

NATIONAL OXYGEN LIMITED
FORTY FIFTH ANNUAL REPORT - 2019-2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Rajesh Kumar Saraf	Managing Director
Shri. Gajanand Saraf	Whole Time Director
Smt. Sarita Saraf	Director
Shri. Shanmugavadivel Siva	Independent Director
Smt. Mona Milan Parekh	Independent Director
Shri. Devmohan Muhunta	Independent Director (upto 01.12.2019)
Shri. Amit Kumar Agarwal	Independent Director (From 16.03.2020)

Chief Financial Officer P. Ramalinga Srinivasan

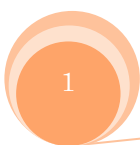
Company Secretary G. Raghavan

Audit Committee:

Shri. Shanmugavadivel Siva	Independent Director (Chairman)
Shri. Devmohan Muhunta	Independent Director (Upto 01.12.2019)
Smt. Mona Milan Parekh	Independent Director
Smt. Sarita Saraf	Director (From 01.12.2019)

Stake Holders Relationship Committee:

Shri. Shanmugavadivel Siva	Independent Director (Chairman)
Shri. Gajanand Saraf	Whole Time Director
Smt. Mona Milan Parekh	Independent Director



Nomination and Remuneration Committee:

Shri. Shanmugavadivel Siva
Shri. Devmohan Mohunta
Smt. Mona Milan Parekh
Shri. Amit Kumar Agarwal

Independent Director (Chairman)
Independent Director (Upto 01.12.2019)
Independent Director
Independent Director (From 16.03.2020)

Statutory Auditors:

M/s. J K V S & Co,
Chartered Accountants
209-Hans Bhawan
1, Bahadur Shah Zata Marg
New Delhi- 110002

Secretarial Auditors

M/s. Lakshmmi Subramanian & Associates
Murugesu Naicker Office Complex,
No. 81, Greams Road, Chennai - 600006.

Internal Auditors

R. Bala Subramanian
Chartered Accountant
No. 2 Sairam Street
S.I.S.I Colony (Extn),
Ullagaram,
Chennai - 600091.

Principal Banker:

Punjab National Bank
No. 9, Nungambakkam High Road,
Nungambakkam
Chennai - 600034

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road,
Chennai - 600002
Phone: 044-28460390
Email: cameo@cameoindia.com

Stock Exchanges Where Company's Securities are listed
BSE Limited

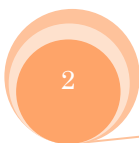
Registered Office, ADM Office

No. 1B, 1st Floor, Arihant Jashn
New No. 38 (Old No. 121), Rukmani Lakshmi pathy Salai
Egmore, Chennai - 600008
Email: contact@nolgroup.com
Website: www.nolgroup.com

Investor Relations Email ID: grievanceredressal@nolgroup.com

Contact Number: 044 - 28520096

Corporate Identity Number: L24111TN1974PLC006819



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NOTICE is hereby given that the 45th Annual General Meeting of National Oxygen Limited will be held on Saturday the 19th September, 2020 through Video Conference (VC) or Other Audio Visual Means (OAVM) at 11.30 A.M to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Rajesh Kumar Saraf (having DIN: 00007353) who retires from office by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

- 3) To consider the appointment of Mr. Amit Kumar Agarwal as an Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of section 149,150, 152 and any other applicable provisions of the companies Act 2013 and the rules made there-under (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the companies act 2013, consent of the members be and is hereby accorded for the appointment of Mr. Amit Kumar Agarwal (holding DIN No. 08723241) as an Independent Director of the company, for a period of Five years w.e.f. 16th March, 2020.”

“RESOLVED FURTHER THAT Mr. Rajesh Kumar Saraf, Managing Director of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Chennai

By and on behalf of Board of Directors

Date: 18-08-2020

For National Oxygen Limited

Mr. Rajesh Kumar Saraf

Managing Director

(DIN : 00007353)



NOTES:

- I. In view of the situation arising due to COVID-19 global pandemic, the Annual General Meeting of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- II. Additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Director seeking appointment/re-appointment as mentioned under item no. 2 and 3 of this notice is appended. Further, the Company has received relevant disclosure/consent from the Director seeking appointment/re-appointment.
- III. The Register of Members and Share Transfer Books of the Company will remain closed from 12th September, 2020 Saturday to 19th September, 2020 Saturday (both days inclusive) for the purpose of AGM.
- IV. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available for inspection by the members at the AGM.
- V. We urge the members to support our commitments to monumental protection by choosing to receive their shareholding communication through mail. You can do this by updating your email address with your Depository Participant.
- VI. Members may also note that the Notice of the 45th Annual General Meeting and the Annual Report 2019-2020 will be available on the Company's Website, www.nolgroup.com
- VII. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- VIII. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

IX. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

X. The Company is concerned about the environment and utilizing natural resources in a suitable way. We request you to update your email address with your Depository participant to enable us to send all the communications via email.

XI. VOTING THROUGH ELECTRONIC MEANS:

1. 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 MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the

website of the Company at www.nolgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

6. The 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 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

INSTRUCTIONS TO THE SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

1. The voting period begins on 16th September, 2020 at 09.00 A.M and ends on 18th September, 2020 at 05.00 P.M During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 12th September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on "Shareholders" module.
5. Now, select the "NATIONAL OXYGEN LIMITED" from the drop down menu and click on "SUBMIT".
6. Now enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

7. Next enter the Image Verification as displayed and Click on Login.



8. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
9. If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

10. After entering these details appropriately, click on “SUBMIT” tab.
11. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
12. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
13. Click on the EVSN for the NATIONAL OXYGEN LIMITED.
14. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
15. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
16. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

17. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
18. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
19. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
20. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

XII. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders 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/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least Seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at contact@nolgroup.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

XIII. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like 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 contact@nolgroup.com/cameo@cameoindia.com
2. For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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 contact@nolgroup.com/cameo@cameoindia.com.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

XIV. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

XV. Note for Non - Individual Shareholders and Custodians

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address contact@nolgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- XVI. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- XVII. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.
- XVIII. The Company has appointed Smt. Lakshmmi Subramanian, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast and she has communicated her willingness to be appointed.
- XIX. The Scrutinizer, after scrutinizing the votes cast during the AGM and through remote e-voting, will not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.nolgroup.com. and CDSL website. The results shall simultaneously be communicated to the Bombay Stock Exchange Limited.

XX. Details of Directors Seeking Re-appointment at the Annual General Meeting

Name of the director	Mr. Rajesh kumar saraf.
DIN	00007353.
Age	58 Years.
Date of Appointment	30.11.1992.
Qualifications	Bachelor of Commerce
Experience	28 Years.
No. of. Shares held as on 31.03.2020	10,70,081.
No.of. Board Meetings Attended during FY 2019-20	7 Meeting.
Directorship in other public companies	NIL.
Chairman/Member of committees of company	NIL.
Relationship with any other Director	S/o. Mr. Gajanand Saraf & H/o Mrs. Sarita Saraf.
Terms and Conditions for appointment / re-appointment	There is no change in Terms and Condition of his appointment since from his previous appointment as Managing Director in the Annual General Meeting held on 12 th September, 2019. He shall continue as Managing Director for the residual term of service after the re-appointment.

Place: Chennai

By and on behalf of Board of Directors

Date:18-08-2020

For National Oxygen Limited

Mr. Rajesh Kumar Saraf

Managing Director

(DIN : 00007353)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

The Present proposal is to seek the Shareholders' approval for the appointment of Mr. Amit Kumar Agarwal (DIN: 08723241) as Independent Director for a period of Five years with effect from 16th March, 2020 in terms of the applicable provisions of the Companies Act, 2013. The appointment has been recommended by the Nomination and Remuneration Committee in its meeting held on 16th March, 2020 and subsequently approved by the Board of Directors in its meeting held on the same date.

Mr. Amit Kumar Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act 2013 and has consented to act as a Director of the Company.

The company has also received a declaration from him that he meets the criteria of independence as prescribed under Section 149 (6) or the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules made there-under for appointment as an Independent Director and is independent of the Management.

The Board recommends the Resolution to be passed as an Ordinary Resolution

None of the Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 3

Brief Profile of Mr. Amit Kumar Agarwal is furnished below:

Name of the Director	Mr. Amit Kumar Agarwal
Designation	Independent Director
Date of Birth & Age	04/10/1974 & 45
DIN	08723241
Date of appointment on the Board	16/03/2020
Qualifications	Bachelor of Commerce
Experience and Expertise	Business
Directorship in other public Companies	NIL
List of Membership / Chairmanship of Committees of other Board Shareholding in National Oxygen Limited.	Nomination and Remuneration Committee - Member.
Relationship with other directors, manager And other Key Managerial Personnel of the Company	NIL
Terms and Conditions of appointment along with details of remuneration sought to be paid and remuneration last drawn by such person as Non-executive director	Nil except payment of sitting fees

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 45th Annual Report of National Oxygen Limited along with the audited financial statements for the year ended March, 2020.

FINANCIAL RESULTS:

PARTICULARS	2019-20 (Rs. In Lakhs)	2018-19 (Rs. In Lakhs)
Revenue from operations	4393.33	4620.80
Other Income	26.93	28.54
Total Income	4420.26	4649.34
Total expenses	3753.67	3762.97
Profit/(Loss) before interest and Depreciation	666.59	886.37
Less: Interest	480.34	490.05
Profit before depreciation	186.25	369.32
Less: Depreciation	341.40	353.45
Profit/(Loss) before tax	(155.15)	42.87
Exceptional Item	-	313.73
Tax Expenses:		
Current Year	-	0.45
Deferred Tax	(1.36)	(0.13)
MAT Credit entitlement	0	0
Other Comprehensive Income	(3.54)	(0.35)
Transfer to Reserve	(160.05)	356.64
Profit / (Loss) carried to Balance sheet	(160.05)	356.64

During the year under review, the Company has incurred a loss of Rs. 160.05 lakhs as against net profit of Rs. 356.64 lakhs in the previous year. Your Directors are hopeful to maintain the growth in the upcoming years.

STATE OF AFFAIRS OF THE COMPANY:

During the year under the review there is no change in the nature of activity of the Company.

REVIEW OF OPERATIONS:

The Company Manufactures industrial gases both in liquid and gaseous form. The order book position is comfortable since the Company was able to tie up long term contracts with the customers. The plant at Pondicherry and Perundurai is also performing at its full rated capacity.

TRANSFER TO RESERVES:

During the year under review the Company has incurred loss of Rs.160.05 lakhs and hence Company has not transferred to reserves.

DIVIDEND:

In view of loss incurred, your Board of Directors does not recommend any dividend to the Shareholders for the financial year 2019-20.

SHARE CAPITAL:

The Paidup Equity Share Capital as on March 31,2020 was Rs. 4,80,22,710/- No additions and alterations to the Capital were made during the financial year 2019-2020.

