

Independent Auditors' Report

To the Members Of
Nath Industrial Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Nath Industrial Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

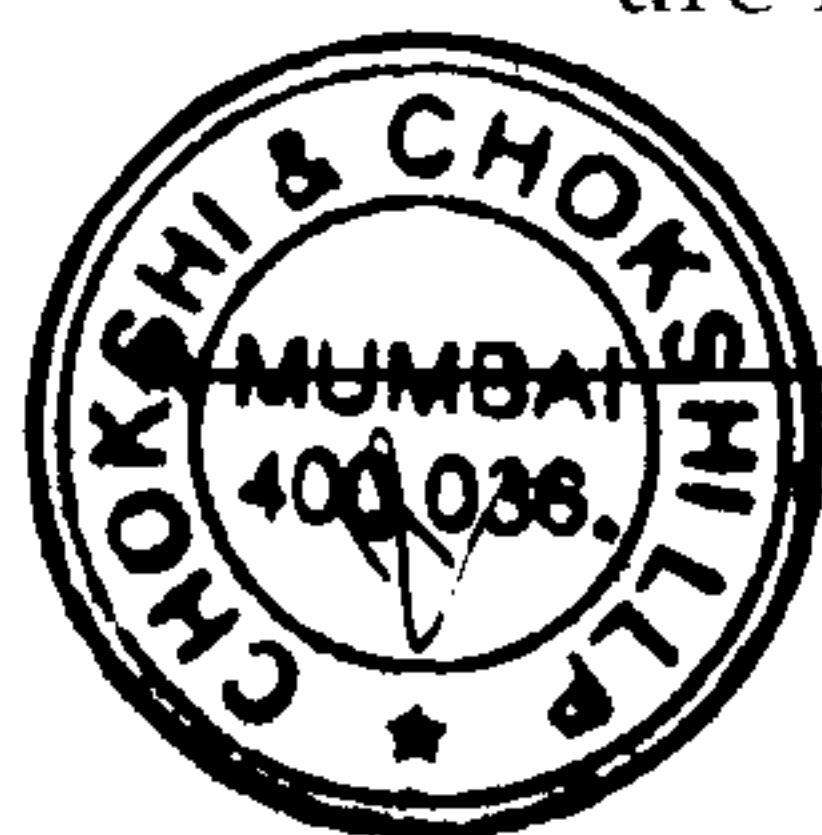
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. 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.

Basis of Qualified Opinion

According to the information and explanations given to us, the Company has granted loan to some parties, no interest is charged thereon and no documents available for the same. The aforesaid act of the Company breaches the requirements of the sub-section (7) of Sec 186 and other provisions of the Companies Act, 2013.

Qualified Opinion

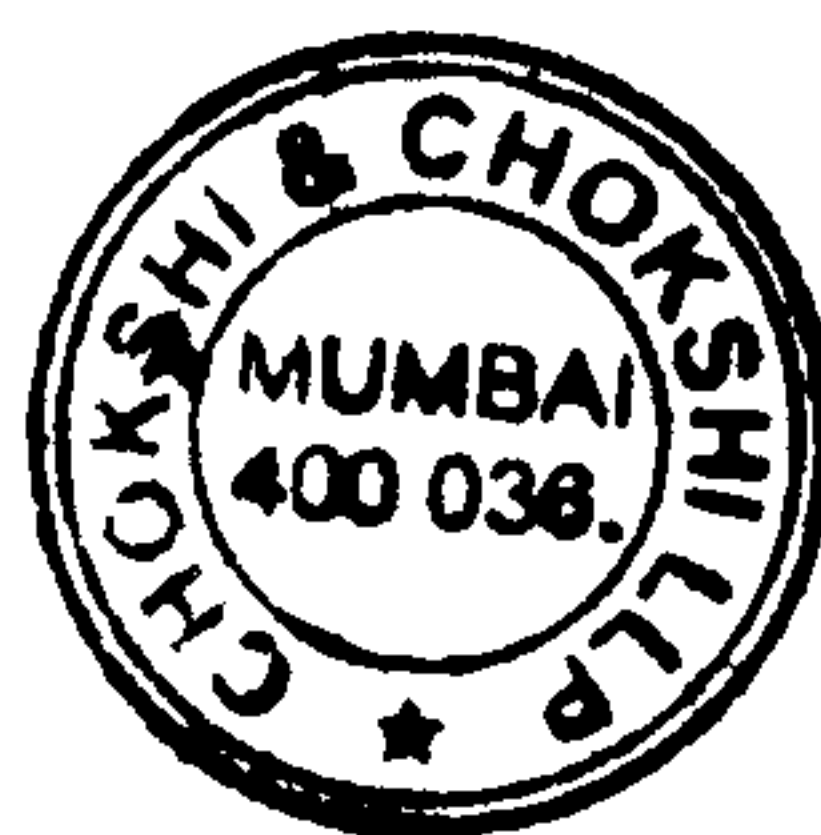
In our opinion and to the best of our information and according to the explanations given to us, except in respect of consequential possible impacts of the matters mentioned under Para 'Basis of Qualified Opinion' the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of state of Affairs of the Company as at March 31, 2016 and its profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1.1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 1.2 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) Except for the effects of the matters described in the Basis for Qualified Opinion Paragraph above 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, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d) Except for the effects of the matters described in the basis for Qualified Opinion Paragraph above in over opinion , the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) The matter described in the basis for Qualified Opinion Paragraph above, may have adverse effect on the functioning of Company.
- f) On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our Report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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-refer note 27 of notes to financial statements.
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place : Mumbai
Date: 28/07/2016

For Chokshi & Chokshi LLP
Chartered Accountants
(FRN-: 101872W/W100045)

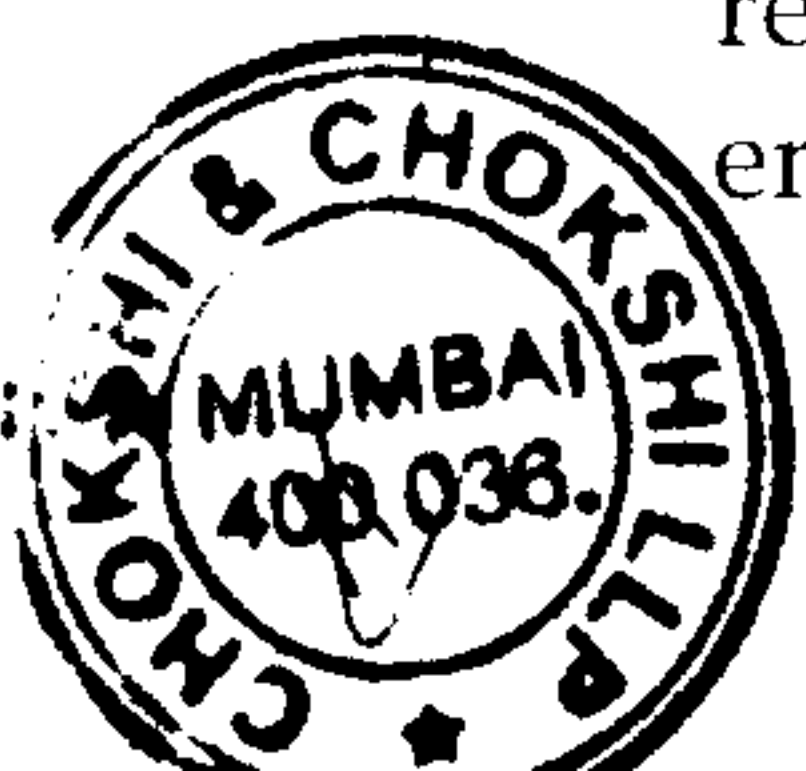
A handwritten signature in black ink, appearing to read "Mahazaver Patel".

