

NATIONAL OXYGEN LIMITED



**48<sup>th</sup> ANNUAL REPORT**

**2022 - 2023**

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**CORPORATE INFORMATION**  
**BOARD OF DIRECTORS**

Shri Rajeshkumar Saraf	Managing Director
Shri Gajanand Saraf	Whole time Director
Smt Sarita Saraf	Director
Shri Shanmugavadivel Siva	Independent Director
Smt Mona Milan Parekh	Independent Director
Shri Amit Kumar Agarwal	Independent Director
Shri P Ramalinga Srinivasan	Chief Financial Officer
Shri Akhil Paliwal	Company Secretary

**AUDIT COMMITTEE**

Shri Shanmugavadivel Siva	Independent Director (Chairman)
Smt Mona Milan Parekh	Independent Director (Member)
Smt Sarita Saraf	Independent Director (Member)

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

**NOMINATION AND REMUNERATION COMMITTEE**

Shri Shanmugavadivel Siva	Independent Director (Chairman)
Smt Mona Milan Parekh	Independent Director (Member)
Shri Amit Kumar Agarwal	Independent Director (Member)

**STATUTORY AUDITOR**

M/S. PSDY & Associates,  
Chartered Accountants  
No.38/28, Shakthi Apartments,  
College Road, Nungambakkam,  
Chennai - 600006

**SECRETARIAL AUDITOR**

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

**Internal Auditors**

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

**Principal Banker:**

HDFC Bank Limited  
4<sup>th</sup> Floor, No.115, Dr.R.K.Salai  
Mylapore  
Chennai - 600004

**Registrars & Share Transfer Agents**

M/s. Cameo Corporate Services

Limited Subramanian Building

No. 1, Club House

Road, Chennai -

600002

Phone: 044-28460390

Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

**Stock Exchanges Where Company's Securities are listed**

BSE Limited

**Registered Office, ADM Office**

Door no. S-1, Alsa Mall, No.4, (Old

No.149) Montieth road,

Egmore, Chennai-600008

Email: [contact@nolgroup.com](mailto:contact@nolgroup.com)

Website: [www.nolgroup.com](http://www.nolgroup.com)

Investor Relations Email ID: [grievanceredressal@nolgroup.com](mailto:grievanceredressal@nolgroup.com)

Contact Number: 044 - 28520096

Corporate Identity Number: L24111TN1974PLC006819

**NOTICE is hereby given that the 48<sup>th</sup> Annual General Meeting of National Oxygen Limited (the Company) will be held on Monday, 28<sup>th</sup> August 2023 through Video Conference (VC) or Other Audiovisual Means (OAVM) at 11.30 AM to transact the following business:**

**ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a director in place of Ms. Sarita Saraf (having DIN 01028027) who retires from office by rotation and being eligible offers herself for reappointment

**SPECIAL BUSINESS**

- 3) **TO REAPPOINT MS. MONA MILAN PAREKH (HOLDING DIN: 08134503) AS INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE CONSECUTIVE YEAR.**

To consider and if though fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Mona Milan Parekh (DIN: 08134503), whose first term as an Independent Director expiring on 25th May, 2023 and who has submitted a declaration of independence under section 149(7) of the Companies Act 2013 be and is hereby reappointed for second term of five years from 25th May, 2023 to 24th May, 2028.

**4. TO REAPPOINT MR. RAJESH KUMAR SARAF (HOLDING DIN: 00007363) AS MANAGING DIRECTOR OF THE COMPANY FOR A PERIOD OF FIVE CONSECUTIVE YEAR.**

To consider and if though fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to provisions of sections 152, 196, 197, 198 read with Schedule V and other applicable provisions if any of the Companies Act 2013 (including any statutory modifications, enactments or re-enactments, thereof for the time being in force), SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, Consent of the Company be and is hereby accorded for the appointment of Mr. Rajesh Kumar Saraf as Managing Director of the company w.e.f 01-08-2024 for a period of 5(five)years, subject to retirement by rotation with payment of remuneration as per Schedule V of the Companies Act 2013 on such terms and conditions as detailed in the explanatory statement.

**RESOLVED FURTHER THAT** the aggregate of the remuneration payable to Mr. Rajesh Kumar Saraf shall be subject to overall ceilings laid down under Schedule V of the Companies Act 2013 and the Board be and is hereby authorized to vary, alter and modify the terms and conditions of remuneration/ remuneration structure of Mr. Rajesh Kumar Saraf, Managing director including the monetary value thereof , to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution, Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**RESOLVED FURTHER THAT** in event of absence or inadequacy of profit in any financial year during the tenure of the appointment, the Board of Directors/ Nomination and Remuneration Committee constituted by the Board, do accept to pay the above remuneration as the minimum remuneration to Mr. Rajesh Kumar Saraf, Managing Director.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any committee of directors or director(s) to give effect to the above resolution”

**5. TO RE APPOINT OF MR. GAJANAND SARAF (HOLDING DIN: 00007320), AS A WHOLE TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF 5 YEARS:**

To consider and if thought fit to pass with or without modification, the following resolution as a special resolution

**“RESOLVED THAT** pursuant to provisions of sections , 152, 196, 197, 198 read with Schedule V and other applicable provisions if any of the Companies Act 2013 (including any statutory modifications, enactments or re-enactments, thereof for the time being in force), SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, Consent of the Company be and is hereby accorded for the appointment of Mr. Gajanand Saraf as a Whole Time Director of the company w.e.f 01-04-2024 for a period of 5(five)years, subject to retirement by rotation with payment of remuneration as per Schedule V of the Companies Act 2013 on such terms and conditions as detailed in the explanatory statement .

**RESOLVED FURTHER THAT** the aggregate of the remuneration payable to Mr. Gajanand Saraf shall be subject to overall ceilings laid down under Schedule V of the Companies Act 2013 and the Board be and is hereby authorized to vary, alter and modify the terms and conditions of remuneration/remuneration structure of Mr. Gajanand Saraf whole time director including the monetary value thereof , to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution, Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**RESOLVED FURTHER THAT** in event of absence or inadequacy of profit in any financial year during the tenure of the appointment, the Board of Directors/ Nomination and Remuneration Committee constituted by the Board, do accept to pay the above remuneration as the minimum remuneration to Mr. Gajanand Saraf Whole Time Director.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any committee of directors or director(s) to give effect to the above resolution”

**6. SALE OF LAND AND BUILDING OF MATHUR UNIT AT TRICHY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to provisions of section 180 (1) (a) of Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) read with the Companies (Management and Administration) Rules, 2014 and other applicable rules thereunder (collectively, the “Act”) and in accordance with all applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable SEBI Regulations if any, and in accordance with the memorandum and articles of association of the Company, consent of the Shareholders, be and is hereby accorded to the Company to Sale of land and building at Mathur unit at Trichy about 5.6.acers to any person/Body corporate(s) /Financial institution/bank/etc as the Board may determine at the appropriate time at such consideration as be decided”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the above resolution.”

Place: Chennai  
Date: 21.07.2023

**By and on behalf of the Board  
For National Oxygen Limited**

Sd/-  
Rajesh Kumar Saraf  
Managing Director  
DIN: 00007353



## Notes:

1. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 14/2020 dated 8th April, 2020; 17/2020 dated 13th April, 2020; 20/2020 dated 5th May, 2020; 02/2021 dated 13th January, 2021; 03/2022 dated 05th May, 2022, 10/2022 dated 28th December, 2022 and any amendment/ modification thereof issued by MCA and read with the Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 05th January, 2023 (hereinafter referred to as “Circulars”), and in compliance with the provisions of the Companies Act, 2013 (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 (“Listing Regulations”) permitted the holding of the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue.
2. Accordingly, in compliance with the provisions of the Act read with the Circulars, the AGM of the Company is being held through VC / OAVM only. Further, in accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Guidance/Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM
3. Since this AGM is being held pursuant to the Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. In line with the Circulars, the Annual Report for the Financial Year 2022-23 including Notice of the 48<sup>th</sup> AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent by Email, to all the Members whose Email IDs are registered with the Company / Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled and the same will also be available on the website of the Company at [www.nolgroup.com](http://www.nolgroup.com) and can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bse.in](http://www.bse.in)
5. The SEBI has mandated the submission of the Permanent Account Number (“PAN”) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are requested to submit their PAN details to the Company’s share transfer agent, M/s. Cameo Corporate Services Limited.
6. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP to enable servicing of notices/ documents/ Reports and other communications electronically to their e-mail address in future.
7. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. In compliance with the provisions of Sections 108 and other applicable provisions of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is offering only e-voting facility to all the Members of the Company and the business will be transacted only through the electronic voting system. The Company has engaged the services of M/s. Cameo Corporate Services Limited for facilitating e-voting to enable the Members to cast their votes electronically as well as for e-voting during the AGM. Resolution(s) passed by Members through e-voting are deemed to have been passed as if they have been passed at the AGM.
9. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from 01st April 2019 except in case of transmission or transposition of securities. In view of the above, members holding shares in physical form are advised to dematerialise the shares with their Depository Participant.
10. Members are provided with the facility for voting through Voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already casted their vote by remote e-voting, are eligible to exercise their right to vote at the AGM.
11. Members who have already casted their vote by remote e-voting prior to the AGM will be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already casted the vote through remote e-voting.
12. The Register of Members and Share Transfer Books of the Company will **remain closed from Tuesday, 22<sup>nd</sup> of August 2023 to Monday, 28<sup>th</sup> of August 2023** (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable clauses of the SEBI (Listing Obligations and Disclosures Requirements Regulations) 2015.
13. The Members of the Company holding shares either in physical form or in dematerialized form, as on the **cut-off date on Monday, 21<sup>st</sup> of August 2023**, may cast their vote by remote e-voting. The remote e-voting period commences on **Friday, 25<sup>th</sup> August 2023 at 09:00 A.M.** (IST) and ends on **Sunday ,27<sup>th</sup> August 2023 at 05:00 P.M.** (IST). Once the vote on a resolution is casted by the Member, the Member shall not be allowed to change it subsequently.

#### **THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE ASUNDER:**

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on **Friday, 25<sup>th</sup> August 2023 at 09:00 A.M.** (IST) and ends on **Sunday ,27<sup>th</sup> August 2023 at 05:00 P.M.** (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of on **Monday, 21<sup>st</sup> August 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or</p>

	<p>joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at</p>

	<p><a href="https://eservices.nsdl.com/SecureWeb/IdasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:  <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</p> <p>Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (Holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

<b>Login type</b>	<b>Helpdesk details</b>
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</p>

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user, follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth in (dd/mm/yyyy) format as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository, please enter the member id/folio number in the Dividend Bank details field.

vi. After entering these details appropriately, click on “SUBMIT” tab.

vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix. Click on the EVSN for the relevant National Oxygen Limited on which you choose to vote.

x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiii Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xiv You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xv If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**xvi. ADDITIONAL FACILITY FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS - FOR REMOTE VOTING ONLY.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast



their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at their email address, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by **[murali@cameoindia.com](mailto:murali@cameoindia.com)**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [contact@nolgroup.com](mailto:contact@nolgroup.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [contact@nolgroup.com](mailto:contact@nolgroup.com) These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred



from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

xvii The Company has appointed Smt. Lakshmmi Subramanian, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast and she has communicated her willingness to be appointed.

The Scrutinizer, after scrutinising the votes cast during the AGM and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.nolgroup.com](http://www.nolgroup.com) and CDSL website. The results shall simultaneously be communicated to the Bombay Stock Exchange Limited.

Place: Chennai

Date: 21-07-2023

**By and on behalf of the Board  
For National Oxygen Limited**

Sd/-  
Rajesh Kumar Saraf  
Managing Director  
DIN: 00007353

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

**Item No. 3**

The Present proposal is to seek the Shareholders' approval for the appointment of Ms. Mona Milan Parekh (DIN: 08134503) as an Independent Director for reappointment of second term of Five (5) years with effect from 25/05/2023 in terms of the applicable provisions of the Companies Act, 2013. The appointment has been recommended by the Nomination and Remuneration Committee in its meeting held on 24/05/2023 and subsequently approved by the Board of Directors in its meeting held on the 24<sup>th</sup> May 2023.

A brief detail of Ms. Mona Milan Parekh is given below as per SEBI Regulations and Secretarial Standards.

Name of the Director	Ms. Mona Milan Parekh
DIN	08134503
Age	59 years
Experience in business field	20 years
Chairman/Member of committees of other company	NIL
Chairman / Directorship in other public Company	Nil
Education qualification	Graduate
Relationship with any other Director	No

**Item No. 4**

The present proposal is to seek the shareholders' approval for the reappointment of Mr. Rajesh Kumar Saraf as Managing Director of the company for a further period of 5(five) years w.e.f 01-08-2024. The appointment and remuneration has been recommended by the Nomination & Remuneration Committee in its meeting held on 24.05.2023 and subsequently approved by the Board of Directors in its meeting held on the same date. Mr. Rajesh Kumar Saraf has about 34 years of experience in Administration, Production and Marketing field. He has helped the company in achieving its targets with his rich experience in the field of industrial gases manufacturing. Considering his experience and knowledge, the Board thought it fit to avail his services in the interest of the Company on payment of remuneration on terms as detailed here under:

Salary	Up to 54.00 Lakhs per annum
Medical reimbursement	10 % of salary
Contribution to PF	0.22 Lakhs per annum
Contribution to Super annuation fund	NA
Gratuity	Not exceeding half month salary
Encashment of leave	NA
Usage of Car	yes

The overall limit of the salary inclusive of perquisites and other allowances shall not exceed the ceiling as provided in schedule V of the Companies Act 2013. In the event of absence or inadequacy of

profit in any financial year during the tenure of the appointment, the Board of Directors/ Nomination and Remuneration Committee constituted by the Board, do accept to pay the above remuneration as the minimum remuneration to Mr. Rajesh Kumar Saraf, Managing Director. The Board recommends the Resolution to be passed as a Special Resolution under section 196/197 of the Companies Act 2013.