LISTING OF SHARES

The Shares of the Company are listed in the Bombay Stock Exchange.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any subsidiaries, associates and joint venture companies.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 (5) of the Act, the Directors hereby confirm:

1. That in the Preparation of Final Accounts, the applicable Accounting Standards has been followed along with proper explanation relating to material departures;
2. That they had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the Company for that period.
3. That they had taken proper and sufficient care for the maintenance of adequacy Accounting Records in accordance with the provisions of the Act, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
4. That they had prepared the Annual Accounts on a Going Concern basis.
5. That they laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
6. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Mr. Rajesh Kumar Saraf ,Managing Director, retire by rotation and being eligible , offer himself for re-appointment.

During the year, Mr.Amit Kumar Agarwal was appointed as Additional Director and his appointment as Independent Director is recommended by Board for your approval.

Board Composition

The Board is well constituted with composition of two executive and one non-executive and three independent directors.

Category	Name of Director
Executive Directors	Rajesh Kumar Saraf - Managing Director Gajanand Saraf - Whole Time Director
Non - Executive Director	Sarita Saraf
Independent Directors	Shanmugavadivel Siva, Mohan Milan Parekh and Amit Kumar Agarwal

Key Managerial Personnel

The key managerial personnel of the Company are as under:

- 1) Mr. Rajesh Kumar Saraf Managing Director
- 2) Mr. P. Ramalinga Srinivasan Chief Financial Officer
- 3) Mr. G. Raghavan Company Secretary

NUMBER OF MEETINGS OF THE BOARD:

6 (Six) Meetings of the Board of Directors of the Company were held during the year 2019-20 which were 25th May, 2019, 10th August, 2019, 9th November, 2019, 5th December, 2019, 11th February, 2020 and 16th March, 2020. The Maximum time gap between any two consecutive meetings did not exceed 120 days.

BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relationship Committee. The Manner in which the evaluation has been carried out is explained below.

A) Evaluation Of Executive Directors At Independent Director's Meeting:

During the year under review, the Independent Directors met on 16th March 2020, inter alia to:

- (i) Review the performance of Non – Independent directors and the Board as a whole.
- (ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- (iii) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

INDEPENDENT DIRECTOR'S DECLARATION

All Independent Directors have given declarations that they meet the Criteria of independence laid down under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 in respect of financial year ended 31st March, 2020, which has been relied on by the Company and placed at the Board Meeting.

BOARD DIVERSITY:

Since the Company falls under the exempted category as provided under Regulation 15 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 disclosure on Board diversity is not applicable.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulations 34 (3), 18 (3) and 46 of SEBI (LODR) Regulations, 2015, the Board of Directors had approved the policy on Vigil Mechanism, Whistle Blower and the same was hosted on the website of the Company. The Policy inter alia provides to direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no director/employee has been access to the Chairman of the Audit Committee and that no complaints were received during the year.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has formulated a Framework on Internal Financial Controls In accordance with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations and they are operating effectively. The systems are periodically reviewed by the Audit Committee of the Board for identification of deficiencies and necessary time bound actions are taken to improve efficiency at all the levels. The Committee also reviews the observations forming part of internal auditors'

report, key issues and areas of improvement, significant processes and accounting policies.

INTERNAL AUDITORS

Mr.R.Bala Subramanian, Chartered Accountants, are the Independent Internal Auditors of the Company. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

COMPOSITION OF BOARD COMMITTEES:

a) Audit Committee:

Shri. Shanmugavadivel Siva Independent Director (Chairman)

Shri. Mona Milan Parekh Independent Director (Member)

Smr. Sarita Saraf Independent Director (Member)

b) Nomination and Remuneration Committee:

Shri. Shanmugavadivel Siva Independent Director (Chairman)

Shri. Mona Milan Parekh Independent Director (Member)

Shri. Amit Kumar Agarwal Independent Director (Member)

c) Stakeholders' Relationship Committee:

Shri. Gajanand Saraf Non- Executive Director (Chairman)

Shri. Shanmugavadivel Siva Independent Director (Member)

Smt. Mona Milan Parekh Independent Director (Member)

Meeting Of Audit Committee:

During the year ended 31st March 2020, Four Meetings of the Audit Committee were held on 25th May 2019, 10th August 2019, 9th November 2019 and 11th February 2020. The

Chairman of the Audit Committee has the accounting or related financial management expertise.

Meeting Of Nomination And Remuneration Committee

For the year ended 31st March 2020 , the meeting was held on 16th March 2020.

Meeting Of Stakeholders' Relationship Committee

For the year ended 31st March 2020 , the meeting was held on 16th March 2020.

The Board Committees meet at regular intervals; take necessary steps to perform their duties entrusted by the Board.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

The Board of Directors has adopted a policy and procedure on Code of Conduct for the Board Members and employees of the Company in accordance with the SEBI (Prohibition of Insiders Trading) Regulations, 2015. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements of the Company.

The Code is aimed at preventing any wrong doing and promoting ethical conduct at the Board and by employees. The Compliance Officer is responsible to ensure adherence to the Code by all concerned.

The Code lays down the standard of Conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management Personnel have confirmed Compliance with the Code.

STATUTORY AUDITORS:

M/s. J K V S & Co, Chartered Accountants (Firm Registration No. 318086e) were appointed as the Statutory Auditors of the Company for the term of five years, in the 42nd Annual General Meeting held on 28th August 2017 for five years, and they continue to be the Auditors.

COMMENT ON STATUTORY AUDITOR'S REPORT:

There are no qualifications, reservations, remarks or disclaimers made by M/s. J K V S & Co, Statutory Auditor, in their audit report.

COST AUDITOR:

Pursuant to notification of Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment rules, 2014, the Company does not fall under the purview of Cost Audit.

SECRETARIAL AUDITOR:

Pursuant to the requirements of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Lakshmi Subramanian of M/s. Lakshmi Subramanian & Associates, Practicing Company Secretaries (Membership No. CP 3534) was appointed to conduct the Secretarial Audit for the financial year 2019-2020.

The Secretarial Audit report as received from the Secretarial Auditor is annexed to this report as Annexure 1.

Qualification In Secretarial Audit Report

There are no material qualifications in the Secretarial Report except for few observations in the Secretarial Audit report and the same has been taken on record for due action.

RISK MANAGEMENT POLICY:

The risk management is overseen by the Audit Committee of the Company on a continuous basis. Major risks, if any, identified by the by the business and functions are systematically addressed through mitigating action on a continuous basis. The risk management policy is available in the Company website www.nolgroup.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There has been no loan and guarantees given or made by the Company under Section 186 of the Act, 2013 during the financial year 2019-20 except for investment made in equity of OGP Generation Private Limited which is within the specified limit.

RELATED PARTY TRANSACTIONS:

During the year 2019-2020, the Company had entered into transaction with related parties pursuant to the provisions of Section 188 of the Companies Act, 2013. The transaction entered into by the Company are in arm's length basis. The particulars of contracts or arrangements with related parties are given in Annexure - 2 (Form AOC - 2).

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company is having accumulated losses and not having profits more than Rs. 5 Crores in the year 2019-20 or net worth more than Rs. 500 Crores or Turnover of more

than Rs. 1000 Crores in the previous financial year and therefore Constituting of a CSR Committee and its Compliance in accordance with the provisions of Section 135 of the Act, does not arise.

EXTRACT OF ANNUAL RETURN:

The details forming part of extract of Annual Return in form MGT-9 as provided under Sub Section (3) of the Section 92 of the Companies Act, 2013 (the Act) is annexed herewith as Annexure - 3 to this report.

DISCLOSURE OF SHARES HELD BY PROMOTERS IN DEMAT FORM:

The promoters of the Company hold all their shares in demat form. The details of Shareholding of the Promoters are given in MGT-9 (Annexure -3 to this report).

PARTICULARS OF EMPLOYEES:

The Information required under Section 197 (12) of Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, forms part of this Report as Annexure 4.

The Information of employees as per Rule 5(2) of the said Act for the year is “Nil”.

DISCLOSURE REQUIREMENTS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and is of the view that such systems are adequate and operating effectively.

POLICIES:

The Company has the following policies which are applicable as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which are placed on the website of the Company www.nolgroup.com

- (i) Code of conduct for Directors and Senior Management
- (ii) Policy of Directors' Appointment and Remuneration
- (iii) Policy on determining materiality of events
- (iv) Policy on documents preservation and archival
- (v) Terms of appointment of Independent Directors
- (vi) Nomination & Remuneration Policy
- (vii) Policy on Related Party Transactions
- (viii) Policy on sexual harassment of women at work place (Prevention, Prohibition and redressal) Act, 2013

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under the Companies Act, 2013 are covered under the Board's policy formulated by the Company and is available on the Company website www.nolgroup.com

PREVENTION OF SEXUAL HARASSMENT POLICY:

The Company has in place Prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (Permanent, contractual, temporary, trainees) are covered under this policy.

The said policy is placed in the website of the Company viz www.nolgroup.com

The Company has constituted Internal Complaint Committee as per the aforesaid Act. The details of the Committee Members are given below:

- | | |
|--------------------------------|----------|
| 1) Ms. Revathi | Chairman |
| 2) Ms. Yosatha Prabhu | Member |
| 3) Mr. P. Ramalinga Srinivasan | Member |

Your Directors state that during the year under review, the Committee met on 16th March 2020 and observed that there was no case filed pursuant to the Sexual Harassment of the woman at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the Balance Sheet.

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of Conservation of Energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are attached as Annexure - 5.

DETATILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year, there were no such instances of significant and material orders passed by the regulators, courts or tribunals.

MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY:

There are no Material change and events during the financial year. There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CORPORATE GOVERNANCE REPORT

Since your Company's paid up Equity Capital, and Net worth is less than Rs. 10 Crores and Rs. 25 Crores respectively, the provisions of revised Clause 49 relating to Corporate Governance, vide SEBI Circular number CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Industry Structure and Developments

Presently the Company Manufactures industrial gasses both in liquid and gaseous form. The order book position is comfortable since the Company was able to tie up long term contracts with the customers. The plant at Pondicherry and Perundurai is also performing at its full rated capacity. The Company is working at its market front since the supply of the Companies product has increased compared to the previous year.

Opportunities and Threats:

Our Company project has resulted in high quality output which has resulted to tie up long term contracts with the customers. Our main concern is, continuous competition from other manufactures in the same line of production.

Segment wise performance:

Presently the Company has one manufacture segment to manufacture industrial gasses both in liquid and gaseous form at plants situated at Pondicherry and Perundurai. The plants situated at both places are performing at full rate capacity. The products are very useful to hospitals and industry sector. Our products are in competitive position in the market.

