

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, 2017, 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.

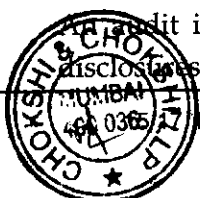
Auditors' Responsibility

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.

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.

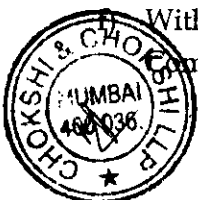
Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit and its cash flows 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) 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) 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) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

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.

- g) 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.
 - IV. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.



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

A handwritten signature in black ink, appearing to read 'M. Patel'.

Mahazaver Patel
Partner
M. No-:131292

Place: Mumbai

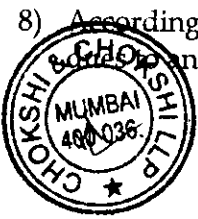
Date: 31 JUL 2017

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 not physically verified by the Management at all its location in a phased manner at reasonable intervals. Hence we are unable to express our opinion regarding the same.
 - 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 not granted any loan secured or unsecured to any companies, firms or other parties that needs to be entered in the register maintained under section 189 of the Companies Act, 2013 and consequently provision of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the company.
- 4) According to the information and explanations given to us, the Company has not given/made any loans, investments, guarantees, and security under provisions of section 185 and 186 of the Companies Act, 2013 hence the clause is not applicable.
- 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, 2017, 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



- 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

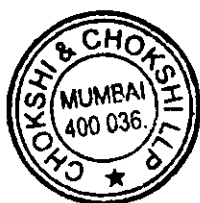
Chartered Accountants

FRN:- 101872W/W100045


Mahazaver Patel

Partner

M. No. 131292



Place: Mumbai

Date- 31 JUL 2017

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, 2017 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

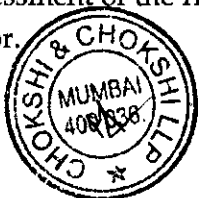
The Company's management is responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the size of Company and essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial 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.



stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the company and these material weaknesses, do not affect our opinion on the financial statements of the Company.

For Chokshi and Chokshi LLP

Chartered Accountants

FRN 101872W/W100045



Mahazaver Patel

Partner

M.No.131292



Place: Mumbai

Date: 31 JUL 2017

NATH INDUSTRIAL CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in Rs.)

SN	Particulars	Note No.	31st March 2017	31st March 2016
I	EQUITY AND LIABILITIES			
1	Share Holders' Funds			
	(a) Share Capital	2	50,000,000	50,000,000
	(b) Reserves and Surplus	3	109,061,535	22,978,843
2	Share application money pending allotment			
3	Non Current Liabilities			
	(a) Long Term Borrowings	4	540,815	722,784
	(b) Deferred Tax Liabilities (Net)	5	10,806,994	10,522,287
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions	6	12,767,387	10,988,746
4	Current Liabilities			
	(a) Short Term Borrowings	7	-	60,000,000
	(b) Trade Payables	8		
	Due to MSMED		53,474	40,759
	Others		46,542,719	36,293,731
	(c) Other Current Liabilities	9	14,371,649	11,098,289
	(d) Short Term Provisions	10	32,127,368	10,612,284
	TOTAL		276,271,942	213,257,723
II	ASSETS			
1	Non-Current Assets			
	(a) Property, plant & equipments			
	(i) Tangible Assets	11	72,239,899	76,120,395
	(ii) Intangible Assets		-	-
	(iii) Capital Work in Progress		-	-
	(iv) Intangible assets under development		-	-
	TOTAL		72,239,899	76,120,395
	(b) Non Current Investments	12	70,000	71,000
	(c) Deferred tax assets (net)		-	-
	(d) Long Term Loan and Advances	13	34,219,134	13,921,421
	(e) Other Non-Current Assets		-	-
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	14	25,125,558	27,642,920
	(c) Trade Receivables	15	100,012,766	61,897,608
	(d) Cash and Cash equivalents	16	9,483,889	1,836,823
	(e) Short Term Loans and Advances	17	35,120,696	31,767,556
	(f) Other Current Assets		-	-
	TOTAL		276,271,942	213,257,723

