR

The Board has appointed M/S RAJA DUTTA & CO, Cost Accountants (Firm Registration no. 101555, Membership no-30063, PAN no- AJDPD6775F) Daman for the financial year 2024-25. Company has maintained Cost record and conducted cost audit as specified by Central Government under Section 148 (1) of Companies Act, 2013.

SECRETARIAL AUDITOR

The Secretarial Audit for the FY 2023-24 was carried out by Ms. Neha P. Agrawal. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report forms the part of this report and annexed in **Annexure-VII**.

AUDITORS REPORT

The notes referred to by the Auditors in their report are self-explanatory and do not call for further explanation except 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 already submitted to the concerned authorities and transfer formalities are under process.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Corporate Governance Report contains relevant details on the nature of Related Party Transactions and the policy formulated by the Board on materials Related Party Transactions.

During the year, Company has not entered into Contracts or arrangements which were material in nature and which may have conflict with the interest of the Company with Promoters, Key Managerial Person of other as referred to in Section 188(1) of the Companies Act 2013. Transactions carried out with related parties were carried out in the course of business and at Arms Length Prices are disclosed in Notes to Accounts of the Financial Statements. Since the transactions were carried out at Arms Length Prices, provisions relating to filing of form AOC-2 is not applicable.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Disclosure regarding loans given or guarantee provided or Investment made during the year as required under the provision of Sec 186 of the Companies Act, 2013 are given in Notes to the Financial Statements.

INSURANCE

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

RESEARCH & DEVELOPMENT

The Company believes that “**Change is the only thing which is permanent in life**”. Continuous Research in the field of product development, cost reduction has helped the company in establishing itself as a leader in the field of Customized Speciality paper manufacturers, meeting the desired quality within permissible cost budgets.

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

Various measures were taken by the Company for conservation of energy and reduction of demand from grid power by aligning the various processes. The broad measures undertaken by the company are as under:-

- i. Installation of 3.3 MW Turbine in Unit Nath Chemical which converts steam generated during the manufacturing process into power and the same is used captively. With the increased capacity of 500 TPD, the steam generation is high and the steam is surplus even after meeting the steam and power requirement of the Unit.
- ii. Significant surplus quantity of steam is left with Unit Nath Chemicals even after meeting its power requirement. The same can be exported as green energy to others.
- iii. Installation of 1 MW solar at Power Plant at Unit Nath Paper has generated 20,48,630 units in last year.
- iv. Installation of co-generation power plant in Unit Rama Paper has also reduced the electricity requirement from Grid.

(B) Technology Absorption and Research Development

Being the manufacturer of specialty and customised papers, continuous research and development is an integral part of the Company's business. R & D used in variety of spheres such as developing new grades of paper, manufacturing within permissible cost budget, achieving operating efficiencies etc. New Pepsi Pulping street commissioned in the previous financial year has brought the desired benefit in selection of raw materials and reduced dependency on imported waste paper.

(C) Foreign Exchange Earnings and Outgo

The Company has incurred the following expenses in foreign currency during the financial year 2023-24. The rupee equivalent of that amount has been given hereunder:

| Particulars | Rs. In Crores |
|-------------------|---------------|
| Total Earnings | 42.17 |
| Total Expenditure | 78.79 |

ACKNOWLEDGEMENT

The Board of Directors place on record with appreciation, the co-operation and unstinted support received from its Employees for commendable performance in the target sets by the Company in challenging times. The Board of Directors also express their sincere thanks to all the Customers, Suppliers, Bankers, Regulatory Authorities, Stock Exchange and Business Associates for their unconditional support. The Board of Directors acknowledges your confidence and continued support and looks forward for the same in future as well.

For and on behalf of the Board,

Place: Mumbai
Date: 26.08.2024

Akash Kagliwal
Managing Director
(DIN:01691724)

Annexure – I

| |
|---|
| FORM NO. MGT 9 |
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31.03.2024 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014. |

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 st 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 | 83 |
| ii | Chemical | Group-202 | 17 |

III PARTICULARS OF HOLDING, SIBSIDIARY AND ASSOCIATE COMPANIES:-

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

IV. SHARE HOLDING PATTERN as on 31st March 2024

(i) Category wise shareholding

| Category of Shareholders | No. of shares at the beginning of the year (As on 01.04.2023) | | | | No. of shares at the end of the year (As on 31.03.2024) | | | | % Of change during the year |
|--|---|--------------|-----------------|-------------------|---|--------------|-----------------|-------------------|-----------------------------|
| | Demat | Physical | Total | % Of total shares | Demat | Physical | Total | % Of total shares | |
| (A) Promoter | | | | | | | | | |
| 1 Indian | | | | | | | | | |
| (a) Individuals/ HUF | 753 | 350 | 1103 | 0.00 | 753 | 350 | 1103 | 0.00 | 0.00 |
| (b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| (c) Bodies Corporate | 14002962 | 0 | 14002962 | 73.71 | 14002962 | 0 | 14002962 | 73.71 | 0.00 |
| (d) FI/ Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| (e) Any Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Sub Total(A)(1) | 14003534 | 350 | 14004065 | 73.71 | 14003534 | 350 | 14004065 | 73.71 | 0.00 |
| 2 Foreign | | | | | | | | | |
| A Individuals (NRI) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| B Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| C Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| D QFI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| E Any Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Sub Total(A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total Shareholding of Promoters (A) = (A)(1) + (A)(2) | 14003534 | 350 | 14004065 | 73.71 | 14003534 | 350 | 14004065 | 73.71 | 0.00 |
| (B) Public shareholding | | | | | | | | | |
| 1 Institutions | | | | | | | | | |
| (a) Mutual Funds / UTI | 2740 | 4923 | 7663 | 0.04 | 2740 | 4923 | 7663 | 0.04 | 0.00 |
| (b) FI/ Banks | 26865 | 5891 | 32756 | 0.18 | 26865 | 5891 | 32756 | 0.18 | 0.00 |
| (c) Alternative Investment Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) FII's | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| (g) Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| (h) Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| (i) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| (i-ii) Overseas Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 |
| Sub-Total (B)(1) | 29605 | 10814 | 40419 | 0.22 | 29605 | 10814 | 40419 | 0.22 | 0.00 |

| | | | | | | | | | | |
|----------------|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------------|
| B 2 | Non-institutions | | | | | | | | | |
| (a) | Bodies Corporate | 1882160 | 8578 | 1890738 | 9.95 | 1836888 | 5486 | 1842374 | 9.70 | -0.25 |
| (b) | Individuals | | | | | | | | | |
| | Individual shareholders holding share capital up to Rs 1 lakh | 1927308 | 117383 | 2044691 | 10.76 | 1799866 | 116641 | 1916507 | 10.09 | -0.67 |
| | Individual shareholders holding share capital in excess of Rs. 1 lakhs. | 769249 | 0 | 769249 | 4.05 | 978212 | 0 | 978212 | 5.15 | 1.10 |
| (c) | Trust | 1 | 0 | 1 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d-i) | NRI | 100712 | 1949 | 102661 | 0.54 | 75724 | 1949 | 77673 | 0.41 | -0.13 |
| (d-ii) | Clearing Member | 5514 | 0 | 5514 | 0.03 | 3524 | 0 | 3524 | 0.02 | 0.00 |
| (d-iii) | HUF | 141540 | 0 | 141540 | 0.73 | 136104 | 0 | 136104 | 0.73 | 0.00 |
| (d-iv) | Employees | 0 | 1122 | 1122 | 0.01 | 0 | 1122 | 1122 | 0.01 | 0.00 |
| | | | | | | | | | | |
| | Sub-Total (B)(2) | 4826483 | 129033 | 4955516 | 26.07 | 4826483 | 129033 | 4955516 | 26.07 | 0.00 |
| | | | | | | | | | | |
| | Total Public Shareholding (B) = (B)(1) + (B)(2) | 4856088 | 139847 | 4995935 | 26.29 | 4856088 | 139847 | 4995935 | 26.29 | 0.00 |
| | | | | | | | | | | |
| | TOTAL (A)+(B) | 18859803 | 140197 | 19000000 | 100.00 | 18859803 | 140197 | 19000000 | 100.00 | 0.00 |
| | | | | | | | | | | |
| (C) | Shares held by Custodians for ADRs and GDRs | | | | | | | | | |
| 1 | Promoter and Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total (C) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | | |
| | GRAND TOTAL (A)+(B)+(C) | 18715307 | 288693 | 19000000 | 100.00 | 18715307 | 288693 | 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.Anil Kagliwal | 24 | 0.00 | - | 24 | 0.00 | - | - |
| 7.NCFS Limited | 823 | 0.01 | - | 823 | 0.01 | - | - |
| 8.Paresh Farms Pvt. Ltd | 27151 | 0.14 | - | 20364 | 0.11 | - | - |
| 9.Prabha Farms Pvt. Ltd | 32139 | 0.17 | - | 32089 | 0.17 | - | - |
| 10.Jeevan Farms Pvt. Ltd | 82157 | 0.44 | - | 82132 | 0.44 | - | - |
| 11.Akash Farms LLP | 6927809 | 36.46 | 1.44 | 6927809 | 36.46 | - | - |
| 12.Ashu Farms LLP | 5939745 | 31.26 | - | 5939745 | 31.26 | - | - |
| 13.Tapovan Paper and Board Mills Ltd | 1000000 | 5.26 | - | 1000000 | 5.26 | - | - |
| Total | 14004065 | 73.71 | - | 14004065 | 73.71 | - | - |

(iii) Change in Promoter's shareholding: -

| | No of Shares | % Holding |
|------------------------------|--------------|-----------|
| At the beginning of the year | 14004065 | 73.71 |
| At the end of the year | 14004065 | 73.71 |

(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 | 977419 | 5.14 | 977419 | 5.14 |
| 2 | Tapovan Farms LLP | 412901 | 2.17 | 412901 | 2.17 |
| 3 | Malpani Financial Services Limited | 124485 | 0.66 | 125516 | 0.66 |
| 4 | Adesh Venture LLP | 244798 | 1.29 | 244798 | 1.29 |
| 5 | Ritman Concrete Pvt. Ltd. | 64692 | 0.34 | 57692 | 0.30 |
| 6 | Kailasben Ashokkumar Patel | 62798 | 0.33 | 103077 | 0.54 |
| 7 | Dineshkumar Jain | 89207 | 0.47 | 91107 | 0.48 |
| 8 | Seetha Kumari | 56069 | 0.30 | 0 | 0.00 |
| 9 | Babalbhai Manilal Patel | 36336 | 0.19 | 51077 | 0.27 |
| 10 | Madhav Sampatlal Sarada | 36100 | 0.19 | 50000 | 0.26 |
| 11 | Akhileshkumar Mishra | 5000 | 0.03 | 50000 | 0.26 |

(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 | - | - |
| 2. Akash N Kagliwal | 181 | 0.00 | - | 181 | 0.00 | - | - |
| Total | 394 | 0.00 | - | 394 | 0.00 | - | - |

V. INDEBTEDNESS:

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

Rs. In Crores

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total |
|--|----------------------------------|-----------------|----------|--------|
| Indebtedness at the Beginning of the financial Year | | | | |
| i)Principal Amount | 74.34 | 46.13 | - | 120.47 |
| ii)Interest due but not paid | - | - | - | - |
| iii)Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 74.34 | 46.13 | - | 120.47 |
| Changes during financial year | | | | |
| Addition | 21.47 | | | 21.47 |
| (Reduction) | | (5.95) | | (5.95) |
| Net Change | 21.47 | (5.95) | | 15.52 |
| Indebtedness at the end of the Financial year | | | | |
| i)Principal Amount | 95.81 | 40.18 | - | 135.99 |
| ii)Interest due but not paid | - | - | - | - |
| iii)Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 95.81 | 40.18 | - | 135.99 |

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 | Akash Kagliwal (Managing 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 | 60.00 |

| | | |
|---|---|-------|
| | Total 1 | 60.00 |
| 2 | 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 | 26.26 |
| | Total 2 | 26.26 |
| | Grand Total 1 to 2 | 86.26 |

B. Remuneration to other directors:

Consultancy fees paid to Mrs Jeevanlata Kagliwal

Rs. 18.00 Lakhs

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

| Sr. No. | Particulars of remuneration | Rs in Lakhs |
|---------|--|-------------|
| 1 | 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 | 38.90 - |
| | Total 1 | 38.90 |
| 2 | Ms Nupur Lodwal Director Cum 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 | 2.42 - |
| | Total 2 | 2.42 |
| | Grand Total 1 and 2 | 41.32 |

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 practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising employees, investors, customers, regulators, suppliers, and the society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Nath Group culture and ethos.