Mahazaver Patel
Partner
M. No-:131292

Annexure A to Independent Auditors' Report

(Referred to paragraph 1 of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- 1) In respect of its fixed assets:
 - a. According to the information and explanations given to us, the Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.
 - b. According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its location in a phased manner at reasonable intervals which is reasonable having regard to the size of the Company and nature of assets. The discrepancies noticed have been properly dealt with in the books of account.
 - c. According to the information and explanations given to us, documents relating to leasehold land of Rs.5,305,800 and self constructed building of Rs.23,038,389 are not available with the Company. Hence we are unable to express our opinion regarding the same.
- 2) The inventory has been physically verified by the management during the year at reasonable intervals, which is reasonable and adequate in relation to the size of the Company and the nature of its business. As per the information given to us, the discrepancies noticed have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has granted unsecured loans to two companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
 - a. In absence of written agreement on repayment schedule, the loans and interest there on are being repaid on demand.
 - b. As per the information and explanation given to us since the loans are repayable on demand, there are no overdue amounts of more than rupees one lakh in respect of loans granted to the parties listed in the register maintained u/s 189 of the Act.
- 4) According to the information and explanations given to us, the Company has given/made any loans, investments, guarantees, and security under provisions of section 185 and 186 of the Companies Act, 2013 and document related to the same are not made available. As referred in para 'Basis of Qualified opinion', we are unable to express our opinion on the same.
- 5) According to the information and explanations given to us, the Company has not accepted any public deposits within the meaning of sections 73 to 76 of Companies Act, 2013 and rules framed there under;
- 6) The Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013, the prescribed accounts and records have been made and maintained.
- 7) (a) According to the information and explanations given to us, the Company is generally regular in depositing applicable undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, duty



of excise, value added tax , cess and any other statutory dues with the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.

(b) According to the information and explanations given to us, as at March 31, 2016, the no disputed dues payable by the Company on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Duty of Custom / Duty of Excise are as under:

- 8) According to the information and explanations given to us, the Company has generally repaid dues to any financial institutions, banks.
- 9) According to the information and explanations given to us, the Company has not raised any fund by way of public issue or from term loan.
- 10) According to the information and explanations given to us, the Company has not come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, either noticed or reported during the year, on or by the Company.
- 11) According to the information and explanations given to us the Company has paid or provided managerial remuneration during the year according to provision of section 197 read with Schedule V to the Companies Act, 2013.
- 12) According to the information and explanations given to us, the Company is not in the nature of a Nidhi Company as defined under section 406 the Companies Act, 2013.
- 13) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note 35 of the financial Statements as required by the applicable accounting standards;
- 14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Chokshi & Chokshi LLP

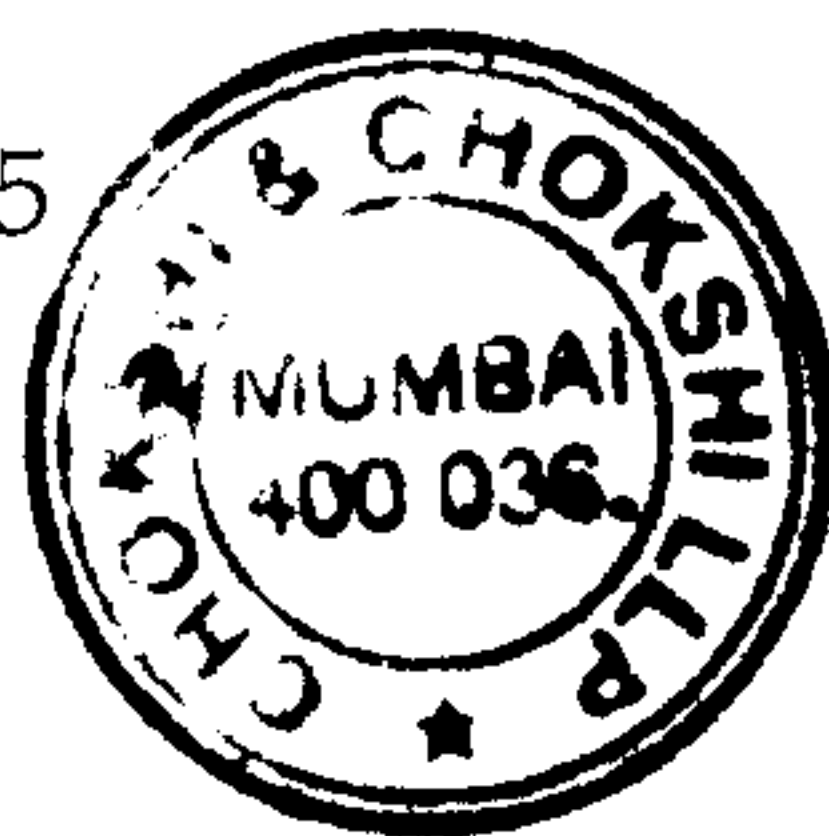
Chartered Accountants

FRN:- 101872W/W100045


Mahazaver Patel

Partner

M. No. 131292



Place: Mumbai

Date-28/07/2016

Annexure B To The Independent Auditor's Report Of Even Date On The Financial Statements of Nath Industrial Chemicals Limited

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

We have audited the Internal Financial Controls over financial reporting of Nath Industrial Chemicals Limited ("the Company") as of March 31, 2016 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

The Company's management is responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the size of Company and 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 ("the Guidance Note"). 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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



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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us, the following material weakness has been identified as at March 31, 2016:

- 1. The Company did not have an appropriate internal control policy regarding write off and write back of balances which could potentially result in the Company recognizing advances and dues without establishing reasonable certainty of ultimate recovery and payment.*
- 2. The Company did not have an appropriate internal control on documentation regarding Loan, advances, Stores, Petty Cash payment, human recourses and budgets, which could potentially result in the functioning of Company.*



NATH INDUSTRIAL CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2016

Remove Watermark Now

(Amount in Rs.)