Risks and Concerns:

Our main concern is, continuous competitive from other manufacturers in the same lien of production by reducing the price in the market due to which the Company has to reduce the price to retain its share in the market.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Summary of statement of profit and loss account forms part of the Annual Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

Training on all sectors are given to its employees periodically and motivated to work in line with the development of the industry. The willingness and Commitment of the employees help the Company to stand tall among its customer in quality and service. The Company has the total employee strength of 112.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the Contributions made by employees at all levels, towards the continued growth and prosperity of your Company.

Directors also take this opportunity to convey their thanks to all the valued shareholders of the Company and to the Bakers for their valuable services.

For and on behalf of the Board

Place: Chennai

Rajesh Kumar Saraf

GajanandSaraf

Date:18-08-2020

Managing Director

Whole time Director

(DIN : 00007353)

(DIN : 00007320)

ANNEXURE - 1
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,
The Members,
National Oxygen Limited
No.1B, 1st Floor, ArihantJashn
No.38 (121) RukmaniLakshmipathySalai,
Egmore, Chennai -600 008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Oxygen Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

We have also examined the following with respect to the new amendment issued vide SEBI Circular number CIR/CFD/CMD1/27/2019 dated 8th February, 2019(Regulation 24A of SEBI(LODR)).

- (a) all the documents and records made available to us and explanation provided by National Oxygen Limited ("the Listed Entity"),
- (b) the filings/submissions made by the Listed Entity to the Stock Exchanges,
- (c) website of the listed entity,
- (d) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by National Oxygen Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:
 - (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.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. However, the Regulation 24A relating to Secretarial Compliance Report is not applicable to the Company for the period under review;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015 as amended from time to time.
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

We hereby report that

- a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder except to the extent of observations noted in this report.
- b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- c. There were no actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

We have also examined the compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (ii) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India as amended from time to time.

In our opinion and as identified and informed by the Management of the Company the following laws as being specifically applicable to the Company

1. Explosives Act,1884
2. Explosives Rules,2008
3. Gas Cylinder Rules, 2004
4. Static & Mobile pressure vessels (unfired) Rules1981
5. Drugs & Cosmetics Acts &Rules
6. The Legal Metrology Act, 2009

It is reported that during the period under review, the Company had complied with the provisions of the Act, Rules, Regulations and Guidelines as mentioned (i) to (vi) above and point no.(vii) reported under separately and except the following:

1. The Company has appointed Company Secretary cum Compliance Officer as per Section 203 of the Companies Act, 2013 read with Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with effect from 1st July, 2020 in the place of Company Secretary who has resigned on 19th December 2019, however within the gap of six months as given in the above section.
2. The Company has filed E-Form MGT-14 with additional fees with Ministry of Corporate Affairs.
3. Form IEPF-4 for transfer of 23,532 Shares for the period 2016-17 has been filed with delay.
4. Form IEPF-6 could not be uploaded due to technical error in MCA site.

We further report that there were no actions / events in pursuance of

The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

requiring compliance thereof by the Company during the Financial Year under review.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, the Company has adequate systems and control mechanism in the company to monitor and ensure compliance with applicable laws as given under (vii) above, other general laws including Industrial Laws, Human Resources and Labour Laws and Environmental Laws.

We 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 auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. During the period under review, proper compliances were made for changes in the Board. However, Nomination and Remuneration Committee has been reconstituted in accordance with Section 178 of Companies Act, 2013 with effect from 16th March 2020.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the audit period no events have occurred, which have a major bearing on the Company's affairs, except the following:

1. The Company has appointed Mr. Gajanand Saraf (DIN: 00007320) as a Whole Time Director and re-appointed Mr. Rajesh Kumar Saraf (DIN: 00007353) as Managing Director in the Annual General Meeting held on 12th September, 2019.
2. Mr. Devmohan Mohunta, resigned his directorship as Independent Director of the Company with effect from 01st December, 2019.
3. The Board of Directors at their meeting held on 16th March, 2020 appointed Mr. Amit Kumar Agarwal (DIN: 08723241) as an Additional Independent Director of the Company with effect from 16th March, 2020 for a period of Five years subject to the approval at ensuing Annual General Meeting of the Company.

4. The Company had transferred 23,532 Shares of Rs.10 each aggregating to Rs.2,35,320/- (Rupees Two Lakh Thirty Five Thousand Three Hundred Twenty Only) for the period 2016-17 to Investor Education Protection Fund.
5. The Company availed Inter Corporate Deposit of Rs.314.08 Lakhs (Rupees Three Crore Fourteen Lakhs and Eight Thousand Only).
6. The Company had invested Rs.2,20,000/- (Rupees Two Lakh Twenty Thousand Only) in M/s. OPG Power Generation Private Limited.

There are no material events after the end of the financial year 31st March 2020.

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Place : Chennai

Date : 11.08.2020

Lakshmmi Subramanian
Senior Partner
FCS No. 3534
C.P.No.1087
UDIN : F003534B000569121

Note: This report is to be read with our letter of even date which is annexed as Annexure A and form forms an integral part of this report.

ANNEXURE-A

The Members

National Oxygen Limited

No.1B, 1st Floor, ArihantJashn

No.38 (121) Rukmani Lakshmipathy Salai

Egmore, Chennai -600 008

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For LAKSHMMI SUBRAMANIAN &ASSOCIATES

Place : Chennai

Date : 11.08.2020

Lakshmmi Subramanian
Senior Partner
FCS No. 3534
C.P.No.1087
UDIN: F003534B000569121

ANNEXURE - 2

DETAILS OF RELATED PARTY TRANSACTIONS

From No. AOC-2

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8 (2) of the (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
 - a) Name(s) of the related party and nature of relationship: NIL
 - b) Nature of Contracts / arrangements / transactions: NIL
 - c) Duration of Contracts or arrangements / transactions: NIL
 - d) Salient terms of the contracts or arrangements or transactions including the value: NIL
 - e) Justification for entering into such contracts or arrangements or transactions: NIL
 - f) Date(s) of approval by the Board: NIL
 - g) Amount paid as advances, if any: NIL
 - h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: NIL

2. Details of material contracts or arrangements or transactions at arm's length basis:
 - a) Name of the related party and nature of relationship:
 - (i) Pondicherry Agro Foods Private Limited
 - (ii) Saraf Housing Development Private Limited
 - (iii) ECA Gases Private Limited
 - (iv) Approach Marketing Private Limited
 - (v) G N Saraf - Whole Time Director
 - (vi) Rajesh Kumar Saraf - Managing Director
 - (vii) Sarita Saraf -Director
 - (viii) Relative of KMP of the Company

 - b) Nature of transaction
 - (i) Sale of Products to ECA Gases Private Limited

- (ii) Purchase of goods from ECA Gases Private Limited
- (iii) Interest paid to Approach Marketing Private Limited and Saraf Housing Private Limited
- (iv) Rent paid to Saraf Housing Private Limited
- (v) Managerial Remuneration
- (vi) Directors sitting fee

c) Duration of Transaction: One year Transaction

d) Salient terms of the transaction including the value if any

S.No	Nature of Transactions	Amount (In Lakhs)
1	Sale of Products to ECA Gases Private Limited	27.45
2	Purchase of Goods from ECA Gases Private Limited	9.09
3	Interest paid to :	69.46
	a) Saraf Housing Development Private Limited.	141.57
	b) Approach Marketing Private Limited	
4	Rent paid to Saraf Housing Development Private Limited	12.00
5	Managerial Remuneration - KMP	39.22
6	Directors Sitting Fees	0.33

e) Date of approval by the Board, if any:

f) Amount paid as advance, if any: NIL

For and on behalf of the Board

Place: Chennai

Rajesh Kumar Saraf

Gajanand Saraf

Date: 18-08-2020

Managing Director

Whole time Director

(DIN : 00007353)

(DIN : 00007320)

ANNEXURE - 4

The information under section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Executive Directors	Director Remuneration (Rs)	Median Employee's Remuneration (Rs)	Times
Mr. Rajesh Kumar Saraf - Managing Director	3000000	210270	14.26
Mr. Gajanand Saraf - Whole Time Director	900000	210270	4.28

- b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Director, Company Secretary or Manager, if any, in the financial year

Directors, Chief Financial Officer, Chief Executive Officer and Company Secretary	Nil
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- c) The percentage increase in the Median Remuneration of employees in the Financial Year:
d) The number of permanent employees on the rolls of the Company: 100 employees
e) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration:
No major annual increase to employees and Managerial Personnel has been given to for the past two years.
f) Affirmation that the remuneration is as per the remuneration policy of the Company:
The company affirms the remuneration is as per the remuneration policy of the company
g) None of the other employee is in receipt of remuneration exceeding 850000/- P.A or 10200000/- P.A as prescribed under sub rule 2 of the Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

For and on behalf of the Board

Place: Chennai

Rajesh Kumar Saraf

Gajanand Saraf

Date: 18-08-2020

Managing Director

Whole time Director

(DIN : 00007353)

(DIN : 00007320)

ANNEXURE - 5

Details relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

(A) Conservation of energy:

1. Introduction of efficient lighting system and special capacitor banks for improvement of power factor.
2. Improvements in operating efficiency and reduction of losses at workers level
3. Technology for production of gasses is being upgraded continuously. Also distribution technology for cryogenic liquid products is streamlined.
4. Capital investments on energy conservation equipments: Nil

(B) Technology absorption:

- (i) The efforts made towards technology absorption: Nil
- (ii) Benefits derived

Production improvements NIL

Cost Reduction NIL

Product development or Import substitution NIL

- (iii) Imported Technology NIL
- (iv) Expenditure incurred on Research and Development NIL

(C) Foreign exchanges and outgo:

Details	2019-2020 Rs. In lacs	2018-2019 Rs. In lacs
Earning in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	Nil	Nil

CIF value of imports - Raw Materials - Calcium Carbide	55.69	51.57
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For and on behalf of the Board

Place: Chennai

Date:18-08-2020

Rajesh Kumar Saraf

Managing Director

(DIN : 00007353)

GajanandSaraf

Whole time Director

(DIN : 00007320)

ANNEXURE -3

Form No. MGT -9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L24111TN1974PLC006819
Registration Date	23.12.1974
Name of the Company	National Oxygen Limited
Category / Sub - Category of the Company	Public
Address of the Registered office and contact details	Flat No. 1B, First Floor, Arihantjashn(Old No. 121), New No. 38, RukmaniLakshmipathySalai, Egmore, Chennai-600008.
Whether listed Company Yes/No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Buildings" 1, Club House Road, Chennai- 600002 Ph:-044-28460390 -6 Lines Fax:-044-28460129

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All Business activities contributing 10 % or more of the total turnover of the Company shall be stated:

S.NO	Name and Description of main Products/services	NIC Code of the Product / Service	% to total turnover of the Company
1	Industrial Gases (Oxygen and Nitrogen)	2011	99.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.NO	Name and Address of the Company	CIN/GNL	Holding/Subsidiary / Associate	% of Shares held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL

IV.SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i)Category -wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters	243102		24310	50.62	264663		26466	55.11	4.49
(1) Indian	3		23		4		34		
a) Individual/HUF									
b) Central Govt.	0	0	0	0	0	0	0	0	
c) State Govt.	0	0	0	0	0	0	0	0	
d) Bodies Corporate	599056		599056	12.47	599056		599056	12.47	0
e) Banks/FI	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	
Sub - Total(A)(1)	3030079	0	3030079	63.09	3245690	0	3245690	67.58	4.49
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs Individuals									
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub - Total(A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3030079	0	3030079	63.09	3245690	0	3245690	67.58	4.49
B. Public Shareholding	0	0	0	0	0	0	0	0	0
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt.	0	0	0	0	0	0	0	0	0

d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total(B)(1)	0	0	0	0	0	0	0	0	0
2. Non-Institutions	12526	2000	14526	0.30	40864	0	40864	0.85	0.55
a) Bodies Corp.									
i) Indian									
b) Individuals	612527	326210	938737	19.55	620019	282150	902169	18.79	-0.76
i) Individuals shareholders holding nominal share capital upto Rs. 2 lakh									
ii) Individuals shareholders holding nominal share capital excess of Rs. 2 lakh	787000	0	787000	16.39	561401	0	561401	11.69	-4.70
Others (specify)									
(C-i) Clearing Member	2318	0	2318	0.05	914		914	0.02	-0.03
(C-ii) Trust									
(C-iii) Foreign Nationals									
(C-iv) HUF	16354	1965	18319	0.38	16026	1965	17991	0.37	-0.01
(C-v) Non Resident Indians	9582	0	9582	0.20	8960	0	8960	0.19	-0.01
Others		1710	1710	0.04		750	750	0.02	-0.02
IEPF					23532	0	23532	0.49	0.49
Sub - Total (B)(2)	1440307	331885	1772192	36.91	1271716	284865	1556581	32.42	-4.49
Total Public shareholding	1440307	331885	1772192	36.91	1271716	284865	1556581	32.42	-4.49

(B)=(B)(1)+(B)(2)									
C. Shares held by custodian for GDRs&ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4470386	331885	4802271	100	4517406	284865	4802271	100	

ii) Share Holding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledge d/encumbered to total shares	No. of Shares	% of total Shares of the Company	% Shares pledged /encumbered to total shares	
1.	Rajesh Kumar Saraf	1070081	22.28	0	1070081	22.28	0	
2.	GajanandSaraf	365227	7.60	0	365227	7.61	0	
3.	SaritaSaraf	286198	5.96	0	501809	10.45	0	4.49
4.	GajanandSaraf-HUF	199326	4.15	0	199326	4.15	0	
5.	GajanandSaraf-HUF	229555	4.78	0	229555	4.78	0	
6.	Rajesh Kumar Saraf - HUF	134338	2.80	0	134338	2.80	0	
7.	Mamta Gupta	62784	1.30	0	62784	1.31	0	
8.	Banitha Agarwal	33600	0.70	0	33600	0.70	0	
9.	Saritha Devi Gupta	28014	0.58	0	28014	0.58	0	
10.	SavithaKainya	21000	0.44	0	21000	0.44	0	
11.	Arun Kumar Kainya	900	0.02	0	900	0.02	0	
12.	Saraf Housing Development Pvt. Ltd.	252885	5.26	0	252885	5.27	0	
13.	East Coast Acetylene Pvt. Ltd.	184346	3.84	0	184346	3.84	0	
14.	Pondicherry Agro Foods Pvt. Ltd.	161825	3.37	0	161825	3.37	0	
	Total	3030079	63.10		3245690	67.59	0	4.49

(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

During the financial year the promoter shareholding has been increased by 4.49 % due to purchase of 215611 equity shares by Ms.Sarita Saraf.

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors),

Promoters and Holding of GDRs and ADRs):

SL.NO	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% Total shares of the Company	No. of shares	% of total shares of the Company
1.	F I Dadabhory-JT1-P Dadabhoy At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	177000	3.69	177000	3.69
2.	S SSundram At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	78376	1.62	78376	1.62
3.	R F Dadabhoy-Jt. F L Dadabhoy At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	66000	1.37	66000	1.37
4.	N F Dadabhoy At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	72300	1.51	72300	1.51
5.	Hitesh Ramji Javeri At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	49875	1.04	51725	1.07
6.	Thakur Prasad At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	92665	1.92	50000	1.04
7.	Banita Agarwal At the	33600	0.69	33600	0.69

	beginning of the year 01.04.2019 At the end of the year 31.03.2020				
8.	P.F.Dadabhoy At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	32100	0.66	33000	0.68
9.	Shirin Watwani At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	30600	0.63	33000	0.68
10.	SICGIL Industrial Gases Ltd At the beginning of the year 01.04.2019 At the end of the year 31.03.2020	0	0	31500	0.65

(v) Shareholding of Directors and Key Managerial Personnel:

SL.NO	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% Total shares of the Company	No. of shares	% of total shares of the Company
1.	GajanandSaraf At the beginning of the year 01.04.2019	365227	7.60	365227	7.60
	At the end of the year 31.03.2020	365227	7.61	365227	7.60
	GajanandSaraf- HUF At the beginning of the year 01.04.2019	229555	4.78	229555	4.78
	At the end of the year 31.03.2020	229555	4.78	229555	4.78
	GajanandSaraf- HUF At the beginning of the year 01.04.2019	199326	4.15	199326	4.15
	At the end of the year 31.03.2020	199326	4.15	199326	4.15
2.	Rajesh Kumar Saraf At the beginning of the year 01.04.2019	1070081	22.28	1070081	2.28

	At the end of the year 31.03.2020	1070081	22.28	1070081	2.28
	Rajesh Kumar Saraf-HUF At the beginning of the year 01.04.2019	134338	2.79	134338	2.79
	At the end of the year 31.03.2020	134338	2.80	134338	2.79
3.	Amit Kumar Agarwal	0	0	0	0
4.	S. Shanmugavadivel	0	0	0	0
5.	Mohan Milan Parekh	0	0	0	0
6.	Sarita Saraf At the beginning of the year 01.04.2019	286198	5.96	286198	5.96
	At the end of the year 31.03.2020	501809	10.45	501809	10.45

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Details of borrowing	Secured	Unsecured	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	1812.73	1784.46	0	3597.19
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1812.73	1784.46	0	3597.19
Changes indebtedness during the year				
Addition	40.67	314.08	0	354.75
Reduction	0	100	0	100
Net Change	40.67	214.08	0	254.75
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1853.40	1998.54	0	3851.94

VI.REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager:

S.NO	Particulars of Remuneration	Name of the MD/WTD/MANAGER	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income tax Act, 1961 (c) Profits in lieu of Salary under Section 17 (3) of the Income tax Act, 1961	Mr.Rajesh Kumar Saraf Mr. Gajanand Saraf	30,21,600/- 9,00,000/-
2	Stock Option	NIL	NIL
3	Sweat equity	NIL	NIL
4	Commission -as % of profit -others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)		39,21,600/-
	Ceiling as per the Act		

B. Remuneration to Other Directors

S.NO	Particulars of Remuneration	Name of Directors	Total Amount
1.	3. Independent Directors Fee for attending board/ committee meetings Commission Others, please specify	Mr. Shanmuga Vadivel Mrs. Mona Milan Paresh Dr. DM. Mohunta	11250/- 14500/- 3500/-
	Total(1)		29250/-
	4.Other Non- Executive Directors Fees for attending board/Committee meeting Commission Others, please specify	Mrs.Sarita Saraf	4000/-
	Total (2)		4000/-
	Total (B)=(1+2)		33250/-
	Total Managerial Remuneration		3954850/-
	Overall Ceiling as per the Act		

C. Remuneration of Key Managerial Personnel other than MD/Manager/WTD

SL.NO	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b)Value of perquisites under section 17(2) of the Income tax Act, 1961 (c)Profits in lieu of Salary under Section 17 (3) of the	-	65500/-	452736/-	518236/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission As % of profit Others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	-	65500/-	452736/-	518236/-

VII.PENALTIES / PUNISHMENT/ COMPOUNDING OFFENCES: NIL

For and on behalf of the Board

Place: Chennai

Rajesh Kumar Saraf

GajanandSaraf

Date:18-08-2020

Managing Director

Whole time Director

(DIN : 00007353)

(DIN : 00007320)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL OXYGEN LIMITED

Report on the Indian Accounting Standard Financial Statements

Opinion

1. We have audited the accompanying financial statements of **NATIONAL OXYGEN LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S.No.	Key Audit Matter	Auditor's Response
1	<p>Valuation of trade receivables As disclosed in Note 8 to the financial statements.</p> <p>The Company assesses periodically and at each financial year end, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade Receivables .</p>	<p>How our audit addressed the key audit matter:</p> <p>We obtained an understanding of the Company's credit policy for trade receivables and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables. We have reviewed management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for impairment recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed the adequacy and appropriateness of the impairment charge based on the available information.</p> <p>Our Observation:</p> <p>Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including its Annexures, and other report placed by the management before the members. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have

complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i). The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 41(A) to the financial statements;
 - (ii). The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. There has been no delays in transferring amounts, to the Investor Education and Protection Fund by the Company.

**For J K V S & Co.
Chartered Accountants
Firm Regn No. 318086E**

**Place: NewDelhi
Date: June 20, 2020**

**(SAJAL GOYAL)
Partner
Membership No. 523903
UDIN: 20523903AAAAAS8864**

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of NATIONAL OXYGEN LIMITED on the financial Statements as of and for the year ended March 31, 2020)

We report that:

- i) In respect of its fixed assets:
 - a) According to information and explanations given to us, the Company has maintained proper Fixed Assets records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed Assets of the Company have been physically verified by the management, wherever possible, at the close of the year as confirmed by the management. As informed to us, no material discrepancy has come to notice on such physical verification;
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the company.

- ii) As explained to us, physical verification has been conducted by the management, wherever possible, at all its locations at reasonable intervals during the year in respect of inventory of raw materials and finished goods. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.

- iii) As per the information and explanations provided to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 and hence the requirements of sub clauses (a) and (b) of clause (iii) of the Order are not applicable.