Good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with the changing times with an unwavering commitment to our ethical values and principles.

It is imperative that our Company's affairs are managed in a fair and transparent manner. For us, corporate governance is not just about adhering to the letter of the law, but about embracing the substantive spirit that lies underneath. As a Company with a strong sense of values and commitment, we believe that profitability must go hand in hand with a sense of responsibility towards all stakeholders. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future.

The Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors which includes Code of Conduct for Independent Directors suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013 (the Act) and the same is available on the Company's website.

2. BOARD OF DIRECTORS AND BOARD MEETINGS:

The Board of Directors of the Company (Board) has optimum combination of Executive, Non-Executive Independent Directors as provided in the Listing Agreement to ensure independency and transparency in managerial decision making in Board and Committee Meetings, to secure the interest of the company, its employees, stakeholders and creditors. As on 31st March 2024 Board comprises Three Whole Time Director, and three 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 Akash Kagliwal | Managing Director | - | - | - |
| Mr. Abhaykumar Jain | Executive Director | - | - | - |
| Mr Kashinath Iyer Ganpathy | Non-Executive & Independent Director | 1 | 4 | 1 |
| Mr. Hitesh Purohit | Non-Executive & Independent Director | 4 | 4 | |
| Mr Madhukar Deshpande | Non-Executive & Independent Director | - | - | - |
| Ms. Nupur Lodwal | Executive/woman Director and Company Secretary | 1 | 1 | - |

3. Meeting and Attendance record of each Director

During the year ended 31st March 2024, Six meetings of the Board were held on the following date:

- (1)30.05.2023 (2) 10.08.2023 (3) 31.08.2023 (4) 09.11.2023 (5) 14.02.2024
(6) 29.03.2024

The attendance record of the Directors at the Board Meetings held during the year ended 31st March, 2024 and the last Annual General Meeting (AGM) of the Company are as under:

| Name of the Director | Board Meetings | Last AGM (Y/N) |
|----------------------------|----------------|-----------------|
| Mr. Akhilesh Sharma | 3 | NA |
| Mr. Abhaykumar Jain | 6 | Yes |
| Mrs Jeevanlata Kagliwal | 3 | NA |
| Mr Kashinath Iyer Ganpathy | 6 | Yes |
| Mr Hitesh Purohit | 6 | Yes |
| Mr Madhukar Deshpande | 6 | Yes |
| Mr Akash Kagliwal | 6 | Yes |
| Ms. Nupur Lodwal | 4 | Yes |

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 2023-34, Composition of Audit Committee and the meetings attended by members are as follows:

| Name of Directors | Categories | No. of Meeting Attended |
|------------------------------|------------|-------------------------|
| Shri Kashinath Iyer Ganpathy | Chairman | 4 |
| Shri Abhaykumar jain | Member | 4 |
| Shri Hitesh Purohit | Member | 4 |

During the Financial Year 2023-24, Four Meetings of the Audit Committee members were held on the following dates:

(1) 30.05.2023 (2) 10.08.2023 (3) 05.11.2023 (4) 14.02.2024 .

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 2023-24, Composition of CSR Committee and the meetings attended by members are as follows:

| Name of Directors | Categories | No. of Meeting Attended |
|------------------------------|------------|-------------------------|
| Shri Hitesh Purohit | Chairman | Two |
| Shri Kashinath Iyer Ganpathy | Member | Two |
| Mr Akash Kagliwal | Member | Two |

During the Financial Year 2023-24, Two Meetings of the CSR Committee members were held on (1) 14.02.2024 and (2) 29.03.2024

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 2023-24, Composition of nomination and remuneration committee and the meetings attended by members are as follows:

| Name of Directors | Categories | No. of Meeting Attended |
|------------------------------|------------|-------------------------|
| Shri Hitesh Purohit | Chairman | Two |
| Mr Madhukar Deshpande | Member | Two |
| Shri Kashinath Iyer Ganpathy | Member | Two |

Meetings and Attendance during the year:

During the Financial Year 2023-24, Two Meetings of the Committee were held on 31.08.2023 and 14.02.2024

Terms of reference

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

- 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.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- 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 Akash Kagliwal – Managing Director | Shri Abhaykumar Jain Executive Director | Mrs. Jeevanlata Nandkishor Kagliwal – Non – Executive Promoter Director | Shri Hitesh Purohit Independent Non – Executive Director | Shri Kashinath Iyer- Independent – Non – Executive Director | Shri Madhukar Deshpande – Independent Non-executive Director | Ms. Nupur Lodwal- Director and Company Secretary | Shri Vijay Saboo CFO |
|---|---|---|---|--|---|--|--|----------------------|
| Salary as per Provisions of Section 17(1) of I.T.Act,1961 | 60.00 | 26.26 | 18.00 | NIL | NIL | NIL | 2.42 | 38.90 |
| Perquisites as per Provisions of | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

| | | | | | | | | |
|---|-------|-------|-------|-----|-----|-----|------|-------|
| Section 17(2) of I.T.Act,1961 | | | | | | | | |
| 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 |
| Total | 60.00 | 26.26 | 18.00 | NIL | NIL | NIL | 2.42 | 38.90 |

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 2023-24, Composition of stakeholder relationship committee and the meetings attended by members are as follows:

| Name of Directors | Categories | No. of Meeting Attended |
|------------------------------|------------|-------------------------|
| Shri Hitesh Purohit | Chairman | Two |
| Ms Nupur Lodwal | Member | Two |
| Shri Kashinath Iyer Ganpathy | Member | Two |

Meetings and Attendance during the year:

During the Financial Year 2023-24, Two Meetings of the Committee were held on 14.02.2024 and 29.03.2024.

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 31st March, 2024

| | |
|---|------|
| Number of Shareholders' Complaints pending at the beginning of the year | Nil |
| Number of Shareholders' Complaints received during the year | Five |
| Number of Shareholders' Complaints disposed during the year | Five |
| 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:

| Year | Day, Date and Time | Venue |
|-------------|--|---|
| 2020-21 | 30 th September, 2021 at 02.30 p.m. | Nath House, Nath Road, Aurangabad – 431 005 |
| 2021-22 | 30 th June, 2022 at 03.00 p.m. | Nath House, Nath Road, Aurangabad – 431 005 |
| 2022-23 | 29 th September 2023 at 12.30 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

No transaction of a material nature has been entered into by the Company with its Directors/management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions in which Directors are interested, is placed before the Audit Committee and Board regularly. Transactions with related parties are disclosed in the Notes to Accounts in the Annual Report. In terms of SEBI (LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine Related Party Transactions. Details of transaction entered into with the related parties as required under IND AS are disclosed in the Financial Statements.

Statutory Compliance, Penalties and Structures

Compliances and filings prescribed by Stock Exchange, Security and Exchange Board of India (SEBI) and other statutory bodies have been adhered to by the Company and there are no cases of non-compliances during last 3 years. No penalties have been levied nor any structures have been imposed on the Company on matters related to capital market.

Whistle Blower Policy/Vigil Mechanism Policy

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The employees have been appropriately communicated within the organization about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays emphasis on making enquiry into whistleblower complaint received by the Company. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No employee has been denied access to the Audit Committee.

Reconciliation of Share Capital Audit

To comply with the requirement of the SEBI, Audit of Reconciliation of Share Capital is conducted by a Practicing Company on quarterly basis. The Audit report affirms that the aggregate number of Equity Share of the Company held in National Security Depository Limited (NSDL) and Central Depository Services (India) Limited and in physical form tally with the total number of shares issued, paid up, listed and admitted capital of the Company.

9. MEANS OF COMMUNICATION

As per the requirement of listing agreement, the quarterly, half yearly and yearly financial results are submitted to the Stock Exchange and also uploaded on the Company's website www.nathindustries.com. The other information as required under the listing agreement or the Companies Act, 2013 or any other law which is required in public interest is also uploaded on the website www.nathindustries.com.

10. GENERAL SHAREHOLDERS MEETING

a. Annual General Meeting

| | |
|----------------------------|---|
| Date, Time and Venue | 27th September, 2024 at 12.30 p.m. at Nath House, Nath Road, Aurangabad – 431 005. |
| Financial Year | The Financial Year of the Company is from April 1 to March 31 |
| Date of Book Closure | 24 th September, 2024 to 26 th September, 2024 (both days inclusive). |
| Listing on Stock Exchanges | BSE |
| Scrip Code/ID | 502587/NATHIND |

b. Financial Calendar (Tentative) :

| | |
|--|-----------------------------|
| Results for quarter ending 30 th June 2024 | Second week of August, 2024 |
| Results for quarter ending 30 th Sep. 2024 | Last week of Oct. 2024 |
| Results for quarter ending 31 st Dec. 2024 | First week of Feb. 2025 |
| Results for quarter ending 31 st March 2025 | Last week of May, 2025 |
| Annual General Meeting | September 2025 |

- c. Status of listing fees: Paid for the year 2023-24.
- d. Registrar & Share Transfer Agents
Bigshare Services Private Limited
1st 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 2023 | 56.80 | 48.00 | Oct. 2023 | 74.40 | 60.20 |
| May 2023 | 62.96 | 52.60 | Nov. 2023 | 68.69 | 61.50 |
| June 2023 | 59.69 | 53.00 | Dec. 2023 | 87.90 | 63.10 |
| July 2023 | 65.00 | 51.11 | Jan. 2024 | 88.75 | 74.41 |
| Aug. 2023 | 61.99 | 53.00 | Feb. 2024 | 84.58 | 72.01 |
| Sept. 2023 | 65.64 | 54.00 | Mar. 2024 | 79.80 | 53.66 |

Source - BSE web site: 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 31st March, 2024.
- i) Shareholding Pattern

| Sr. No. | Category | No. of shares held | % of share holding |
|---------|-----------|--------------------|--------------------|
| A | Promoters | 1,40,04,065 | 73.71 |
| B | Public | 49,95,935 | 26.29 |
| | TOTAL | 1,90,00,000 | 100.00 |

ii) Distribution of Shareholdings as on 31st March, 2024

| No. of Equity Share Held in Rs | No. of Share Holders | % of Share Holders | Shares | % of Total |
|--------------------------------|----------------------|--------------------|--------|------------|
| 1-500 | 28048 | 97.16 | 649571 | 3.42 |
| 501-1000 | 356 | 1.23 | 280269 | 1.47 |
| 1001-2000 | 184 | 0.64 | 278102 | 1.46 |
| 2001-3000 | 81 | 0.28 | 207268 | 1.09 |

| | | | | |
|-------------|-------|------|-------------|-------|
| 3001-4000 | 38 | 0.13 | 136951 | 0.72 |
| 4001-5000 | 34 | 0.12 | 156908 | 0.83 |
| 5001-10000 | 57 | 0.20 | 398389 | 2.10 |
| 10001-above | 69 | 0.24 | 16892542 | 88.91 |
| Total | 28867 | 100% | 1,90,00,000 | 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:

Registrar and Share Transfer Agents:-

Bigshare Services Private Limited
S6-2 , 6TH Floor, Pinnacle Business Park,
Mahakali Caves Road, Andheri (East)
Mumbai 400093
Tel.No. +91-22-62638200
Email: investor@bigshareonline.com

Registered Office:-

Nath Industries Limited
Nath House, Nath Road,
Aurangabad – 431 005
Tel.No. +91-240-2376315/16/17
Email: investor@nathindustries.com _ Website: www.nathindustries.com

Corporate Office:-

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 Website: www.nathindustries.com

l. Compliance Certificate of The Auditors

Certificate from the Company's Auditors, M/s. N R Agrawal & 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, 2024.