Except for Mr. Gajanand Saraf, Ms. Sarita Saraf and Mr. Rajesh Kumar Saraf, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 4.

**Brief Profile of Mr. R. Rajesh Kumar Saraf is furnished below:**

Name of the Director	Mr. Rajesh Kumar Saraf
Din	00007353
Age	60 years
Experience in business field viz- Administration, Production and Marketing of Industrial Gases	More than 34 years
No. of shares held as on 31.03.2023	1204419
Directorship in other public companies	Nil
Chairman/Member of committees of other public company	NIL
Relationship with any other Director	He is a son of Mr. Gajanand Saraf, and husband of Sarita Saraf

**Item No. 5**

The present proposal is to seek the Shareholders' approval for the appointment of Mr. Gajanand Saraf as the Whole Time Director for a period of 5(five) years w.e.f 01-04-2024 in terms of the applicable provisions of the Companies Act, 2013. The appointment and remuneration has been recommended by the Nomination & Remuneration Committee in its meeting held on 24.05.2023 and subsequently approved by the Board of Directors in its meeting held on the same date. Mr. Gajanand Saraf has about 44 years of experience in the company as a director on the board and in many other fields such as administration, Marketing, production etc. Considering his rich experience and knowledge, the Board thought it fit to avail his services in the interest of the Company on payment of remuneration on terms as detailed are as under.:

Salary	Up to 9.00 Lakhs per annum
Medical reimbursement	10 % of salary
Contribution to PF	NA
Contribution to Super annuation fund	NA
Gratuity	Not exceeding half month salary
Encashment of leave	NA
Usage of Car	yes

The overall limit of the salary inclusive of perquisites and other allowances shall not exceed the ceiling as provided in schedule V of the Companies Act 2013. In the event of absence or inadequacy of profit in any financial year during the tenure of the appointment, the Board of Directors/ Nomination and Remuneration Committee constituted by the Board, do accept to pay the above remuneration as the minimum remuneration to Mr. Gajanand Saraf, Whole Time Director. The Board recommends the Resolution to be passed as a Special Resolution under section 196/197 of the Companies Act 2013.

Except for Mr. Rajesh Kumar Saraf, Ms. Sarita Saraf and Mr. Gajanand Saraf, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 5.

**Brief Profile of Mr. Gajanand Saraf is furnished below:**

Name of the Director	Mr. Gajanand Saraf
Din	00007320
Age	88 years
Experience in business field viz- Administration, Production and	More than 44 years

Marketing of Industrial Gases	
No. of shares held as on 31.03.2023	937608
Directorship in other public companies	Nil
Chairman/Member of committees of other public company	NIL
Relationship with any other Director	He is a Father of Mr. Rajesh Kumar Saraf, and Father in law of Smt. Sarita Saraf

**Item no 6:**

The Management has decided to stop manufacture of Dissolved Acetylene Gas (DA Gas) at Trichy unit, w.e.f. 31<sup>st</sup> March 2023, as the Plant and Machinery in operation are very old and moreover there is an alternative product like Commercial LPG is available in plenty in the market, which is much cheaper than Dissolved Acetylene Gas (DA Gas) and also there is a stiff competition for DA gas prevailing in the market.

In view of the above factors, Company has planned to close the Trichy (Mathur) unit. The Board has proposed to purchase a Comparatively smaller unit of land in nearby industrial area in order to install liquid compressing / filling station, which are running at present site. The sale proceeds of the 5.60 acres of land and building shall be utilized for pre-payment of term loan outstanding with the bank thereby reducing interest cost

Since your approval is required under section 180(1)(a) of Companies Act 2013, the same is proposed before you for approval as special resolution

Place: Chennai

Date: 21-07-2023

**By and on behalf of the Board  
For National Oxygen Limited**

Sd/-  
Rajesh Kumar Saraf  
Managing Director  
DIN: 00007353

**ANNEXURE TO NOTICE**

**AS PER REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ADDITIONAL INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED**

Name of the Director	Mrs. Sarita Saraf
Din	01028027
Age	24.06.1967
Date of appointment	10.02.2018
Experience	15 years
No. of shares held as on 31.03.2023	501809
Directorship in other public companies	NIL
Chairman / Member of committees of the other public Company	NIL
Relationship with any other Director	Mr. Rajesh Kumar Saraf & Mr. Gajanand Saraf

Place: Chennai  
Date: 21.07.2023

**By and on behalf of the Board  
For National Oxygen Limited**

Sd/-  
Rajesh Kumar Saraf  
Managing Director  
DIN: 00007353

## DIRECTORS 'REPORT

Dear Shareholders,

Your directors' have pleasure in presenting the 48<sup>th</sup> Annual Report on the business and operations of your company along with the Audited Financial Statements for the year ended 31st March 2023.

### **FINANCIAL HIGHLIGHTS**

The Financial Results for the year ended 31st March, 2023.

Particulars	Standalone	
	2022 - 23 (Rs. in Lakhs)	2021 - 22 (Rs. in Lakhs)
Revenue from operations	4711.32	5060.73
Other Income	58.75	143.92
Profit/(Loss) before interest and Depreciation	426.79	1287.34
Less: Interest	179.19	215.15
Less: Depreciation	326.69	309.45
Profit/(Loss) before tax	(79.09)	762.74
Provision for tax	0	0
Tax for earlier years	0	0
Deferred Tax	0	0
Profit / (loss) after tax	(79.09)	762.74
Other comprehensive Income	(15.68)	(0.47)
Total Comprehensive Income for the period	(94.76)	762.27

### **BUSINESS PERFORMANCE:**

During the year under review, the Company earned a Net loss of Rs. (94.76) lakhs against a Net profit of Rs. 762.27 lakhs in the previous year.

There are adequate financial controls commensurate with the size of the organization and with reference to the financial statements; there is no change in the nature of business.

### **SHARE CAPITAL:**

There is no change in the Authorized Capital as well as the Paid-up Share Capital of the Company during the year ended 31st March, 2023.

However, the terms of CCPS was changed to NCRPS

### **DIVIDEND:**

The Board of Directors have not recommended any dividend for the financial year 2022-23

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

There has been no loan and guarantees given or made by the Company under Section 186 of the Act, 2013 during the financial year 2022-23.

### **TRANSFER TO GENERAL RESERVE:**

Your directors do not propose to transfer any amount to the general reserve of the company during the financial year.

### **DEPOSITS:**

During the financial year 2022-23, your Company has not accepted any deposit under the provisions of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

Particulars of contracts or arrangements with related parties referred to Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC 2, are appended as **Annexure I**.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Regulation 34(2) of the SEBI Listing (Obligations and Disclosures) Requirements Regulations, the Management Discussion and Analysis Report is enclosed below.

#### **Industry Structure and Developments**

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

#### **Opportunities and Threats:**

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

#### **Segment wise performance:**

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



### **Risks and Concerns:**

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

### **RISK MANAGEMENT**

Pursuant to Section 134 of the Companies Act, 2013, the Company has a risk management policy in place for identification of key risks to its business objectives, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning.

The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

### **BOARD POLICIES**

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

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

### **NOMINATION AND REMUNERATION POLICY:**

Pursuant to Section 178(3) of the Companies Act, 2013, the Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the company. The policy also lays down the criteria for selection and appointment of Board Members. The policy and details of Nomination and Remuneration is available on the website of the Company at [www.nolgroup.com](http://www.nolgroup.com)

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, inter alia, the following responsibilities:

1. The Committee had formulated the criteria for determining qualifications, positive attributes, and independence of a director. and is available in the company website [www.nolgroup.com](http://www.nolgroup.com)
2. The Committee shall identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
3. Recommend to the Board, appointment, and removal of Director, KMP and Senior Management Personnel.
4. The Board shall carry out evaluations of the performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly).

5. The remuneration/ compensation/ commission etc. to the Managerial Personnel, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.

6. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.

7. Where any insurance is taken by the Company on behalf of its Managerial Personnel, Chief Executive Officer, Chief Financial Officer, the Company Secretary, and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

8. The Non-Executive/ Independent Director is not paid remuneration by way of fees for attending meetings of the Board or Committee thereof.

9. Commission to Non-Executive/ Independent Directors If proposed may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### **AUDIT COMMITTEE RECOMMENDATION:**

During the year all the recommendations of the Audit Committee were accepted by the Board. Pursuant to Section 177(8) of the Companies Act, 2013, the Composition of Audit Committee is given as under:

#### **Composition of Audit Committee:**

The Composition of the Audit Committee as on 31st March 2023 is as follows:

- Shri Shanmugavadivel Siva Independent Director (Chairman)
- Smt Mona Milan Parekh Independent Director (Member)
- Smt Sarita Saraf Independent Director (Member)

#### **PARTICULARS OF EMPLOYEES:**

There are no employees falling within the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

Training on all sectors is given to its employees periodically and motivated to work inline with the development of the industry. The willingness and commitment of the employees help the company to stand tall among its customer in quality and service.

## **INTERNAL COMPLAINTS COMMITTEE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaints Committee (“ICC”) is in place for all works and offices of the Company to redress complaints received regarding sexual harassment. The policy on Prohibition Prevention & Redressal of Sexual Harassment is available on the website of the Company at [www.nolgroup.com](http://www.nolgroup.com)

During the Financial Year under review, no complaints with allegation of sexual harassment were filed with the ICC.

### Internal Complaint Committee Members

1. Smt. Mona Milan Parekh
2. Smt. Sarita Saraf

The Committee met once in the financial year 2022-23. The Company is committed to provide a safe and conducive work environment to its employees during the financial year. Your directors state that during the financial year 2022-23, there were no cases filed pursuant to the Sexual harassment of Women at workplace (Prevention and Redressal) Act, 2013.

## **SUBSIDIARY/ JOINT VENTURES / ASSOCIATE COMPANIES**

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

## **COMMISSION RECEIVED BY DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY:**

The Company neither has any holding nor is any subsidiary company, therefore, disclosure under Section 197 (14) of the Companies Act, 2013 not applicable.

## **MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF REPORT**

There are no material changes and commitments occurred between the end of the financial year of the company to which the financial statements relate and there is no order against the company affecting the financials of the company.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board’s report.

## **AUDITORS**

### **Statutory Auditors**

M/S. PSDY & Associates, Chartered Accountant, (Firm Registration Number: 010625S) was appointed as statutory auditor by shareholders of the company for a term of five years in the 47<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> August 2022 and they continued to be the Auditors of the company till this 52<sup>nd</sup> Annual General Meeting.

### **COMMENT ON STATUTORY AUDITOR'S REPORT:**

There are no qualifications, reservations, remarks or disclaimers made by M/S. PSDY & Associates, Statutory Auditor, in their audit report.

### **SECRETARIAL AUDITOR:**

Pursuant to the requirements of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. Lakshmmi Subramanian of M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretaries (Membership No. CP 3534) was appointed to conduct the Secretarial Audit for the financial year 2022-2023.

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

### **Qualification in Secretarial Audit Report**

There are no material qualifications in the Secretarial Report.

### **BOARD OF DIRECTORS' EXPLANATION OR COMMENTS:**

There are no qualifications in the Audit Report & Secretarial Audit Report for the financial year 2022-23

### **Internal Auditors**

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

### **Cost Auditor**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>Board Composition</b>	
Mr. Rajesh kumar Saraf	Managing Director
Mr. Gajanand Saraf	Whole time Director
Mrs. Sarita Saraf	Director
Mr. Shanmugavadivel Siva	Independent Director
Mrs. Mona Milan Parekh	Independent Director
Mr. Amit Kumar Agarwal	Independent Director
<b>Key Managerial Personnel</b>	
Mr. Rajesh Kumar Saraf	Managing Director
Mr. P. Ramalinga Srinivasan	Chief Financial Officer
Mr. Akhil Paliwal	Company Secretary

#### **NUMBER OF MEETINGS OF THE BOARD AND BOARDS' COMMITTEE:**

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. The Board Meetings are pre-scheduled, and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules.

<b>Meeting</b>	<b>No. of Meetings during the Financial Year 2022-23</b>	<b>Date of the Meeting</b>
Board Meeting	5	21.05.2022, 25.07.2022, 18.08.2022, 4.11.2022, 03.02.2023
Audit Committee	4	21.05.2022, 25.07.2022, 4.11.2022, 03.02.2023
Nomination & Remuneration Committee	1	21.05.2023

The interval between two Board Meetings was well within the maximum period mentioned under section 173 of the Companies Act, 2013, and SEBI Listing (Disclosures and Obligations Requirements) Regulations, 2015.