SN	Particulars	Note No.	31st March 2016	31st March 2015
I	EQUITY AND LIABILITIES			
1	Share Holders' Funds			
	(a) Share Capital	2	50,000,000	50,000,000
	(b) Reserves and Surplus	3	22,978,843	3,552,095
2	Share application money pending allotment			
3	Non Current Liabilities			
	(a) Long Term Borrowings	4	722,784	-
	(b) Deferred Tax Liabilities (Net)	5	10,522,287	-
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions	6	10,988,746	10,188,432
4	Current Liabilities			
	(a) Short Term Borrowings	7	60,000,000	60,000,000
	(b) Trade Payables	8	36,334,490	60,556,797
	(c) Other Current Liabilities	9	11,098,289	16,820,033
	(d) Short Term Provisions	10	10,612,284	1,891,347
	TOTAL		213,257,723	203,008,704
II	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	76,120,395	76,181,694
	(ii) Intangible Assets		-	-
	(iii) Capital Work in Progress		-	-
	(iv) Intangible assets under development		-	-
	TOTAL		76,120,395	76,181,694
	(b) Non Current Investments	12	71,000	139,000
	(c) Deferred tax assets (net)		-	-
	(d) Long Term Loan and Advances	13	13,921,421	13,932,821
	(e) Other Non-Current Assets		-	-
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	14	27,642,920	24,711,516
	(c) Trade Receivables	15	61,897,608	43,453,330
	(d) Cash and Cash equivalents	16	1,836,823	1,296,283
	(e) Short Term Loans and Advances	17	31,767,556	43,294,060
	(f) Other Current Assets		-	-
	TOTAL		213,257,723	203,008,704

The notes referred to above form an integral part of the financial statements
Significant accounting policies and notes to financial statement

1-41

As per our Report of even date

For CHOKSHI AND CHOKSHI LLP

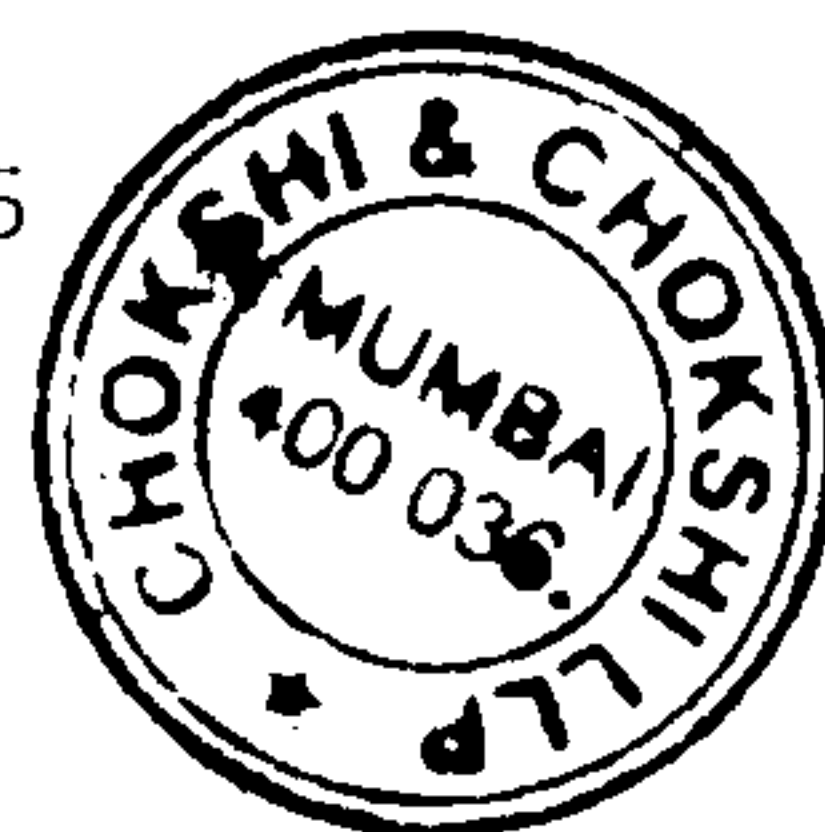
Chartered Accountants

FRN: 101872W/W100045

Mahazaver Patel

Partner

Membership No :131292



Mumbai
Dated: **28 JUL 2016**

For and on behalf of the Board of
NATH INDUSTRIAL CHEMICALS LTD.

AKASH KAGLIWAL
Director

ABHAY KUMAR JAIN
Director

Mumbai
Dated:

NATH INDUSTRIAL CHEMICALS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

SN	Particulars	Note No.	31st March 2016	31st March 2015
I	Revenue from Operation	18	555,280,330	438,086,271
	Less : Excise Duty		63,544,586	49,787,812
	Revenue from Operation (Net)		491,735,744	388,298,459
II	Other Income	19	509,346	5,006,146
III	Total Revenue (I+II)		492,245,090	393,304,605
IV	Expenses			
	Cost of Materials Consumed	20	321,032,961	318,426,677
	Purchase of Stock in Trade		-	268,541
	Change in Inventories of Finished Goods & Stock in Process	21	-1,546,092	581,884
	Employee Benefit Expenses	22	34,230,176	33,842,364
	Finance Cost	23	530,899	1,096,129
	Depreciation and Amortisation Expense	24	8,946,947	11,335,960
	Other Expenses	25	90,608,064	53,553,863
	Total Expenses		453,802,954	419,105,418
V	Profit before exceptional items, extra-ordinary items and Tax (III-IV)		38,442,135	(25,800,813)
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		38,442,135	(25,800,813)
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII- VIII)		38,442,135	-25,800,813
X	Tax expenses:			
	(1) Current tax		8,493,101	-
	(2) Deferred tax	4	(10,522,287)	6,527,442
XI	Profit for the period (IX-X)		19,426,747	(19,273,371)
XII	Earnings per equity share of face value of Rs 100/- each :	26		
	Basic Earning per Share (Rs.)		38.85	(38.55)
	Diluted Earning per Share (Rs.)		38.85	(38.55)

The notes referred to above form an integral part of the financial
Significant accounting policies and notes to financial statement

1-41

As per our Report of even date

For CHOKSHI AND CHOKSHI LLP

Chartered Accountants

FRN: 101872W/W100045

Mahazaver Patel

Partner

Membership No :131292

For and on behalf of the Board of
NATH INDUSTRIAL CHEMICALS LTD.

AKASH KAGLIWAL
Director

ABHAY KUMAR JAIN
DirectorMumbai
Dated: 28 JUL 2016Mumbai
Dated:

(Amount in Rs.)