For and on behalf of the Board,

Place: Mumbai
Date: 26.08.2024

Akash Kagliwal
Managing Director
(DIN:01691724)

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, 2024 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 N R Agrawal & Co
Chartered Accountants
(Firm's Registration No. 100143W)

N R Agrawal & Co
PARTNER
(Membership No. 30117
Mumbai, 30th May 2024

CEO and CFO Compliance Certificate

We, Akash Kagliwal, Managing 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, 2024 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, 2024 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.

Akash Kagliwal
Managing Director

Vijay Saboo
Chief Financial Officer

Place: Mumbai
Date: 30.05.2024

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, 2024.

For and on behalf of the Board,

Place: Mumbai
Date: 26.08.2024

Akash Kagliwal
Managing Director
(DIN:01691724)

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

- 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**

The Company's core CSR activities is centred around the education which consist of promoting education, special education and skill enhancement. The Company has been perusing social objective for long for the benefit of under-privileged children in rural areas who do not have access to good quality education.

Even though the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company for the FY 2023-24, the CSR Committee is routinely monitoring CSR activities.

- 2. The Composition of the CSR Committee as on 31.03.2024.**

| Name of Directors | Categories | No. of Meeting Attended |
|------------------------------|------------|-------------------------|
| Shri Hitesh Purohit | Chairman | Two |
| Shri Kashinath Iyer Ganpathy | Member | Two |
| Mr Akash Kagliwal | Member | Two |

3. Average net profit of the Company for last three financial years: Rs. 1,271.94 lacs
4. Prescribed CSR expenditure: NIL

CSR liability for the FY 2023-24 is NIL because of non-applicability of conditions prescribed in Section 135 of the Companies Act, 2013

5. Details of CSR spent during the financial year: Rs. NIL
6. Total amount to be spent for the financial year: Rs. NIL
7. Amount unspent, if any: Rs. NIL

Annexure IV

MANAGEMENT DISCUSSIONS AND ANALYSIS

1. INDUSTRY OVERVIEW

A. PAPER INDUSTRY

The global pulp and paper market size was valued at USD 357.21 billion in 2023 and is projected to grow at a CAGR of 3.80% to USD 511.53 billion by 2032.

The Asia Pacific region is expected to dominate the pulp and paper market, with a market share of 50.16% in 2023, due to the growing demand for paper and paperboard in countries like China and India.

India's Paper Industry accounts for about 5% of the world's production of paper. The estimated turnover of the industry is over INR 80,000 crore and its contribution to the exchequer is around INR 5,000 crore. The industry provides direct employment to 500,000 persons, and indirectly to around 1.5 million persons.

The paper industry in India has undergone a transformation in recent years, with a focus on sustainability and technological advancements. The industry has seen investments of over Rs 25,000 crore in new efficient capacities and induction of clean and green technologies. Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recovered fibre, bagasse, wheat straw, etc. In terms of share in total production, approximately 21% is based on wood, 71% on recycled fibre and 8% on agro-residue. The geographical spread of the industry, as well as market, is mainly responsible for the regional balance of production and consumption.

The per capita paper consumption in India at around 15-16 kg, is way behind the global average of 57 kg.

India is the fastest-growing market for paper globally and it presents an exciting scenario; paper consumption is poised for a big leap forward in sync with economic growth. The futuristic view is that growth in paper consumption would be in multiples of GDP.

The growth in paper consumption is driven by the government's emphasis on education and literacy, as well as the growth in organized retail and demand for quality packaging of FMCG products, pharmaceuticals, textiles, and eCommerce.

There are some myths about the paper industries which are as under:-

Paper industry cuts wood and disturbs ecological balance

In reality, paper industry is wood positive i.e. the industry grows more trees through its agro/ farms forestry initiative than it harvests. Paper is made from cultivated trees planted specifically with this objective. Moreover trees cultivated for paper production emits tonnes of oxygen before they are harvested, thus helping the environment.

Paper is a Sunset Industry

Paper is a growing industry with headroom for growth. Overall paper consumption is projected to grow to 24-25 million MT in FY 2024-25 as compared to 22 millions tonnes at present. Per capita consumption is quite low as compared to other countries and poised to increase with improved lifestyle, e-commerce, education etc

Paper is an unsustainable industry

Sources for paper mills being wood, recovered paper and agro based, they can be easily regenerated. The Industry recycles the waste paper that is generated. The industry also recycles agriculture waste which otherwise would have been burnt in the fields. Paper is biodegradable, renewable, recyclable and sustainable.

B. CHEMICAL INDUSTRY

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which was estimated to be worth US\$ 220 billion in 2022, is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world's production of dyestuffs and dye intermediates. India's agrochemicals export was estimated to be at US\$ 3.12 billion from April 2023 to December 2023. Indian colourants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for a few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals).

The chemicals sector contributes 12 per cent to India's total exports, highlighting its significance in the global market.

Favourable government policies, improving infrastructure, and the availability of skilled labour at competitive costs further enhance the sector's attractiveness

Multinational firms are diversifying their sourcing countries, with India emerging as a key player due to its competitive advantages.

Within the elemental sub-sectors, specialty chemicals, agrochemicals, and petrochemicals are expected to witness substantial growth, with CAGRs of 11.5 per cent, 8.3 per cent, and 11 per cent respectively, until 2027.

Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market

Exports of Organic and Inorganic Chemicals increase by 16.75% and reached US\$ 2.50 Billion in April 2024.

India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas market.

With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.

The Dahej PCPIR project in Bharuch, has attracted an investment of Rs. 1 lakh crore (~US\$ 12 billion) and is expected to generate 32,000 jobs.

2. Opportunities and Threats

PAPER INDUSTRY

OPPORTUNITIES:-

Following key drivers has created opportunities for paper industry in India

- Low level of per capita paper consumption which is on an average is around 16 kgs. An increase in consumption by 1 kg will result in increase in demand by more than 1 million MT.
- Economic and income growth, population growth, changing demographics, urbanization, rapidly changing lifestyles, improving living standards
- Greater emphasis on education and literacy by the Government, growth in Organized retail and demand for better quality paper products.
- Booming e-commerce and organized retail has created demand for better quality packaging of FMCG products, textiles, pharmaceuticals etc.
- Increasing preference for ready to eat food, rising health care spends has also resulted in creation of demand for specialty grade papers.
- Ban on single use plastics has also created demand for packing paper.

PAPER AS AN ECOFRIENDLY RESOURCE

Biodegradable, Recyclable, Compostable are few earmarked qualities of paper which put it into most Eco-friendly commodity. At times it has the capability to be recycled 5-6 time and produce useable product.

The paper industry is carbon neutral, as the amount of carbon dioxide emitted during production is equal to the amount absorbed by trees during growth.

Low energy requirements: Paper production requires less energy compared to other materials like plastic or glass.

The paper industry supports sustainable development by providing jobs, stimulating local economies, and promoting sustainable.

Challenges Towards Paper Industry in India

The Paper Industry in India faces many problems that challenge its growth and development. Though the Indian paper industry has many strengths, raw material availability, large market size, and historical expertise in papermaking, some problems need solutions for the Paper Industry in India to reach its full potential. Here are some of the key challenges faced by the sector:

- Consolidation of fragmented industry
- Achieving economies of scale
- Quality benchmarking
- Creation of robust raw material base
- Environmental standards and regulatory compliances Industry's competitiveness to face global competition

CHEMICAL INDUSTRY

In last few years, India has emerged as prominent chemical manufacturer and reliable supplier of chemicals across the globe. Various countries are preferring India to end dependencies on China which is not consistent with its manufacturing policies. The Indian Government's focus on building a robust manufacturing eco-system, including initiatives such as 'Make in India' campaign is also driving the growth of this sector making it an important part of country's economic growth.

OPPORTUNITIES:

Growing domestic demand:- The speciality chemical industry has significant potential due to growing demand for speciality chemicals in various end-use industries, including pharmaceuticals, agrochemicals and personal care.

Favourable government policies:- The Indian Government has introduced several following initiatives to promote the growth of speciality chemicals industry, including tax incentives, subsidies and simplification of regulations. Few of the initiatives of Government of India are as under:-

- PLI schemes were introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 Cr (US\$ 213.81 million).
- Under the Interim Union Budget 2024-25 the government allocated Rs. 192.21 crore (US\$ 23.13 million) to the Department of Chemicals and Petrochemicals.
- The Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) set up at Paradip has attracted investments worth US\$ 12 billion (Rs.1 Lakh crores) also resulting in employment of about 40,000 people.
- Government to open 25,000 Jan Aushadhi Kendras to make medicines available at affordable prices.

- The PLI plan for the National Programme on Advanced Chemistry Cell Battery Storage has been approved by the Union Cabinet as of May 2024

INCREASING INVESTMENT AND SPENDING

FDI inflows in the chemicals sector under automatic route (other than fertilizers) reached US\$ 22.146 billion between April 2000-March 2024

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025

Prime Minister, Mr. Narendra Modi, laid the foundation stone of development projects worth more than Rs. 50,700 crore (US\$ 6.11 billion) on September 14, 2023

EXPORTS

India's paper exports reached an all-time high of Rs. 13,963 crore (US\$ 1.79 billion) in FY23-24, marking a significant increase of nearly 80% year on year. The Indian paper industry is expected to grow strongly from 2024 to 2033 at a CAGR of around 7.5%, driven by factors such as the increasing literacy rate, rising demand for corrugated paper, and growing demand for household paper. Considering these figures, we have very little contribution in this but we definitely have market share in 22 countries.

The Indian Speciality chemical industry has significant export potential, given the high quality products and low manufacturing cost. The slowdown in Chinese manufacturing has also created export opportunities for India to capture a larger share of the global market. If the market of speciality chemicals grows, the demand for our chemicals will naturally grow.

3. Internal Control Systems and their adequacy

The Company rigorously adheres to all local regulatory standards to ensure the effective and efficient management of its operations. It is firmly committed to the principle that a robust internal control system is foundational to sound corporate governance. The Company's internal controls are appropriately scaled to its size and the nature of its operations and are continually monitored and updated as necessary to safeguard assets against loss or unauthorized use.

An audit committee has been established to evaluate internal factors comprehensively and to recommend remedial actions whenever required. This proactive approach underscores the Company's dedication to maintaining stringent governance and operational integrity.

4. Financial performance with respect to operational performance

The Company achieved EBIDTA of Rs. 16.92 Cr on total income of Rs. 325.22 Crores as against the EBIDTA of Rs. 12.37 Cr achieved on total income of Rs. 414.12 Cr in previous year. Even though the margins are low, it has improved as compared to previous year despite shutting downs of plants for expansions.

5. Development in human resources/industrial relations front

The Company regards its human resources as its most asset, particularly during its transition to the growth phase. Human resources are deemed essential for both operational efficiency and overall business success. To maintain and enhance employee capabilities, the Company invests in ongoing training and development programs which helps in improving skills of employees.

For and on behalf of the Board,

Place: Mumbai
Date: 26.08.2024

Akash Kagliwal
Managing Director
(DIN:01691724)

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 2023-24, ratio of the remuneration of the employees of the Company for the financial year 2023-24 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.2023-24 (in Lakhs) | % Increase in Remuneration in the F.Y. 2023-24 |
|---------|--------------------------------------|---|--|
| 1 | Shri Akash Kagliwal | 60.00 | 0% |
| 2 | Mrs. Jeevanlata Kagliwal | 18.00 | 0% |
| 3 | Shri Abhaykumar Jain | 26.26 | 5.09% |
| 4 | Shri Vijay Saboo | 38.90 | 18.99% |
| 5 | Ms. Nupur Lodwal | 2.42 | 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 31.03.2024

[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 **31stMarch, 2024** 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 **31stMarch, 2024** 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: 30.05.2024

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, 2024, 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, 2024, 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, 2024;
- (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, 2024, and taken on record by the Board of Directors, We report that none of the director is disqualified as on March 31, 2024, from being appointed as a director in terms of subsection (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 excise duty liability as per para (vii) (b) of the Annexure `A` of this report.
 - ii. The company did not have any long term contracts including derivative contracts, as such the question of commenting any material foreseeable losses there on does not arise
 - iii. There has been no delay in transferring amounts required to be transferred, to The Investors Education & Protection Fund by the company.