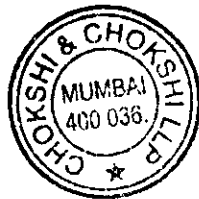
The notes referred to above form an integral part of the financial
Significant accounting policies and notes to financial statement

1-42

As per our Report of even date

For CHOKSHI AND CHOKSHI LLP
Chartered Accountants
FRN: 101872W/W100045

M Patel
Mahazaver Patel
Partner
Membership No :131292



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

Akash Kagiwal
AKASH KAGI WAL
Director

Abhay Kumar Jain
ABHAY KUMAR JAIN
Director

Mumbai
Dated: 31 JUL 2017

Mumbai
Dated:

NATH INDUSTRIAL CHEMICALS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

SN	Particulars	Note No.	31st March 2017	31st March 2016
I	Revenue from Operation	18	615,935,409	554,567,159
	Less : Excise Duty		70,805,616	63,544,586
	Revenue from Operation (Net)		545,129,793	491,022,573
II	Other Income	19	4,527,255	509,346
III	Total Revenue (I+II)		549,657,048	491,531,919
IV	Expenses			
	Cost of Materials Consumed	20	250,025,832	321,032,961
	Purchase of Stock in Trade		40,500	-
	Change in Inventories of Finished Goods & Stock in Process	21	1,546,710	(1,546,092)
	Employee Benefit Expenses	22	40,371,190	34,230,176
	Finance Cost	23	125,049	530,899
	Depreciation and Amortisation Expense	24	8,627,180	8,946,947
	Other Expenses	25	121,842,801	89,894,893
	Total Expenses		422,579,262	453,089,783
V	Profit before exceptional items, extra-ordinary items and Tax (III-IV)		127,077,786	38,442,135
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		127,077,786	38,442,135
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII- VIII)		127,077,786	38,442,135
X	Tax expenses:			
	(1) Current tax		44,015,910	8,493,101
	(2) Deferred tax		(284,708)	(10,522,287)
	(3) Preious Year Tax Expenses		2,895	-
	(4)Mat Credit FY 15-16		3,308,420	-
XI	Profit for the period (IX-X)		86,082,692	19,426,747
XII	Earnings per equity share of face value of Rs 100/- each :	26		
	Basic Earning per Share (Rs.)		172.17	38.85
	Diluted Earning per Share (Rs.)		172.17	38.85

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

1-42

As per our Report of even date

For CHOKSHI AND CHOKSHI LLP

Chartered Accountants

FRN: 101872W/W100045

Mahazaver Patel

Mahazaver Patel

Partner

Membership No :131292



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

Akash Kagliwal

AKASH KAGLIWAL
 Director

Abhay Kumar Jain

ABHAY KUMAR JAIN
 Director

Mumbai

Dated: 31 JUL 2017

Mumbai

Dated:

NATH INDUSTRIAL CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017

(Amount in Rs.)

Particular	2016-17		2015-16	
Cash Flow from Operating Activities				
Net Profit before tax		127,077,786		38,442,135
Adjustments:-				
Depreciation	8,627,180		8,946,947	
Interest Income	(405,823)		(211,612)	
Earlier year Tax Expense	(2,895)		-	
Mat Credit	3,308,420		-	
Other Income	(4,121,432)	7,405,450	(297,734)	8,437,601
Operating profit before following adjustments		134,483,235		46,879,736
Adjustments for:				
Trade Receivables	(38,115,158)		(18,444,278)	
Inventories	2,517,362		(2,931,404)	
Short Term Advances	(3,353,140)		11,526,505	
Long Term Advances	(20,297,713)		11,400	
Trade Payables	10,261,703		(24,222,307)	
Other Current Liabilities	3,273,360		(5,721,744)	
Long Term Borrowing	(181,969)		722,784	
Short Term Provisions	(22,500,826)		227,836	
Long Term Provisions	1,778,641	(66,617,740)	800,314	(38,030,894)
Net Cash Flow from Operating Activities (A)		67,865,496		8,848,842
Cash flows from investing activities				
Purchase of Fixed Assets and CWIP	(4,746,685)		(8,885,648)	
Non-current investment	1,000		68,000	
Interest Recieved	405,823		211,612	
Other Income	4,121,432		297,734	
Net Cash flows from investing activities (B)		(218,430)		(8,308,302)
Cash flows form financing activities				
Proceeds from Short Term Borrowings	(60,000,000)		(7,596,776)	
Net Cash Flows from financing activities (C)		(60,000,000)		(7,596,776)
Net (Decrease)/ Increase in cash and cash Equivalents (A+B+C)		7,647,065		540,540
Cash and Cash Equivalents as on 1st April 2017 (Opening Balance)		1,836,823		1,296,283
Cash and Cash Equivalents as on 31st March 2017 (Closing Balance) (refer note-16)		9,483,889		1,836,823

