

Directors Report

The Directors of the Company pleased to present the Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2021.

1. Financial Results

(Rs. in lacs)

Sr.No.	Particulars	Year Ended	
		31.03.2021	31.03.2020
1	Sales	30756.11	27989.05
2	Profit before Interest & Depreciation	6838.64	5650.71
3	Interest	881.94	654.60
4	Depreciation	281.59	145.26
5	Profit Before Tax & Extra-ordinary items	5675.11	4850.85
6	Tax Provision (Net of Deferred Tax)	108.95	(197.56)
7	Profit After Tax	5566.16	5048.41
8	Extra-Ordinary Items	0.00	44.75
9	Profit available for Appropriation	5566.16	5003.65
10	Balance carried to Balance Sheet	5566.16	5003.65

2. COMPANY'S PERFORMANCE AND OPERATION.

Income from operations during the financial year ended 31st March 2021 was at ₹30756.11 Lacs as against Rs.27989.05 Lacs representing an increase of almost 10 % over the previous year. Profit after Tax for the year under review amounted to Rs 5566.16 Lacs as against Rs 5003.65 Lacs in the previous year representing an increase of 11.24 %. The increase in profits during the year under review was on account of enhanced sales, improved product mix and operational efficiencies.

3. DIVIDEND.

In view of the proposed growth plan, the Directors have recommended dividend for financial year 2020-21 of Rs. 2/- (i.e. 20%) per equity shares of the nominal value of Rs. 10.00 per share fully paid up, subject to approval of shareholders in ensuing Annual General Meeting of the Company.

4. DEPOSITS.

The company has not accepted any fixed deposits during the year under review.

5. SHARE CAPITAL.

The Paid up share capital of the Company as on 31st March 2021 is 195040000 divided into 19004000 equity shares of ₹ 10/- each and 50000 16% redeemable preference shares of ₹ 100 each There was no public issue, rights issue, bonus issue or preferential issue, etc. during the has not issued shares with differential voting rights, sweat equity shares, nor has initiated any stock options.

6. FINANCIAL STATEMENT.

Full version of the Annual Report 2020-21 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report & BRR and other reports are being sent via email to all shareholders who have provided their email address(es). Full version of Annual Report 2020-21 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website at www.nathbiogenes.com.

7. TRANSFER TO RESERVES.

The closing balance of the retained earnings of the Company for FY 2021, after all appropriation and adjustments was ₹. 5566.16 Lacs and the same has been retained as such.

8. COVID-19 IMPACT.

The outbreak of the deadly COVID-19 virus and the ensuing lockdown imposed across the country affected business operations. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a large financial burden on the one hand and workforce idling on the other. COVID 19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve. However, towards later part of the year consequent to significant opening of the economic activity across the nation the demand picked up compared to that during the initial period of Covid-19. India is currently experiencing a massive second wave of Covid-19 infections. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness



9. STATUTORY AUDITORS AND AUDITORS REPORT.

At the Annual General Meeting held on 24th August 2017, M/s Ashok R Majethia, Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in year 2022.

The statutory auditors report is annexed to this annual report. There are no adverse remarks on disclosure by the statutory auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review. Pursuant to Section 139(2) of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the Company at its Annual General Meeting (AGM) held on 24th August 2017, had appointed M/s Ashok R Majethia, Chartered Accountants as Statutory Auditors to hold office from the conclusion of Annual General Meeting to be held in year 2022, subject to ratification by shareholders every year, as may be applicable. However, the Ministry of Corporate Affairs (MCA) vide its notification dated 7th May 2018 has omitted the requirement under first proviso to section 139 of the Companies Act, 2013 and rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by shareholders at every subsequent AGM.

10. AUDITORS' REPORT.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

11. INTERNAL AUDITORS.

The Board of Directors of the Company has appointed M/s M.K. Ghatiya and Associates, Company Secretaries Internal Auditors to conduct Internal Audit of the Company for the financial year ended 31st March 2021. The Internal Audit reports are being reviewed by the Audit Committee of the Company.

12. SECRETARIAL AUDIT REPORT.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, the Board of Directors have appointed M/s. Neha P Agrawal Company Secretaries in Practice (C.P.No.8048) as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year ended 31st March 2021. The Secretarial Audit Report issued by M/s. Neha P Agrawal Practising Company Secretaries in Form MR-3 is annexed to this Board's Report as Annexure – VI.



13. SUBSIDIARIES.

The Company does not have any subsidiary within the meaning of the Companies Act, 2013.

14. ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM.

According to Section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Internal Auditors are an integral part of the internal control system of the Company. To maintain its objective and independence, the Internal Auditors report to the Audit Committee of the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company.

15. DIRECTORS' RESPONSIBILITY STATEMENT.

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013, the Board of Directors hereby confirms that,

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2021 and of the profits of the company for that period.

iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are, however, inherent limitations, which should be recognized while relying on any system of internal control and records.

iv. It has prepared the annual accounts on a going concern basis.

v. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operation efficiently.

vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. DIRECTORS & KEY MANAGERIAL PERSON

1. Director Retires by rotation

• Mrs. Sweta Kagliwal (holding DIN 02052811) retires by rotation under Section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

2. Appointment of Directors.

• Ms. Ashu Jain (DIN-00243310) appointed as Additional Director (Independent) of the Company from 1st October 2020. Mr. Vadla Nagabhushanam (DIN-08863512) appointed as Additional Director (Independent) of the Company from 07th November 2020.