For N.R. Agrawal & Company
Chartered Accountants
Firm Reg. No. 100143W

Place: Mumbai
Date: 30th May 2024

N.R. Agrawal
Partner
Membership No: .030117
UDIN:- 24030117BKBF5830

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 31st March, 2024

- 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. 4145.08 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 31/3/2024.

- 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.6,47,33,623/- & Balance outstanding at the balance sheet date is Rs. 3,57,08,840/- which consist of Rs. 34,70,576/- 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 31st March 2024.
- 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. 3,57,08,840/- including advance for CSR Expenses. Percentage to total loans granted is 100 %.

Aggregate amounts of loans are granted to related parties as defined in section 2 (76) of the companies act 2013 Rs. 3,57,08,840/-

- 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 Excise Duty In respect of Vapi Plant & Aurangabad Plant respectively as under. Appeal by the company are pending before Appellate Authorities.

| Name of statue | Forum where the dispute is pending | Amount Rs | Period to which the Amount Relates |
|-----------------------|---|------------------|---|
| Excise Duty | Unit- Nath Paper – Commissioner of appeal, Nasik has remanded back dispute to assessing officer | 90,90,655 | 2010-2011 to 2014-2015 |
| Excise Duty | Unit- Nath Chemicals Customs Excise & Service Tax Appellate Tribunal, Ahmadabad for reversal of Modvat | 8,84,386/- | 2003-2004 to 2007-2008 |

- 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). There is 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 this clause 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 no 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) The reporting on qualification or adverse remark issued by the respective auditors is not applicable in respect of Standalone Financial Statements. Accordingly no comment in respect of the said clause has been included in this report.

For N.R. Agrawal & Company
Chartered Accountants
Firm Reg. No. 100143W

Place: Mumbai
Date: 30th May 2024

N.R. Agrawal
Partner
Membership No: .030117
UDIN:- 24030117BKBF5830

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 2024 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 2024 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 N.R. Agrawal & Company
Chartered Accountants
Firm Reg. No. 100143W

Place: Mumbai
Date: 30th May 2024

N.R. Agrawal
Partner
Membership No: .030117
UDIN:- 24030117BKBF5830

Nath Industries Limited
Balance Sheet as at March 31, 2024
L21010MH1980PLC022820

(Rs. in Lakhs)

| Particulars | Note No. | As on 31.03.2024 | As on 31.03.2023 |
|---|--------------|------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 28,852.03 | 20,531.62 |
| (b) Capital work-in-progress | 2 | 36.83 | 5,946.06 |
| (c) Financial assets | | | |
| (i) Investments | 3 | 0.20 | 0.20 |
| (ii) Loans and Advances | 4 | 362.52 | 365.26 |
| (iii) Other Financial Assets | 5 | 531.25 | 654.96 |
| (d) Other non-current assets | 6 | 1,896.42 | 2,118.03 |
| | | 31,679.25 | 29,616.13 |
| Current assets | | | |
| (a) Inventories | 7 | 4,594.88 | 4,747.90 |
| (b) Financial assets | | | |
| (i) Investments | 8 | 924.35 | 751.45 |
| (ii) Trade receivables | 9 | 4,982.38 | 5,518.12 |
| (iii) Cash and Cash Equivalents | 10 | 628.06 | 14.47 |
| (iv) Loans and advances | 11 | 322.38 | - |
| (v) Other Current Financial Assets | 12 | 655.30 | 478.20 |
| (c) Other current assets | 13 | 1,360.57 | 2,122.61 |
| | | 13,467.92 | 13,632.75 |
| Total Assets | | 45,147.17 | 43,248.88 |
| Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 14 | 1,900.00 | 1,900.00 |
| (b) Other equity | 15 | 22,625.47 | 22,419.24 |
| | | 24,525.47 | 24,319.24 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 3,275.10 | 3,284.32 |
| (ii) Deferred Sales Tax Liabilities payable as per Govt Scheme | 17 | 3,010.82 | 3,010.82 |
| (b) Other non-current liabilities | 18 | 334.84 | - |
| (c) Provisions | 19 | 579.98 | 557.95 |
| (d) Deferred tax liabilities (net) | 20 | 2,336.55 | 2,309.82 |
| | | 9,537.29 | 9,162.91 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 7,312.86 | 5,751.83 |
| (ii) Trade payables | 22 | 2,849.75 | 2,781.10 |
| (b) Other current liabilities | 23 | 518.71 | 840.91 |
| (c) Provisions | 24 | 403.09 | 392.89 |
| (d) Current Tax Liabilities (net) | | - | - |
| | | 11,084.41 | 9,766.73 |
| Total Equity and Liabilities | | 45,147.17 | 43,248.88 |
| Significant Accounting Policies and notes form an integral part of Financial Statements | 1 & 33 to 47 | | |

IN TERMS OF OUR REPORT ATTACHED
FOR N.R. AGRAWAL & CO
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100143W

N R AGRAWAL
(PARTNER)
M NO. 30117
UDIN:-24030117BKBFCB5830
PLACE: MUMBAI
Date:-30th May 2024

For NATH INDUSTRIES LIMITED

AKASH KAGLIWAL
(MANAGING DIRECTOR)

ABHAYKUMAR JAIN
(DIRECTOR)

Nath Industries Limited
Statement of Profit and Loss for the year ended March 31, 2024
L21010MH1980PLC022820

(Rs. in Lakhs)

| Particulars | Note No. | For the year ended 31.03.2024 | For the year ended 31.03.2023 |
|---|--------------|-------------------------------|-------------------------------|
| Income | | | |
| Revenue from operations | 25 | 32,095.03 | 40,820.70 |
| Other income | 26 | 427.10 | 591.75 |
| Total income | | 32,522.13 | 41,412.45 |
| Expenses | | | |
| Cost of material consumed | 27 | 19,712.13 | 27,444.01 |
| Purchase - Trading | 28 | 4.92 | 493.85 |
| Changes in inventories | 29 | (130.32) | 6.98 |
| Employee benefits expense | 30 | 2,191.55 | 2,056.27 |
| Finance costs | 31 | 918.10 | 501.06 |
| Depreciation and amortization expense | 2 | 697.14 | 713.18 |
| Other expenses | 32 | 9,052.01 | 10,174.71 |
| Total expenses | | 32,445.53 | 41,390.07 |
| Profit before tax | | 76.60 | 22.38 |
| Tax expense : | | | |
| (1) Current tax | | 9.44 | 25.23 |
| (2) Deferred tax | | 26.73 | (266.19) |
| (3) MAT Credit recognised | | (9.44) | - |
| (4) Income tax adjustment of earlier years | | 0.45 | (4.07) |
| Total | | 27.18 | (245.04) |
| Profit for the year | | 49.42 | 267.43 |
| Other comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss | | (16.10) | - |
| (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 | | 172.90 | (383.57) |
| (ii) Income tax related to items that will be reclassified to profit or loss | | - | - |
| Total comprehensive income for the period | | 206.22 | (116.15) |
| Earnings per equity share | | | |
| (1) Basic | | 0.26 | 1.41 |
| (2) Diluted | | 0.26 | 1.41 |
| Significant Accounting Policies and notes form an integral part of Financial Statements | 1 & 33 to 47 | | |

IN TERMS OF OUR REPORT ATTACHED
FOR N.R. AGRAWAL & CO
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100143W

N R AGRAWAL
(PARTNER)
M NO. 30117
UDIN:-24030117BKBFCB5830
PLACE: MUMBAI
Date:-30th May 2024

For NATH INDUSTRIES LIMITED

AKASH KAGLIWAL
(MANAGING DIRECTOR)

ABHAYKUMAR JAIN
(DIRECTOR)

Nath Industries Limited
Cash Flow Statement for the year ending 31.03.2024
L21010MH1980PLC022820

(Rs. in Lakhs)

| Particulars | For the Year Ended 31st Mar, 2024 | | For the Year Ended 31st Mar, 2023 | |
|--|--------------------------------------|-------------------|--------------------------------------|-------------------|
| | | | | |
| A. Cash flow from operating activities | | | | |
| Net Profit after Tax | | 49.43 | | 267.43 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 697.14 | | 713.18 | |
| Finance costs | 918.10 | | 501.06 | |
| Tax Expenses | 36.17 | | (240.97) | |
| Interest income | (163.98) | | (85.70) | |
| Dividend Income | (10.67) | | (10.68) | |
| Loss/ (Profit) on Sale of Asset | 0.09 | | 20.14 | |
| | | 1,476.85 | - | 897.03 |
| Operating profit / (loss) before working capital changes | | 1,526.28 | | 1,164.45 |
| Changes in working capital: | | | | |
| Adjustments for (increase) / decrease in operating assets: | | | | |
| Inventories | 153.02 | | (587.19) | |
| Trade receivables | 535.73 | | 830.81 | |
| Security Deposits | 123.71 | | (239.12) | |
| Other non-Current Financial Assets | - | | - | |
| Current Financial Assets | (177.09) | | (337.87) | |
| Other Current Assets | 762.04 | | (723.63) | |
| Other non-current Assets | - | | 1,322.40 | |
| Adjustments for increase / (decrease) in operating liabilities: | | | | |
| Trade payables | 68.64 | | 172.38 | |
| Other Non-current liabilities | 334.84 | | | |
| Other current liabilities | (322.19) | | (61.95) | |
| Net Income tax Paid | (18.88) | | (279.94) | |
| Provision for Expenses / (Paid) | (10.25) | | 66.56 | |
| Short Term Employee Benefits Paid | 20.44 | | (1.23) | |
| Long Term Employee Benefits Paid | 5.93 | 1,475.95 | 2.41 | 163.64 |
| Net cash flow from / (used in) operating activities (A) | | 3,002.23 | | 1,328.09 |
| B. Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets | (9,017.54) | - | (596.94) | |
| Change in Capital work in progress | 5,909.22 | - | (5,486.44) | |
| Advance given / (Received back) for purchase of Land | - | - | 44.63 | |
| Loans and advances Received Back /(Given) | (310.20) | - | (8.70) | |
| Capital Advances Paid | 221.61 | - | 616.02 | |
| Interest received | 163.98 | - | 85.70 | |
| Dividend Received | 10.67 | - | 10.68 | |
| Profit/(loss) on Sale of Asset | (0.09) | - | (20.14) | |
| | | (3,022.35) | | (5,355.18) |
| Net cash flow from / (used in) investing activities (B) | | (3,022.35) | | (5,355.18) |
| C. Cash flow from financing activities | | | | |
| Repayment of Trade & Inter corporate Deposits | | - | - | |
| Increase in Long term Borrowings | (9.22) | - | 2,094.20 | |
| Increase in / (Repayment off) Deferred Sales Tax Liability | 0.00 | - | (483.08) | |
| Increase / (Repayment) of Short-term borrowings from Banks | 1,561.03 | - | 2,866.31 | |
| Finance cost | (918.10) | 633.71 | (501.06) | 3,976.37 |
| Net cash flow from / (used in) financing activities (C) | | 633.71 | | 3,976.37 |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 613.59 | | (50.72) |
| Cash and cash equivalents at the beginning of the year | | 14.47 | | 65.19 |
| Cash and cash equivalents at the end of the year | | 628.06 | | 14.47 |
| Comprises: Cash and Cash Equivalents | | | | |
| (a) Cash on hand | | 620.36 | | 9.22 |
| (b) Balances with banks in Current Accounts | | 7.70 | | 5.25 |
| | | 628.06 | | 14.47 |