The notes referred to above form an integral part of the financial statements 1-42
 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 Patel
Mahazaver Patel

Partner

Membership No :131292



Mumbai
 Dated: 31 JUL 2017

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

Akash Kagliwal
AKASH KAGLIWAL
 Director

Abhay Kumar Jain
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.

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 and 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.

ii 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) Property Plant & Equipment :
Tangible

All tangible fixed assets are stated at historical cost (as reduced by CENVAT credit) less accumulated depreciation. The cost of 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

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.

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2017

2. Share Capital	31st March 2017 Amount (Rs)		31st March 2016 Amount (Rs)	
	Authorised : 60,00,000 (PY 60,00,000) Equity Shares of Rs.10/- each		60,000,000	
		60,000,000		60,000,000
Issued, Subscribed and Fully Paid up 50,00,000 Equity Shares of Rs.10/- each full paid up. (Pervious Year 50,00,000 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

Shares Outstanding as at beginning		5,000,000		5,000,000
Add: Shares issued during the period		-		-
Less : buyback during the period		-		-
Shares Outstanding as at of the period		5,000,000		5,000,000

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

	31st March 2017		31st March 2016	
	%	No. of Shares	%	No. of Shares
M/s. Ashu Farms Pvt. Ltd	49.995%	2,499,750	49.995%	2,499,750
M/s. Akash Farms Pvt Ltd	49.995%	2,499,750	49.995%	2,499,750
Total	99.990%	4,999,500	99.990%	4,999,500

3. Reserves & Surplus	31st March 2017 Amount (Rs)		31st March 2016 Amount (Rs)	
	Capital Redemption Reserve			
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
Capital Reserve				
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
Revaluation Reserve				
Opening Balance	4,761,402		4,761,402	
Add: Addition during the period	-		-	
Less : Adjustment on Account of Depreciation				
Closing Balance		4,761,402		4,761,402
Profit & Loss A/c Balance				
Opening Balance	(13,282,560)		(32,709,307)	
Less :Adjustment on Account of Depreciation	-		-	
Add : Profit/ (Loss) for the period	86,082,693		19,426,747	
Total	72,800,133		(13,282,560)	
Less: Proposed Dividend	-		-	
Less: Tax on Dividend	-		-	
Less :Transferred to General Reserve	-		-	
		72,800,133		(13,282,560)
		109,061,536		22,978,843

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2017

4. Long Term Borrowing	31st March 2017 Amount (Rs)		31st March 2016 Amount (Rs)	
a) Loans and Advances :				
Vehicle Loan				
Secured *	-	540,815	-	722,784
		540,815		722,784

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

Maturity Profile of Long-term borrowings

Maturity Profile	31st March 2017 Amount (Rs)		31st March 2016 Amount (Rs)	
	Loans & Advances (secured)		Loans & Advances (secured)	
1-2 Years	200,633		181,969	
2-3 Years	221,213		200,633	
3-4 Years	118,969		221,213	
Beyond 4 Years	-	540,815	118,969	722,784
Total		540,815		722,784

5. Deferred Tax Liability (net)	31st March 2017 Amount (Rs)		31st March 2016 Amount (Rs)	
a) Deferred Tax Liabilities				
(i) On account of Depreciation		12,230,989		11,643,315
b) Deferred Tax Assets				
(i) Disallowance under Income tax	1,423,995		1,121,028	
(ii) Unabsorbed Dep. & carry forward Losses	-		-	
Total Deferred Tax Assets	1,423,995	1,423,995	1,121,028	
				1,121,028
Net Deferred Tax Liability		10,806,994		10,522,287

