Waste.Redefined.



Forward-looking statement

This document contains statements about expected future events and financial and operating results of N R Agarwal Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the N R Agarwal Industries Limited Annual Report 2021-22.

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PATIENCE. PLANNING. PROFITABILITY.

At N R Agarwal, we patiently saw through the last two pandemic-affected years.

During this challenging phase, we planned our next decisive expansion.

This expansion will be profitable, capitalising on a number of existing fundamentals.

We believe that the combination of the three P's will enhance value for all those associated with our Company.

WHAT ARE WE

N R Agarwal Industries Limited.

One of the most attractive proxies of the paper industry in India.

The Company has been a prominent paper manufacturer for nearly three decades.

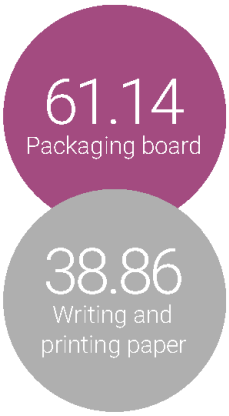
The Company is now making a decisive investment to deepen its presence in the packaging board segment.

This is expected to transform the personality of the Company.

This will validate the attributes of patience and planning leading to profitability.

Product-wise revenue

(as % of overall revenues, FY 2021-22)



Ethos

Our vision

To be recognised as a global manufacturer of innovative paper products to our valued customers

Living our core values

Providing a fair return to our stakeholders.

Our mission

N R Agarwal Industries Limited is committed to achieve highest stakeholder satisfaction by way of technological innovation, cost effectiveness and excellent work culture.

Background

Incorporated in 1993, N R Agarwal Industries Ltd manufactures several types of duplex paper boards, as well as writing and printing paper. With nearly three decades of experience, the Company has been one of India's earliest and leading producers of recycled paper, as well as the largest manufacturer of grey and white back duplex board. The Company is one of India's major producers of waste-paper-based paper and one of the top seven paper companies in terms of size.

Promoters

As of March 31, 2022, the promoters held 1,25,16,998 equity shares, representing 73.55 per cent of the issued, subscribed and paid-up capital.

Product offerings

Duplex board: Quality duplex boards are manufactured by the Company and are suitable for offset printing, embossing and foil stamping. The products are manufactured with a moderated use of heavy metals, ideal for post-print applications and certified by India's Central Food Technology Research Institute.

Writing and printing paper: The Company manufactures writing and printing paper that is respected for brightness, shade stability and smoothness across GSM thicknesses. The products possess high tensile strength and surface qualities suited for multi-colour gravure printing at high speeds.

Competitive advantage

Environment integrity: The Company reduced the use of scarce resources by improving operational efficiency, reducing electricity and water use per ton of manufactured paper. The Company increased water recycling through the installation of a reverse osmosis system.

Infrastructure: The Company operates in a 100 acre industrial plant in Sarigam. By the end of FY 2021-22, 40 acres had been utilised, leaving the Company with large land available for prospective expansion programmes.

Proximity: The Company's production facility is located 165 km from the Mumbai Port, moderating logistics cost related to the import of waste paper and enhancing flexibility in exports to 18 countries.

Products

Portfolio: In the duplex board category, the Company manufactured white back and grey back variations in a wide variety of GSMs to address customer needs. Due to the steady demand for FMCG and medicinal goods, the Company operated its plant at 100% capacity utilisation through the last couple of years. The Company manufactured Surface Size SS and Non-SS maplitho varieties for textbook and publishing applications in the writing and printing market.

Manufacturing

Capacity expansion: The Company steadily increased its paper/board production capacity, addressing the growing needs of customers and strengthening its brand.

Productivity: The Company concentrated on enhancing output from equipment following a series of equipment modernisation programmes. As a result, the Company's equipment has been validated as efficient and competitive.

Location

The Company's headquarters are located in Mumbai. The entire production takes place in Vapi and Sarigam, Gujarat.

Responsibility

The Company is respected for environmental standards, governance, stability and community involvement. The Group's strategic plan includes a consistent focus on responsibility and sustainability.