IN TERMS OF OUR REPORT ATTACHED
FOR N.R. AGRAWAL & CO
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100143W

N R AGRAWAL
(PARTNER)
M NO. 30117
UDIN:-24030117BKBFCB5830
PLACE: MUMBAI
Date:-30th May 2024

For NATH INDUSTRIES LIMITED

AKASH KAGLIWAL
(MANAGING DIRECTOR)

ABHAYKUMAR JAIN
(DIRECTOR)

Statement of Changes in Equity:-

A. Equity Share Capital

| Balance as at 01st April 2023 | Changes in Equity Share Capital due to prior period errors | Restated Balance as on 01st April 2023 | Changes in equity share capital during the current year | Balance as at 31st March 2024 |
|-------------------------------|--|--|---|-------------------------------|
| 1,900.00 | - | - | - | 1,900.00 |

| Balance as at 01st April 2022 | Changes in Equity Share Capital due to prior period errors | Restated Balance as on 01st April 2022 | Changes in equity share capital during the current year | Balance as at 31st March 2023 |
|-------------------------------|--|--|---|-------------------------------|
| 1,900.00 | - | - | - | 1,900.00 |

B. Other Equity as on 31st March 2024

| | 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 2023 | 45.00 | 570.07 | 31.25 | 7,710.00 | 300.00 | 14,360.78 | (597.86) | 22,419.24 |
| 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 | 14,360.78 | (597.86) | 22,419.24 |
| Profit for the year | - | - | - | - | - | 49.43 | - | 49.43 |
| Other Comprehensive Income/(Losses) | - | - | - | - | - | - | 156.80 | 156.80 |
| Total Comprehensive Income | 45.00 | 570.07 | 31.25 | 7,710.00 | 300.00 | 14,410.21 | (441.06) | 22,625.47 |
| Dividend | - | - | - | - | - | - | - | - |
| Transfer to /(From) Retained earning | - | - | - | - | - | - | - | - |
| Balance as at 31st March 2024 | 45.00 | 570.07 | 31.25 | 7,710.00 | 300.00 | 14,410.21 | (441.06) | 22,625.47 |

B. Other Equity as on 31st March 2023

| | 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 2022 | 45.00 | 570.07 | 31.25 | 7,710.00 | 300.00 | 14,094.35 | (214.29) | 22,536.38 |
| 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 | 14,094.35 | (214.29) | 22,536.38 |
| Profit for the year | - | - | - | - | - | 267.43 | - | 267.43 |
| Other Comprehensive Income/(Losses) | - | - | - | - | - | - | (383.57) | (383.57) |
| Total Comprehensive Income | 45.00 | 570.07 | 31.25 | 7,710.00 | 300.00 | 14,361.78 | (597.86) | 22,420.23 |
| Dividend | - | - | - | - | - | - | - | - |
| Transfer to /(From) Retained earning | - | - | - | - | - | (1.00) | - | (1.00) |
| Balance as at 31st March 2023 | 45.00 | 570.07 | 31.25 | 7,710.00 | 300.00 | 14,360.78 | (597.86) | 22,419.24 |

NOTE NO. 1

NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31st March 2024

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 30th May 2024.

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 charges 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:-

| Assets | F.Y. 2023-24 Useful Life | F.Y. 2023-24 Rate of Dep % |
|--|-------------------------------------|---------------------------------------|
| <u>Building :</u> | | |
| 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 |
| <u>Plant & Machinery :</u> | | |
| Electrical installation, effluent treatment plant, gas cylinder | 10 | 9.50 |
| Energy conveyor equipment | 25 | 3.80 |
| Paper machine, gen plant & Machinery, boiler, Steam line pipe, DM plant, coal conveyor, water line | 25 | 3.80 |
| Energy saving equipment, steam turbine, bore well | 25 | 3.80 |
| Workshop plant & lab equip. Water meter | 25 | 3.80 |
| Co-generation Power Plant | 40 | 2.38 |
| <u>Furniture, Fixture & Equipment:</u> | | |
| Furniture & fixture, air conditioner | 10 | 9.50 |
| Office equipment | 5 | 19.00 |
| HF Transmitter | 5 | 19.00 |
| Water cooler | 5 | 19.00 |
| Computer | 3 | 31.67 |
| <u>Vehicles :</u> | | |
| Van and Scooter | 10 | 9.50 |

| | | |
|------------|---|-------|
| Motor Car | 8 | 11.88 |
| Pay Loader | 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.
- vi) The depreciation for the year is computed on the re-calculated written down value after adjusting the excess depreciation Rs. 575.98 lakhs provided in earlier years.

(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.
- (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 and Government Resolution no IDL/1093/(8889)/IND-8 dated 07th May 1993. Company was eligible to collect the sales tax upto 31st October 2020 and defer its payment as per the Package scheme of Incentives. Accordingly, Company recognizes the same as deferred sales tax liability as current liability and non-current liability

However, while giving impact of extension of additional eight years as per order of Hon'ble BIFR , Joint Commissioner of Sales Tax , Sales Tax Department, Govt of Maharashtra, had considered original due date based upon repayment after ten years in five equal annual Installment, whereas as per the Government Resolution No.IDL/1093/(8889)AIND-8 dated 7th May 1993, unit situated in Marathwada and Vidarbha are required to pay the deferred sales tax after 18 years in seven equal annual instalments. Therefore, the same has been re- arranged/re grouped in the current financial year.

Further, with the introduction of GST, Company was eligible to get refund of Gross SGST for the period of 1st Nov 2015 to 31st October 2020, based upon approved eligible investment. Accordingly, Company had recognized refund receivable as current Asset and deferred its repayment as Non-Current Liability.

(p) Taxes on Income

Income Tax

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

Deferred Tax Asset /Liability

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

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

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

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

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

Current and deferred tax for the period

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

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

(q) Foreign Currency Transactions:

i) Initial Recognition

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

ii) Conversion

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

(r) Employee Benefits :

i) Defined Contribution Plan

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

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

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

ii) Defined Benefit Plan;

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

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

Defined benefit costs are composed of:

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

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

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

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

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

Gratuity:

The gratuity liability is determined on the basis of actuarial valuation as at year end. Provision in respect of leave encasement is made based on the basis of actual leave balance of employees at the end of the Year in accordance with Accounting Standard-

15 on "Accounting for retirement Benefits in the financial statement of Employer" as issued by the Institute of Chartered Accountants of India.

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

Leave Encashment:-

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

Bonus:-

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

(s) Financial Assets at Amortized Cost:

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

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

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

(u) Dividend Distribution to Equity-holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is

approved by the shareholders. A corresponding amount is recognized directly in equity.

(v) Earning Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the net profit for the year attributable to equity shareholders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(w) Provisions & Contingent Liabilities:

Provisions:

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

Contingent Liabilities:

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic

benefits will be required to settle or a reliable estimate of the amount cannot be made.

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

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

(y) Financial Liabilities:

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

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

(z) Reclassification of Financial Assets & Liabilities:

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

(aa) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is no intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Nath Industries Limited

Notes to financial statements for the year ended March 31, 2024

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

Property, Plant and Equipment, and Intangible Asset as on 31st March 2024:-

(Rs. in Lakhs)

| Sr No | Particulars | ASSET | | | | ACCUMULATED DEPRECIATION | | | | Net Block as on 31.03.2024 | Net Block as on 31.03.2023 |
|-------|--------------------------|----------------------------------|--------------------------|--------------------------------|--------------------------|------------------------------|----------------------------------|--|--|----------------------------|----------------------------|
| | | Opening Balance as on 01.04.2023 | Addition During the year | Sold/ Disposed During the year | Balance as on 31.03.2024 | Balances as at April 1, 2023 | Depreciation charge for the year | Depreciation on asset sold/ disposed off | Total Accumulated Depreciation upto 31.03.2024 | | |
| 1 | Freehold Land | 5,136.64 | - | - | 5,136.64 | - | - | - | - | 5,136.64 | 5,136.64 |
| 2 | Leasehold Land | 7,023.20 | - | - | 7,023.20 | 725.75 | 113.82 | - | 839.57 | 6,183.63 | 6,297.45 |
| 3 | Building | 1,970.14 | 14.34 | (23.09) | 1,961.39 | 471.34 | 62.95 | (2.03) | 532.27 | 1,429.12 | 1,498.80 |
| 4 | Plant and equipment | 9,475.76 | 8,625.59 | (11.51) | 18,089.84 | 2,209.90 | 443.40 | (1.53) | 2,651.77 | 15,438.07 | 7,265.86 |
| 5 | Office equipments | 23.11 | 13.76 | - | 36.87 | 13.10 | 5.76 | - | 18.86 | 18.01 | 10.01 |
| 6 | Electrical Installation | 155.61 | 369.76 | - | 525.37 | 53.13 | 16.32 | - | 69.46 | 455.91 | 102.48 |
| 7 | Furniture and Fixtures | 156.54 | 0.49 | - | 157.03 | 37.19 | 13.91 | - | 51.10 | 105.93 | 119.35 |
| 8 | Computers | 23.87 | 3.78 | - | 27.65 | 18.16 | 5.25 | - | 23.41 | 4.24 | 5.71 |
| 9 | Vehicles | 301.63 | 20.87 | - | 322.50 | 206.31 | 35.73 | - | 242.03 | 80.47 | 95.32 |
| | Total | 24,266.51 | 9,048.59 | (34.60) | 33,280.50 | 3,734.89 | 697.14 | (3.56) | 4,428.47 | 28,852.03 | 20,531.62 |
| | Capital Work in progress | | | | | | | | | 36.83 | |

Property, Plant and Equipment, and Intangible Asset as on 31st March 2023:-

| Sr No | Particulars | ASSET | | | | ACCUMULATED DEPRECIATION | | | | Net Block as on 31.03.2023 | Net Block as on 31.03.2022 |
|-------|--------------------------|----------------------------------|--------------------------|--------------------------------|--------------------------|------------------------------|----------------------------------|--|--|----------------------------|----------------------------|
| | | Opening Balance as on 01.04.2022 | Addition During the year | Sold/ Disposed During the year | Balance as on 31.03.2023 | Balances as at April 1, 2022 | Depreciation charge for the year | Depreciation on asset sold/ disposed off | Total Accumulated Depreciation upto 31.03.2023 | | |
| 1 | Freehold Land | 5,136.64 | - | - | 5,136.64 | - | - | - | - | 5,136.64 | 5,136.64 |
| 2 | Leasehold Land | 7,023.20 | - | - | 7,023.20 | 611.08 | 114.67 | - | 725.75 | 6,297.45 | 6,412.12 |
| 3 | Building | 1,942.47 | 47.18 | (19.50) | 1,970.14 | 396.51 | 77.21 | (2.39) | 471.34 | 1,498.80 | 1,545.95 |
| 4 | Plant and equipment | 8,983.79 | 527.43 | (35.45) | 9,475.76 | 1,768.60 | 448.58 | (7.28) | 2,209.90 | 7,265.86 | 7,215.19 |
| 5 | Office equipments | 18.36 | 4.85 | (0.10) | 23.11 | 10.33 | 2.77 | - | 13.10 | 10.01 | 8.03 |
| 6 | Electrical Installation | 155.61 | - | - | 155.61 | 38.35 | 14.78 | - | 53.13 | 102.48 | 117.26 |
| 7 | Furniture and Fixtures | 117.49 | 39.91 | (0.86) | 156.54 | 25.01 | 12.18 | - | 37.19 | 119.35 | 92.48 |
| 8 | Computers | 23.01 | 0.89 | (0.04) | 23.87 | 14.94 | 3.22 | - | 18.16 | 5.71 | 8.07 |
| 9 | Vehicles | 279.67 | 21.97 | - | 301.63 | 166.55 | 39.76 | - | 206.31 | 95.32 | 113.11 |
| | Total | 23,680.23 | 642.23 | (55.95) | 24,266.51 | 3,031.38 | 713.18 | (9.66) | 3,734.89 | 20,531.62 | 20,648.85 |
| | Capital Work in progress | | | | | | | | | 5,946.06 | |