6 Long Term Provisions	31st March 2017 Amount (Rs)		31st March 2016 Amount (Rs)	
Provision for employee benefits				
- Gratuity	11,123,038		9,370,725	
- Leave Encashment	1,644,349	12,767,387	1,618,021	10,988,746
		12,767,387		10,988,746

7 Short Term Borrowings	31st March 2017 Amount (Rs)		31st March 2016 Amount (Rs)	
<u>Loans Repayable on Demand</u>				
From Related Parties				
- Secured	-		-	
- Unsecured	-		60,000,000	60,000,000
		-		60,000,000

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2017

8 Trade Payable	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Under Micro, Small & Medium Enterprises	53,474		40,759	
Others	46,542,719		36,293,731	
		46,596,193		36,334,490

9 Other Current Liabilities	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Current Maturity of Long Term Debts	173,992		160,518	
Advance from Customers	902,497		136,754	
Trade deposits	1,920,000		2,220,000	
Duties & Taxes	3,764,202		2,103,062	
Employees Benefit Payable	3,756,608		3,358,650	
Provision for Expenses	2,796,573		3,061,989	
Others	1,057,777		57,316	
		14,371,649		11,098,289
		14,371,649		11,098,289

10 Short Term Provisions	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Provision for employee benefits	888,071		1,041,192	
- Gratuity	355,721	1,243,792	539,340	1,580,532
- Leave Encashment				
Others		378,773		538,651
- Provision for Excise Duty on Finished Goods				
Income Tax Provision (net off advance tax)		30,504,803		8,493,101
		32,127,368		10,612,284

12 Non Current Investments	31st March 2017		31st March 2016	
	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)	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	-	70,000	1,000	71,000
		70,000		71,000

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2017
11. Property, plant & equipments

NATH INDUSTRIAL CHEMICALS LIMITED

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				(Amount in Rs.) NET BLOCK	
	AS AT 01.04.2016	ADDITION	DEDUCTION/ TRANSFER	AS AT 31.03.2017	AS AT 01.04.2016	ADDITION	DEDUCTION	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2017
	- Tangible Assets									
Leasehold Land *	5,305,800	-	-	5,305,800	1,929,382	53,594	-	1,982,976	3,322,824	3,376,418
Building	23,038,389	808,330	-	23,846,719	14,830,649	815,836	-	15,646,485	8,200,234	8,207,740
Plant and Machinery	339,552,499	3,803,956	-	343,356,455	277,145,999	7,155,497	-	284,301,496	59,054,959	62,406,499
Electrical Installation	6,338,479	-	-	6,338,479	5,650,135	215,295	-	5,865,430	473,049	688,344
Office Equipments	1,373,741	134,400	-	1,508,141	1,268,922	66,225	-	1,335,147	172,994	104,819
Furniture and Fixtures	1,532,082	-	-	1,532,082	1,387,069	30,349	-	1,417,418	114,664	145,013
Computers	1,629,059	-	-	1,629,059	1,602,896	2,996	-	1,605,892	23,167	26,163
Vehicles	3,219,033	-	-	3,219,033	2,053,635	287,388	-	2,341,023	878,010	1,165,398
T total	381,989,082	4,746,686	-	386,735,768	305,868,687	8,627,180	-	314,495,867	72,239,901	76,120,394
Total Previous Year	374,199,589	9,113,024	1,323,531	381,989,082	298,017,894	8,946,947	1,096,154	305,868,687	76,120,395	76,181,695

*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 2017

Aggregate Amount of Quoted Investments	-	-
Aggregate Amount of UnQuoted Investments	70,000	70,000
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.

13. Long Term Loan and Advances	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Loans		19,308,804		-
Security Deposits		14,910,330		13,921,421
-Unsecured Considered Good		14,910,330		13,921,421
		34,219,134		13,921,421

14. Inventories	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Raw Materials		10,286,512		9,695,495
Stores, Spares & Tools		10,780,220		12,341,889
Finished Goods		3,408,957		4,847,855
Work in Progress		649,869		757,681
		25,125,558		27,642,920

15 Trade Receivables	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Exceeding Six Months From the date they become Due				
-Unsecured Considered Good		4,175,713		92,710
Others				
-Unsecured Considered Good		95,837,053		61,804,898
		100,012,766		61,897,608