• Mr. Madhukar Deshpande (DIN-07630081) appointed as Additional Director (Independent) of the Company from 10th February 2021.

3. Cessation of Director

• There was sad demise of Late Mr. Omprakash Ramnarayan Sharma, Independent Director of the Company on 12th November 2020

• Resignation of Mr. Kashinath Ganapathy Iyer (DIN-01195975) Independent Director of the Company with effect from 07th November 2020 due to preoccupation and other personal reason.

The Key Managerial Personnel (KMP) of the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

- Mr. Satish Kagliwal- Managing Director
- Mr. Devinder Khurana- Chief Financial Officer
- Mr. Dhiraj Rathi- Company Secretary

17. DECLARATION OF INDEPENDENT DIRECTOR.

The Independent Directors have submitted the declaration of independence, as required pursuant to section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub section (6) of Section 149.

18. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTOR.

The details of the familiarization program for the Independent Directors is reported in the Report on Corporate Governance.

19. NUMBER OF MEETINGS OF THE BOARD.

Four meeting of the Board were held during the year. The dates on which the Board meetings were held are 15th June 2020, 07th August 2020, 07th November 2020, and 10th February 2021. The details of attendance of Board meetings and Committee meetings held during the Financial Year 2020-21 forms part of the Corporate Governance Report.

20. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS.

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations 2015, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. The detailed information in this regard has been given in the Corporate Governance Report.

21. MANAGEMENT DISCUSSION & ANALYSIS.

The Management Discussion and Analysis has been given separately in the Annual report.

22. PARTICULARS OF CONTRACT OR ARRANGEMENTS PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a Related Party Transactions framework through standard operation procedures for the purpose of identification and monitoring of such transactions. All Related Party Transactions are placed before the Audit Committee as also to be Board for approval. The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in Form No. AOC – 2 and is set out as Annexure -I and forms part of this report.

23. PARTICULARS OF LOANS, A GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

The loan given or guarantee provided, or investment made by the Company during the financial year 2020-21 as per Section 186 of the Companies Act, 2013 have been given in the Balance Sheet and Audit Report.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR).

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

25. INSIDER TRADING CODE.

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, the Company have its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons in line with the recent amendments brought by SEBI in the PIT Regulations.

The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. The Company has also updated its Code of practices and procedures of fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes.

26. MATERIAL CHANGES AND COMMITMENTS.

There are no material changes and commitments in the business operations of the Company from the financial year ended March 31, 2021 to the date of signing of the Director's Report.

27. RISK ASSESSMENT AND MANAGEMENT.

The Company is exposed to various business risks. These risks are driven through external factors like economic environment, competition, regulations etc. The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business and non-business risks. The Audit Committee and Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework. During the year, a risk analysis and assessment was conducted, and no major risks were noticed, which may threaten the existence of the Company.

28. POLICY AGAINST SEXUAL HARASSMENT AT WORKPLACE.

Pursuant to the provisions of Section 4(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place an Internal Complaints' Committee. The following is a summary of sexual harassment complaints received and disposed of during the year

No. of complaints received: Nil

No. of complaints disposed of: NA

29. ENVIRONMENTAL SAFETY.

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

30. COMMITTEE OF THE BOARD

Currently the Board has Four Committees:

1. Audit Committee.
2. Stakeholders' Relationship Committee,
3. Nomination & Remuneration committee.
4. Corporate Social Responsibility Committee

A detailed note on the Board and its committees, composition and compliances, as per the applicable provisions of the Act and Rules is provided under the Corporate Governance Report.

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure -III to this Report.

32. EXTRACT OF ANNUAL RETURN.

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2021 is given in Annexure-V in the prescribed Form No. MGT-9, which is a part of this report.

33. INSURANCE

All the insurable interest of the company, including Inventories, Buildings, Machinery etc., is adequately insured.

34. INDUSTRIAL RELATION.

The Company enjoyed cordial relations with its employees at all levels. Your Directors record their appreciation of the support and co-operation of all employees and counts on them for the accelerated growth of the Company.

35. ACKNOWLEDGEMENTS.

The Directors place on record their sincere appreciation for the dedication, hard work and commitment of the employees at all levels and their significant contribution to your Company's growth. Your Company is grateful to the Distributors, Dealers, and Customers for their support and encouragement. Your Directors thank the Banks, Financial Institutions, Government Departments and Shareholders and look forward to having the same support in all our future endeavors.

Date: 24.06.2021

Registered Office:

Nath House, Nath Road,
Aurangabad-431005

For and on behalf of the Board of Director

Satish Kagliwal	Jeevanlata Kagliwal
Managing Director	Director
DIN: 00119601	DIN No.: 02057459