Particular	31st March 2016		31st March 2015	
Cash Flow from Operating Activities				
Net Profit before tax		38,442,135		(25,800,813)
Adjustments:-				
Depreciation	8,946,947		11,335,960	
Interest Income	(211,612)		(3,062,775)	
Other Income	(297,734)	8,437,601	(1,943,391)	6,329,794
Operating profit before following adjustments		46,879,736		(19,471,019)
Adjustments for:				
Trade Receivables	(18,444,278)		5,347,432	
Inventories	(2,931,404)		7,292,168	
Short Term Advances	11,526,505		7,436,082	
Long Term Advances	11,400		(5,000)	
Trade Payables	(24,222,307)		(1,636,696)	
Other Current Liabilities	(5,721,744)		(2,735,793)	
Long Term Borrowing	722,784			
Short Term Provisions	227,836		(286,132)	
Long Term Provisions	800,314	(38,030,894)	(2,508,729)	27,238,032
Net Cash Flow from Operating Activities (A)		8,848,842		7,767,012
Cash flows from investing activities				
Purchase of Fixed Assets and CWIP	(8,885,648)		(5,502,218)	
Non-current investment	68,000			
Interest Recieved	211,612		3,062,775	
Other Income	297,734		1,943,391	
Net Cash flows from investing activities (B)		(8,308,302)		(496,052)
Cash flows form financing activities				
Proceeds from Short Term Borrowings			(7,596,776)	
Net Cash Flows from financing activities (C)				(7,596,776)
Net (Decrease)/ Increase in cash and cash Equivalents (A+B+C)		540,540		(325,815)
Cash and Cash Equivalents as on 1st April 2015 (Opening Balance)		1,296,283		1,622,098
Cash and Cash Equivalents as on 31st March 2016 (Closing Balance) (refer note-16)		1,836,823		1,296,283

The notes referred to above form an integral part of the financial statements 1-41
Significant accounting policies and notes to financial statement

Note:

- 1) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- 2) Cash and Cash Equivalents represents Cash and Bank Balances only
- 3) Previous Year's figures have been restated, reclassified and / or rearranged to confirm to the current year's classification .

As per our Report of even date

For Chokshi & Chokshi LLP

Chartered Accountants

Registration No: 101872W / W100045

Mahazaver Patei

Partner

Membership No :131292

Mumbai

Dated:

28 JUL 2016



For and on behalf of the Board of
NATH INDUSTRIAL CHEMICALS LTD.

AKASH KAGLIWAL
Director

ABHAY KUMAR JAIN
Director

Corporate Information

Nath Industrial Chemicals Limited ("the Company") is a Company was incorporated in the year 1978 under the Companies Act, 1956. The Company is in the business of Manufacturers and Dealers in acids, solvents, and organic and inorganic chemicals and ancillary services.

The Company was referred to the BIFR as a sick company under the provisions of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company's reference as a sick company was registered under Case No. 136/ 2004 with the BIFR. At the hearing held on 25 October 2012, the BIFR sanctioned the Rehabilitation Scheme of the Company and the Order sanctioning the scheme of rehabilitation was received by the Company on 30 October 2012 (Sanctioned Scheme). The Company is out of BIFR scheme by virtue of order dated 18.11.2014.

1. Significant Accounting Policies:

The Significant Accounting Policies have been predominantly prescribed below in order of the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

i) Method of Accounting and preparation of the Financial Statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply with all material aspects of the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services offered, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

ii) Revenue Recognition

A Manufacturing activities:

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership of the products on to the customers, which is generally on dispatch of goods. Sales adjusted for trade discounts, Value Added Tax (VAT) and exchange rate difference, are accounted as income/expenditure in the year of such claims being lodged and confirmed. Revenue from claims is recognised on confirmation of the claims by the counter parties.

b. Dividend Income:

Dividend income is recognized on the basis of once the right to receive is established.

c. I Income and Expenses are accounted on accrual basis except capital incentive from Government authorities and liquidated damages to the extent under negotiation.

li VAT set-off is based on returns filed with appropriate authorities.

d. Bank Guarantee commission is accounted in the year of execution/renewal of guarantee.

iii) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the

reported amounts of revenues and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and the difference between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

iv) Fixed Assets:
Tangible

All tangible fixed assets are stated at historical cost (as reduced by CENVAT credit) less accumulated depreciation. The cost of fixed assets comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Intangible

Intangible Assets are initially recognized at cost and are stated at cost less depreciation and impairment (if any). The cost of an internally generated intangible asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. These Intangible Assets comprise of Computer Softwares.

v) Depreciation /Amortization on Fixed Assets:

- a. Depreciation has been provided for on the written down value method as per the useful life prescribed in Schedule II to the Companies Act 2013.
- b. Certain Fixed Assets have been revalued on 30th June 1992.
- c. Leasehold Land, for 99 years and Leasehold Improvements are amortized over the period of the lease.

vi) Impairment of Assets:

As at each Balance Sheet date, the Company assesses the realizable value of all the assets. If there is any indication of fall in the realizable value over the carrying cost of the assets, impairment in value of the assets is recognized.

vii) Valuation of Inventories:

- a. Stage of completion and cost of completion of manufactured products, being technical matters, are estimated and certified by the Company's technical personnel.
- b. Stock of all the raw materials, manufacturing materials, stores and spares lying at store, / factory have been valued at cost (FIFO) .
- c. Work-in Progress are valued at the lower of cost and the net realizable value.
- d. Finished Goods are valued at the lower of cost and the net realizable value.

viii) Investments:

- a. Investments intended to be held for more than one year are classified as long term investments and are carried at cost of acquisition inclusive of other attributable expenses. Diminution in the value of investment is provided for, if such diminution is of other than temporary nature. in the value of such investments.

ix) Employee benefits:

- a. The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss.
- b. Other long term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS 15 as at the Balance Sheet date.
- c. The gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as on Balance Sheet date on the projected unit credit method and the same is funded with Life Insurance Corporation of India.

x) Earnings Per Share:

The Company reports basic earnings per share in accordance with the Accounting Standard 20 'Earnings per share'. Basic earnings per share, is computed by dividing the net profit or loss for the year, by the weighted average number of equity shares outstanding during the year.

xi) Taxation (including Deferred Tax):

Provision for Income Tax is made for both current and deferred taxes. Current tax is provided on the basis of the taxable income in accordance with and at the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates, and tax laws that have been enacted or substantively enacted, subject to prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets.

xii) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if:

- a. The Company has a present obligation as a result of past events.
- b. A probable outflow of resources is expected to settle the obligation.
- c. The amount of the obligation is best estimate required to settle the obligation at the Balance Sheet date.
- d. This are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that reimbursement will be received.

Contingent Liability is disclosed in the case of :

- a. A present obligation arises from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b. A present obligation when no reliable estimate is possible, and
- c. A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed. Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

xiii) Extraordinary Items:

The Extraordinary items are Income or Expenses that arise from events of transactions that are clearly distinct from the ordinary activities and therefore, are not expected to recur frequently or regularly.

The nature and amount of each extra ordinary item is identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

xiv) Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rents under operating leases are recognised in the profit and loss account on a straight line.

xv) Cash and Cash Equivalents

Cash and cash equivalents includes balance with banks, deposit accounts with less than three months maturity, cash & cheques in hand, short term highly liquid investments and money lent on collateralised lending & borrowing obligation transactions.