16 Cash and Cash equivalents	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Balances with Bank				
In Current Accounts	8,552,510		1,710,042	
-Others	-	5,899,354	-	1,710,042
Other Bank Balances		2,653,156		
(In Margin Deposits with original maturity for more than 3 months but less than 12 months)				
Cash on Hand		931,379		126,781
		9,483,889		1,836,823

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2017

17 Short Term Loans and Advances	31st March 2017		31st March 2016	
	Amount (Rs)		Amount (Rs)	
Loans and Advances to related parties				
-Unsecured Considered Good	24,754,361		24,125,574	
-Doubtful	10,539,030		10,539,030	
Total	35,293,391		34,664,604	
Less-: Provision for Doubtful	10,539,030	24,754,361	10,539,030	24,125,574
Others				
Prepaid Expenses	174,445		134,492	
Balances with government authorities	3,358,647		1,620,210	
Advance to Suppliers	5,606,423		2,155,477	
Staff & Workers Advance	780,490		668,560	
Advance for expenses	239,337		315,545	
Interest receivable	206,993	10,366,335	2,747,698	7,641,982
		35,120,696		31,767,556

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

18 Revenue from Operation	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
Sale of Products				
-Sulphur and other incidental chemicals		615,773,574		554,798,044
Sale of services				
-Toner Certification		-		120,000
Other Operating Revenues				
-Freight Charges Recovered		161,835		(350,885)
		615,935,409		554,567,159

19 Other Income	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
Interest Income	400,166		211,612	
Interest on income tax refund	5,657			
Dividend Income	3,768		3,120	
Insurance Claim	224,148		172,038	
Profit on sale of vehicle	-		97,626	
Income from Services Given to LABSA PLANT	3,850,000		-	
Sundry Balance Written Back	24,446			
Other Non-operating Income	19,070	4,527,255	24,950	509,346
		4,527,255		509,346

20 Cost of Material Consumed	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
Raw materials: (Sulphur, Hydrochloric Acid & Caustic)				
Opening stock	9,692,935		10,662,393	
Add-Purchases	250,619,409		320,066,063	
Less: Closing stock	10,286,512		9,692,935	
Less: Material In Transit		250,025,832	2,560	321,032,961
		250,025,832		321,032,961

21 Change in Inventories of Finished Goods, stock in trade & work in Process	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
OPENING STOCK				
Finished Stocks	4,847,855		3,226,856	
Work in Progress	757,681	5,605,536	832,588	4,059,444
Less:				
CLOSING STOCK				
Finished Stocks	3,408,957		4,847,855	
Work in Progress	649,869	4,058,826	757,681	5,605,536
		1,546,710		(1,546,092)

22 Employee Benefit Expenses	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
Salaries, Wages & Bonus		35,295,021		29,601,302
Cont. to Employee's P.F. & Other Fund		2,938,105		2,876,717
Staff Welfare Expenses		2,138,064		1,752,157
		40,371,190		34,230,176

NATH INDUSTRIAL CHEMICALS LIMITED
NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

23 Finance Cost	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
Interest Expense				
Borrowing	125,049		490,118	
On deferred / delayed payment of income tax	-	125,049	40,781	530,899
		125,049		530,899

24 Depreciation	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
Depreciation for the period		8,627,180		8,946,947
		8,627,180		8,946,947

25 Other Expenses	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
Manufacturing Expenses				
Consumption of Stores & Spares	45,619,247		27,441,915	
Transportation & Materials Handling	1,515,177		1,224,537	
Power & Fuel	27,577,815		29,320,236	
Repair to Plant & Machinery	14,182,089		5,826,591	
Repair to Building	879,973		569,857	
Repair to Others	474,592		83,592	
Water Charges	5,312,007	95,560,900	4,653,328	69,120,055
Administrative Expenses				
Rent, Rates & Taxes	854,107		304,934	
Insurance Charges	202,971		225,299	
Security Charges	655,693		451,630	
Vehicle Expenses	654,367		857,213	
Legal and Professional Charges*	8,709,434		3,049,246	
Sales Tax	606,369		446,143	
Sundry balance written off	2,573,377		68,000	
Loss on sale of store items	3,492,749		-	
Donation	1,040,000		-	
Consultancy charges	2,400,000		-	
Other Administrative Expenses	5,092,835	26,281,902	4,833,343	10,235,808
Others				
PROVISION FOR DOUBTFUL DEBTS	-		10,539,030	10,539,030
		121,842,801		89,894,893