#### **Director's Re-appointment details:**

- Ms. Sarita Saraf (having DIN 01028027) who retires from office by rotation and being eligible offers herself for reappointment
- Ms. Mona Milan Parekh (DIN: 08134503) reappointed for second term of five years from 25th May, 2023 to 24th May, 2028
- Re-appointment of Mr. Rajesh Kumar Saraf as Managing Director of the company w.e.f 01-08-2024 for a period of 5(five)years
- Re-appointment of Mr. Gajanand Saraf as Whole Time Director of the company w.e.f 01-08-2024 for a period of 5(five)years

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company is having accumulated losses and not having profits more than Rs. 5 Crores in the year 2022-23 or net worth more than Rs. 500 Crores or Turnover of more than Rs. 1000 Crores in the previous financial year and therefore Constituting of a CSR Committee and its Compliance in accordance with the provisions of Section 135 of the Act, does not arise.

## **BOARD EVALUATION:**

Pursuant to the provision of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Boards' functioning, the composition of the Board and its committees, culture, execution and performance of specific duties, obligations, and governance.

The board and the committee were evaluated on various criteria as stated below:

1. Composition of the Board and Committee.
2. Understanding of the Company and its business by the Board.
3. Availability of information to the board and committee.
4. Effective Conduct of Board and Committee Meetings.
6. Monitoring by the Board management effectiveness in implementing strategies, managing risks and achieving the goals.

The Board also carried out the evaluation of directors and chairman based on following criteria:

1. Attendance of meetings.
2. Understanding and knowledge of the entity.
3. Maintaining Confidentiality of board discussion.
4. Contribution to the board by active participation.
5. Maintaining independent judgment in the decisions of the Board

## **SECRETARIAL STANDARDS:**

In terms of Section 118(10) of the Act, the Company states that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meetings of Board of Directors and General Meetings respectively, have been duly complied with however improvements in certain areas are being made.

## **INDEPENDENT DIRECTOR'S DECLARATION:**

All Independent Directors have given declarations that they meet the Criteria of independence laid down under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 in respect of financial year ended 31st March, 2023, which has been relied on by the Company and placed at the Board Meeting.

## **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:**

As required under Clause VII of Schedule IV of the Companies Act, 2013, the Independent Directors held a Meeting on 10<sup>th</sup> February 2023, without the attendance of Non-Independent Directors and members of Management.

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The familiarization program is to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes and about the overall functioning and performance of the Company. The policy and details of familiarization program is available on the website of the Company at [www.nolgroup.com](http://www.nolgroup.com)

## **WHISTLE BLOWER POLICY/ VIGIL MECHANISM:**

Pursuant to Section 177(9) of the Companies Act, 2013, your Company has established a Vigil Mechanism policy for directors and employees to report concerns about unethical behaviors, actual or suspected fraud, violations of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against the victimization of employees who avail themselves of the mechanism and also provides for direct access by the Whistle Blower to the Audit Committee. It is affirmed that during the Financial Year 2022-23, no employee has been denied access to the Audit Committee. The vigil mechanism policy is also available on the Company's website [www.nolgroup.com](http://www.nolgroup.com)

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has formulated a Framework on Internal Financial Controls In accordance with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014, the Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations and they are operating effectively.

The systems are periodically reviewed by the Audit Committee of the Board for identification of deficiencies and necessary time-bound actions are taken to improve efficiency at all the levels. The Committee also reviews the observations forming part of internal auditors' report, key issues and areas of improvement, significant processes and accounting policies.

## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:**

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

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

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

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

## **EXTRACT OF ANNUAL RETURN:**

The Submission of Extract of Annual Return in MGT-9 is dispensed with in terms of Companies (Management and Administration) Amendment rules, 2021 dated 5th March, 2021. Hence, the question of attaching MGT-9 with this report does not arise. However, the Annual return can be viewed in the website of the company [www.nolgroup.com](http://www.nolgroup.com)

## **DISCLOSURE REQUIREMENTS:**

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

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

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

## **DIRECTORS' RESPONSIBILITIES STATEMENT:**

As required under Section 134(3)(C) of the Companies Act, 2013 the Directors hereby state and confirm that they have:

- a) In the preparation of the annual accounts for the year ended 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for the year ended on that date.



- c) They have 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.
- d) They have prepared the annual accounts on a going concern basis.
- e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

During the year under review, there were no frauds reported by the Auditors on the employees or officers of the Company under section 143(10) of the Companies Act, 2013.

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

### **A. CONSERVATION OF ENERGY:**

- In view of the pandemic and employees working from home the registered office has been shifted to a very small place wherein there is absolutely no power consumption when compared to the earlier years
- Improvements in operating efficiency and reduction in the employee strength.

### **B. TECHNOLOGY ABSORPTION:**

- The efforts made towards technology absorption: NIL
- Benefits derived
- Production improvement: NIL
- Cost Reduction: NIL
- Production development or Import substitution; NIL
- Import Technology; NIL
- Expenditure incurred on Research and Development; NIL

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details	2022- 2023 Rs. In Lacs	2021- 2022 Rs. In Lacs
Earning in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	Nil	Nil

CIF value of imports - Raw Materials - Calcium Carbide	43.84	21.11
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## **CORPORATE GOVERNANCE REPORT:**

As prescribed under the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, your Company does not fall under the purview of complying with the provisions of Corporate Governance. During the year, with the approval of the Board of Directors, your Company has informed the non-applicability provision to the Bombay Stock Exchange.

Since the provision of Corporate Governance is not applicable for the entire Financial Year 2022-23, a separate report of Corporate Governance is not disclosed in the Annual Report 2022-23.

## **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

There were no applications made nor any proceeding pending under the insolvency and bankruptcy code, 2016 during the year

## **MAJOR THINGS HAPPENED DURING THE YEAR WHICH MADE THE IMPACT ON THE OVERALL WORKINGS OF THE COMPANY & THE MAJOR ACTIONS TAKEN BY THE COMPANY IN THAT RESPECT, SUCH AS COVID-19 PANDEMIC:**

Nil

## **THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

During the year under review there was no instance of one-time settlement with any Bank or Financial Institution.

## **THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR AND PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR AND KMP:**

<b>Executive Directors</b>	<b>Ratio to Median Remuneration</b>
Mr. Rajesh Kumar Saraf - Managing Director	24.56:1
Mr. Gajanand Saraf - Whole Time Director	4.09:1

**LISTING FEES:**

The Company confirms that it has paid the annual listing fees for the year 2022-23 to the Bombay Stock Exchange.

**CLOSURE OF REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS:**

The Register of Members and Share Transfer books of the company will be closed with effect from Tuesday, 22nd of August 2023 to Monday, 28th of August 2023 (both days inclusive).

**ACKNOWLEDGEMENT:**

Your directors take this opportunity to express their sincere gratitude to the encouragement, assistance, cooperation, and support given by the Central Government, the Government of Tamil Nadu during the year. They also wish to convey their gratitude to all the customers, Auditors, suppliers, dealers, and all those associated with the company for their continued patronage during the year.

Your directors also wish to place on record their appreciation for the hard work and unstinting efforts put in by the employees at all levels. The directors are thankful to the esteemed stakeholders for their continued support and the confidence reposed in the Company and its management.

**CAUTIONARY STATEMENT:**

The statements contained in the Board's Report and Management Discussion and Analysis Report contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

Place: Chennai  
Date: 21-07-2023

**By and on behalf of the Board  
For National Oxygen Limited**

Sd/-  
Rajesh Kumar Saraf  
Managing Director  
DIN: 00007353

**ANNEXURE-I**  
**DETAILS OF RELATED PARTY TRANSACTIONS**  
**Form No. AOC-2**

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

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub section(1) of Section188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL
  - a) Name(s) of the related party and nature of relationship : NIL
  - b) Nature of Contracts /arrangements/transactions : NIL
  - c) Duration of Contracts or arrangements/transactions : NIL
  - d) Salient terms of the contracts or arrangements or transactions including the value : NIL
  - e) Justification for entering in to such contracts or arrangements or transactions : NIL
  - f) Date(s) of approval by the Board : NIL
  - g) Amount paid as advances, if any : NIL
  - h) Date on which the special resolution was passed in general meeting as required under firstproviso to Section 188 : NIL
  
2. Details of material contracts or arrangements or transactions at arm's length basis:
  - a) Name of the related party and nature of relationship:
    - (i) Pondicherry Agro Foods Private Limited
    - (ii) Saraf Housing Development Private Limited
    - (iii) ECA Gases LLP
    - (iv) G N Saraf - Whole Time Director
    - (v) Rajesh Kumar Saraf -Managing Director
    - (vi) Sarita Saraf - Director
  
  - b) Nature of transaction
    - (i) Sale of Products to ECA Gases LLP
    - (ii) Purchase of goods from ECA Gases LLP
    - (iii) Interest paid to Saraf Housing Private Limited
    - (iii) (iv) Managerial Remuneration
    - (v) Directors sitting fee
    - (vi) Issue of Compulsory Convertible Preference shares by the Company

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

Nature of Transactions	Enterprise in which KMP exercise significant influence (Amount in Lakhs)	Key Managerial personnel & Their Relatives (Amount in Lakhs)
Sales of Products ECA Gases LLP	10.68	-
Purchase of Goods	13.39	-
Interest paid to Saraf Housing Development Private Limited	35.99	-
Managerial Remuneration	-	90.91
Rent paid	-	31.20

Place: Chennai

Date: 21-07-2023

For and on behalf of the Board

Sd/-

Rajesh Kumar Saraf  
Managing Director  
DIN: 00007353

**ANNEXURE - II**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2023**

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

To,  
The Members,  
National Oxygen Limited  
Door No. S-1, Alsa Mall, No. 4(Old No. 149), Montieth road,  
Egmore, Chennai-600008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Oxygen Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have also examined

- (a) all the documents and records made available to us and explanation provided by National Oxygen Limited ("the Company"),
- (b) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by National Oxygen Limited ("the Company") for the financial year ended on 31st March, 2023 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. However, the Regulation 24 A relating to Secretarial Compliance Report is not applicable to the Company for the period under review;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015 as amended from time to time.

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

We hereby report that

a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder.

b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.

c. There were no actions taken against the Company/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder.

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

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

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

In our opinion and as identified and informed by Management, the following laws are specifically applicable to the Company as the company is engaged in the activity of secondary market trading in securities and derivatives.

1. Explosives Act, 1884
2. Explosives Rules, 2008
3. Gas Cylinder Rules, 2004
4. Static & Mobile pressure vessels (unfired) Rules 1981
5. Drugs & Cosmetics Acts & Rules, 1945
6. The Legal Metrology Act, 2009

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

- a) The Securities and Exchange Board of India (Share Bases Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
  - b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
  - c) Foreign Exchange Management Act, 1999 and the rules and regulations.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e) Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008 as amended from time to time;
- requiring compliance thereof by the Company during the Financial Year under review.

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

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors,

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

- Re - appointment of Mr. Shanmugavadivel Siva as an Independent Director for his second tenure of 5 years at its Annual General Meeting held on 30<sup>th</sup> August 2022
- Appointment of PSDY & Associates as Statutory Auditors for a period of 5 years from the year 2022-23 at its Annual General Meeting held on 30<sup>th</sup> August 2022



- Increase in Authorized Share Capital of the Company to Rs 171,000,000 at its Annual General Meeting held on 30<sup>th</sup> August 2022
- The Company has filed BSE application dated 19<sup>th</sup> September 2022 for “Reclassification from Promoters and Promoters group to Public” and awaiting for approval
- The company has approached HDFC Bank for sanction of funds and non-fund based credit facilities for Rupees Twenty Four Crores Ninety Six Lakhs, secured by current assets and movable/ immovable assets.

There are no material events after the end of the financial year 31<sup>st</sup> March 2023.