- iv) As per the information and explanations provided to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security provided by the company;

- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits to which the directives of the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply;

- vi) We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie ,the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii)
- a) The company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Goods and service tax, cess and other material statutory dues with the appropriate authorities. Further, according to the information and explanations given to us and the books and records examined by us, there was no undisputed amount outstanding as on March 31,2020 in respect of the above statutory dues for a period of more than six months from the date they became payable;
 - b) According to the records of the company, the dues outstanding (net of Advances) in respect of Income tax ,Sales Tax, Wealth Tax, Service Tax , Duty of Customs, Duty of Excise, Value added tax, Goods and Service tax or Cess, on account of any dispute as on March 31,2020 , are as follows :

Name of the Statute	Nature of Dues	Amount Rs in Lacs	Period to which the amount relates	Forum where dispute pending
Central Excise Act, 1944	Excise duty demanded on the facility charges being charged	1.06	Sept'2000 to Aug'2001	CESTAT, Southern Bench
Central Excise Act, 1944	Departmental appeal against the partial favourable order passed by Commissioner (Appeals) for Excise duty demanded on the rental / facility charges being charged	4.91	Sept'2000 to Aug'2001	CESTAT, Southern Bench

Central Excise Act, 1944	Departmental appeal against the favourable order passed by CESTAT in respect of 8% duty demanded on supply to ISRO under Nil rate of duty while availing Cenvat Credit	5.71	2000-01	Madras High Court
Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	0.20	Sept'2006 to Mar'2007	CESTAT, Southern Bench
Central Excise Act, 1944	Excise duty demanded on the Cylinder Holding / facility charges being charged	1.67	May'2006 to Aug'2006	CESTAT, Southern Bench
Service Tax	Service Tax demanded on the Lease charge income received	11.32	2002-03 & 2003-04	CESTAT, Southern Bench
Service Tax	Service Tax demanded on the Lease charge income received	6.69	2004-05 & 2005-06	CESTAT, Southern Bench
Customs Act, 1961	Differential Customs Duty on Import of Second hand Plant (including Interest & Penalty)	88.24	1994-95	CESTAT, Southern Bench
Service Tax	Service Tax on GTA claimed by the Deptt. which is contested by the company	3.86	Apr'2012 to Mar'2013	Madras High Court

- viii) Based on our audit procedures, and as per the information and explanations given to us by the management, the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders, though there have been minor delays in repayment in certain cases.
- ix) According to the information and explanations given to us by the management, the term loans availed by the company have been applied for the purpose for which they were raised. Further, no money was raised by the company during the year by way of Initial public offer or further public offer;

- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit;
- xi) According to the information and explanations given to us by the management, the managerial remuneration has been paid / provided by the company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013;
- xii) The company is not a Nidhi company, hence clause 3 (xii) of the Order is not applicable to the company;
- xiii) According to the information and explanations provided to us and as confirmed by the management, the transactions entered into with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements in accordance with the applicable accounting standards;
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xv) According to the information and explanations provided to us and as confirmed by the management, the company has not entered into any non-cash transactions with directors or persons connected with him during the year under review;
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934;

**For J K V S & Co.
Chartered Accountants
Firm Regn No. 318086E**

**Place: NewDelhi
Date: June 20, 2020**

**(SAJAL GOYAL)
Partner
Membership No. 523903
UDIN: 20523903AAAAAS8864**

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10(f) of the Independent Auditor's Report of even date to the members of NATIONAL OXYGEN LIMITED on the financial Statements as of and for the year ended March 31, 2020)

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

1. We have audited the internal financial controls over financial reporting of NATIONAL OXYGEN LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies 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 was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:
 - a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - b. provide reasonable assurance that transactions are recorded as necessary to permit preparation 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 management and directors of the Company; and
 - c. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, 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 March 31,2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J K V S & Co.
Chartered Accountants
Firm Regn No. 318086E**

**Place: NewDelhi
Date:June 20,2020**

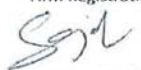
**(SAJAL GOYAL)
Partner
Membership No. 523903
UDIN: 20523903AAAAAS8864**

NATIONAL OXYGEN LIMITED
CIN : L24111TN1974PLC006819
Balance Sheet as at 31st March, 2020

	Note No.	As at	As at
		31-03-2020	31-03-2019
		Rs. in Lacs	Rs. in Lacs
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	2	2,901.20	3,190.74
Capital Work-in-Progress	3	2.65	2.65
Intangible Assets	4	0.02	0.02
Financial Assets :			
i) Investments	5	18.70	16.51
ii) Other financial Assets	6	77.92	34.67
Total Non Current Assets		3,000.49	3,244.59
Current Assets			
Inventories	7	45.85	26.45
Financial Assets:			
i) Trade Receivables	8	490.25	421.89
ii) Cash and Cash Equivalents	9	2.73	3.27
iii) Other Bank Balances	10	102.39	87.86
iv) Other Financial Assets	11	119.40	84.81
Current Tax Assets (Net)	12	7.83	6.42
Other Current Assets	13	53.32	42.97
Total Current Assets		821.77	673.67
Total Assets		3,822.26	3,918.26
EQUITY AND LIABILITIES			
Equity			
i) Equity Share Capital	14	480.23	480.23
ii) Other Equity	15	(1,133.99)	(973.93)
Total Equity		(653.75)	(493.71)
Liabilities			
Non-Current Liabilities			
Financial Liabilities :			
i) Borrowings	16	3,265.61	3,046.89
ii) Other Financial Liabilities	17	89.45	87.95
Provisions-Non Current	19	69.46	58.31
Total Non-Current Liabilities		3,424.53	3,193.15
Current Liabilities			
Financial Liabilities :			
i) Borrowings	20	586.33	550.31
ii) Trade Payables	21	-	-
- Total outstanding dues of micro and small enterprises		336.91	243.09
- Total outstanding dues of creditors other than micro and small enterprises		-	-
iii) Other Current Financial Liabilities	22	119.67	417.70
Other Current Liabilities	23	8.59	7.71
Provisions	24	-	-
Total Current Liabilities		1,051.50	1,218.81
Total Liabilities		4,476.03	4,411.96
Total Equity and Liabilities		3,822.26	3,918.26
Significant Accounting Policies	'1'		

The accompanying notes are an integral part of the financial statements

As per our report of even date annexed,
For J K V S & Co.
Chartered Accountants
Firm Registration 318086E

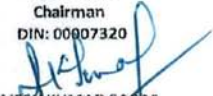

(SAJAL GOYAL)

Partner
Membership No. 523903
Place : New Delhi
Date : 20-06-2020



For and on behalf of the Board
for NATIONAL OXYGEN LTD


G.N. SARAF
Chairman
DIN: 00007320


RAJESH KUMAR SARAF
Managing Director
DIN: 00007353
Place: Chennai

NATIONAL OXYGEN LIMITED
CIN : L24111TN1974PLC006819
Statement of Profit and Loss for the year ended 31st March, 2020

	Note No.	31-03-2020	31-03-2019
		Rs. in Lacs	Rs. in Lacs
REVENUES			
Revenue from Operations	25	4,393.33	4,620.80
Other Income	26	26.93	28.54
Total Revenues		4,420.26	4,649.34
EXPENSES			
Cost of Materials Consumed	27	59.54	83.17
Purchases of Stock-in-Trade	28	37.54	-
Changes in Inventories	29	(10.93)	(12.24)
Employee Benefits Expenses	30	348.94	333.50
Power and Fuel	31	2,677.98	2,746.85
Other Expenses	32	640.60	611.69
Total Expenses		3,753.67	3,762.97
Profit before interest, tax, depreciation and amortisation		666.59	886.37
Finance Costs	33	480.34	490.05
Depreciation and Amortization	34	341.40	353.45
Profit/ (Loss) before exceptional items and Tax		(155.15)	42.88
Exceptional items (Refer Note No. 40)		-	313.73
Profit/ (Loss) before Tax		(155.15)	356.61
Tax Expenses:	35		
Current Tax (Including for earlier years)		-	0.45
Deferred Tax		1.36	(0.13)
Profit/ (Loss) for the year		(156.51)	356.29
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss			
Remeasurement of Post employment benefit obligations		3.54	(0.35)
Other Comprehensive Income for the year, net of tax		3.54	(0.35)
Total Comprehensive Income for the year		(160.05)	356.64
Earnings per Equity Share:			
Basic (₹)		(3.26)	7.42
Diluted (₹)		(3.26)	7.42

The accompanying notes are an integral part of the financial statements

As per our report of even date annexed,
For J K V S & Co.
Chartered Accountants
Firm Registration 318086E

(SAJAL GOYAL)
Partner
Membership No. 523903
Place : New Delhi
Date : 20-05-2020



For and on behalf of the Board
for NATIONAL OXYGEN LTD

G.N. SARAF
Chairman
DIN: 00007320
RAJESH KUMAR SARAF
Managing Director
DIN: 00007353
Place: Chennai

NATIONAL OXYGEN LIMITED

CIN : L24111TN1974PLC006819

Cash Flow Statement for the year ended 31st March 2020

A. CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31-03-2020	Year ended 31-03-2019
	Rs. in Lacs	Rs. in Lacs
Profit/ (Loss) before Tax	(155.15)	356.61
Adjustment for :		
Finance Costs	480.34	490.05
Depreciation and Amortization Expenses	341.40	353.45
Remeasurement of Post employment benefit obligations	(4.91)	0.48
Provision for Doubtful Loans, Advances and Debts (Net)	-	21.25
Exceptional Gains	-	(313.73)
(Profit) / Loss on sale of Property, Plant and Equipment (Net)	(3.76)	(15.95)
Interest & Dividend Income	(11.54)	(8.10)
Operating profit before working capital changes	646.38	884.06
<u>Changes in working Capital:</u>		
Inventories	(19.39)	(4.90)
Trade and other Receivables	(156.56)	(57.37)
Long Term Liabilities and Provisions	12.66	11.39
Trade and other Payables	1.39	(46.32)
Cash generation from Operations	484.48	786.87
Payment of Direct Taxes	(1.41)	(2.25)
Net Cash generated/ (used) - Operating Activities	483.06	784.62
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Property, Plant and Equipment	(52.82)	(42.77)
Purchase of Investments	(2.20)	(5.09)
Sale of Property, Plant and Equipment	4.72	351.90
Interest Received	11.53	8.10
Dividend Received	0.01	0.01
Net Cash Generated/ (Used) - Investing Activities	(38.75)	312.14
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	225.92	
Repayment of Long-term Borrowings	(211.92)	(608.82)
Proceeds/ (Repayment) of Short-term Borrowings (Net)	36.02	12.66
Finance Cost Paid	(480.34)	(490.05)
Net Cash Generated/ (Used) - Financing Activities	(430.32)	(1,086.21)
Net Increase/ (Decrease) in Cash and Cash Equivalents	13.99	10.56
Add : Opening Cash and Cash Equivalents	91.13	80.57
Closing Cash and Cash Equivalents	105.12	91.13

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
- Figures have been regrouped/ rearranged wherever necessary.