	2016-17		2015-16	
	(Amount in Rs)		(Amount in 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)	2016-17		2015-16	
	(Amount in Rs)		(Amount in Rs)	
(Face value of Rs 100/- each)				
EPS				
a. Profit after Tax before exceptional items		86,082,692		19,426,747
b. Weighted average number of Equity Shares outstanding		500,000		500,000
c. Earnings per Share - Basic (Rs.)		172.17		38.85
d. Earnings per Share - Diluted (Rs.)		172.17		38.85

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. NIL)

28. Inventory includes stock of Raw Material, viz., Sulphur 1270.026 MT (Previous Year 854.583 MT) valued at Rs. 8,430,827/- (Previous Year Rs. 9,598,368/-) lying in pits and yard, and Work in Progress of Rs. 6,49,869 (Previous Year Rs. 7,57,681/-). 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:

	2016-17 (Rs.)	2015-16 (Rs.)
Director's Salary	12,36,820/-	11,68,020/-
Contribution to Provident Fund	1,05,696/-	95,760/-
Perquisites	65,620/-	67,328/-
TOTAL	1,408,136/-	1,331,108/-

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

Particulars	31.03.2017		31.03.2016	
	Rs.	(%)	Rs.	(%)
Raw Material				
Imported	NIL	0%	NIL	0%
Indigenous	250,025,832	100%	321,032,961	100%
Total	250,025,832		321,032,961	
Stores and Spares				
Imported	NIL	0%	NIL	0%
Indigenous	45,619,247	100%	27,441,915	100%
Total	45,619,247		27,441,915	

32. Income and expenses in foreign currency:

Particulars	2016-17	2015-16
Foreign currency Income	NIL	NIL

Foreign Currency Expenses	NIL	NIL
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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.
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 and one of the investment in shares amounting to Rs.1,000/- has been fully impaired. 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.
- 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. 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

(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 (31.03.17)	Akash Farms Pvt Ltd	Ashu Farms Pvt Ltd	KMP	Total
Loans given				
Opening Balance	10,539,030 (10,539,030)	(-)	-	10,539,030 (10,539,030)

NATH INDUSTRIAL CHEMICALS LIMITED
Significant Accounting Policies and Notes to the Financial Statements for the year ended March 31, 2017

Add: Given during the period	-	-	-	-
	(-)	(-)	(-)	(-)
Less: repaid during the period	-	-	-	-
	(-)	(-)	(-)	(-)
Closing Balance	10,539,030**	(-)	-	10,539,030
	(10,539,030)		(-)	(10,539,030)
Interest				
Remuneration Paid (including contribution to PF and other perquisites)	-	-	1,408,136	1,408,136
			(1,331,108)	(1,331,108)

*Figures in brackets represent previous year figures.

**Since provided as doubtful debts during the year.

(e) The interest receivable from Akash Farms Pvt. Ltd. Amounting to Rs.6,32,342/- has been written off during the financial year 2016 -2017 as the same was considered as irrecoverable by the management.

36. **Employees Benefit:** Defined Benefit Plans/ Long Term Compensated Absences – As per Actuarial Valuations as on 31st March, 2017 and recognized in the financial statements in respect on Employee Benefit Schemes.

Actuarial Assumptions	31.03.2017		31.03.2016	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Discount Rate	7.25%	7.50%	8.0%	8.0%
Future Salary Rise	7%	7%	7%	7%
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	31.03.2017		31.03.2016	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Present Value of Obligation as at 1 st April, 2016	1,04,11,917	21,57,361	1,20,11,109	20,00,070
Interest Cost	8,23,035	20,00,070	7,45,335	1,92,365
Current Service Cost	6,03,115	1,64,248	5,81,460	3,77,305
Benefit Paid	2,47,957	2,08,530	2,39,479	2,75,166
Actuarial (gain) /loss on obligation	4,20,998	(21,13,079)	7,919	(5,41,700)
Present value of Obligation as at 31 st March, 2016.	1,20,11,109	20,00,070	1,04,11,917	21,57,361