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NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016

2. Share Capital	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Authorised : 525,000 (PY 525,000) Equity Shares of Rs.100/- each		52,500,000		52,500,000
75,000 (PY 75,000) 4% Non-Cumulative Preference Shares of Rs.100/- each		7,500,000		7,500,000
		60,000,000		60,000,000
Issued, Subscribed and Fully Paid up 500,000 Equity Shares of Rs.100/- each full paid up. (Previous Year 500,000 Equity Shares)		50,000,000		50,000,000
		50,000,000		50,000,000

(a) Reconciliation of Number of Shares outstanding as at beginning of the year and as at end of Year

	31st March 2015	
Shares Outstanding as at beginning	500,000	500,000
Add: Shares issued during the period	-	-
Less : buyback during the period	-	-
Shares Outstanding as at of the period	500,000	500,000

(b) List of Shareholders holding more than 5% of the total Number of Share issued by the Company

	31st March 2016		31st March 2015	
	%	No. of Shares	%	No. of Shares
M/s. Ashu Farms Pvt. Ltd	49.995%	249,975	49.995%	249,975
M/s. Akash Farms Pvt Ltd	49.995%	249,975	49.995%	249,975
Total	99.990%	499,950	99.990%	499,950

3. Reserves & Surplus	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
<u>Capital Redemption Reserve</u>				
Opening Balance	4,200,000		4,200,000	
Add: Addition during the period	-		-	
Less: utilized during the period	-		-	
Closing Balance		4,200,000		4,200,000
<u>Capital Reserve</u>				
Opening Balance	27,300,000		27,300,000	
Add: Addition during the period	-		-	
Less: utilized during the period	-		-	
Closing Balance		27,300,000		27,300,000
<u>Revaluation Reserve</u>				
Opening Balance	4,761,402		4,761,402	
Add: Addition during the period	-		-	
Less : Adjustment on Account of Depreciation (Refer footnote in note 10)				
Closing Balance		4,761,402		4,761,402
<u>Profit & Loss A/c Balance</u>				
Opening Balance	(32,709,307)		(12,967,579)	
Less :Adjustment on Account of Depreciation	-		(468,357)	
Add : Profit/ (Loss) for the period	19,426,747		(19,273,371)	
Total	(13,282,560)		(32,709,307)	
Less: Proposed Dividend	-		-	
Less: Tax on Dividend	-		-	
Less :Transferred to General Reserve	-		-	
		(13,282,560)		(32,709,307)
		22,978,843		3,552,095

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016

4. Long Term Borrowing	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
a) Loans and Advances :				
Vehicle Loan	-	722,784	-	-
Secured *		722,784		-

* Loan is secured against vehicle , interest charged @ 9.8%

Maturity Profile of Long-term borrowings

Maturity Profile	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
	Loans & Advances (secured)		Loans & Advances (secured)	
1-2 Years	181,969		-	
2-3 Years	200,633		-	
3-4 Years	221,213		-	
Beyond 4 Years	118,969	722,784	-	-
Total		722,784		-

5. Deferred Tax Liability (net)	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
a) Deferred Tax Liabilities				
(i) On account of Depreciation		11,643,315		10,935,975
b) Deferred Tax Assets				
(i) Disallowance under Income tax	1,121,028		4,228,497	
(ii) Unabsorbed Dep. & carry forward Losses	-		11,606,045	
Total Deferred Tax Assets		1,121,028	15,834,542	
Deferred Tax Assets/Liability recognised*		10,522,287		-
*Refer Note 35				

6 Long Term Provisions	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Provision for employee benefits				
- Gratuity	9,370,725		8,385,014	
- Leave Encashment	1,618,021	10,988,746	1,803,418	10,188,432
		10,988,746		10,188,432

7 Short Term Borrowings	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
<u>Loans Repayable on Demand</u>				
From Related Parties				
-Secured	-		-	
-Unsecured	60,000,000	60,000,000	60,000,000	60,000,000
		60,000,000		60,000,000

NATH INDUSTRIAL CHEMICALS LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016
11. FIXED ASSETS

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	AS AT 01.04.2015	ADDITION	DEDUCTION/ TRANSFER	AS AT 31.03.2016	AS AT 01.04.2015	ADDITION	DEDUCTION	AS AT 31.03.2016
								AS AT 31.03.2015
- Tangible Assets								
Leasehold Land *	5,305,800	-	-	5,305,800	1,875,788	53,594	-	3,376,418
Building	23,038,389	-	-	23,038,389	13,933,208	897,441	-	8,207,740
Plant and Machinery	331,780,635	7,771,864	-	339,552,499	269,826,412	7,319,587	-	62,406,500
Electrical Installation	6,338,479	-	-	6,338,479	5,297,661	352,474	-	688,344
Office Equipments	1,308,341	65,400	-	1,373,741	1,234,303	34,619	-	104,819
Furniture and Fixtures	1,532,082	-	-	1,532,082	1,341,803	45,266	-	145,013
Computers	1,629,059	-	-	1,629,059	1,586,349	16,547	-	26,163
Vehicles	3,266,804	1,275,760	1,323,531	3,219,033	2,922,370	227,419	1,096,154	1,165,398
T total	374,199,589	9,113,024	1,323,531	381,989,082	298,017,894	8,946,947	1,096,154	76,120,395
<i>Total Previous Year</i>	368,697,371	5,502,218	-	374,199,589	286,004,140	12,013,756	-	76,181,694
								82,693,230

*Leasehold Land has been amortized over the period of 99 years including on revaluated portion.

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016

8 Trade Payable	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
Under Micro, Small & Medium Enterprises		40,759		52,109
Others		36,293,731		60,504,688
		36,334,490		60,556,797

9 Other Current Liabilities	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
Current Maturity of Long Term Debts	160,518		-	
Advance from Customers	136,754		336,320	
Trade deposits	2,220,000		3,220,000	
Duties & Taxes	2,103,062		1,414,157	
Employees Benefit Payable	3,358,650		6,495,805	
Provision for Expenses	3,061,989		5,298,206	
Others	57,316		55,545	
		11,098,289		16,820,033
		11,098,289		16,820,033

10 Short Term Provisions	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
Provision for employee benefits				
- Gratuity	1,041,192		931,668	
- Leave Encashment	539,340	1,580,532	601,139	1,532,807
Others				
- Provision for Excise Duty on Finished Goods		538,651		358,540
Income Tax Provision (net off advance tax)		8,493,101	-	
		10,612,284		1,891,347

12 Non Current Investments	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
Trade Investments				
In Fully Paid Equity Instruments				
-Subsidiaries	-	-	-	-
-Others				
-Unquoted				
1) 200000 Shares of Mayo India Ltd. of Rs.50 each (incl. Rs.40 paid as premium) net of write off	50,000		50,000	
2) 2000 Shares of Saraswat Co-op Bank Ltd of Rs 10/- each	20,000		20,000	
3) 2000 Shares of NKGSB Co-op Bank Ltd	1,000	71,000	1,000	71,000
In Application Money				
-Subsidiaries	-	-	-	-
-Others				
-Quoted				
1) Application money for shares of Gujarat State Finance Corporation	68,000		68,000	
Less:- Written off	68,000	-	-	68,000
		71,000		139,000

NATH INDUSTRIAL CHEMICALS LIMITED NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016			
Aggregate Amount of Quoted Investments	-		-
Aggregate Amount of Provision for Diminution in Value of Investments	-		-

Foot Note :

i) Non Current Investments are valued at cost or net realizable value; whichever is lower.

ii) Market value of quoted investment could not be possible as it on account of investment in application money.