Place: Chennai  
Date: 12-07-2023

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian  
Senior Partner  
FCS No. 3534  
C.P. No. 1087  
P.R. No: 1670/2022  
UDIN: F003534E000583696

## ANNEXURE-A

To

The Members

National Oxygen Limited

Door No. S-1, Alsa Mall, No. 4(Old No. 149), Montieth road,  
Egmore, Chennai-600008

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

Place: Chennai

For LAKSHMMI SUBRAMANIAN ASSOCIATES

Date: 12-07-2023

Lakshmmi Subramanian  
Senior Partner  
FCS No. 3534  
C.P. No. 1087  
P.R. No: 1670/2022  
UDIN: F003534E000583696

**Certificate on Non-Disqualification of Directors**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

**NATIONAL OXYGEN LIMITED**  
DOOR NO. S-1, ALSA MALL,  
NO.4 (OLD NO.149) MONTIETH ROAD,  
EGMORE,  
CHENNAI - 600008.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **National Oxygen Limited** CIN L24111TN1974PLC006819 having its registered office at DOOR NO. S-1, ALSA MALL, NO.4 (OLD NO.149) MONTIETH ROAD, EGMORE, CHENNAI TN 600008 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31<sup>st</sup> March 2023.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No	Name of Director	Designation	DIN	Date of Original Appointment in Company
1	MR. RAJESH KUMAR SARAF	Managing Director	00007353	30/11/1992
2	MR. GAJANAND SARAF	Whole-time Director	00007320	01/09/2010
3	MRS. SARITA SARAF	Director	01028027	10/02/2018
4	MR. SHANMUGAVADIVEL SIVA	Director	07732134	10/02/2017
5	MRS. MONA MILAN PAREKH	Director	08134503	26/05/2018
6	MR. AMIT KUMAR AGARWAL	Director	08723241	16/03/2020

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai  
Date: 22-07-2023

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Lakshmmi Subramanian  
Senior Partner  
FCS No. 3534  
C.P. No. 1087  
P.R. No: 1670/2022  
UDIN: F003534E000654140

## **INDEPENDENT AUDITORS' REPORT**

To

The Members of **NATIONAL OXYGEN LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the accompanying financial statements of M/s. NATIONAL OXYGEN LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards ) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Key Audit Matters**

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

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

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

#### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's responsibility for the financial statements**

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

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

The provisions of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent possible.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 39(A) to the financial statements;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. There have been no delays in transferring amounts, to the Investor Education and Protection Fund by the Company.
- d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
  - i. no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - ii. no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- e. The Company has not declared or paid any dividend during the year, hence requirement for compliance with Section 123 of the Act is not applicable.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

**For PSDY & Associates**

Chartered Accountants  
Firm Registration No.010625S

Sd/-  
Vikram Singhvi  
Partner  
Membership No. 227334  
UDIN: 23227334BGXWAA3415

Place: Chennai  
Date: 29<sup>th</sup> May, 2023

## **Annexure “A” to the Independent Auditor’s Report**

The Annexure referred to in Independent Auditors’ Report to the members of **NATIONAL OXYGEN LIMITED** for the year ended on 31st March 2023.

We report that:

- i. In respect of Property, Plant and Equipment and Intangible Assets:
  - a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
The Company has maintained proper records showing full particulars of intangible assets.
  - b) The property, plant and equipment of the Company have been physically verified by the management wherever possible, at the close of the year as confirmed by the management. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
  - d) The Company has not revalued its property, plant and equipment (including right of use asset) and intangible assets during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.
  - e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.
- ii.
  - a) As Informed to us the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. The Company has not been sanctioned any working capital limit from financial institutions
- iii. In our opinion and according to information and explanation given to us, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable

- iv. In our opinion and according to information and explanation given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security provided by the company;
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits, to which the directives of the Reserve Bank of India and the Provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under apply. Accordingly, paragraph 3 (v) of the Order is not applicable.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3(vi) of the order is not applicable.
- vii. In our opinion and according to the information and explanations given to us:
- a) Amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited by the Company with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and based on the records of the company examined by us, the amount of outstanding dues of Goods and Services Tax, provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute are stated below:

Name of the Statute	Nature of dues	Amount (Rs. In Lakhs)	Period in which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty demanded on the facility charges being charged.	1.06	Sept'2000 to Aug'2001	CESTAT, Southern Bench
Central Excise Act, 1944	Departmental appeal against the partial favourable order passed by Commissioner (Appeals) for Excise duty demanded on the rental / facility charges being charged.	4.91	Sept'2000 to Aug'2001	CESTAT, Southern Bench
Central Excise Act, 1944	Departmental appeal against the favourable order passed by CESTAT in respect of 8% duty demanded on supply to ISRO under Nil rate of duty while availing Cenvat Credit.	5.71	2000-01	Madras High Court
Central Excise Act, 1944	Excise duty demanded on the Cylinder Repair charges being charged	0.2	Sept'2006 to Mar'2007	CESTAT, Southern Bench

Name of the Statute	Nature of dues	Amount (Rs. In Lakhs)	Period in which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty demanded on the Cylinder Holding / facility charges being Charged	1.67	May'2006 to Aug'2006	CESTAT, Southern Bench
Service Tax	Service Tax demanded on the Lease charge income Received	11.32	2002-03 & 2003-04	CESTAT, Southern Bench
Service Tax	Service Tax demanded on the Lease charge income received	6.69	2004-05 & 2005-06	CESTAT, Southern Bench
Customs Act, 1961	Differential Customs Duty on Import of Second-hand Plant (including Interest & Penalty)	88.24	1994-95	CESTAT, Southern Bench
Service Tax	Service Tax on GTA claimed by the Department. which is contested by the company	3.86	Apr'2012 to Mar'2013	Madras High Court
Income Tax Act, 1961	Disallowance of expenses	2.09	AY-2012-13	Dy. Commissioner of Income Tax
Income Tax Act, 1961	Disallowance made by the Assessing Officer which are not justified. Also, brought forward Depreciation Loss not fully set off.	35.58	AY 2018-19	CIT (Appeals)
Income Tax Act, 1961	Set off LTCG against brought forward losses not properly considered, resulting in demand.	110.85	AY 2019-20	Dy. Commissioner of Income Tax

- viii. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and based on our examination of the records of the Company, the term loans availed/ amounts raised by issue of debt securities during the year have been utilized for the purpose for which it was obtained.
- d) Based on the information and explanation given to us and based on our examination of the records of the Company, short term loans have not been utilized by the Company for long term purposes.
- e) The Company does not have any subsidiaries/ associates/ joint-ventures and accordingly, paragraphs 3 (ix) (e) and 3 (ix) (f) of the Order are not applicable.
- x. a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.

- b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
- xi. a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraph 3 (xi) (a) of the Order is not applicable.
- b) Since there is no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year, paragraph 3 (xi) (b) of the Order is not applicable.
- c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. a) In our opinion and 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.
- b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.
- d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.

- xix. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanation given to us, the company does not fulfil the criteria as specified under section 135(1) of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and according; reporting under clause (xx) of the order is not applicable to the company.
- xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

**For PSDY & Associates**

Chartered Accountants

Firm Registration No.010625S

Sd/-

Vikram Singhvi

Partner

Membership No. 227334

UDIN: 23227334BGXWAA3415

Place: Chennai

Date: 29<sup>th</sup> May, 2023

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of **NATIONAL OXYGEN LIMITED** of even date)

### **Report on the internal financial controls over financial reporting 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 **NATIONAL OXYGEN LIMITED** (“the Company”) as at March 31, 2023, 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 board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement in 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 control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For PSDY & Associates**

Chartered Accountants  
Firm Registration No.010625S

Sd/-  
Vikram Singhvi  
Partner  
Membership No. 227334  
UDIN: 23227334BGXWAA3415

Place: Chennai  
Date: 29<sup>th</sup> May, 2023



**NATIONAL OXYGEN LIMITED**  
 Door No. S-1,Alsa Mall, No.4, (Old No.149) Montieth Road, Egmore Chennai - 600 008  
 Tamil Nadu, India  
 CIN : L24111TN1974PLC006819

**Balance Sheet as at 31st March,2023**

(Rs. in Lakhs)

	Note No.	As at 31st March,2023	As at 31st March,2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	2	2,204.74	2,423.89
Capital Work-in-Progress	3	13.93	-
Intangible Assets	4	2.57	3.16
Financial Assets :			
Investments	5	5.49	10.16
Other financial Assets	6	186.60	128.00
<b>Total Non Current Assets</b>		<b>2,413.33</b>	<b>2,565.22</b>
<b>Current Assets</b>			
Inventories	7	112.21	88.97
Financial Assets:			
Trade Receivables	8	533.89	504.40
Cash and Cash Equivalents	9	214.82	647.02
Other Financial Assets	10	131.86	84.27
Current Tax Assets (Net)	11	19.58	13.98
Other Current Assets	12	65.27	76.45
<b>Total Current Assets</b>		<b>1,077.63</b>	<b>1,415.09</b>
<b>TOTAL ASSETS</b>		<b>3,490.95</b>	<b>3,980.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	480.23	480.23
Other Equity	14	(573.41)	(478.65)
<b>Total Equity</b>		<b>(93.18)</b>	<b>1.57</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities :			
Borrowings	15	2,656.08	3,036.76
Lease Liability	16	17.37	-
Other Financial Liabilities	17	127.88	139.42
Deferred Tax Liabilities (Net)	18	-	-
Provisions	19	68.21	68.22
<b>Total Non-Current Liabilities</b>		<b>2,869.53</b>	<b>3,244.39</b>
<b>Current Liabilities</b>			
Financial Liabilities :			
Borrowings	20	221.93	245.26
Lease Liability	21	10.87	-
Trade Payables	22	-	-
-Total outstanding dues of micro and small enterprises		22.31	-
-Total outstanding dues of creditors other than micro and small enterprises		300.20	325.22
Other Current Financial Liabilities	23	120.46	134.79
Other Current Liabilities	24	9.69	19.38
Provisions	25	29.15	9.69
<b>Total Current Liabilities</b>		<b>714.60</b>	<b>734.33</b>
<b>Total Liabilities</b>		<b>3,584.14</b>	<b>3,978.72</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,490.95</b>	<b>3,980.31</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the financial statements  
 As per our report of even date annexed,

For PSDY & ASSOCIATES  
 Chartered Accountants  
 Firm Registration Number : 010625S

sd/-  
 (VIKRAM SINGHVI)  
 Partner  
 Membership No. 227334

Place : Chennai  
 Date : 29.05.2023

For and on behalf of the Board

sd/-  
 AKHIL PALIWAL  
 Company Secretary  
 M.No.A61761

sd/-  
 P.RAMALINGA SRINIVASAN  
 Chief Financial Officer

sd/-  
 G.N. SARAF  
 Chairman  
 DIN: 00007320

sd/-  
 RAJESH KUMAR SARAF  
 Managing Director  
 DIN: 00007353

**Statement of Profit and Loss for the period ended 31st March 2023**

(Rs. In Lakhs)

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
Revenue from Operations	26	4,711.32	5,060.73
Other Income	27	58.75	143.92
<b>TOTAL INCOME</b>		4,770.06	5,204.64
<b>EXPENSES</b>			
Cost of Materials Consumed	28	55.55	94.53
Changes in Inventories of Finished Goods	29	(13.02)	(10.73)
Employee Benefit Expenses	30	353.93	358.38
Power and Fuel	31	3,007.14	2,856.03
Other Expenses	32	939.69	619.09
<b>TOTAL EXPENSES</b>		4,343.28	3,917.30
<b>Profit before interest, tax, depreciation and amortisation</b>		426.79	1,287.34
Finance Costs	33	179.19	215.15
Depreciation and Amortization	34	326.69	309.45
<b>Profit/ (Loss) before exceptional items and Tax</b>		(79.09)	762.74
Exceptional items			-
<b>Profit/ (Loss) before Tax</b>		(79.09)	762.74
Tax Expenses:	35		
Current Tax (Including for earlier years)		-	-
Deferred Tax		-	-
<b>Profit/ (Loss) for the year</b>		(79.09)	762.74
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit &amp; Loss</b>			
Remeasurement of Post employment benefit obligations		(17.06)	(0.47)
Fair Value gain on Investment		4.07	-
Finance cost for Lease - Previous year		(2.69)	-
<b>Other Comprehensive Income for the year, net of tax</b>		(15.68)	(0.47)
<b>Total Comprehensive Income / (Loss) for the year</b>		(94.76)	762.27
<b>Earnings per Equity Share:</b>			
Basic (‘)		(1.65)	15.88
Diluted (‘)		(1.65)	15.88

The accompanying notes are an integral part of the financial statements  
 As per our report of even date annexed,

For PSDY & ASSOCIATES  
 Chartered Accountants  
 Firm Registration Number : 010625S

sd/-  
 (VIKRAM SINGHVI)  
 Partner  
 Membership No. 227334

For and on behalf of the Board

sd/-  
 AKHIL PALIWAL  
 Company Secretary  
 M.No.A61761

sd/-  
 G.N. SARAF  
 Chairman  
 DIN: 00007320

sd/-  
 P.RAMALINGA SRINIVASAN  
 Chief Financial Officer

sd/-  
 RAJESH KUMAR SARAF  
 Managing Director  
 DIN: 00007353

Place : Chennai  
 Date : 29.05.2023

**Cash Flow Statement for the year ended 31st March 2023**

(Rs. In Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before Tax	(79.09)	762.74
Adjustment for :		
Finance Costs	179.19	215.15
Depreciation and Amortization Expenses	326.69	309.45
Remeasurement of Post employment benefit obligations	(17.06)	(0.47)
(Gain)/ Loss on Fair Value of Investments	-	10.00
(Profit) / Loss on sale of Fixed Assets (Net)	-	(109.77)
Interest & Dividend Income	(14.97)	(11.81)
Operating profit before working capital changes	394.76	1,175.29
<u>Changes in working Capital:</u>		
Inventories	(23.24)	(25.82)
Trade and other Receivables	(124.49)	(45.00)
Long Term Liabilities and Provisions	(11.55)	57.30
Trade and other Payables	(7.27)	1.54
Cash generation from Operations	228.21	1,163.31
Payment of Direct Taxes	(5.59)	(3.93)
<b>Net Cash Flow from Operating Activities</b>	<b>222.62</b>	<b>1,159.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(85.49)	(94.87)
Purchase of Investment	-	(2.67)
Sale of Investments	8.74	3.40
Sale of Fixed Assets	-	122.71
Interest Received	14.97	11.81
Dividend Received	-	0.00
<b>Net Cash Flow (Used in) / from Investing Activities</b>	<b>(61.79)</b>	<b>40.39</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term Borrowings	-	1,100.00
Repayment of Long-term Borrowings	(417.21)	(1,183.94)
Proceeds/ (Repayment) of Short-term Borrowings (Net)	-	(355.05)
Finance Cost Paid	(175.82)	(215.15)
<b>Net Cash Flow (Used in) Financing Activities</b>	<b>(593.03)</b>	<b>(654.14)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(432.20)</b>	<b>545.62</b>
Add : Opening Cash and Cash Equivalents	647.02	101.40
Closing Cash and Cash Equivalents (Refer Note 9)	<b>214.82</b>	<b>647.02</b>