As per our report of even date annexed.,

For J K V S & Co.
Chartered Accountants
Firm Registration 318086E


(SAJAL GOYAL)
Partner
Membership No. 523903
Place : New Delhi
Date : 20-06-2020



For and on behalf of the Board
for NATIONAL OXYGEN LTD


G.N. SARAF
Chairman
DIN: 00007320

RAJESH KUMAR SARAF
Managing Director
DIN: 00007353
Place: Chennai

NATIONAL OXYGEN LIMITED

CIN : L24111TN1974PLC006819

Notes to the Financial Statements

Corporate information:

National Oxygen Limited (CIN : L24111TN1974PLC006819) is a Listed company domiciled in India and was incorporated on 23rd December 1974 and is governed under the Companies Act, 2013. The company is primarily engaged in manufacturing of Industrial Gases .

The financial statements of the Company for the year ended 31st March 2020 were authorised for issue by the Board of Directors at their meeting held on 20th June 2020.

1. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF ACCOUNTING

These policies have been consistently applied to all the years presented, unless otherwise stated.

i. Basis of Preparation :

a) Compliance with Ind AS:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 , read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as applicable.

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 policy hitherto in use. The Company has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

b) Historical cost convention :

The financial statements have been prepared on accrual basis under the historical cost basis, except for certain assets and liabilities which are measured at their fair value as indicated in the respective accounting policy.

ii. Use of judgements and estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's 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.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the financial statements are:

Measurement of defined benefit obligations;

Useful life and residual value of Property, plant and equipment and intangible assets;
Provision and employee liability for litigation.

iii. New Standards/ Amendments to existing Standards issued but not yet adopted :

There are no new Accounting Standards / amendments to existing Accounting Standards issued but not yet effective upto the date of issuance of the Company's Financial Statements.

iv. Significant Accounting Policies

a) PROPERTY PLANT & EQUIPMENT:

- (i) Property, Plant & Equipments are stated at cost net of Cenvat ,Value added tax, Goods and service Tax etc, depreciation and impairment. Cost of acquisition includes duties, taxes, incidental expenses, erection and commissioning expenses and interest etc. upto the date the asset is ready for its intended use.
- (ii) The Carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external-internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital. Based on the review, the management concluded that there was no indication of any impairment as at the Balance Sheet date.

b) DEPRECIATION:

- (i) The company computes depreciation with reference to the useful life/ revised remaining useful life of the assets as specified by and in the manner prescribed in Schedule II of the Companies Act 2013 under Straight Line Method . On Additions - sales the depreciation is prorated to the month of Addition/ Sale.
- (ii) Lease hold Land is amortized over the lease period.
- (iii) In case of Impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

c) INTANGIBLE ASSETS :

Intangible Assets are stated at cost less accumulated amortization and impairment, if any

d) INVESTMENTS AND OTHER FINANCIAL ASSETS:

Classification:

The Investments and other financial assets have been classified as per

Company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement :

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income or at fair value through profit and loss .

Equity Instruments:

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present the fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses)in the statement of profit and loss. Impairment losses(and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets :

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost . The impairment methodology applied depend on whether there has been a significant increase in credit risk.

For trade receivables, as permitted by Ind AS 109 Financial Instruments, the expected lifetime losses are recognised at the time of initial recognition of the receivables.

Derecognition of financial assets :

A financial asset is derecognised only when :

- The company has transferred the rights to receive cash flows from the financial asset, or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

e) INVENTORIES:

- a) Finished Goods - At cost (Computed on Annual Weighted Average) or net realisable value which ever is lower
- b) Raw Materials-Stores & Spare Parts - At Cost (Computed on FIFO basis) or net realisable value which ever is lower

f) FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded on the basis of exchange rate prevailing at the date of the transaction. Foreign currency monetary items are reported at the year end closing rates. Non monetary items which are carried at historical cost are reported using the exchange rate prevailing at the date of the transaction.

The exchange differences arising on settlement - year end restatement of monetary items are recognized in the Profit & Loss Account in the period in which they arise.

g) EMPLOYEE BENEFITS:

Defined Contribution Plans: Company's contribution to Provident Fund and other funds are charged to the statement of Profit & Loss during the period during which the employee renders the related service. The Company has no obligations other than the contributions payable to the respective trusts.

Defined Benefit plans : Gratuity liability is provided for based on actuarial valuation made at the end of each financial year using the projected unit credit method in accordance with the Indian Accounting Standard 19. The obligation is measured at the present value of future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balance sheet date, having maturity periods approximated to the terms of the related obligations.

Remeasurments gains and losses arising from experience adjustments and changes in actuarial assumption are recognised in the period in which they occur, directly in other comprehensive income , which is included in retained earnings in the statement of changes in equity and in the balance sheet.

h) REVENUE RECOGNITION :

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

(i) Sale of goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of

the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

(ii) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

i) LEASES:

As a Lessee:

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise Fixed lease payments which are payable during the lease term and under reasonably certain extension options, less any lease incentives and Variable Lease Payments.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever lease term has changed or there is a change in the assessment of exercise of a purchase option.

Right of Use (ROU) Assets:

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any

initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

On March 30, 2019, Ministry of Corporate Affairs had notified Ind AS 116 "Leases". Ind AS 116 replaced the existing leases Standard, Ind AS 17 "Leases". Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months. Effective April 1, 2019, the company has adopted IndAS 116 "Leases" using the modified retrospective method of transition applying the permitted practical expedients. There was no effect on adoption of Ind AS 116 on the financial statements of the Company.

As a Lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

j) BORROWING COSTS :

Borrowing costs relating to acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

k) TAXES ON INCOME :

a) Current Income Tax is provided as per the provisions of the Income tax Act 1961.

b) Deferred Tax is provided using the Liability method, providing for temporary differences between the carrying amounts of assets and liabilities

for financial reporting purposes and the amount used for taxation purposes . The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities , using tax rates enacted or substantively enacted as on the Balance Sheet date.

- c) Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- d) Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

l) EARNINGS PER SHARE :

Basic earnings per share:

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and , the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

m) PROVISIONS :

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

n) CONTINGENT LIABILITIES:

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of "Notes " to the accounts.

NATIONAL OXYGEN LIMITED

Notes to the Financial Statements (Contd..)

2 Property Plant & Equipment

Summary of cost and net carrying amount of each class of Property Plant & Equipment are given below:

Property Plant & Equipment	Freehold Land	Buildings	Plant and Equipment	Furniture & Office Equipment	Cylinders	Vehicles	(i) Total Property Plant & Equipment	(Rs. in Lacs)	
								(ii) ROU Assets - Leasehold Land	
Gross Carrying Amount									
Cost as at April 1, 2018	26.13	843.43	4,881.28	100.61	593.35	82.10	6,526.89		84.29
Additions	-	-	6.16	8.72	-	27.89	42.77		-
Disposals / Adjustments	3.05	18.31	-	15.14	-	28.21	64.71		-
As at 31st March, 2019	23.08	825.13	4,887.44	94.18	593.35	81.78	6,504.96		84.29
Additions	-	-	52.45	0.37	-	-	52.82		-
Disposals / Adjustments	-	-	-	-	4.65	18.87	23.52		-
As at 31st March, 2020	23.08	825.13	4,939.89	94.55	588.70	62.91	6,534.26		84.29
Accumulated Depreciation									
As at April 1, 2018	-	229.42	2,216.67	92.86	455.44	70.60	3,064.98		22.56
Additions	-	22.24	306.97	2.85	13.20	3.60	348.86		4.59
Disposals / Adjustments	-	6.30	-	14.32	-	21.87	42.49		-
As at 31st March, 2019	-	245.36	2,523.64	81.39	468.63	52.33	3,371.35		27.15
Additions	-	22.10	295.41	2.70	13.20	3.41	336.82		4.59
Disposals / Adjustments	-	-	-	-	4.65	17.91	22.56		-
As at 31st March, 2020	-	267.46	2,819.05	84.08	477.18	37.83	3,685.61		31.73
Net Carrying Amount									
As at 31st March, 2019	23.08	579.76	2,363.81	12.80	124.71	29.45	3,133.61		57.14
As at 31st March, 2020	23.08	557.66	2,120.84	10.47	111.52	25.07	2,848.65		52.55

Note : Plant & Equipment includes Stores and Spares having gross value of Rs.153.41 Lacs, capitalised in accordance with the Indian Accounting Standard (Ind AS-16) .

3. Capital Work-in-Progress

Capital Work-in-Progress - Property Plant & Equipment Year ended 31st March 2019

	Tangible Assets
	<u>(Rs. in Lacs)</u>
Cost as at April 1, 2018	2.65
Additions	-
Less: Capitalised	-
As at 31st March, 2019	2.65
Additions	-
Less: Capitalised	-
As at 31st March, 2020	2.65

4. Intangible Assets

Summary of cost and net carrying amount of each class of Intangible assets are given below:

Gross Carrying Amount	(Rs. in Lacs)
Cost as at April 1, 2018	33.64
Additions	-
Disposals / Adjustments	-
As at 31st March,2019	33.64
Additions	-
Disposals / Adjustments	-
As at 31st March,2020	33.64
Amortization	
As at April 1, 2018	33.62
Additions	-
Disposals	-
As at 31st March,2019	33.62

Additions	-
Disposals	-
As at 31st March,2020	33.62
Net Carrying Amount	
As at 31st March, 2019	0.02
As at 31st March, 2020	0.02

5. Investments

	Face value per Unit	<u>31-03-2020</u>	<u>31-03-2019</u>	<u>31-03-2020</u>	<u>31-03-2019</u>
		<u>Nos.</u>	<u>Nos.</u>	<u>Rs. in Lacs</u>	<u>Rs. in Lacs</u>
	Fully paid up (Rs.)	-		-	-
Investments - Other than Trade					
i. Investments in Equity Instruments Unquoted:					
TCP Limited	100	470	470	0.47	0.47
Pondicherry Agro Foods Pvt Ltd	10	9000	9000	0.90	0.90
Cauvery Power Trading Chennai Pvt Ltd	10	100000	100000	10.00	10.00
OPG Power Generation Pvt Ltd	10	63300	44200	7.28	5.08
				18.65	16.45
ii. Investments in Government Securities Unquoted:					
National Savings Certificate				0.05	0.05
Indira Vikas Patra				0.01	0.01
				0.06	0.06
				18.70	16.51
Aggregate carrying value of Unquoted Investments				18.70	16.51
Aggregate amount of Impairment in the value of Investments				-	-