NATH INDUSTRIAL CHEMICALS LIMITED
Significant Accounting Policies and Notes to the Financial Statements for the year ended March 31, 2017

(Amt in Rs)

Change in Fair value of Plans Assets	31.03.2017		31.03.2016	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Fair Value of plan Assets as at 1 st April ,2016	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	31.03.2017		31.03.2016	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Present Value of funded Obligation as at 31 st March , 2017	1,04,11,917	21,57,361	1,20,11,109	20,00,070
Fair value of plan assets as at 31 st March , 2017	NIL	NIL	NIL	NIL
Unfunded net Liability recognized in balance sheet	1,04,11,917	21,57,361	1,20,11,109	20,00,070

(Amount in Rs)

Expensed recognized in profit and Loss account	31.03.2017		31.03.2016	
	Gratuity (unfunded)	Leave Encashment (Unfunded)	Gratuity (unfunded)	Leave Encashment (Unfunded)
Current service cost	581460	3,77,305	6,03,115	20,00,070
Interest Cost	745335	1,92,365	8,23,035	1,64,248
Expected Return on Plan assets	NIL	NIL	NIL	NIL
Net Actuarial (Gain)/Loss recognized in the period	7919	(5,41,700)	4,20,998	(21,13,079)
Expenses recognized in the Profit and Loss Account	1334714	27,970	18,47,148	51,239

Experience Adjustment

(Amt in Rs)					
A) Gratuity	2016-2017	2015-2016	2014-2015	2013-14	2012
Defined Benefit Obligation	1,04,11,917	1,20,11,109	1,04,11,917	93,16,682	69,59,265
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	4,20,998	7,919	18,92,640	6,54,607
Experience Adjustment on Plan Asset[(Gain)/Loss]	NA	NA	NA	NA	NA
A) Leave Encashment					
Defined Benefit Obligation	21,57,361	20,00,070	21,57,361	24,04,557	18,88,485
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	(5,41,700)	(21,13,079)	(5,41,700)	1,35,712	2,59,148

37. 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	53,474	40,759	Nil	NIL

- (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 Nil)
- (iii) The amount of interest accrued and remaining unpaid at the end of each accounting period is- Rs. Nil (Previous Year Rs Nil)

- (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. Nil)

The above interest has been provided in the books.

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

38. Income Tax:

The company has provided income tax during the year of Rs.4,40,15,910/-.

39. 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.

40. During the year:

- a. The Company has written off certain amounts towards old outstanding totalling to Rs. 43,155/- (Previous year –Rs. 241,134/-) which were due but not received. Further, the Company has written back certain amounts for which no claim was received totalling to Rs. 24,446/- (Previous year – Rs. 121,825/-).
- b. The company has also written off old outstanding interest receivable amounting to Rs.25,73,377/-, including the interest due from Akash Farms Pvt. Ltd.
- c. The company has sold store items during the financial year costing Rs. 40,45,250/- for Rs. 5,52,501/- and has booked the loss on the same of Rs. 34,92,749/- as shown in Note 25.

41. Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	10,92,000	4,02,043	14,94,043
(+) Permitted receipts	-	12,30,694	12,30,694
(-) Permitted payments	-	11,44,525	11,44,525
(-) Non Permitted Payments		-	-
(-) Amount deposited in Banks	10,92,000	-	10,92,000
Closing cash in hand as on 30.12.2016	-	4,88,212	4,88,212

42. Previous year's figures have also been reclassified /regrouped, wherever necessary, to confirm to current year's classification.

For CHOKSHI AND CHOKSHI LLP
Chartered Accountants
Registration number: 101872W/W100045



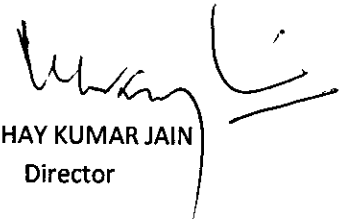
Mahazaver Patel
Partner
Membership No: 131292

Mumbai 31 JUL 2017
Date:

For and on behalf of the board of
NATH INDUSTRIAL CHEMICALS LTD



AKASH KAGLIWAL
Director



ABHAY KUMAR JAIN
Director