<b>Reconciliation of Financial Liabilities - Borrowings</b>	<b>2022-23</b>	<b>2021-22</b>
Opening balance	3,282.02	2,521.01
Add: Proceeds of borrowings	-	1,100.00
Less: Repayment of borrowings	(417.21)	(1,538.99)
<u>Add / (Less) Non-cash movement</u>		
Conversion of Loan into Compulsorily Convertible Preference Shares	-	-
Variation of terms of CCPS to Redeemable Preference Shares	-	1,200.00
	<b>2,864.81</b>	<b>3,282.02</b>

**Notes:**

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

As per our report of even date annexed,

For PSDY & ASSOCIATES  
 Chartered Accountants  
 Firm Registration Number : 010625S

sd/-  
**(VIKRAM SINGHVI)**  
 Partner  
 Membership No. 227334

For and on behalf of the Board

sd/-  
**AKHIL PALIWAL**  
 Company Secretary  
 M.No.A61761

sd/-  
**G.N. SARAF**  
 Chairman  
 DIN: 00007320

sd/-  
**P.RAMALINGA SRINIVASAN**  
 Chief Financial Officer

sd/-  
**RAJESH KUMAR SARAF**  
 Managing Director  
 DIN: 00007353

Place : Chennai  
 Date : 29.05.2023

**NATIONAL OXYGEN LIMITED**  
 Door No. S-1,Alsa Mall, No.4, (Old No.149) Montieth Road, Egmore Chennai - 600 008  
 Tamil Nadu, India  
 CIN : L24111TN1974PLC006819

**Statement of Changes in Equity as at 31st March, 2023**

**A. Equity Share Capital :**

a) Particulars	Note No.	Numbers	Rs. in Lakhs
Equity Shares outstanding as at 1st April, 2021	14	4,802,271	480.23
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance as at 1st April, 2021		4,802,271	480.23
Changes in Equity Share Capital		-	-
Equity Shares outstanding as at 31st March, 2022		4,802,271	480.23
Changes in Equity Share Capital due to prior period errors		-	-
Restated balance as at 1st April, 2022		4,802,271	480.23
Changes in Equity Share Capital		-	-
Equity Shares outstanding as at 31st March, 2023		<b>4,802,271</b>	<b>480.23</b>

**B. Other Equity :**

Particulars	Reserves & Surplus				Other Comprehensive Income	Equity Component of Compounding Financial Instrument	Total -Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings			
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs		Rs. in Lakhs
<b>Balance as at 1st April, 2021</b>	40.00	778.39	499.73	(2,565.49)	6.45	1,200.00	(40.92)
Profit/ (Loss) for the year	-	-	-	762.74			762.74
Remeasurement of Gain / (Loss)					0.47		0.47
Compulsorily Convertible Preference Shares (CCPS) issued during the year						(1,200.00)	(1,200.00)
<b>Balance as at 31st March, 2022</b>	<b>40.00</b>	<b>778.39</b>	<b>499.73</b>	<b>(1,802.75)</b>	<b>6.92</b>	<b>-</b>	<b>(477.72)</b>
<b>Balance as at 1st April, 2022</b>	40.00	778.39	499.73	(1,802.75)	6.92	-	(477.71)
Profit/ (Loss) for the year				(79.09)			(79.09)
Remeasurement of Gain / (Loss)					15.68		15.68
Variation of terms of Compulsorily Convertible Preference Shares to Redeemable Preference shares (Refer Note 15(vi))							-
<b>Balance as at 31st March, 2023</b>	<b>40.00</b>	<b>778.39</b>	<b>499.73</b>	<b>(1,881.84)</b>	<b>22.59</b>	<b>-</b>	<b>(541.12)</b>

As per our report of even date annexed,  
 For PSDY & Associates  
 Chartered Accountants  
 Firm Registration 010625S

For and on behalf of the Board

sd/-  
 (VIKRAM SINGHVI)  
 Partner  
 Membership No. 227334

sd/-  
 AKHIL PALIWAL  
 Company Secretary  
 M.No.A61761

sd/-  
 G.N. SARAF  
 Director  
 DIN: 00007320

Place : Chennai  
 Date : 29.05.2023

sd/-  
 P.RAMALINGA SRINIVASAN  
 Chief Financial Officer

sd/-  
 RAJESH KUMAR SARAF  
 Managing Director  
 DIN: 00007353

# NATIONAL OXYGEN LIMITED

## Notes to the Financial Statements

### Corporate information:

National Oxygen Limited (CIN : L24111TN1974PLC006819) is a Listed company domiciled in India and was incorporated on 23rd December, 1974 and is governed under the Companies Act, 2013. The company is primarily engaged in manufacturing of Industrial Gases .  
The financial statements of the Company for the year ended 31st March, 2023 were authorised for issue by the Board of Directors at their meeting held on 29th May, 2023.

### SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF ACCOUNTING

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

#### Basis of Preparation :

##### a) Compliance with Ind AS:

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

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. The Company has prepared these Financial Statements as per the format prescribed in Schedule III to the Companies Act, 2013.

##### b) Historical cost convention :

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

#### Use of judgements and estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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

- Measurement of defined benefit obligations;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Provision and employee liability for litigation

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

The MCA has not notified any new Accounting Standards / amendments to existing Accounting Standards which are issued but not yet effective up to the date of issuance of the Company's Financial Statements, to the extent applicable to the company.

### Significant Accounting Policies

#### A PROPERTY PLANT & EQUIPMENT:

a) Property, Plant & Equipments are stated at cost net of cenvat, value added tax, goods and service Tax etc, depreciation and impairment. Cost of acquisition includes duties, taxes, incidental expenses, erection and commissioning expenses and interest etc. upto the date the asset is ready for its intended use.

b) The Carrying amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external-internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital. Based on the review, the management concluded that there was no indication of any impairment as at the Balance Sheet date.

c) The estimated useful lives are as mentioned below:

Type of Asset	Useful Lives
Buildings	5 - 60 years
Leasehold improvements	Lease term
Plant and equipment	10 - 15 years
Computer equipment	3 years
Vehicles	8 - 10 years
Office equipment	3 - 15 years
Furniture and fixtures	10 years

**NATIONAL OXYGEN LIMITED**  
**Notes to the Financial Statements**

**B DEPRECIATION:**

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

**C INTANGIBLE ASSETS :**

- a) Intangible Assets are stated at cost less accumulated amortization and impairment, if any
- b) Intangible assets are amortised on a straight-line basis over the period of its economic useful life. Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.
- c) Following table summarises the nature of intangibles and their estimated useful lives:

Type of asset	Useful Lives
Software	6 years

**D INVESTMENTS :**

- a) Quoted/ Unquoted Long term Investments are stated at cost unless there is a decline, other than temporary, in the value thereof, which is duly provided for in the Accounts.
- b) Current quoted investments are stated at lower of cost or market value on individual investment basis.

**E FINANCIAL ASSETS:**

**Classification:**

The Investments and other financial assets have been classified as per Company's business model for managing the financial assets and the contractual terms of the cash flows.

**Measurement :**

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

**Equity Instruments:**

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

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

**Impairment of financial assets :**

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

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

**Derecognition of financial assets :**

A financial asset is derecognised only when :

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

**F INVENTORIES:**

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

**G LEASES :**

The Company's lease asset classes primarily consist of leases for buildings, furniture & fixtures and vehicles. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially of the economic benefits from use of the asset throughout the period of the lease and (3) the company has the right to direct the use of the asset throughout the period of use.

## NATIONAL OXYGEN LIMITED

### Notes to the Financial Statements

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### H FOREIGN CURRENCY TRANSACTIONS:

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

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

#### I EMPLOYEE BENEFITS:

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

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

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

#### J REVENUE RECOGNITION :

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018 , whereby the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

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

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

The specific recognition criteria for revenue recognition are as follows:

##### **i) Sale of goods**

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions.

As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

##### **ii) Interest Income**

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

**NATIONAL OXYGEN LIMITED**  
**Notes to the Financial Statements**

**K BORROWING COSTS :**

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

**L TAXES ON INCOME :**

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

b) Deferred Tax is provided using the Liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**M EARNINGS PER SHARE :**

**Basic earnings per share:**

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

**Diluted earnings per share:**

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

**N PROVISIONS :**

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

**O CONTINGENT LIABILITIES:**

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

**P FAIR VALUE :**

**Fair Value Hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- i) **Level 1** — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii) **Level 2** — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- iii) **Level 3** — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.



**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

**2 Property Plant & Equipment**

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

(Rs. in Lakhs)

Property Plant & Equipment	Freehold Land	Buildings	Plant and Equipment	Furniture & Office Equipment	Cylinders	Vehicles	ROU Assets - Leasehold Land & Building	Total
<b>Gross Carrying Amount</b>								
Cost as at April 1, 2021	23.08	825.13	4,943.24	97.35	588.70	131.98	84.29	6,693.77
Additions	-	8.75	79.63	9.14	-	-	-	97.51
Disposals / Adjustments	-	-	-	-	405.41	12.50	-	417.90
<b>As at 31st March, 2022</b>	<b>23.08</b>	<b>833.87</b>	<b>5,022.87</b>	<b>106.49</b>	<b>183.29</b>	<b>119.49</b>	<b>84.29</b>	<b>6,373.38</b>
Additions	-	-	70.15	1.42	-	-	35.38	106.94
Disposals / Adjustments	-	-	-	-	-	-	-	-
<b>As at 31st March, 2023</b>	<b>23.08</b>	<b>833.87</b>	<b>5,093.02</b>	<b>107.90</b>	<b>183.29</b>	<b>119.49</b>	<b>119.66</b>	<b>6,480.32</b>
<b>Accumulated Depreciation</b>								
As at April 1, 2021	-	289.56	3,098.15	86.85	490.38	44.32	36.32	4,045.58
Additions	-	22.64	254.79	3.82	11.46	11.56	4.59	308.86
Disposals / Adjustments	-	-	-	-	393.09	11.87	-	404.96
<b>As at 31st March, 2022</b>	<b>-</b>	<b>312.20</b>	<b>3,352.94</b>	<b>90.67</b>	<b>108.75</b>	<b>44.01</b>	<b>40.91</b>	<b>3,949.48</b>
Additions	-	23.76	260.77	4.27	10.84	11.51	14.94	326.10
Disposals / Adjustments	-	-	-	-	-	-	-	-
<b>As at 31st March, 2023</b>	<b>-</b>	<b>335.96</b>	<b>3,613.71</b>	<b>94.95</b>	<b>119.58</b>	<b>55.52</b>	<b>55.85</b>	<b>4,275.58</b>
<b>Net Carrying Amount</b>								
<b>As at 31st March, 2022</b>	<b>23.08</b>	<b>521.67</b>	<b>1,669.93</b>	<b>15.81</b>	<b>74.54</b>	<b>75.48</b>	<b>43.38</b>	<b>2,423.89</b>
<b>As at 31st March, 2023</b>	<b>23.08</b>	<b>497.91</b>	<b>1,479.31</b>	<b>12.96</b>	<b>63.71</b>	<b>63.97</b>	<b>63.82</b>	<b>2,204.74</b>

Note 1 : Plant & Equipment includes Spares having gross value of Rs.122.30 Lakhs, capitalised in accordance with the Indian Accounting Standard (Ind AS-16) .

Note 2 : The title deeds of all immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.