6	Other financial Assets Unsecured, Considered Good Security Deposits	As at	
		31-03-2020 Rs. in Lacs	31-03-2019 Rs. in Lacs
		77.92	34.67
		77.92	34.67
7	Inventories: Raw Materials Finished Goods Stores and Spares	10.71 33.95 1.19	2.23 23.02 1.20
		45.85	26.45
8	Trade Receivables: Unsecured, Considered Good Trade Receivables which has significant increase in Credit Risk Trade Receivable -Credit Impaired	490.25 - 106.08	421.89 - 106.08
		596.33	527.97
	Less: Impairment Allowance (Allowance for Bad and Doubtful Debt) Unsecured, Considered Good Trade Receivables which has significant increase in Credit Risk Trade Receivable -Credit Impaired	- - (106.08)	- - (106.08)
	Total Trade Receivables	490.25	421.89
9	Cash and Bank Balances: Cash and Cash Equivalents Balance with Banks: Deposits with less than 3 months initial maturity Current Accounts Cash on hand	- 1.87 0.86	- 2.60 0.67
		2.73	3.27
10	Other Balances Balance with Banks: Unpaid Dividend Accounts Margin Money Deposit Accounts Deposits maturing within 12 months	1.89 100.50 -	3.83 84.03 -
		102.39	87.86

11	Other Financial Assets	102.39	87.86
	Deposit with Government Departments and Others	67.07	70.24
	Advances recoverable in Cash or in kind or for value to be received and/or to be adjusted		
	Others	52.33	14.56
		119.40	84.81
12	Current Tax Assets (Net)		
	Advance Income Tax & TDS (net of provision)	7.83	6.42
		7.83	6.42
13	Other Current Assets		
	Interest Accrued on Deposits	30.50	23.48
	Other Current Assets	22.82	19.49
		53.32	42.97

14	Equity Share Capital		
	Authorized Equity Share Capital	Numbers	Rs in Lacs
	Equity shares of Rs.10 each		
	As at 01-04-2018	50,00,000	500.00
	Increase during the year	-	-
	As at 31-03-2019	50,00,000	500.00
	Increase during the year	-	-
	As at 31-03-2020	50,00,000	500.00
	Issued, subscribed and Paid up capital	Numbers	Rs in Lacs
	Equity shares of Rs.10 each (Fully paid up)		
	As at 01-04-2018	48,02,271	480.23
	Increase during the year	-	-
	As at 31-03-2019	48,02,271	480.23
	Increase during the year	-	-
	As at 31-03-2020	48,02,271	480.23

a)	Movement in Equity Share Capital				
			Numbers		Rs in Lacs
	Equity Shares outstanding as at 01-04-2018		48,02,271		480.23
	Changes in Equity Share Capital		-		-
	Equity Shares outstanding as at 31-03-2019		48,02,271		480.23
Changes in Equity Share Capital		-		-	
Equity Shares outstanding at 31-03-2020		48,02,271		480.23	
b)	The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting.				
c)	Detail of shareholders holding more than 5 % shares of the Company as on reporting date are given below:				
Name of shareholder		As at 31st Mar 2020		As at 31st Mar 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1.	Rajesh Kumar Saraf	12,04,419	25.08%	12,04,419	25.08%
2.	Gajanand Saraf	7,94,108	16.54%	7,94,108	16.54%
3.	Sarita Saraf	5,01,809	10.45%	2,86,198	5.96%
4.	Saraf Housing Development Pvt.Ltd.	2,52,885	5.27%	2,52,885	5.27%
d)	The Company has neither bought back any shares nor issued any bonus shares during five years immediately preceding the Balance Sheet date.				

15	Other Equity :	As at	
		31-03-2020	31-03-2019
		Rs. in Lacs	Rs. in Lacs
	<u>Capital Reserve</u>		
	As per last Account	40.00	40.00
	<u>Securities Premium Account</u>		
	As per last Account	-	-
		778.39	778.39
	<u>General Reserve</u>		
	As per last Account	499.73	499.73
	Add: Transfer from Statement of Profit & Loss	-	-
		499.73	499.73
	<u>Retained Earnings</u>		
	Opening Balance	(2,299.45)	(2,655.74)
	Add: Profit/ (Loss) for the year	(156.51)	356.29

	<u>Other Comprehensive Income</u>	(2,455.96)	(2,299.45)	
	Opening Balance	7.40	7.05	
	Remeasurement of Post employment benefit obligations net of tax	(3.54)	0.35	
		3.85	7.40	
	Total Other Equity	(1,133.99)	(973.93)	
16	Borrowings :	As at		
			31-03-2020	31-03-2019
			Rs. in Lacs	Rs. in Lacs
		Secured		
		Term Loans:		
		From Banks	12.95	224.87
		Less Current Portion disclosed under current liabilities	7.20	211.92
			5.75	12.95
		Overdraft from Bank against Tangible Collateral Security (OD TCS)	1,261.32	1,249.48
			1,261.32	1,249.48
	1,267.07	1,262.42		
Unsecured				
Inter Corporate Deposits	1,998.54	1,684.46		
Others	-	100.00		
	1,998.54	1,784.46		
	3,265.61	3,046.89		
	<p>Nature of security for secured borrowings are given below: Term Loans and Overdraft from Bank against Tangible Collateral Security (OD TCS) are Secured by Equitable Mortgage of Leasehold Land & Building and hypothecation of the assets acquired for the new Project and further secured by way of first charge on the block of other movable Assets and future receivables of the company, present and future, and guaranteed by the Chairman and the Managing Director of the Company The Term Loan is repayable in monthly instalments of Rs.34.09 Lacs each upto Sept. 2019 and the rate of interest was in the range of 13.45% to 13.75% (Fully repaid during the year)</p>			

		As at	As at
		31-03-2020	31-03-2020
		Rs. in Lacs	Rs. in Lacs
17	Other Financial Liabilities - Non Current		
	Trade Payables	-	-
	Trade Deposits	89.45	87.95
		89.45	87.95
18	Deferred Tax Liabilities (Net) :		
	Major components of Deferred Tax arising on account of temporary timing differences are given below:		
	Deferred Tax Liabilities		
	Depreciation and Amortization Expenses	459.79	482.01
	Other Timing Differences	-	-
		459.79	482.01
	Deferred Tax Assets		
	Expenses- Provisions Allowable	20.90	17.70
	Carry forward Losses (to the extent of unabsorbed depreciation)	438.89	464.31
	Other Timing Differences	-	-
		459.79	482.01
		-	-
19	Provisions-Non Current		
	Provision for Employee Benefits	69.46	58.31
	Other Provisions	-	-
	69.46	58.31	
20	Borrowings :		
	Secured		
	Loans repayable on demand From Banks	586.33	550.31
	586.33	550.31	
	Nature of security for secured borrowings are given below: Cash Credit Loan from Bank is secured by hypothecation of Finished Goods, Raw Materials, Work in Process, Stores & Spares and Book Debts of the Company and second charge on Fixed Assets of the Company and guaranteed by the Chairman and Managing Director of the Company		

		As at	
		31-03-2020 Rs. in Lacs	31-03-2019 Rs. in Lacs
21	Trade Payables :		
	- Total outstanding dues of micro and small enterprises	-	-
	- Total outstanding dues of creditors other than to micro and small enterprises	336.91	243.09
		336.91	243.09
22	Other Current Financial Liabilities :		
	Current maturities of long-term borrowings	7.20	211.92
	Unpaid Dividend	1.89	3.83
	Statutory dues Payables	74.27	89.36
	Other Liabilities	36.32	112.59
	119.67	417.70	
23	Other Current Liabilities :		
	Customers' Credit Balances and Advances against orders	8.59	7.71
		8.59	7.71
24	Provisions		
	Employee Benefits	-	-
		-	-

25	Revenue from Operations:	Year ended	
		31-03-2020 Rs. in Lacs	31-03-2019 Rs. in Lacs
	a) Sale of Products		
	Sale of Industrial Gases	4,367.87	4,592.81
	Sales of other products	0.99	2.52
		4,368.86	4,595.32
	b) Facility Charges- Cylinder holding charges etc	24.47	25.48
	Net Revenue from Operations	4,393.33	4,620.80
	<p>A) Nature of goods and services The following is a description of principal activities separated by reportable segments from which the Company generates its revenue</p> <p>a) The Company is engaged in the manufacturing and trading of Industrial Gases and primarily generates revenue from the sale of Industrial Gases and the same is only the reportable segment of the Company.</p> <p>B) Disaggregation of revenue In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition</p>		
	i) Primary Geographical Markets		
	Within India	4,393.33	4,620.80
	Outside India	-	-
	Total	4,393.33	4,620.80
	ii) Major Products		
	Industrial Gases	4,367.87	4,592.81
	Others	25.46	28.00
	Total	4,393.33	4,620.80
	iii) Timing of Revenue		
	At a point in time	4,393.33	4,620.80
	Over time	-	-
	Total	4,393.33	4,620.80
	iv) Contract Duration		
	Long Term	-	-
	Short Term	4,393.33	4,620.80
	Total	4,393.33	4,620.80
26	Other Income:		
	Interest Income		
	On Deposits etc (a)	11.54	8.10
	Dividend Received	-	-
	Gain- (Loss) on foreign currency transactions and translation (Net)	0.55	0.16
	Profit- (Loss) on Fixed Assets sold/ discarded (Net)	3.76	15.95
	Liabilities- Provisions no longer required written back	9.80	1.31
	Miscellaneous Receipts and Claims	1.27	3.02

	Interest Income is gross of tax deducted at source (a). amounting to Rs.1.15 Lac (Previous year Rs. 0.85 Lac)	26.93	28.54
27	Cost of Materials Consumed: Opening Stock Add: Purchases Less: Closing Stock Details of Raw Materials Consumed Calcium Carbide Others	2.23 68.01 70.24 10.71 59.54 59.54 -	10.04 75.37 85.40 2.23 83.17 71.10 12.07
28	Purchase of stock-in-Trade: Purchases	37.54 37.54	- -
		Year ended	
		31-03-2020 Rs. in Lacs	31-03-2019 Rs. in Lacs
29	Changes in Inventories: Opening Inventories Finished Goods Less: Closing Inventories Finished Goods	23.02 33.95 (10.93)	10.78 23.02 (12.24)
30	Employee Benefits Expenses: Salaries and Wages Contribution to Provident and other Funds Employees Welfare Expenses	317.98 17.82 13.15 348.94	299.02 18.57 15.90 333.50
31	Power and Fuel: Power and Fuel	2,677.98 2,677.98	2,746.85 2,746.85
32	Other Expenses: Consumption of Stores and Spares Repairs to Buildings Repairs to Machinery Rates and Taxes Rent Insurance Auditors' Remuneration - (a)	43.39 14.60 41.88 4.35 12.00 4.33 1.30	59.99 15.11 31.96 3.27 10.50 4.62 1.30

	Travelling & Conveyance Expenses	15.79	13.94
	Freight and Forwarding Expenses (Net)	422.39	381.75
	Bad Debts and Advances written off (Net)	-	2.34
	Less: Adjusted against Provision for doubtful debts	-	(2.34)
	Provision for doubtful debts	-	21.25
	Directors' Remuneration	39.00	30.00
	Directors' Sitting Fees	0.33	0.33
	Miscellaneous Expenses	41.23	37.69
		640.60	611.69
	(a). Details of Auditors' Remuneration are as follows:		
	Statutory Auditors:		
	Audit Fees	1.00	1.00
	Taxation matters	0.30	0.30
	Others	-	-
		1.30	1.30
33	Finance Costs:		
	Interest Expenses	467.35	473.29
	Other Borrowing Costs	12.99	16.76
		480.34	490.05
34	Depreciation and Amortization Expenses:		
	Depreciation	341.40	353.45
	Amortization Expenses	-	-
		341.40	353.45
35	Tax Expenses		
	Current Tax		
	Current Tax for the year	-	-
	Current Tax adjustments for earlier years (Net)	-	0.45
		-	-
	Deferred Tax		
	Deferred Tax for the year	1.36	(0.13)
	Deferred Tax adjustments for earlier years (Net)	-	-
		1.36	(0.13)

36. Financial risk management objectives and policies

The Company's financial liabilities comprise loans and borrowings, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents.