13. Long Term Loan and Advances	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Security Deposits				
-Unsecured Considered Good		13,921,421		13,932,821
		13,921,421		13,932,821

14. Inventories	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Raw Materials		9,695,495		10,663,148
Stores, Spares & Tools		12,341,889		9,988,924
Finished Goods		4,847,855		3,226,856
Work in Progress		757,681		832,588
		27,642,920		24,711,516

15 Trade Receivables	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Exceeding Six Months From the date they become Due				
-Unsecured Considered Good		92,710		1,021
Others				
-Unsecured Considered Good		61,804,898		43,452,309
		61,897,608		43,453,330

16 Cash and Cash equivalents	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Balances with Bank				
In Current Accounts				
-Others	1,710,042	1,710,042	890,556	890,556
Other Bank Balances				
(In Margin Deposits with original maturity for more than 3 months but less than 12 months)		-		106,179
Cash on Hand		126,781		299,548
		1,836,823		1,296,283

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016

17 Short Term Loans and Advances		31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Loans and Advances to related parties					
-Unsecured Considered Good		24,125,574		35,664,604	
-Doubtful		10,539,030		-	
Total		34,664,604		35,664,604	
Less:- Provision for Doubtful		10,539,030	24,125,574	-	35,664,604
Others					
Prepaid Expenses		134,492		210,883	
Balances with government authorities		1,620,210		1,153,724	
Advance to Suppliers		2,155,477		2,243,597	
Staff & Workers Advance		668,560		1,108,000	
Advance for expenses		315,545		67,806	
Advance for INCD Expense		-		87,493	
Interest receivable		2,747,698	7,641,982	2,757,953	7,629,456
			31,767,556		43,294,060

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

18 Revenue from Operation	31st March 2016		31st March 2015	
Sale of Products -Sulphur and other incidental chemicals		554,798,044		437,712,372
Sale of services -Toner Certification		120,000		57,230
Other Operating Revenues -Freight Charges Recovered		362,286		316,669
		555,280,330		438,086,271

19 Other Income	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Interest Income		211,612		3,062,775
Dividend Income		3,120		2,120
Insurance Claim		172,038		48,685
Bad Debt Recovered		-		475,000
Prior Period Income*		-		1,379,671
Profit on sale of vehicle		97,626		
Other Non-operating Income		24,950		37,895
		509,346		5,006,146

*Previous Year Amount consist of Income Tax Refund A.Y 2010-11

20 Cost of Material Consumed	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Raw materials: (Sulphur, Hydrochloric Acid & Caustic)				
Opening stock		10,662,393		15,083,491
Add-Purchases		320,066,063		314,006,334
Less: Closing stock		9,692,935		10,662,393
Less: Material In Transit		2,560		755
		321,032,961		318,426,677

21 Change in Inventories of Finished Goods, stock in trade & work in Process	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
OPENING STOCK				
Finished Stocks		3,226,856		3,974,129
Work in Progress		832,588		667,199
		4,059,444		4,641,328
Less:				
CLOSING STOCK				
Finished Stocks		4,847,855		3,226,856
Work in Progress		757,681		832,588
		5,605,536		4,059,444
		(1,546,092)		581,884

22 Employee Benefit Expenses	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
Salaries , Wages & Bonus		29,601,302		29,751,995
Cont. to Employee's P.F. & Other Fund		2,876,717		1,981,958
Staff Welfare Expenses		1,752,157		2,108,411
		34,230,176		33,842,364

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

23 Finance Cost	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
Interest Expense				
Borrowing	490,118		667,610	
On deferred / delayed payment of income tax	40,781	530,899	428,519	1,096,129
		530,899		1,096,129

24 Depreciation	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
Depreciation for the period	8,946,947		12,013,756	
Less: Adj. of dep. on account of revaluation Fixed Assets	-	8,946,947	677,796	11,335,960
		8,946,947		11,335,960

25 Other Expenses	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
Manufacturing Expenses				
Consumption of Stores & Spares	27,441,915		16,043,185	
Transportation & Materials Handling	1,224,537		857,232	
Freight Outward paid	713,171		467,882	
Power & Fuel	29,320,236		18,635,721	
Repair to Plant & Machinery	5,826,591		4,205,673	
Repair to Building	569,857		504,060	
Repair to Others	83,592		83,159	
Water Charges	4,653,328	69,833,226	4,197,242	44,994,154
Administrative Expenses				
Rent, Rates & Taxes	304,934		776,162	
Insurance Charges	225,299		265,074	
Security Charges	451,630		514,652	
Vehicle Expenses	857,213		698,286	
Legal and Professional Charges*	3,284,246		2,674,055	
Sales Tax	446,143		930,702	
Sundry balance written off	68,000		-	
Other Administrative Expenses	4,598,343	10,235,808	2,688,287	8,547,217
Others				
PROVISION FOR DOUBTFUL DEBTS	10,539,030	10,539,030	-	-
Selling and Distribution Expenses				
Discount on Sales	-		-	12492
		90,608,064		53,553,863

	31st March 2016 Amount (Rs)		31st March 2015 Amount (Rs)	
*Auditors remuneration (Net of Service Tax)				
- for Statutory Audit	80,000		80,000	
- for Tax Advisory	20,000		20,000	
		100,000		100,000

26 Earning Per Share (EPS)	31st March 2016		31st March 2015	
	Amount (Rs)		Amount (Rs)	
(Face value of Rs 100/- each)				
EPS				
a. Profit after Tax before exceptional items		19,426,747		(19,273,371)
b. Weighted average number of Equity Shares outstanding		500,000		500,000
c. Earnings per Share - Basic (Rs.)		38.85		(38.55)
d. Earnings per Share - Diluted (Rs.)		38.85		(38.55)

NOTES TO FINANCIAL STATEMENTS:-

27. Contingent Liabilities not provided for:

a) One of the vendors has made a counter claim against the Company for Rs. 9,038,638/- against Companies claim on the vendor of Rs. 28,116,811/-. The Company is in arbitration with the said the vendors. The management is of the opinion that no additional liability would arise and the said arbitration amount of Rs. 5,439,314/- shown as creditor is continued as Previous Year. There are no further developments whatsoever in above matter during the year.

b) Bank Guarantee of Rs. NIL (Previous Year Rs. 106,179/-)

28. Inventory includes stock of Raw Material, viz., Sulphur 854.583 MT (Previous Year 1133.246 MT) valued at Rs. 9,598,368/- (Previous Year Rs. 10,604,598/-) lying in pits and yard, and Work in Progress of Rs. 7,57,681 (Previous Year Rs. 8,32,588/-). The quantity is based on technical assessment of the management and as per the regular practice followed by the Company.