**3 Capital Work-in-Progress**

Capital Work-in-Progress - Property Plant & Equipment  
Year ended 31st March, 2023

	Tangible Assets (Rs. in Lakhs)
Cost as at April 1, 2021	6.38
Additions	-
Less: Capitalised	6.38
<b>As at 31st March, 2022</b>	<b>-</b>
Additions	13.93
Less: Capitalised	-
<b>As at 31st March, 2023</b>	<b>13.93</b>

CWIP ageing schedule as on 31st March 2023

	Amount in CWIP for a period of				As at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	31st March, 2023
Projects in progress	13.93	-	-	-	13.93
Projects temporarily Suspended	-	-	-	-	-

CWIP ageing schedule as on 31st March 2022

	Amount in CWIP for a period of				As at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	31st March, 2022
Projects in progress	-	-	-	-	-
Projects temporarily Suspended	-	-	-	-	-

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

**4 Intangible Assets**

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

Year ended 31st March,2023

(Rs. in Lakhs)

<b>Gross Carrying Amount</b>	
Cost as at April 1, 2021	33.64
Additions	3.74
Disposals / Adjustments	-
<b>As at 31st March,22</b>	<b>37.38</b>
Additions	-
Disposals / Adjustments	-
<b>As at 31st March,2023</b>	<b>37.38</b>
<b>Amortization</b>	
As at April 1, 2021	33.62
Additions	0.59
Disposals	-
<b>As at 31st March,22</b>	<b>34.22</b>
Additions	0.59
Disposals	-
<b>As at 31st March,2023</b>	<b>34.81</b>
<b>Net Carrying Amount</b>	
As at 31st March,2022	3.16
As at 31st March,2023	2.57

**5 Investments**

	Face value per Unit Fully paid up (Rs.)	As at 31st March, 2023 Nos.	As at 31st March, 2022 Nos.	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
<b>Investments - Other than Trade</b>					
<b>i. Investments in Equity Instruments</b>					
<b>Unquoted:</b>					
TCP Limited	100	470	470	0.37	0.47
Pondicherry Agro Foods Pvt Ltd	10	18000	9000	5.07	0.90
Cauvery Power Trading Chennai Pvt Ltd	10	-	100000	0.00	10.00
OPG Power Generation Pvt Ltd	10	-	82300	0.00	8.74
				5.44	20.11
<b>ii. Investments in Government Securities</b>					
<b>Unquoted:</b>					
National Savings Certificate				0.05	0.05
				0.05	0.05
				5.49	20.16
Less: Impairment of Investments				-	(10.00)
Aggregate amount of Unquoted Investments				<b>5.49</b>	<b>10.16</b>

<b>Investments designated at fair value through OCI</b>	<b>As at March 31, 2023 (Rs. in Lakhs)</b>	<b>As at March 31, 2022 (Rs. in Lakhs)</b>
Fully paid equity shares (unquoted)		
TCP Limited	0.37	0.47
Pondicherry Agro Foods Pvt Ltd	5.07	0.90

Reconciliation of Level 3 fair value measurement of financial assets is as follows:

<b>Particulars</b>	<b>As at March 31, 2023 (Rs. in Lakhs)</b>	<b>As at March 31, 2022 (Rs. in Lakhs)</b>
Balance at the beginning of the year	10.16	20.16
Fair value changes in investments (Gain)	4.07	-
Impairment in value of investments	-	(10.00)
Sale of Investments ( OPG Power Generation Pvt Ltd )	(8.74)	-
<b>Balance at the end of the year</b>	<b>5.49</b>	<b>10.16</b>

The Investments include investment in Equity Shares of other entities. All such investments are classified in Level 3 of the Fair Value Hierarchy. The Fair Value of these investments have been computed based on the Book Value of the shares as per the most recent Standalone Financial Statements available.

Bonus Shares were issued by Pondicherry Agro Foods Pvt. Ltd. In the preceding years the effect of the same is given as on date.9000 Bonus shares were issued to the company in the ratio 1:1.

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

		As at 31st March, 2023	As at 31st March, 2022					
		(Rs. in Lakhs)	(Rs. in Lakhs)					
<b>6</b>	<b>Other financial Assets</b>							
	Unsecured, Considered Good							
	Security Deposits	186.60	128.00					
		<b>186.60</b>	<b>128.00</b>					
<b>7</b>	<b>Inventories:</b>							
	Raw Materials	4.28	22.45					
	Finished Goods	40.61	27.59					
	Stores and Spares	67.32	38.93					
		<b>112.21</b>	<b>88.97</b>					
<b>8</b>	<b>Trade Receivables:</b>							
	Unsecured, Considered Good	533.89	504.40					
	Trade Receivables which has significant increase in Credit Risk	-	-					
	Trade Receivable -Credit Impaired	90.85	96.59					
		<b>624.74</b>	<b>600.98</b>					
	<b>Less: Impairment Allowance (Allowance for Bad and Doubtful Debts)</b>							
	Unsecured, Considered Good	-	-					
	Trade Receivables which has significant increase in Credit Risk	-	-					
	Trade Receivable -Credit Impaired	(90.85)	(96.59)					
	<b>Total Trade Receivables</b>	<b>533.89</b>	<b>504.40</b>					
<b>Ageing analysis of Trade Receivables :</b>								
<b>As on 31st March 2023</b>								
Sl. No	Particulars	Not Due	Outstanding for following periods from due date of					Total
			Less than 6 months	6 months- 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	<b>Undisputed Trade Receivables :</b>							
	i) considered good	402.61	131.28	-	-	-	-	533.89
	ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
	iii) Credit impaired	-	21.98	8.44	20.71	4.81	32.54	88.48
2	<b>Disputed Trade Receivables :</b>							
	i) considered good	-	-	-	-	-	-	-
	ii) which have significant increase in credit risk	-	-	-	-	-	-	-
	iii) credit impaired	-	-	-	-	0.85	1.52	2.37
	<b>Total Trade Receivables (Gross)</b>	<b>402.61</b>	<b>153.26</b>	<b>8.44</b>	<b>20.71</b>	<b>5.66</b>	<b>34.06</b>	<b>624.74</b>
	Less: Allowance for Bad and Doubtful Debts							(90.85)
	<b>Total Trade Receivables (Net)</b>							<b>533.89</b>
<b>As on 31st March 2022</b>								
Sl. No	Particulars	Not Due	Outstanding for following periods from due date of					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
1	<b>Undisputed Trade Receivables :</b>							
	i) considered good	299.94	182.54	21.93	-	-	-	504.40
	ii) which have significant increase in credit risk	-	-	-	-	-	-	-
	iii) Credit impaired	7.69	14.80	21.43	7.75	10.54	32.74	94.95
2	<b>Disputed Trade Receivables :</b>							
	i) considered good	-	-	-	-	-	-	-
	ii) which have significant increase in credit risk	-	-	-	-	-	-	-
	iii) credit impaired	-	-	-	-	-	1.64	1.64
	<b>Total Trade Receivables (Gross)</b>	<b>307.63</b>	<b>197.34</b>	<b>43.35</b>	<b>7.75</b>	<b>10.54</b>	<b>34.38</b>	<b>600.99</b>
	Less: Allowance for Bad and Doubtful Debts							(96.59)
	<b>Total Trade Receivables (Net)</b>							<b>504.40</b>
* As a matter of prudence, management has maintained higher allowance for Bad and doubtful debts								

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

	As at 31st March, 2023 (Rs. in Lakhs)	As at 31st March, 2022 (Rs. in Lakhs)
	<b>9 Cash and Cash Equivalents</b>	
<b>Cash and Bank Balances:</b>		
Balance with Banks:		
Current Accounts	173.18	532.85
Margin Money Deposit Accounts	41.30	112.84
Cash on hand	0.34	1.32
	<b>214.82</b>	<b>647.02</b>
<b>10 Other Financial Assets</b>		
Deposit with Government Departments and Others	59.35	67.57
Advance to Suppliers and Others	72.51	16.70
	<b>131.86</b>	<b>84.27</b>
<b>11 Current Tax Assets (Net)</b>		
Advance Income Tax & TDS (net of provision)	19.58	13.98
	<b>19.58</b>	<b>13.98</b>
<b>12 Other Current Assets</b>		
Interest Accrued on Deposits	42.31	57.14
Other Current Assets	22.95	19.31
	<b>65.27</b>	<b>76.45</b>
<b>13 Share Capital</b>		
<b>Authorized Share Capital</b>	<b>Equity Share Capital</b>	
	<b>Numbers</b>	<b>Rs in Lakhs</b>
<b>Equity shares of Rs.10 each, Preference shares of Rs.100.30 each</b>		
As at 01-04-2021	5,000,000	500.00
Increase during the year	-	-
As at 31-03-2022	<b>5,000,000</b>	<b>500.00</b>
Increase during the year	-	-
As at 31-03-2023	<b>5,000,000</b>	<b>500.00</b>
<b>Issued capital</b>	<b>Equity Share Capital</b>	
	<b>Numbers</b>	<b>Rs in Lakhs</b>
<b>Equity shares of Rs.10 each, Preference shares of Rs.100.30 each</b>		
As at 01-04-2021	4,802,271	480.23
Increase during the year	-	-
As at 31-03-2022	<b>4,802,271</b>	<b>480.23</b>
Increase during the year	-	-
As at 31-03-2023	<b>4,802,271</b>	<b>480.23</b>
* Refer Note b (ii) below		
<b>Subscribed and Paid up Equity Share capital</b>	<b>Numbers</b>	<b>Rs in Lakhs</b>
<b>Equity shares of Rs.10 each (Fully paid up)</b>		
As at 01-04-2021	4,802,271	480.23
Increase during the year	-	-
As at 31-03-2022	<b>4,802,271</b>	<b>480.23</b>
Increase during the year	-	-
As at 31-03-2023	<b>4,802,271</b>	<b>480.23</b>
<b>a) Movement in Equity Share Capital</b>	<b>Equity Share Capital</b>	
	<b>Numbers</b>	<b>Rs in Lakhs</b>
Shares outstanding as at 01-04-2021	4,802,271	480.23
Changes in Equity Share Capital	-	-
Shares outstanding as at 31-03-2022	<b>4,802,271</b>	<b>480.23</b>
Changes in Equity Share Capital	-	-
Shares outstanding at 31-03-2023	<b>4,802,271</b>	<b>480.23</b>

**NATIONAL OXYGEN LIMITED**  
**Notes to the Financial Statements (Contd..)**

b) i) The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

ii) The Company has issued 8.25% Non Cumulative Compulsory Convertible Preference shares (CCPS) which shall hold preferential right to Dividend and shall rank pari passu with existing equity shares upon conversion. These CCPS have been issued by way of conversion of a portion of outstanding Loan amount due to Loan creditors. On 11th February 2022, based on the written consent of the CCPS Shareholder and necessary approvals, the Company has varied the terms of the CCPS and converted it into 1196410 Nos. 8.25% Non Convertible Redeemable preference shares (RPS) amounting to Rs.1200 Lakhs. The RPS are redeemable within a period not exceeding 20 years with a liberty to redeem at every 5 years at the option of the Company. The RPS have been reclassified as financial liability (Borrowings-Non Current) as per Ind AS 32 - Refer note - 13.

c) **Details of Equity shareholders holding more than 5 % shares of the Company as on reporting date are given below:**

Name of Equity shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Rajesh Kumar Saraf	1,070,081	22.28%	1,070,081	22.28%
2. Gajanand Saraf	508,727	10.59%	508,727	10.59%
3. Sarita Saraf	501,809	10.45%	501,809	10.45%
4. Saraf Housing Development Pvt.Ltd.	252,885	5.27%	252,885	5.27%

**Detail of \* Compulsory Convertible Preference shareholders (CCPS) holding more than 5 % shares of the Company as on reporting date are given below:**

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Saraf Housing Development Pvt Ltd	-	-	-	-

**Detail of \* Redeemable Preference shareholders holding more than 5 % shares of the Company as on reporting date are given below:**

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Saraf Housing Development Pvt Ltd	1,196,410	100%	1,196,410	100%

\* Terms of CCPS varied and converted into Redeemable Preference shares w.e.f. 11th February 2022

d) **Details of Promoters Share holding as on reporting date are given below:**

Sl. No.	Name of Equity shareholder	Shares held by promoters at the end of the year				% Change during the year
		As at 31st March, 2023		As at 31st March, 2022		
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
1	Rajesh Kumar Saraf	1,070,081	22.28%	1,070,081	22.28%	-
2	Gajanand Saraf	508,727	10.59%	508,727	10.59%	-
3	Sarita Saraf	501,809	10.45%	501,809	10.45%	-
4	Saraf Housing Development Pvt Ltd	252,885	5.27%	252,885	5.27%	-
5	Gajanand Saraf (SHUF)	229,555	4.78%	229,555	4.78%	-
6	Gajanand Saraf (BHUF)	199,326	4.15%	199,326	4.15%	-
7	East Coast Acetylene Private Limited	184,346	3.84%	184,346	3.84%	-
8	Pondicherry Agro Foods Private Limited	161,825	3.37%	161,825	3.37%	-
9	Rajesh Kumar Saraf (HUF)	134,338	2.80%	134,338	2.80%	-
10	Mamta Gupta	62,784	1.31%	62,784	1.31%	-
11	Banita Agarwal .	33,600	0.70%	33,600	0.70%	-
12	Savita Kainya	21,000	0.44%	21,000	0.44%	-
13	Arun Kumar Kainya	900	0.02%	900	0.02%	-
		3,361,176	69.99%	3,361,176	69.99%	

e) The Company has neither bought back any shares nor issued any bonus shares during five years immediately preceding the Balance Sheet date.