The Company is exposed to market risk, interest rate risk, credit risk and liquidity risk. The Company's management ensures that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. Managing Director, Chief Financial Officer and Business Heads reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the company. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date and write off/provision is made. The calculation is based on losses as per historical data.

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

		(Rs. in Lacs)	
Trade Receivable	0 to 180 days	> 180 days	Total
31st March 2020	528.83	67.50	596.33
31st March 2019	403.76	124.21	527.97

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior Management. Management monitors the Company's net liquidity position on the basis of expected cash flows.

Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.\

Financial Liabilities	Within 12 months	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Total
31st March 2020					
Non Derivatives					
Borrowings	593.53	5.75	3,259.86	-	3,859.14
Trade Payables / Trade Deposits	336.91	-	89.45	-	426.36
Other current financial liabilities	112.47	-	-	-	112.47
Total Non derivative Liabilities	1,042.91	5.75	3,349.31	-	4,397.97
Derivatives					
Foreign Exchange Forward Contracts	-	-	-	-	-
Total derivative Liabilities	-	-	-	-	-
31st March 2019					
Non Derivatives					
Borrowings	762.23	12.95	3,033.94	-	3,809.12
Trade Payables / Trade Deposits	243.09	-	87.95	-	331.04
Other current financial liabilities	205.79	-	-	-	205.79
Total Non derivative Liabilities	1,211.11	12.95	3,121.89	-	4,345.95
Derivatives					
Foreign Exchange Forward Contracts	-	-	-	-	-
Total derivative Liabilities	-	-	-	-	-

37. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and retaining healthy debt equity ratio.

38	Disclosures required by Ind AS 19 on "Employee Benefits":	2019-2020	2018-2019
		Rs. in Lacs	Rs. in Lacs
	Particulars		
	i) Net employee benefit expense recognized in the employee cost		
	Current service cost	3.38	5.97
	Net Interest cost / (income) on benefit Liability / (Asset)	4.26	3.82
	Expected return on plan assets	-	-
	Past Service Cost	-	-
	Net actuarial(gain) / loss recognized in the year (Other Comprehensive Income)	4.91	(0.48)
	- change in financial assumptions	3.48	0.79

	- experience variance (i.e. Actual experience vs assumptions)	1.43	(1.27)
	Net benefit expense	12.55	9.31
	Benefit asset/ liability		
	Present value of defined benefit obligation	69.46	58.31
	Fair value of plan assets	-	-
	Plan asset / (liability)	(69.46)	(58.31)
	ii) Changes in the present value of the defined benefit obligation are as follows -		
	Opening defined benefit obligation	58.31	51.19
	Current service cost	3.38	5.97
	Past service cost		-
	Interest cost	4.26	3.82
	Re-measurement of defined benefit obligation (Actuarial (gain) / loss)	4.91	(0.48)
	Benefits paid	(1.40)	(2.19)
	Closing defined benefit obligation	69.46	58.31
	iii) Changes in the fair value of plan assets are as follows:		
	Opening fair value of plan assets	-	-
	Expected return	-	-
	Contributions by employer	1.40	2.19
	Benefits paid	(1.40)	(2.19)
	Actuarial gains / (losses)	-	-
	Closing fair value of plan assets	-	-
	iv) The principal actuarial assumptions are as follows		
	Discount rate	6.50%	7.39%
	Salary increase	5.00%	5.00%
	Withdrawal Rates	5.00%	5.00%
	v) Amount incurred as expense for defined contribution plans		
	Contribution to Provident / Pension fund	12.25	11.49
	vi) The major categories of plan assets as a percentage of the fair value of total plan asset are as follows:		
	Investment with Insurer	-	-
	vi) A quantitative sensitivity analysis for significant assumptions is as below:		

	Impact on gratuity defined benefit obligation		
	Discount rate (-0.5/+0.5)%		
	Sensitivity level - Increase	2.12	3.69
	Sensitivity level - Decrease	(1.99)	(3.31)

39. The company's net worth is fully eroded. However, in view of the efforts being made, and also the cash profits being made during the current year as well as the previous year, the management is of the opinion that the company's financial position would improve and hence the management has continued to draw up the financial statements on a going concern assumption.

40. During the previous year the company has disposed off certain immovable properties. The profit from disposal of these properties amounting to Rs.313.73 Lacs has accordingly been disclosed under Exceptional Items.

		As at	
		31/03/2020	31/03/2019
41	Contingent Liabilities and Commitments :	Rs. in Lacs	Rs. in Lacs
A.	Contingent Liabilities		
	(a). Claims against the company not acknowledged as debt:		
	Excise Duty / Service Tax	35.42	35.42
	Customs Duty	88.24	88.24
		-	
	(b). Outstanding Letters of Credit and Bank Guarantees	359.73	363.09
B.	Capital Commitments		
	(a). Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

42. Segment Reporting

Primary Segment Reporting (by Business Segment):

Segments have been identified in line with the Indian Accounting standard on "Operating Segments" (Ind AS-108), taking into account the organisational structure, risk-return profile of individual business and internal reporting system of the Company. Based on this assessment the company has identified a single reportable primary business segment i.e., Industrial Gases. Hence no additional disclosures are required to be given other than those already given in these financial statements.

43	Earning per Share (EPS)	Year ended	
		31-03-2020	31-03-2019
	Profit- (Loss) for the year (Rs. in Lacs)	(156.51)	356.29
	Weighted average number of shares used in the calculation of EPS:		
	Weighted average number of Basic Equity Shares outstanding	48,02,271	48,02,271
	Weighted average number of Diluted Equity Shares outstanding	48,02,271	48,02,271
	Face value of per share (Rs.)	10	10
	Basic EPS - Rs. per Equity Share	(3.26)	7.42
	Diluted EPS - Rs. per Equity Share	(3.26)	7.42

44. The company has not been informed by any supplier of being covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provision-payments have been made by the Company to such creditors, if any, and no disclosures are made in these accounts.

45. Related Party Disclosures:

A. Disclosure on Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:

a) Key Management Personnel of the Company :-

- i) Shri. G.N. Saraf
- ii) Shri. Rajesh Kumar Saraf
- iii) Smt. Sarita Saraf

b) Enterprises over which certain Key Management Personnel (K.M.P) exercise significant influence :-

- i) Pondicherry Agro Foods Pvt. Ltd
- ii) ECA Gases Pvt. Ltd
- iii) Approach Marketing Pvt. Ltd
- iv) Saraf Housing Development P. Ltd

c) Relatives of Key Management Personnel of the Company

B. The particulars given above have been identified on the basis of information available with the company.

(Rs. in Lacs)

	31/03/2020		31/03/2019	
	Enterprises over which K.M.P exercise significant influence	Key Management Personnel & their relatives	Enterprises over which K.M.P exercise significant influence	Key Management Personnel & their relatives
Transactions for year ended 31st March:				
Sales of Products	27.45	-	9.30	-
Purchase of Goods	9.09	-	32.68	-
Interest paid	211.03	-	154.52	-
Managerial Remuneration (incl. perquisites)	-	39.22	-	30.61
Director's Sitting Fees	-	0.33	-	0.33
Rent paid	12.00	-	10.50	-
Outstanding balances as at 31st March:				
Trade Receivables	-	-	-	-
Trade Payables & Other Liabilities	14.21	-	11.76	-
Investments	0.90	-	0.90	-
Unsecured Loans received	1998.54	-	1684.46	-

C	Key Managerial Personnel:	31/03/2020	31/03/2019
		Rs. in Lacs	Rs. in Lacs
	Managerial Remuneration (including perquisites) *	39.61	30.61
	* Excluding gratuity, leave encashment payable		

46. Foreign Currency exposure in respect of Sundry Creditors amounting to Rs.Nil (Previous Year Rs.Nil) are unhedged as on the Balance Sheet date.

47. Ind AS 116 "Leases" was made mandatorily applicable w.e.f. 1st April 2019. Accordingly the Company has applied Ind AS 116 'Leases' during the year using modified retrospective approach under which the cumulative effect of initial application is recognised as at 1st April 2019. On adoption of Ind AS 116, the Company recognised 'Right-of-use' assets amounting to Gross Block of Rs.84.29 Lacs and Net Block of Rs.57.14 Lacs. However, there is no impact on the financial statements of the

Company due to adoption of Ind AS 116.

48. The operations of the Company were continued with limited capacity utilization during the nationwide lock down period due to COVID-19 since its products fall in the essential items category. As per the current assessment of the Company, no material impact is expected due to COVID - 19 on the carrying amounts of Property, Plant and Equipment, and current assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of COVID-19 which may be different from that estimated as at the date of approval of these financial statements.

49	Additional information pursuant to paragraphs 5 (viii) of Part II of Schedule III to the Companies Act, 2013 are follows:				
A.	C.I.F. value of imports by the Company Raw Materials: Calcium Carbide Stores & Spares		31/03/2020 Rs. in Lacs 55.69 -	31/03/2019 Rs. in Lacs 42.65 -	
B.	Expenditure in foreign currency during the year: - -				
C.	Value of Raw Materials and Stores and Spares consumed during the year :	Value (Rs. in Lacs)		Percentage (%)	
	Raw Materials :	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	Imported	56.59	51.57	95.05	62.00%
	Indigenous	2.95	31.61	4.95	38.00%
		59.54	83.17	100.00%	100.00%
	Stores and Spares:				
	Imported	-	-	-	-
	Indigenous	43.39	59.99	100.00%	100.00%
		43.39	59.99	100.00%	100.00%

50. The previous figure has been reclassified- rearranged - regrouped wherever necessary

For J K V S & Co.
Chartered Accountants
Firm Regn No. 318086E

(SAJAL GOYAL)

Partner

Membership No: 523903

UDIN: 20523903AAAAAS8864

Place : New Delhi
Date : June, 20, 2020