Capital Work-in progress ageing as on 31st March 2024

(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 | - | - | 36.83 | - | 36.83 |
| Total | - | - | 36.83 | - | 36.83 |

Capital Work-in progress ageing as on 31st March 2023

| 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 | 676.10 | 5,269.96 | - | - | 5,946.06 |
| Total | 676.10 | 5,269.96 | - | - | 5,946.06 |

Note 3 : Non-current investments

(Rs. in Lakhs)

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|--|------------------|------------------|
| <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 |
| Total | 0.20 | 0.20 |
| Aggregate amount of unquoted investments | 0.20 | 0.20 |
| Aggregate amount of impairment in value of investments | | - |

Note 4 : Non-current Loans and advances

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|------------------------|------------------|------------------|
| Loans and Advances | 34.71 | 46.89 |
| Mat Credit Entitlement | 327.81 | 318.37 |
| Total | 362.52 | 365.26 |

Note 5 : Non-current Other financial Assets

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|-------------------------|------------------|------------------|
| Security Deposits | 421.07 | 546.30 |
| Earmarked Bank Deposits | 110.18 | 108.66 |
| Total | 531.25 | 654.96 |

Note 6 : Other non-current assets

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|-------------------------------|------------------|------------------|
| Capital Advances | - | 221.61 |
| Advances for land development | 690.89 | 690.89 |
| Advances for purchase of land | 1,205.53 | 1,205.53 |
| Total | 1,896.42 | 2,118.03 |

Note 7 : Inventories

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|------------------------|------------------|------------------|
| Raw Materials | 1,949.29 | 2,168.84 |
| Coal/Lignite Stock | 53.88 | 69.00 |
| Dyes and Chemicals | 237.72 | 286.30 |
| Stores, Spares & Tools | 554.59 | 554.69 |
| Finished Goods | 1,579.90 | 1,413.64 |
| Stock In Process | 219.50 | 255.43 |
| Total | 4,594.88 | 4,747.90 |

Note 8 : Current Investments

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|---|------------------|------------------|
| Investment at Fair Value Through Other Comprehensive Income | | |
| Investment in Equity Instruments | | |
| 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. 247.10/- per share and market price as on 31.03.2024 is Rs. 173.75 (Previous year is Rs 141.25) | 924.35 | 751.45 |
| Total | 924.35 | 751.45 |
| Aggregate amount of quoted investments (Cost) | 1,314.55 | 1,314.55 |
| Aggregate amount of quoted investments (Market Value) | 924.35 | 751.45 |

Note 9 : Trade receivables

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|---|------------------|------------------|
| Due for a period of more than six months | | |
| Secured, considered good | 0.02 | 0.02 |
| Unsecured, considered good | 132.04 | 130.65 |
| Unsecured, considered doubtful | 18.69 | - |
| Total Debtors o/s for more than 6 months | 150.75 | 130.67 |
| Others | | |
| Secured, considered good | 46.55 | 46.55 |
| Unsecured, considered good | 4,785.08 | 5,340.90 |
| Total Other o/s Debtors | 4,831.63 | 5,387.45 |
| Total | 4,982.38 | 5,518.12 |

Trade Receivable ageing Schedule as on 31st March 2024

| 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 | 4,831.63 | 106.50 | 16.97 | 8.53 | 0.06 | 4,963.69 |
| Undisputed Trade Receivable- Which have significant increase in credit risk | - | - | - | - | - | - |
| Un-disputed Trade Receivables -Credit Impaired | - | 1.05 | 0.97 | 1.53 | 15.14 | 18.69 |
| Disputed Trade Receivables -Considered Good | - | - | - | - | - | - |
| Disputed Trade Receivable- Which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables -Credit Impaired | - | - | - | - | - | - |
| TOTAL | 4,831.63 | 107.55 | 17.94 | 10.06 | 15.20 | 4,982.38 |

Trade Receivable ageing Schedule as on 31st March 2023

| 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 | 5,387.45 | 25.48 | 21.09 | 67.04 | 17.06 | 5,518.12 |
| Undisputed Trade Receivable- Which have significant increase in credit risk | - | - | - | - | - | - |
| Un-disputed Trade Receivables -Credit Impaired | - | - | - | - | - | - |
| Disputed Trade Receivables -Considered Good | - | - | - | - | - | - |
| Disputed Trade Receivable- Which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables -Credit Impaired | - | - | - | - | - | - |
| TOTAL | 5,387.45 | 25.48 | 21.09 | 67.04 | 17.06 | 5,518.12 |

Note 10 : Cash and Cash Equivalents

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|-------------------------------|------------------|------------------|
| Cash and cash equivalents | | |
| Balances with Scheduled banks | 620.36 | 5.25 |
| Cash on hand | 7.70 | 9.22 |
| Total | 628.06 | 14.47 |

Note 11 : Current Loans and advances

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|--------------------|------------------|------------------|
| Loans and Advances | 322.38 | - |
| Total | 322.38 | - |

Note 12 : Other current financial assets

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|-------------------------------|------------------|------------------|
| Security Deposit | 151.03 | - |
| Interest accrued on deposits | 23.54 | 19.68 |
| Interest receivable | 216.88 | 91.53 |
| Advances to Employees | 27.94 | 14.80 |
| Export Incentive Receivable | 48.25 | 94.38 |
| Deferred Sales Tax Receivable | 162.65 | 257.81 |
| Other | 25.01 | - |
| Total | 655.30 | 478.20 |

Note 13 : Other Current Assets

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|---|-------------------------|-------------------------|
| | | |
| Prepaid expenses | 58.00 | 43.34 |
| Advance for Expenses | 10.69 | 10.87 |
| Balances with government authorities | 916.61 | 1,157.34 |
| Advances to suppliers | 375.27 | 911.06 |
| | | |
| Total | 1,360.57 | 2,122.61 |

Note 14 : Equity Share Capital

| (Rs. in Lakhs) | | | | |
|---|--------------|------------------|--------------|------------------|
| Particulars | | As on 31.03.2024 | | As on 31.03.2023 |
| Share capital | | | | |
| 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 | | 1,900.00 | | 1,900.00 |
| (Previous Year 1,90,00,000 Equity Shares of Rs.10 each) | | | | |
| | | | | |
| (a) Reconciliation of Number of Shares | | | | |
| Issued, Subscribed and Fully Paid up : | | | | |
| Equity Shares as on 01.04.2023 | | 1,90,00,000 | | 1,90,00,000 |
| Add:- Issued During the year | | - | | - |
| Total Equity Share capital As on 31.03.2024 | | 1,90,00,000 | | 1,90,00,000 |
| | | | | |
| (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 2024

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

Shareholding of Promoters as at 31st March 2023

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

Note 15 : Other equity

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|--|------------------|------------------|
| Capital Subsidy | 45.00 | 45.00 |
| Capital Reserve | 570.07 | 570.07 |
| Forfieted 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 | 14,360.78 | 14,094.35 |
| Add:- Net profit after Tax for the year | 49.43 | 266.43 |
| Total Retained earning | 14,410.21 | 14,360.78 |
| Other Comprehensive Income | | |
| Opening Balance | (597.86) | (214.29) |
| Less: Other Comprehensive Profit /(Loss) for the year | 156.80 | (383.57) |
| Total Other Comprehensive Loss | (441.06) | (597.86) |
| Total | 22,625.47 | 22,419.24 |

Note 16 : Non-current Borrowings

| Particulars | | As on 31.03.2024 | | As on 31.03.2023 |
|--|--|------------------|--|------------------|
| Term Loans from Financial Institutions | | 3,250.08 | | 3,269.81 |
| Vehicle Loan | | 25.02 | | 14.51 |
| Total | | 3,275.10 | | 3,284.32 |

Note 17: Deferred Sales Tax Liabilities

| Particulars | | As on 31.03.2024 | | As on 31.03.2023 |
|---------------------------------------|--|------------------|--|------------------|
| Deferred Sales Tax Liabilities - VAT | | 2,171.50 | | 2,171.50 |
| Deferred Sales Tax Liabilities - SGST | | 839.32 | | 839.32 |
| Total | | 3,010.82 | | 3,010.82 |

Note 18: Other Non-Current Liabilities

| Particulars | | As on 31.03.2024 | | As on 31.03.2023 |
|----------------|--|------------------|--|------------------|
| Trade Deposits | | 334.84 | | - |
| Total | | 334.84 | | - |

Note 19: Provisions (Non-current)

| Particulars | | As on 31.03.2024 | | As on 31.03.2023 |
|--------------------------------|--|------------------|--|------------------|
| Provision for gratuity | | 476.33 | | 453.96 |
| Provision for leave encashment | | 103.65 | | 103.99 |
| Total | | 579.98 | | 557.95 |

Note No 20:- Deferred Tax Liabilities / (Asset)

| Particulars | | As on 31.03.2024 | | As on 31.03.2023 |
|-------------------------------|--|------------------|--|------------------|
| <u>Deferred Tax Liability</u> | | | | |
| Fixed Assets | | 3,248.36 | | 2,496.31 |
| <u>Deferred Tax Asset</u> | | | | |
| Employee Benefit | | 194.89 | | 183.85 |
| Long Term Capital Loss | | 2.64 | | 2.64 |
| Carry Forward Loss | | 714.28 | | - |
| Total | | 2,336.55 | | 2,309.82 |

Note 21: Current Borrowings

| Particulars | | As on 31.03.2024 | | As on 31.03.2023 |
|-------------------------------------|--|------------------|--|------------------|
| Short Term Bank Borrowing | | 6,144.49 | | 4,582.03 |
| Current maturity of long term loans | | 1,168.37 | | 1,169.80 |
| Total | | 7,312.86 | | 5,751.83 |

Note 22 : Trade payables

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|---|------------------|------------------|
| Outstanding dues of micro and small enterprises | - | - |
| Others | 2,849.75 | 2,781.10 |
| Total | 2,849.75 | 2,781.10 |

Trade Payables ageing Schedule as on 31st March 2024

| 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 | 2,647.40 | 47.11 | 54.42 | 46.43 | 2,795.36 |
| (iii) Disputed dues- MSME | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | 54.39 | 54.39 |
| TOTAL | 2,647.40 | 47.11 | 54.42 | 100.82 | 2,849.75 |

Trade Payables ageing Schedule as on 31st March 2023

| 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 | 2,544.23 | 110.77 | 43.96 | 27.75 | 2,726.71 |
| (iii) Disputed dues- MSME | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | 54.39 | 54.39 |
| TOTAL | 2,544.23 | 110.77 | 43.96 | 82.14 | 2,781.10 |

Note 23 : Other current liabilities

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|------------------------|------------------|------------------|
| Advance from customers | 95.20 | 308.26 |
| Trade deposits | 36.40 | 232.60 |
| Other advance | 14.84 | 82.53 |
| Statutory Liabilities | 203.73 | 51.06 |
| Other Liabilities | 168.54 | 166.46 |
| Total | 518.71 | 840.91 |

Note 24 : Provisions (Current)

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|--------------------------------|------------------|------------------|
| Provision for expenses | 233.46 | 243.71 |
| Provision for gratuity | 90.78 | 78.78 |
| Provision for leave encashment | 21.53 | 12.42 |
| Provision for bonus | 57.32 | 57.98 |
| Total | 403.09 | 392.89 |

Nath Industries Limited
Notes to financial statements for the year ended March 31, 2024

Note 25 : Revenue from operations

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------|------------------------------|------------------------------|
| Manufacturing | | |
| Papers | 25,805.15 | 29,608.46 |
| Chemicals | 5,478.51 | 9,975.97 |
| Other revenues | 805.84 | 725.51 |
| Trading | | |
| Waste papers | - | 60.57 |
| Chemicals | 5.53 | 450.19 |
| Total | 32,095.03 | 40,820.70 |