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

	As at 31st March, 2023	As at 31st March, 2022
	Rs. in Lakhs	Rs. in Lakhs
<b>14 Other Equity :</b>		
<u>Capital Reserve</u>		
As per last Account	40.00	40.00
	40.00	40.00
<u>Securities Premium Account</u>		
As per last Account	778.39	778.39
	778.39	778.39
<u>General Reserve</u>		
As per last Account	499.73	499.73
Add: Transfer from Statement of Profit & Loss	-	-
	499.73	499.73
<u>Retained Earnings</u>		
Opening Balance	(1,802.75)	(2,565.49)
Add: Profit/ (Loss) for the year	(79.08)	762.74
	(1,881.83)	(1,802.75)
<u>Other Comprehensive Income</u>		
Opening Balance	5.97	6.44
Fair Value gain on Investment	4.07	-
Finance cost for Lease - Previous year	(2.69)	-
Remeasurement of Post employment benefit obligations net of tax	(17.06)	(0.47)
	(9.70)	5.97
<b>Sub total</b>	<b>(573.41)</b>	<b>(478.65)</b>
<u>Equity Component of Compounding Financial Instruments</u>		
8.25% Compulsorily Convertible Preference Shares (CCPS) of Rs.100.30 each fully paid up	-	1,200.00
Less: Variation in terms from CCPS to Redeemable Preference Shares (Refer Note vi below)	-	(1,200.00)
<b>Total Other Equity</b>	<b>(573.41)</b>	<b>(478.65)</b>
(i) <u>Capital reserve</u>		
Capital Reserve represents amount set aside for specific purpose of capital nature and is not a free reserve available for distribution.		
(ii) <u>General reserve</u>		
Represents accumulated profits set apart by way of transfer from current year Profits or/and Retained Earnings. General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.		
(iii) <u>Securities Premium</u>		
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.		
(iv) <u>Retained Earnings</u>		
Retained Earnings represents the accumulated available profit / (Loss) of the Company including the amounts carried forward from earlier years . These reserve are free reserves which can be utilised for any purpose as may be required.		
(v) <u>Other Comprehensive Income</u>		
Other Comprehensive Income is created in compliance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.		
(vi) <u>Compulsory Convertible Preference shares (CCPS)</u>		
The Company has issued 8.25% Non Cumulative Compulsory Convertible Preference shares (CCPS) which shall hold preferential right to Dividend and shall rank pari passu with existing equity shares upon conversion. The Equity component of the CCPS has been disclosed as Other Equity.		
On 11th February 2022, based on the written consent of the CCPS Shareholder, the Company has varied the terms of the CCPS and converted it into 1196410 Nos. 8.25% Non Convertible Redeemable preference shares amounting to Rs.1200 Lakhs . The Redeemable Preference shares are redeemable within a period not exceeding 20 years with a liberty to redeem at every 5 years at the option of the Company. The Redeemable Preference Shares have been reclassified as financial liability (Borrowings-Non Current) as per Ind AS 32 - Refer note - 15.		

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

		As at 31st March, 2023	As at 31st March, 2022
		Rs. in Lakhs	Rs. in Lakhs
<b>15</b>	<b>Borrowings - Non Current :</b>		
	<b>Secured</b>		
	Term Loans:		
	From Banks	1,202.84	1,399.69
	Less: Current Portion disclosed under short term borrowings	221.93	245.26
		980.92	1,154.43
	Overdraft from Bank against Tangible Collateral Security (OD TCS)	-	-
	Less Current Portion disclosed under current liabilities	-	-
		-	-
		980.92	1,154.43
	<b>Unsecured</b>		
	<b>Preference Shares :</b>		
	11,96,410 8.25% Non Convertible Redeemable Preference Shares (Refer Note 14(vi) above)	1,200.00	1,200.00
		1,200.00	1,200.00
	Inter Corporate Deposits from Related parties	475.16	682.33
		475.16	682.33
		<b>2,656.08</b>	<b>3,036.76</b>
	(a) Nature of security for secured borrowings are given below:		
	(i) The Term Loan Of Rs.1100 Lakhs from Bank is secured by first and exclusive Equitable Mortgage of Freehold Land & Building situated at Trichy and Puducherry and Leasehold land and building situated at Erode, and further secured by way of second charge on all existing and future receivables, current assets, inventories and moveable assets of the Company, present and future, and guaranteed by the Chairman and the Managing Director of the Company.		
	The Term Loan is repayable in 96 equated monthly instalments of Rs.1100 Lakhs each and the rate of interest is 7.5% p.a.		
	(ii) The Working Capital Term Loan (WCTL) under Guaranteed Emergency Credit Line (GECL) is secured by way of extension of charge on entire present and future current assets of the Company and second charge on Fixed Assets of the Company and guaranteed by the Chairman and Managing Director of the Company		
	The WCTL under ECLGS Scheme is repayable in 28 monthly instalments of Rs.2.46 Crores starting from June 2022 and the rate of interest is @ 7.5% p.a.		
	(iii) Vehicle Loans availed are secured by hypothecation of the respective vehicles		
<b>16</b>	<b>Lease Liability</b>		
	Lease Liability	17.37	-
	Lease contracts entered by the Company majorly pertains to Land and Buildings taken on lease to conduct its business in the ordinary course. Interest on lease liabilities is Rs. 3.36 Lakhs for the year ended March 31, 2023. The Company incurred Rs.18 Lakhs for the year ended March 31, 2023 towards expenses relating to short-term leases. The total cash outflow for leases is Rs. 31.20 Lakhs for the year ended March 31, 2023 out of which Rs. 18Lakhs relates to short-term lease payments.		
		<b>17.37</b>	<b>0.00</b>
<b>17</b>	<b>Other Financial Liabilities</b>		
	Trade Deposits	127.88	139.42
		<b>127.88</b>	<b>139.42</b>

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd.)

	As at 31st March, 2023	As at 31st March, 2022
	Rs. in Lakhs	Rs. in Lakhs
<b>18 Deferred Tax Liabilities (Net) :</b>		
Deferred Tax Liabilities- (Asset) (Net) (**)	-	-
	-	-
(**) As a matter of Prudence, deferred tax asset has not been recognized in the financial statements		
<b>19 Provisions-Non Current</b>		
Provision for Employee Benefits	68.21	68.22
	<b>68.21</b>	<b>68.22</b>
<b>20 Borrowings - Current :</b>		
<b>Secured</b>		
Loans repayable on demand		
From Banks	-	-
Current maturities of long-term borrowings	221.93	245.26
	<b>221.93</b>	<b>245.26</b>
(a). Nature of security for secured borrowings are given below:		
i) Cash Credit Loan from Bank is secured by way of first and exclusive hypothecation charge on all existing and future receivables, current assets, inventories and moveable assets of the Company and second charge on Fixed Assets of the Company and guaranteed by the Chairman and Managing Director of the Company		
<b>21 Lease Liability</b>		
Lease Liability	10.87	-
	<b>10.87</b>	-
<b>22 Trade Payables :</b>		
- Total outstanding dues of micro and small enterprises	22.31	-
- Total outstanding dues of creditors other than to micro and small enterprises	300.20	325.22
	<b>322.51</b>	<b>325.22</b>

**Trade Payable ageing Schedule as on 31-March-2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(a) Undisputed Dues - MSME	-	22.31	-	-	-	22.31
(b) Undisputed Dues - Others	281.45	16.01	0.01	-	0.04	297.51
(c) Disputed Dues - MSME	-	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	2.70	2.70
						<b>322.51</b>

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company.

**Trade Payable ageing Schedule as on 31-March-2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(a) Undisputed Dues - MSME	-	-	-	-	-	-
(b) Undisputed Dues - Others	257.48	52.53	0.10	0.04	-	310.15
(c) Disputed Dues - MSME	-	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	2.30	12.77	15.07
						<b>325.22</b>



**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

	As at 31st March, 2023	As at 31st March, 2022
	Rs. in Lakhs	Rs. in Lakhs
<b>23 Other Current Financial Liabilities :</b>		
Statutory dues Payables	73.08	67.49
Other Liabilities	47.38	67.30
	<b>120.46</b>	<b>134.79</b>
<b>24 Other Current Liabilities :</b>		
Advance from customers	9.69	19.38
	<b>9.69</b>	<b>19.38</b>
<b>25 Provisions</b>		
Employee Benefits	29.15	9.69
	<b>29.15</b>	<b>9.69</b>
<b>26 Revenue from Operations:</b>		
a) Sale of Products		
Sale of Industrial Gases	4,477.37	4,947.48
Sales of other products	5.58	7.28
	4,482.95	4,954.76
b) Sale of Services		
Cylinder holding charges collected	34.79	105.97
Transport charges collected	193.58	-
Net Revenue from Operations	<b>4,711.32</b>	<b>5,060.73</b>
<b>A) Nature of goods and services</b>		
The following is a description of principal activities separated by reportable segments from which the Company generates its revenue		
a) The Company is engaged in the manufacturing and trading of Industrial Gases and primarily generates revenue from the sale of Industrial Gases and the same is only the reportable segment of the Company.		
<b>B) Disaggregation of revenue</b>		
In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition		
<b>i) Primary Geographical Markets</b>		
Within India	4,711.32	5,060.73
Outside India	-	-
<b>Total</b>	<b>4,711.32</b>	<b>5,060.73</b>
<b>ii) Major Products</b>		
Industrial Gases	4,477.37	4,947.48
Others	233.95	113.25
<b>Total</b>	<b>4,711.32</b>	<b>5,060.73</b>
<b>iii) Timing of Revenue</b>		
At a point in time	4,711.32	5,060.73
Over time	-	-
<b>Total</b>	<b>4,711.32</b>	<b>5,060.73</b>
<b>iv) Contract Duration</b>		
Long Term	-	-
Short Term	4,711.32	5,060.73
<b>Total</b>	<b>4,711.32</b>	<b>5,060.73</b>
In terms of the requirement of Ind As -115, revenue is recognized net of discounts, sales returns and Goods and Service Tax.		
<b>27 Other Income:</b>		
Interest Income		
On Deposits etc (a)	14.97	11.81
Gain- (Loss) on foreign currency transactions and translation (Net)	0.18	0.41
Profit- (Loss) on Fixed Assets sold/ discarded (Net)	-	109.77
Liabilities and Provisions no longer required written back	23.93	0.55
Miscellaneous Receipts and Claims	19.67	21.37
	<b>58.75</b>	<b>143.92</b>

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

	As at 31st March, 2023	As at 31st March, 2022
	Rs. in Lakhs	Rs. in Lakhs
<b>28 Cost of Materials Consumed:</b>		
Opening Stock	22.45	14.03
Add: Purchases	48.05	114.95
	59.82	116.99
Less: Closing Stock	4.28	22.45
	<b>55.55</b>	<b>94.53</b>
<b>Details of Raw Materials Consumed</b>		
Calcium Carbide	55.55	94.53
Others	-	-
<b>29 Changes in Inventories:</b>		
<b>Opening Inventories</b>		
Finished Goods	27.59	16.86
<b>Less: Closing Inventories</b>		
Finished Goods	40.61	27.59
	<b>(13.02)</b>	<b>(10.73)</b>
<b>30 Employee Benefits Expenses:</b>		
Salaries and Wages	319.96	316.30
Contribution to Provident and other Funds	19.17	17.36
Employees Welfare Expenses	14.80	24.72
	<b>353.93</b>	<b>358.38</b>
<b>31 Power and Fuel:</b>		
Power and Fuel	3,007.14	2,856.03
	<b>3,007.14</b>	<b>2,856.03</b>
<b>32 Other Expenses:</b>		
Consumption of Stores and Spares	144.16	87.83
Repairs to Buildings	21.47	18.87
Repairs to Machinery	69.70	74.87
Rates and Taxes	8.03	7.53
Rent	18.00	31.20
Insurance	17.60	17.75
Auditors' Remuneration - (a)	1.30	1.00
Travelling & Conveyance Expenses	34.08	10.63
Freight and Forwarding Expenses (Net)	478.24	215.78
Bad Debts and Advances written off (Net)	-	18.82
(Gain)/ Loss on Fair Value of Investments	-	10.00
Directors' Remuneration	90.50	63.00
Miscellaneous Expenses	56.61	61.81
	<b>939.69</b>	<b>619.09</b>
(a) Details of Auditors' Remuneration are as follows:		
Statutory Auditors:		
Audit Fees	1.00	1.00
Taxation matters	0.30	-
	<b>1.30</b>	<b>1.00</b>
<b>33 Finance Costs:</b>		
Interest Expenses	152.74	199.39
Other Borrowing Costs	26.45	15.76
	<b>179.19</b>	<b>215.15</b>
<b>34 Depreciation and Amortization Expenses:</b>		
Depreciation	326.10	308.86
Amortization Expenses	0.59	0.59
	<b>326.69</b>	<b>309.45</b>
<b>35 Tax Expenses</b>		
<b>Current Tax</b>		
Current Tax for the year	-	-
	-	-
<b>Deferred Tax</b>		
Deferred Tax for the year	-	-
	-	-

**NATIONAL OXYGEN LIMITED**  
**Notes to the Financial Statements (Contd..)**

**36 Financial risk management objectives and policies**

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

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

**Market risk**

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

**i) Foreign Currency Risk :** Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate

**ii) Interest rate risk :** The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates.

**Credit risk**

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

**Trade receivables**

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

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

(Rs. in Lakhs)