29. Despite the best efforts, the Company was not able to appoint a Company Secretary as required under Section 203 of the Companies Act, 2013.

30. Director's Remuneration:

	2015-16 (Rs.)	2015-16 (Rs.)
Director's Salary	11,68,020/-	10,09,620/-
Contribution to Provident Fund	95,760/-	76,752/-
Perquisites	67,328/-	40,605/-
TOTAL	1,331,108/-	1,126,977/-

31. Imported and indigenous Raw Material and stores & spares consumed

Particulars	31.03.2016		31.03.2015	
Raw Material	Rs.	(%)	Rs.	(%)
Imported	NIL	0%	NIL	0%
Indigenous	320,860,701	100%	318,426,677	100%
Total	320,860,701		318,426,677	
Stores and Spares				
Imported	NIL	0%	NIL	0%
Indigenous	24,516,499	100%	16,043,185	100%
Total	24,516,499		16,043,185	

32. Income and expenses in foreign currency:

Particulars	2015-16	2015-16
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NATH INDUSTRIAL CHEMICALS LIMITED

Significant Accounting Policies and Notes to the Financial Statements for the year ended March 31, 2016

Foreign currency Income	NIL	NIL
Foreign Currency Expenses	NIL	NIL

33. The Company is engaged in the business of manufacture and sale of sulphuric acid and other similar chemicals. As such there are no separate reportable business segment as per the Accounting Standard on 'Segment Reporting' (AS-17) issued by the Institute of Chartered Accountant of India. The Company has not done any trading activity during the year.

34. a) At each balance sheet date, the management reviews the carrying amount of each asset and recoverable value to determine whether there is any indication that those are impaired. The Company has obtained a valuation from the reckoners of the local authority. In respect of shares of a Company the same is continued at impaired value of Rs 50,000. In respect of other investments recoverable value is in excess of carrying cost as on Balance Sheet date. Therefore there is no further impairment for the same. During the year Company has written off application money of Rs.68, 000 paid towards the shares and made a provision for doubtful debts of Rs. 10,539,030 with keeping in the line with the impairment policy.

- b) The Companies fixed assets mainly consists of Land and Building and the Plant at Vapi. These plants and building are under use throughout the period, hence it constitute one unit .The other assets like furniture etc. are verified by the management once in a year and no major discrepancies are found.

35. The Major components of Deferred Tax Liabilities/(Asset) as on 31st March 2016 are as follows:

Particulars	Amount(in Rs)
Opening Balance of Deferred Tax Assets as on 31.03.2016	Nil
Deferred tax Liability on account of Depreciation	11,643,315
Deferred tax Asset on account of Disallowances under Income Tax	(1,121,028)
Deferred tax Asset on account of Carry forward losses	Nil
Total Deferred Tax Liability as on 31.03.2016	(10,522,288)

Considering the Prudence, Company has recognised deferred tax Asset only to the extent of Deferred Tax Liability. Accordingly Rs 10,522,288/- Deferred Tax Asset is recognised during the year.

36. As per the Accounting standard 18- Related Party Disclosure issued by INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA , the related party and their transaction are as under :

(a) Particulars of Associate Concern

S.NO.	Name of Related Party	Name of Relationship
1	Akash Farms Pvt Ltd	Associate
2	Ashu Farms Pvt Ltd	Associate

NATH INDUSTRIAL CHEMICALS LIMITED

Significant Accounting Policies and Notes to the Financial Statements for the year ended March 31, 2016

(b) Key Management Personnel (KMP)

S.NO.	Name of Related Party	Nature of Relationship with Company.
1.	Mr. Abhay Kumar Jain	Director

(c) Relative of Key Management Personnel/ Substantial Interest

S.NO.	Name of Related Party	Nature of Relationship with Company.
1.	Nil	Nil

(d) Transaction with related party.

Nature of Transaction (31.03.15)	Akash Farms Pvt Ltd	Ashu Farms Pvt Ltd	KMP	Total
Loans given				
Opening Balance	10,539,030 (10,539,030)	950,000 (950,000)	- (-)	11,489,030 (11,489,030)
Add: Given during the period	- (-)	- (-)	- (-)	- (-)
Less: repaid during the period	- (-)	950,000 (-)	- (-)	- (-)
Closing Balance	10,539,030** (10,539,030)	- (950,000)	- (-)	10,539,030 (10,539,030)
Interest				
Remuneration Paid (including contribution to PF and other perquisites)	-	-	1,331,108 (1,404,431)	1,331,108 (1,404,431)

*Figures in brackets represent previous year figures.

**Since provided as doubtful debts during the year

37. **Employees Benefit:** Defined Benefit Plans/ Long Term Compensated Absences – As per Actuarial Valuations as on 31st March, 2016 and recognized in the financial statements in respect on Employee Benefit Schemes.

Actuarial Assumptions	31.03.2016		31.03.2015	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Discount Rate	8.0%	8.0%	8.0%	8.0%
Future Salary Rise	7%	7%	5%	5%
Rate of Return Plans assets	N.A.	N.A.	N.A.	N.A.
Mortality Table	Ultimate 2006-2008	Ultimate 2006-2008	Ultimate 2006-2008	Ultimate 2006-2008

(Amt in Rs)

Change in present value of Obligation	31.03.2016		31.03.2015	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Present Value of Obligation as at 1 st April , 2015	93,16,682	24,04,557	69,59,265	18,88,485
Interest Cost	7,45,335	1,92,365	5,56,741	1,51,079
Current Service Cost	5,81,460	3,77,305	5,45,229	3,74,054
Benefit Paid	2,39,479	2,75,166	6,37,193	1,44,773
Actuarial (gain) /loss on obligation	7,919	(5,41,700)	18,92,640	1,35,712
Present value of Obligation as at 31 st March, 2016.	1,04,11,917	21,57,361	93,16,682	24,04,557

(Amt in Rs)

Change in Fair value of Plans Assets	31.03.2016		31.03.2015	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Fair Value of plan Assets as at 1 st April ,2014	NIL	NIL	NIL	NIL
Actual Return on plan Assets	NA	NA	NA	NA
Contributions	NA	NA	NA	NA
Benefit Paid	NA	NA	NA	NA
Actuarial gain/(loss) on plan Assets	NA	NA	NA	NA
Fair Value of Plan Assets as at 31 st March , 2016	NIL	NIL	NIL	NIL

(Amt in Rs)

Reconciliation of present value of defined benefit obligation and the fair value of assets	31.03.2016		31.03.2015	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Present Value of funded Obligation as at 31 st March , 2016	1,04,11,917	21,57,361	93,16,682	24,04,557
Fair value of plan assets as at 31 st March , 2016	NIL	Nil	NIL	Nil
Unfunded net Liability recognized in balance sheet	1,04,11,917	21,57,361	93,16,682	24,04,557

(Amount in Rs)