Note 26 : Other income

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------|------------------------------|------------------------------|
| Interest income | | |
| - from banks | 23.06 | 9.73 |
| - from others | 140.91 | 75.97 |
| - from Income Tax Refund | 2.10 | - |
| - on Service Tax Deposit | 5.26 | - |
| Dividend income | 10.67 | 10.68 |
| Insurance claim | 5.91 | 1.36 |
| Other miscellaneous income | 179.56 | 454.44 |
| Exchange Rate Gain/(Loss) | 54.65 | 39.57 |
| Profit on sale of Machinery | 4.98 | - |
| Total | 427.10 | 591.75 |

Note 27 : Cost of material consumed

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------|------------------------------|------------------------------|
| Raw materials | | |
| Opening stock | 2,455.15 | 1,997.11 |
| Add : Purchases | 19,443.99 | 27,902.05 |
| Less : Closing stock | (2,187.01) | (2,455.15) |
| Total | 19,712.13 | 27,444.01 |

Note 28 : Purchase (Trading)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------|------------------------------|------------------------------|
| Waste paper | - | 59.25 |
| Chemicals | 4.92 | 434.60 |
| Total | 4.92 | 493.85 |

Note 29 : Changes in inventories:-

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Opening stock of finished goods & work-in progress | 1,669.07 | 1,676.05 |
| Closing stock of finished goods & work-in progress | (1,799.39) | (1,669.07) |
| Total | (130.32) | 6.98 |

Note 30 : Employee benefits expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Salaries & wages | 1,915.27 | 1,800.74 |
| Contribution to provident fund and other funds | 109.61 | 104.22 |
| Staff welfare expenses | 166.67 | 151.31 |
| Total | 2,191.55 | 2,056.27 |

Note 31 : Finance costs

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------|------------------------------|------------------------------|
| Interest on Working Capital | 803.98 | 459.45 |
| Interest on term loans | 87.20 | 24.91 |
| Interest on trade deposits | 11.63 | 11.69 |
| Interest on others | 15.29 | 5.01 |
| Total | 918.10 | 501.06 |

Note 32 : Other expenses

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Stores ,Spares & Packing Material Consumption | 1,174.99 | 1,397.12 |
| Power & fuel | 4,766.32 | 5,483.19 |
| Water charges | 272.19 | 219.12 |
| Repair to others | 7.38 | - |
| Repairs to building | 4.95 | 4.51 |
| Repairs to plant & machinery | 178.68 | 251.24 |
| Other Manufacturing Expenses | 189.16 | 245.96 |
| Hire charges - fork lift | 31.83 | 17.38 |
| Insurance charges | 32.84 | 32.62 |
| Transportation & materials handling | 217.24 | 179.37 |
| Technical consultation charges | 0.92 | - |
| Discount on sales | 1,039.91 | 889.56 |
| Freight outward charges | 452.30 | 737.94 |
| | - | |
| Bank charges | 34.93 | 33.79 |
| Auditor's fees | 3.50 | 5.50 |
| Auditor's Reimbursement | 0.18 | 0.23 |
| Cost Audit fees | - | 3.30 |
| GST Audit fees | 0.50 | 0.50 |
| Tax audit fees | 4.50 | 3.00 |
| Internal audit fees | 3.00 | 3.00 |
| Corporate social responsibility expenses | - | 38.00 |
| Donation | 0.11 | 0.61 |
| Legal & professional fees | 287.31 | 242.19 |
| License, inspection and testing charges | 5.55 | 4.07 |
| Listing fees | 3.25 | 3.00 |
| Membership fees & subscription | 3.65 | 3.82 |
| Depository service charges | 2.92 | 3.56 |
| Business Development / Business promotion expenses | 6.45 | 24.00 |
| Computer expenses | 3.77 | 12.30 |
| Conveyance | 19.77 | 19.03 |
| Corporate office expenses | 10.57 | 12.06 |
| Garden expenses | 6.65 | 8.40 |
| GST Expenses | 11.81 | |
| Loss on sale of Assets | 5.07 | 20.14 |
| Motor car expenses | 34.14 | 33.84 |
| Stamp Duty Expense | 11.42 | 6.77 |
| Other expenses | 40.98 | 78.39 |
| Postage & telegram | 4.72 | 4.32 |
| Printing & stationery | 9.93 | 9.73 |
| Prior Year Expenses | - | 0.40 |
| Rent, rates & taxes | 55.22 | 27.98 |
| Security services | 28.33 | 30.65 |
| Sundry balances written off | 24.60 | 34.10 |
| Telephone Expenses | 7.22 | 5.66 |
| Traveling expenses | 53.25 | 44.36 |
| Total | 9,052.01 | 10,174.71 |

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 31.03.2024 | As on 31.03.2023 |
| Net Debts* (A) | 13,598.78 | 12,046.97 |
| Equity ** (B) | 24,525.47 | 24,319.24 |
| Debt Equity Ratio (A/B) | 0.55 | 0.50 |

* 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 after necessary approvals for credit.

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

Exposure to credit risk:-

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

(Rs. In Lakhs)

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|--------------------|-------------------------|-------------------------|
| Trade Receivables | 4,982.38 | 5,518.12 |
| Loans and Advances | 357.09 | 46.89 |
| TOTAL | 5,339.47 | 5,565.01 |

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

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

iii) Liquidity Risk

a. Liquidity Risk Management:-

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

b. Maturities of financial liabilities

The following table details the remaining contractual maturities for its financial liabilities with agreed repayment period. The amount disclosed in the table has 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 outflows.

(Rs. In Lakhs)

| Particulars | F.Y. 2023-24 | | F.Y. 2022-23 | |
|--------------------------------|--------------|--------------|--------------|--------------|
| | Upto 1 Year | Above 1 Year | Upto 1 Year | Above 1 Year |
| Term Loan | 1,168.37 | 3,275.10 | 1,169.80 | 3,284.32 |
| Deferred Sales Tax Liabilities | - | 3,010.82 | - | 3,010.82 |

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. 2023-24 | | F.Y. 2022-23 | |
|--|--------------|--------------|--------------|--------------|
| | Upto 1 Year | Above 1 Year | Upto 1 Year | Above 1 Year |
| <u>Non-current Financial Assets:-</u> | | | | |
| Security Deposits | 151.02 | 421.07 | - | 546.31 |
| Fixed Deposit with Bank | - | 110.18 | - | 108.66 |
| Loans and Advances | 322.38 | 362.51 | 1.99 | 363.27 |

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 2023-24 | FY 2022-23 |
|---|------------|------------|
| Employers Contribution to Provident Fund | 95.01 | 87.98 |
| Employers Contribution to ESIC | 14.42 | 16.10 |
| Employers Contribution to Labour Welfare Fund | 0.17 | 0.14 |

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 | 31.03.2024 | | | 31.03.2023 | | |
|---|-----------------|---------------------|-----------------|-----------------|---------------------|-----------------|
| | Unit Rama Paper | Unit Nath Chemicals | Unit Nath Paper | Unit Rama Paper | Unit Nath Chemicals | Unit Nath Paper |
| Discount Rate | 7.10% | 7.09% | 7.19% | 7.35% | 7.41% | 7.39% |
| 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 | 17 | 14 | 7 | 16 | 14 | 7 |

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2024

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

(Rs. in Lakhs)

| Change in present value of Obligation | As on 31.03.2024 | As on 31.03.2023 |
|---|------------------|------------------|
| Present Value of Obligation as at the beginning of the year | 532.75 | 534.88 |
| Interest Cost | 38.58 | 36.92 |
| Current Service Cost | 27.67 | 25.58 |
| Benefit Paid | -47.99 | -48.15 |
| Actuarial (gain) /loss on obligation | 16.10 | -16.48 |
| Present value of Obligation as at the end of the year | 567.11 | 532.75 |

c. Change in Fair value of plan assets

| Change in Fair value of Plans Assets | 31.03.2024 | 31.03.2023 |
|---|------------|------------|
| 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)

| Reconciliation of present value of defined benefit obligation and the fair value of assets | 31.03.2024 | 31.03.2023 |
|---|-------------------|-------------------|
| 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 | 567.11 | 532.75 |
| Unrecognized past service cost | - | - |
| Unrecognized actuarial (gain)/loss | - | - |
| Unfunded net (Assets)/liability recognized in the Balance Sheet as at the end of the year | 567.11 | 532.75 |

e. Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2024:-

(Rs. in Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|-------------------|-------------------|
| Current Service Cost | 27.67 | 36.92 |
| Interest Cost | 38.58 | 25.58 |
| Expected return on plan assets | - | - |
| Net Actuarial (Gain) / Loss recognized in the year | 16.10 | -16.48 |
| Past Service cost | - | - |
| Net Gratuity (income) / expense | 82.35 | 46.02 |

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

(Rs. in Lakhs)

| Particulars | 31.03.2024 | 31.03.2023 |
|-----------------------------|-------------------|-------------------|
| Present value of obligation | 567.11 | 532.75 |
| Fair value of plan assets | - | - |
| (Surplus) / Deficit | 567.11 | 532.75 |

| | | |
|----------------------------------|---|---|
| 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) | |
|--|---------------|------------|
| | 31.03.2024 | 31.03.2023 |
| Liability for leave encashment and compensated absence | 125.17 | 116.40 |

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 loans availed from the State Bank of India for Co-generation power plant, Sulphuric Expansion projects and New Online Coating Plant are primarily secured by the respective plants.

All the above facilities are additionally secured by the registered mortgage on existing leasehold land admeasuring 23,409 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.2023-24 | | F.Y.2022-23 | |
|-------------|--------------|-------------|--------------|
| Upto 1 Year | 1 to 3 years | Upto 1 Year | 1 to 3 years |
| 1168.36 | 3,275.10 | 1,169.80 | 3,284.32 |

Note No.:36

CIF Value of Imported & Indigenous Material and Components

Value of Imported and Indigenous Material and Components consumed as on 31st March 2024 is as under: (on CIF Basis)

(Rs. In Lakhs)

| Account Head | F.Y. 2023-24 | | F.Y. 2022-23 | |
|----------------------------------|------------------|---------------|------------------|---------------|
| | Rs. in Lakhs | % | Rs. in Lakhs | % |
| (a) Raw Material | | | | |
| Imported | 8868.38 | 44.99 | 11,493.10 | 41.88 |
| Indigenous | 10,843.75 | 55.01 | 15,950.91 | 58.12 |
| Total | 19,712.13 | 100.00 | 27,444.01 | 100.00 |
| (b) Stores and Spare Part | | | | |
| Imported | 19.36 | 1.65 | 17.23 | 1.23 |
| Indigenous | 1,155.63 | 98.35 | 1,379.89 | 98.77 |
| Total | 1,174.99 | 100.00 | 1,397.12 | 100.00 |

Note No.: 37**Deferred Tax Asset/(Liability):**

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

(Rs. in Lakhs)

| | As on 31.03.2024 | As on 31.03.2023 |
|--|---------------------|---------------------|
| Assets | | |
| (a) Deferred tax assets arising on account of timing differences:- | | |
| (i) Unabsorbed capital loss | 2.64 | 2.64 |
| (ii) Employee Benefits | 194.89 | 183.85 |
| (iii) Unabsorbed Business Loss | 714.28 | - |
| Liability | | |
| (b) Deferred Tax Liabilities arising on account of timing differences in WDV | 3,248.36 | 2,496.31 |
| Net Deferred Tax Asset | - | - |
| Net Deferred Tax Liability | (2,336.55) | (2,309.82) |

Note No.:38**Related Party Transactions-****a. Details of Related Parties****i. Key Management Personnel :-**