Trade Receivable	0 to 180 days	> 180 days	Total
31st March 2023	555.87	68.87	624.74
31st March 2022	504.97	96.02	600.99

**Liquidity risk**

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

**Maturity profile of Financial liabilities**

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

(Rs. in Lakhs)

Financial Liabilities	Within 12 months	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Total
<b>31st March 2023</b>					
<b>Non Derivatives</b>					
Borrowings	221.93	186.81	875.09	1,594.18	2,878.01
Trade Payables / Trade Deposits	322.51	-	127.88	-	450.39
Other current financial liabilities	120.46	-	-	-	120.46
<b>Total Non derivative Liabilities</b>	<b>664.90</b>	<b>186.81</b>	<b>1,002.97</b>	<b>1,594.18</b>	<b>3,448.86</b>
<b>Derivatives</b>					
Foreign Exchange Forward Contracts	-	-	-	-	-
<b>Total derivative Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31st March 2022</b>					
<b>Non Derivatives</b>					
Borrowings	245.26	254.36	1,101.85	1,680.55	3,282.02
Trade Payables / Trade Deposits	325.22	-	139.42	-	464.63
Other current financial liabilities	134.79	-	-	-	134.79
<b>Total Non derivative Liabilities</b>	<b>705.27</b>	<b>254.36</b>	<b>1,241.26</b>	<b>1,680.55</b>	<b>3,881.44</b>
<b>Derivatives</b>					
Foreign Exchange Forward Contracts	-	-	-	-	-
<b>Total derivative Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**37 Capital management**

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

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

**38 Disclosures required by Ind AS 19 on "Employee Benefits":**

Particulars	2022-2023	2021-2022
	Rs. in Lakhs	Rs. in Lakhs
<b>i) Net employee benefit expense recognized in the employee cost</b>		
Current service cost	4.31	4.10
Net Interest cost / (income) on benefit Liability / (Asset)	5.14	4.60
Expected return on plan assets	-	-
Past Service Cost	-	-
<b>Net actuarial( gain) / loss recognized in the year (Other Comprehensive Income)</b>	<b>17.05</b>	<b>0.47</b>
- change in financial assumptions	(1.21)	(1.54)
- experience variance (i.e. Actual experience vs assumptions)	18.26	2.01
Net benefit expense	<b>26.50</b>	<b>9.17</b>
<b>Benefit asset/ liability</b>		
Present value of defined benefit obligation	97.35	77.91
Fair value of plan assets	-	-
<b>Plan asset / (liability)</b>	<b>97.35</b>	<b>77.91</b>
<b>Current</b>	29.15	9.69
<b>Non Current</b>	68.20	68.22
	<b>97.35</b>	<b>77.91</b>
<b>ii) Changes in the present value of the defined benefit obligation are as follows -</b>		
Opening defined benefit obligation	77.91	72.19
Current service cost	4.31	4.10
Past service cost	-	-
Interest cost	5.14	4.60
Re-measurement of defined benefit obligation (Actuarial (gain) / loss )	17.05	0.47
Benefits paid	(7.06)	(3.45)
Closing defined benefit obligation	<b>97.35</b>	<b>77.91</b>
<b>iii) Changes in the fair value of plan assets are as follows:</b>		
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	7.06	3.45
Benefits paid	(7.06)	(3.45)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	-	-
<b>iv) The principal actuarial assumptions are as follows</b>		
Discount rate	7.16%	6.91%
Salary increase	5.00%	5.00%
Withdrawal Rates	5.00%	5.00%
<b>v) Amount incurred as expense for defined contribution plans</b>		
Contribution to Provident / Pension fund	14.42	12.61
<b>vi) The major categories of plan assets as a percentage of the fair value of total plan asset are as follows:</b>		
Investment with Insurer	-	-
<b>vi) A quantitative sensitivity analysis for significant assumptions is as below:</b>		
Impact on gratuity defined benefit obligation		
<b>Discount rate (-0.5/+0.5)%</b>		
Sensitivity level - Increase	2.45	2.02
Sensitivity level - Decrease	(2.29)	(1.93)

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

	<b>As at 31st</b>	<b>As at 31st</b>
	<b>March, 2023</b>	<b>March, 2022</b>
	Rs. in Lakhs	Rs. in Lakhs
<b>39 Contingent Liabilities and Commitments :</b>		
<b>A. Contingent Liabilities</b>		
(a). Claims against the company not acknowledged as debt:		
Excise Duty / Service Tax	35.42	35.42
Customs Duty	88.24	88.24
Income Tax	148.52	148.52
(b). Outstanding Letters of Credit and Bank Guarantees	413.04	225.38
<b>B. Capital Commitments</b>		
(a). Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
<b>40 Segment Reporting</b>		
<b>Primary Segment Reporting (by Business Segment):</b>		
Segments have been identified in line with the Indian Accounting standard on "Operating Segments" (Ind AS-108), taking into account the organisational structure, risk-return profile of individual business and internal reporting system of the Company. Based on this assessment the company has identified a single reportable primary business segment ie., Industrial Gases. Hence no additional disclosures are required to be given other than those already given in these financial statements.		
	<b>As at 31st</b>	<b>As at 31st</b>
	<b>March, 2023</b>	<b>March, 2022</b>
<b>41 Earning per Share (EPS)</b>		
Profit- (Loss) for the year (Rs. in Lakhs)	(79.08)	762.74
Weighted average number of shares used in the calculation of EPS:		
Weighted average number of Basic Equity Shares outstanding	4,802,271	4,802,271
Weighted average number of Diluted Equity Shares outstanding	4,802,271	4,802,271
Face value of per share (Rs.)	10	10
Basic EPS - Rs. per Equity Share	(1.65)	15.88
Diluted EPS - Rs. per Equity Share	(1.65)	15.88
<b>42 Related Party Disclosures:</b>		
<b>A.</b> Disclosure on Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:		
All the contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis.		
<b>a)</b> Key Management Personnel of the Company :-		
i) Shri. G.N. Saraf	Chairman	
ii) Shri. Rajesh Kumar Saraf	Managing Director	
iii) Smt. Sarita Saraf	Director	
<b>b)</b> Enterprises over which certain Key Management Personnel (K.M.P) exercise significant influence :-		
i) Pondicherry Agro Foods Pvt. Ltd. (PAF)		
ii) ECA Gases LLP (ECA)		
iii) Saraf Housing Development P. Ltd (SHD)		
<b>c)</b> Relatives of Key Management Personnel of the Company		
<b>B.</b> The particulars given above have been identified on the basis of information available with the company.		
	(Rs. in Lakhs)	
	<b>2022-23</b>	<b>2021-22</b>
	Enterprises over which K.M.P exercise significant	Key Management Personnel & their relatives
	Enterprises over which K.M.P exercise significant	Key Management Personnel & their relatives
<b>Transactions for year ended 31st March:</b>		
Sales of Products (Gross)	10.68	-
Purchase of Goods (Gross)	13.39	-
Interest paid	35.99	-
Managerial Remuneration (incl. perquisites)	-	90.91
Director's Sitting Fees	-	-
Rent paid	-	31.20
Issue of Compulsory Convertible Preference Shares (CCPS) *	-	(1,200.00)
Redeemable Preference Shares *	-	1,200.00
*Variation in terms of issue of CCPS w.e.f. 11th Feb'2022 resulting in the CCPS being converted as Redeemable preference shares.		
<b>Outstanding balances as at 31st March:</b>		
Trade Payables & Other Liabilities	-	2.34
Investments	5.07	-
Unsecured Loans received	475.16	-
Redeemable Preference Shares	1,200.00	-

**NATIONAL OXYGEN LIMITED**  
**Notes to the Financial Statements (Contd..)**

		As at 31st March, 2023	As at 31st March, 2022				
		Rs. in Lakhs	Rs. in Lakhs				
<b>C Key Managerial Personnel:</b>							
	Managerial Remuneration (including perquisites) *	90.91	63.22				
	* Excluding gratuity, leave encashment payable						
	Rent paid	-	-				
	Short-term employee benefits						
	Post-employment benefits						
<b>43 Additional Regulatory Information as per the requirements of Revised Schedule III of the Companies Act, 2013</b>	<p>To the best of information of management of the Company, Additional regulatory information required to be given pursuant to Gazette notification for Amendments in Schedule III to Companies Act, 2013 dated 24 March 2021 effective from 01 April 2021 is disclosed wherever applicable. Further, the following disclosures are not applicable to the Company :</p> <p>i) Disclosure on Revaluation of property, plant and equipment and intangible assets from Registered Valuers is not applicable to company.</p> <p>ii) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (us of 1988) an rules made thereunder.</p> <p>iii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.</p> <p>iv) <u>Transactions with Struck off Companies*</u> During the year, the Company has not entered into any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.</p> <p>* based on information available as on the date of reporting.</p> <p>v) The Company does not have any subsidiary, Joint Venture or associate, hence compliance with clause (87) of section 2 and section 186 (1) of the Companies Act, 2013 and Rules made thereunder regarding the number of layers. is not applicable to the company.</p> <p>vi) The Company has not carried out any scheme of arrangement which is approved by regulatory authorities during the year.</p> <p>vii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.</p> <p>viii) There are no transactions recorded in books of account reflecting surrender/ disclosure of income in the assessment under Income Tax Act, 1961.</p> <p>ix) During the year no loans / advances in the nature of Loans have been given to Promoters, Directors, KMP and Related Parties.</p> <p>x) In the opinion of the Management, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether , directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries.</p> <p>xi) In the opinion of the Management, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entity ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.</p>						
<b>44</b>	Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.						
<b>45 Key Ratios:</b>							
	<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>For year ended 31<sup>st</sup> March 2023</b>	<b>For year ended 31<sup>st</sup> March 2022</b>	<b>% Variance</b>	<b>Remarks</b>
	Current ratio	Current Assets	Current Liabilities	1.51	1.93	-21.75%	
	Debt-equity ratio	Total Debt	Shareholder's Equity	(30.89)	2,087.10	-101.48%	The variance in the ratio is due to losses in the current year when compared to profits in previous year
	Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	1.05	5.52	-80.93%	The variance in the ratio is due to losses in the current year when compared to profits in previous year

**NATIONAL OXYGEN LIMITED**  
Notes to the Financial Statements (Contd..)

Particulars	Numerator	Denominator	For year ended 31 <sup>st</sup> March 2023	For year ended 31 <sup>st</sup> March 2022	% Variance	Remarks
Return on equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.43	242.52	-99.82%	The variance in the ratio is due to losses in the current year when compared to profits in previous year
Inventory turnover ratio	Sales	Average inventory =(Opening + Closing balance / 2)	11.71	28.44	-58.83%	The variance in the ratio is due to lower inventory holding period during the year
Trade receivables turnover ratio	Net Credit Sales	Average trade debtors = (Opening + Closing balance / 2)	9.08	20.07	-54.77%	The variance in the ratio is due to lower credit period allowed to debtors.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	10.23	18.81	-45.61%	The variance in the ratio is due to lower credit period allowed by suppliers
Net capital turnover ratio	Net Sales	Working Capital = Current assets minus current liabilities.	12.98	7.43	74.58%	The variance in the ratio is due to efficient working capital management during the year
Net profit ratio	Net profit after tax	Net Sales	-1.68%	15.07%	-111.14%	The variance in the ratio is due to losses in the current year when compared to profits in previous year
Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.04	0.30	-87.93%	The variance in the ratio is due to losses in the current year when compared to profits in previous year

46 Additional information pursuant to paragraphs 5 (viii) of Part II of Schedule III to the Companies Act, 2013 are follows:

A C.I.F. value of imports by the Company

**Raw Materials:**

**As at 31st  
March, 2023**      **As at 31st  
March, 2022**

Calcium Carbide  
Stores & Spares

Rs. in Lakhs      Rs. in Lakhs  
43.84      21.11

B Expenditure in foreign currency during the year:

-      -

C Value of Raw Materials and Stores and Spares consumed during the year :

Raw Materials :

Value (Rs. in Lakhs)      Percentage (%)

Imported  
Indigenous

	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Imported	55.55	0.83	100.00%	0.88%
Indigenous	-	93.70	0.00%	99.12%
	55.55	94.53	100.00%	100.00%

Stores and Spares:  
Imported  
Indigenous

Imported	39.45	8.77	27.37%	9.99%
Indigenous	104.71	79.06	72.63%	90.01%
	144.16	87.83	100.00%	100.00%

47 The previous figure has been reclassified- rearranged - regrouped wherever necessary

As per our report of even date annexed,  
For PSDY & ASSOCIATES  
Chartered Accountants  
Firm Registration Number :010625S

For and on behalf of the Board

sd/-  
AKHIL PALIWAL  
Company Secretary  
M.No.A61761

sd/-  
G.N. SARAF  
Chairman  
DIN: 00007320

sd/-  
(VIKRAM SINGHVI)  
Partner  
Membership No. 227334  
UDIN :  
Date : 29.05.2023  
Place : Chennai

sd/-  
P.RAMALINGA SRINIVASAN  
Chief Financial Officer

sd/-  
RAJESH KUMAR SARAF  
Managing Director  
DIN: 00007353