Expensed recognized in profit and	31.03.2016	31.03.2015
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NATH INDUSTRIAL CHEMICALS LIMITED

Significant Accounting Policies and Notes to the Financial Statements for the year ended March 31, 2016

Loss account	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Current service cost	5,81,460	3,77,305	5,45,229	3,74,054
Interest Cost	7,45,335	1,92,365	5,56,741	1,51,079
Expected Return on Plan assets				
Net Actuarial (Gain)/Loss recognized in the period	7,919	(5,41,700)	18,92,640	1,35,712
Expenses recognized in the Profit and Loss Account	13,34,714	27,970	29,94,610	6,60,845

Experience Adjustment

(Amt in Rs)

A) Gratuity	2014-2015	2014-2015	2013-2014	2012	2011
Defined Benefit Obligation	1.04,11,917	93,16,682	69,59,265	57,59,505	55,63,679
Fair Value of Planned Assets	NA	NA	NA	NA	NA
(Surplus)/Deficit	NA	NA	NA	NA	NA
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	7,919	18,92,640	6,54,607	(1,55,272)	3,11,857
Experience Adjustment on Plan Asset[(Gain)/Loss]	NA	NA	NA	NA	NA
A) Leave Encashment					
Defined Benefit Obligation	21,57,361	24,04,557	18,88,485	14,74,148	13,58,775
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	(5,41,700)	1,35,712	2,59,148	1,39,699	2,45,191

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

The Company has obtained confirmations from suppliers and service providers in earlier years who have registered themselves under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the balance of Principal amount and the Interest due thereon remaining unpaid to supplier registered under Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 is as below:

(Amount in Rs)

Particular	Principal Amount	Principal Amount (P.Y)	Interest Amount	Interest Amount (P.Y)
Amount outstanding	40,759	52,109	Nil	370

NATH INDUSTRIAL CHEMICALS LIMITED

Significant Accounting Policies and Notes to the Financial Statements for the year ended March 31, 2016

- (i) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year is –Rs. Nil (Previous Year Rs Nil)
- (ii) The amount of interest due and payable for the period of delay in making payment (where principal has been paid but Interest under MSMED Act 2006 not paid is –Rs. Nil (Previous Year Rs 2,370)
- (iii) The amount of interest accrued and remaining unpaid at the end of each accounting period is- Rs. Nil (Previous Year Rs 370)
- (iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are not actually paid to the small enterprise under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006 is – Rs. Nil (Previous Year Rs,370)

The above interest has been provided in the books.

The above information is given to the extent available with the Company.

39. Income Tax:

The company has provided income tax during the year of Rs. 8,493,101/.

40. Corporate Social Responsibility (CSR):-

The Company has not contributed any amount towards CSR in terms of section 135 as there are no profits attributable to CSR.

41. Previous year/ period figures have been re-grouped/ re-arranged wherever necessary.

For CHOKSHI AND CHOKSHI LLP

Chartered Accountants

Registration number: 101872W/W100045



Mahazaver Patel

Partner

Membership No: 131292

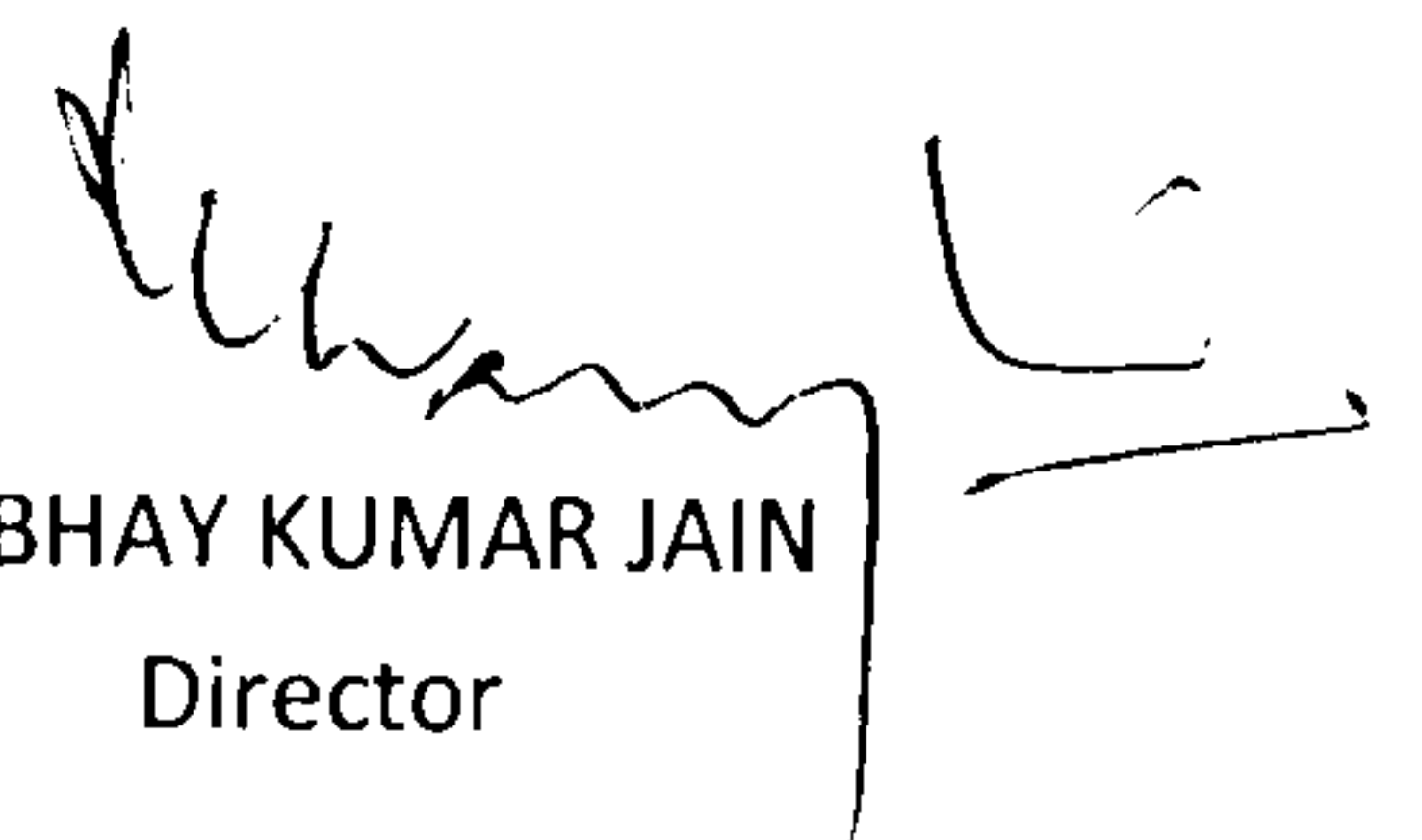
For and on behalf of the board of

NATH INDUSTRIAL CHEMICALS LTD



AKASH KAGLIWAL

Director



ABHAY KUMAR JAIN

Director

Mumbai

Date: 28 JUL 2016