Shri Akash Kagliwal ,Managing Director
 Shri Akhilesh Kumar Sharma, Director
 Shri Abhay Kumar Jain, Director
 Ms Nupur Lodwal ,Director and Company Secretary
 Shri Vijay Saboo ,Chief Financial Officer

ii. Non-Executive/Independent Directors on the Board

Mrs. Jeevanlata Kagliwal
 Shri Hitesh Purohit, Independent Director
 Shri Kashinath G. Iyer, Independent Director
 Shri Madhukar Deshpande, Independent Director

iii. Relatives of Key Management Personnel

Mrs. Pratima Sharma, Manager
 Mrs. Rajni Jain, Manager
 Mrs. Sweta Kagliwal

b. Transaction during the Year

(Rs. in Lakhs)

| Sr. No. | Particulars | Year Ended 31 st March 2024 | Year ended 31 st march 2023 |
|---------|---|--|--|
| 1) | Remuneration paid to Key Managerial Personnel and Relatives | 172.39 | 136.36 |

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. N Kagliwal Education & Research Foundation.
- iv. Paithan Mega Food Park Private Limited

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

(Rs. in Lakhs)

| Sr No | Name | Nature of Transaction | F.Y. 2023-24 | F.Y. 2022-23 |
|-------|---|--|--------------|---------------|
| i. | Akash Farms LLP | Advance Returned (Advance received) | - | 0.23 |
| ii. | Mrs. Sweta Kagliwal | Consultancy Fees paid in her professional capacity | 15.00 | 15.00 |
| iii. | N Kagliwal Education & Research Foundation. | CSR Contribution given Advance Given | - - | 38.00 7.70 |
| iv. | Paithan Mega Food Park Private Limited | Short term loan given | 322.38 | - |

e. Outstanding Balances at the year end:-

(Rs. in Lakhs)

| Sr No | Name | As on 31.03.2024 | As on 31.03.2023 |
|-------|---|------------------|------------------|
| I | Tapovan International Trading Pvt Ltd | - | 8.08 (Cr) |
| ii | N Kagliwal Education & Research Foundation. | 34.71 (Dr) | 44.90 (Dr) |
| iii | Paithan Mega Food Park Private Limited | 322.38 (Dr) | - |

Note No.:39**Contingent Liabilities not provided for :**

(Rs. in Lakhs)

| Particulars | As on 31.03.2024 | As on 31.03.2023 |
|---|-----------------------------|-----------------------------|
| i) Bank Guarantee given to the DGVCL | 150.00 | 150.00 |
| ii) Bank Guarantee given to the GPCB | - | 5.00 |
| iii) Compensation awarded by the court not claimed / Suits filed | 1.25 | 1.25 |
| Disputed Demand of Central Excise & Service Tax of Rs. 90.91. Commissioner (Appeals) has remanded back the case to Adjudicating officer. | 90.91 | 359.31 |
| iv) 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 |
| v) 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 |
| vi) 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. | - | - |
| vii) Disputed demands of Water Cess (MPCB) | 15.98 | 15.98 |
| viii) Disputed demand of Property Tax from Wahegaon Gram Panchayat | 27.13 | 27.13 |
| ix) Deferred sales tax Liability transferred to another Company (with recourse) in earlier year | 1,586.36 | 1,586.36 |
| x) Capital Commitments :- Estimated amount of contracts remaining to be executed and not provided for tangible assets | - | 1,500.31 |
| xi) 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 | 105.94 |

Note No.:40**Foreign Exchange Transactions**

(Rs. in Lakhs)

| Particulars | F.Y. 2023-24 | F.Y. 2022-23 |
|--|---------------------|---------------------|
| Earnings in Foreign Exchange:- | 4,127.37 | 6,261.06 |
| Receipt against Export of Goods | 4,669.54 | 5,680.47 |
| Expenditure in Foreign Currency:- | | |
| Purchase of Imported Raw Materials | 7,859.21 | 11,758.37 |
| Purchase of Imported Stores | 19.36 | 43.45 |
| Purchase of fixed asset | - | - |

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

| Particulars | F.Y. 2023-24 | F.Y. 2022-23 |
|--------------------------------|---------------------|---------------------|
| Foreign Exchange Gain / (Loss) | 54.64 | 39.57 |

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)

| Particulars | Paper | Chemical | Total |
|----------------------|------------------|-----------------|------------------|
| Revenue (Net) | 26,517.51 | 5,577.52 | 32,095.03 |
| Other Income | 264.46 | 162.64 | 427.10 |
| Total Revenue | 26,781.97 | 5,740.16 | 32,522.13 |
| Expenses | 25,072.85 | 5,757.44 | 30,830.29 |
| Depreciation | 408.01 | 289.13 | 697.14 |

| | | | |
|--|------------------|------------------|------------------|
| Operating Income | 1,301.11 | -306.41 | 994.70 |
| Un-allocable Expenses/(Income) | | | |
| Finance Cost | | | 918.10 |
| | | | |
| Un-allocable Tax | | | |
| Income Tax incl earlier year adjustments | | | 9.89 |
| Deferred Tax Expenses/(Income) | | | 26.73 |
| Mat Credit entitlement | | | -9.44 |
| Total Un-allocable Expenses | | | 27.18 |
| Profit after tax | | | 49.42 |
| | | | |
| Other Information | | | |
| Assets | | | |
| Non Current Assets | 18,776.62 | 12,902.63 | 31,679.25 |
| Current Assets | 11,979.18 | 1,488.74 | 13,467.92 |
| TOTAL ASSETS | 30,755.80 | 14,391.37 | 45,147.17 |
| | | | |
| Equity and Liabilities | | | 24,525.47 |
| Non Current Liability | 6,305.87 | 3,231.42 | 9,537.29 |
| Current Liability | 7,925.30 | 3,159.11 | 11,084.41 |
| TOTAL LIABILITIES | 14,231.17 | 6,390.53 | 20,621.70 |

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. 2023-2024 | | | F.Y. 2022-2023 | | |
|-------------------------------------|----------------|----------|-----------|----------------|----------|-----------|
| | Domestic | Export | Total | Domestic | Export | Total |
| Revenue | 27,967.66 | 4,127.37 | 32,095.03 | 34,559.64 | 6,261.06 | 40,820.70 |
| Carrying Amount of Trade Receivable | 4,810.53 | 171.86 | 4,982.38 | 4,804.10 | 714.02 | 5,518.12 |

| | | | | | | |
|---|----------|---|----------|----------|---|----------|
| Carrying amount of Current Assets other than Trade Receivable | 8,485.54 | - | 8,485.54 | 8,114.63 | - | 8,114.63 |
|---|----------|---|----------|----------|---|----------|

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 and Government Resolution no IDL/1093/(8889)/IND-8 dated 07th May 1993, unit Nath Paper being located in Marathwada was eligible to pay the deferred sales tax after 18 years in seven equal annual installments. Accordingly, the liability of deferred sales tax will be paid from 18th years in seven equal installments. The repayment of same will begin from the F.Y. 2029-30.

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 1964.59 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:

| Particulars | Current Year | Previous Year |
|---|---------------------|----------------------|
| Profit Before tax (Rs.in Lacs) | 76.60 | 22.38 |
| Tax Provision (Net of MAT Credit, including deferred tax and earlier year tax adjustment) (Rs. in Lacs) | (27.18) | 245.04 |
| Profit after tax | 49.42 | 267.42 |
| Weighted Average Number of Equity Shares | 1,90,00,000 | 1,90,00,000 |
| Basic & Diluted Earning per Share (EPS) | 0.26 | 1.41 |
| 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)

| Corporate Social Responsibility Expenditure | F.Y.2023-24 | F.Y.2022-23 |
|--|--------------------|--------------------|
| (a) Gross amount required to be spent by the Company for the year @ 2% of average profit of last 3 years | - | 38.00 |
| (b) Expenditure towards Corporate Social Responsibility Activities incurred | - | 38.00 |
| (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 (Advance for CSR) | - | 7.70 |

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 |
| | Leasehold land at Plot No 294,295 and 296, IInd Phase, GIDC, Vapi, Gujarat – 396 195 | 4682.40 | Nath Industrial Chemicals Limited | No | Merger order dated 22.08.19 | 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 or advance in the nature of Loans granted to Promoters, directors, KMP and related parties:-

(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 Party | N Kagliwal Education and Research Foundation | 34.71 | 9.72 % |

| | | | |
|---------------|--|--------|--------|
| Related Party | Paithan Mega Food Park Private Limited | 322.38 | 90.28% |
|---------------|--|--------|--------|

c. The Company is enjoying working capital facility of Rs. 6,550.00 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 | The ICICI Ltd | 30/11/1990 | 90216159 | 1800.00 | |
| 4 | Industrial Development Bank of India | 08/11/1989 | 90217359 | 350.00 | |
| 5 | Industrial Credit and Investment Corporation of India Limited | 08/11/1989 | 80046543 | 175.00 | |
| 6 | Industrial Development Bank of India | 18/03/1989 | 90217303 | 326.00 | |
| 7 | H.D.F.C. | 27/02/1987 | 90218825 | 26.00 | |
| 8 | The ICICI Ltd | 08/06/1980 | 90216700 | 16.00 | |
| 9 | The ICICI Ltd | 05/04/1978 | 90216641 | 35.00 | |
| 10 | IDBI Bank | 18/02/1978 | 90219906 | 76.75 | |
| 11 | Central Bank of India | 20/09/1976 | 90219901 | 19.13 | |
| 12 | Industrial Finance Corporation of India | 08/11/1989 | 80046544 | 175.00 | |
| 13 | IFCI | 11/02/1981 | 90216734 | 16.00 | |
| 14 | 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 | Total Current Liabilities | 1.22 | 1.40 | -12.95% | a. Higher utilization of working capital |

| | | | | | | | |
|---|-----------------------------|---|----------------------------------|-------|-------|---------|---|
| | | Assets | | | | | limits b. inclusion of repayment of term loan and GECL loan installments under Current liabilities |
| 2 | Debt-Equity Ratio | Debt Consist of Borrowing from Financial Institutions, Deferred Sales Tax Liability and Unsecured Loans | Total Equity | 0.55 | 0.50 | 11.93% | Increase in ratio because of higher utilization of working capital limits and increase in term loan for execution of installation of co-generation power plant , sulphuric acid manufacturing capacity expansion and coating plant. |
| 3 | Debt Service Coverage Ratio | Net Profit After Tax +Non Cash Operating Expense +Finance Cost+ Other Non-cash adjustment | Finance Cost + Principal Payment | 1.79 | 1.65 | 8.54% | *Refer note below. |
| 4 | Return on Equity | Net Profit after Tax | Average Total Equity | 2.60 | 14.08 | -81.52% | *Refer note below |
| 5 | Inventory Turnover Ratio | Revenue from Operations | Average Inventory | 6.87 | 9.16 | -25.03% | Decrease in sales because of shutting downs of plants for expansion resulted in lower sales and resulted in lower inventory turnover ratio. |
| 6 | Trade Receivable Ratio | Revenue from Operations | Average Trade Receivable | 6.11 | 6.88 | -11.14% | |
| 7 | Trade Payable Turnover | Purchases + Trading Purchases + | Average Trade Payable | 10.12 | 14.31 | -29.27% | Trade payable was high because of inclusion of trade |

| | | | | | | | |
|----|----------------------------|--------------------------------|-------------------------------|-------|-------|---------|---|
| | Ratio | Other Expense | | | | | payables for capital goods due for payments in next 12 months. |
| 8 | Net Capital Turnover Ratio | Revenue from Operations | Average Working Capital Ratio | 10.27 | 7.91 | 29.81% | Net capital ratio has improved because of reduction in working capital. |
| 9 | Net Profit Ratio | Net Profit for the year | Revenue from Operations | 0.15% | 0.66% | -76.50% | *Refer note below |
| 10 | Return on Capital Employed | Profit before Tax and Interest | Net worth + Total Debts | 2.61% | 1.44% | 81.27% | *Refer note below |

*Net profit was low because of under utilization of capacities due to shutting down of plants for expansion.

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 N. R. Agrawal & Co
Chartered Accountants
 Firm Reg. No. 100143W

For and on behalf of the Board

N. R. Agrawal
 Partner
 M.No.: 030117
UDIN:- 24030117BKBFCB5830
 Place : Mumbai
 Date: 30th May 2024

Akash Kagliwal
 Managing Director

 Abhaykumar Jain
 Director