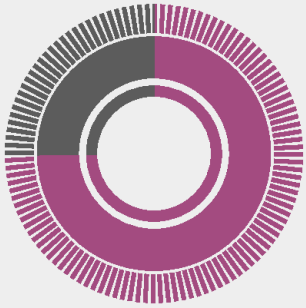
Listing

The Company is listed on the Bombay Stock Exchange and National Stock Exchange where it enjoyed a market capitalisation of ₹453.22 cr as on March 31, 2022.

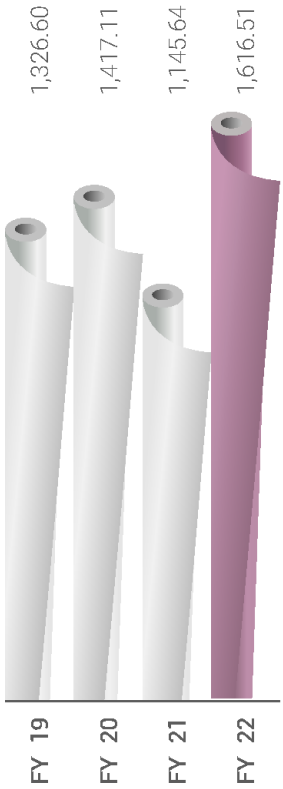
Credit rating

As of March 31, 2022, the Company had been rated A stable by ICRA.

Revenue across the globe, FY 2021-22



Our performance over the years



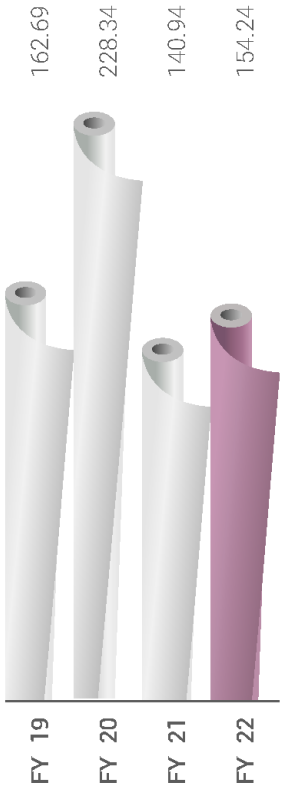
Revenue

(₹ in cr)

Meaning
Revenue is the total income generated from the sale of goods related to the Company's operations.

Importance
Revenue is the value of all sales of goods and services recognised by the Company during a financial year.

Performance
The Company reported ₹1,616.51 cr of revenue in FY 2021-22, which was 41.10% higher than the previous year.



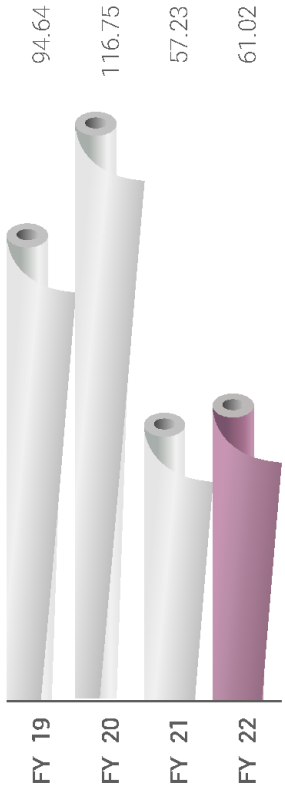
EBITDA

(₹ in cr)

Meaning
EBITDA is an acronym that refers to the earnings of a Company before interest, tax, depreciation and amortisation expenses are deducted.

Importance
Investors use EBITDA as an indicator to measure the profitability and efficiency of a Company and compare it with similar companies.

Performance
The Company reported ₹154.24 cr EBITDA in FY 2021-22, which was 9.43% higher than the previous year.



Profit after tax

(₹ in cr)

Meaning
The amount left after a Company has paid all of its operating and non-operating expenditures, other liabilities, and taxes is known as profit after tax. This profit is either given to the entity's shareholders as dividend or held in reserve as retained profit.

Importance
Profit after tax indicates the actual profit that a Company has generated during a financial year. It indicates the cost structure, business model and overall competitiveness.

Performance
The Company reported ₹61.02 cr of PAT in FY 2021-22, which was 6.63% higher than the previous year.



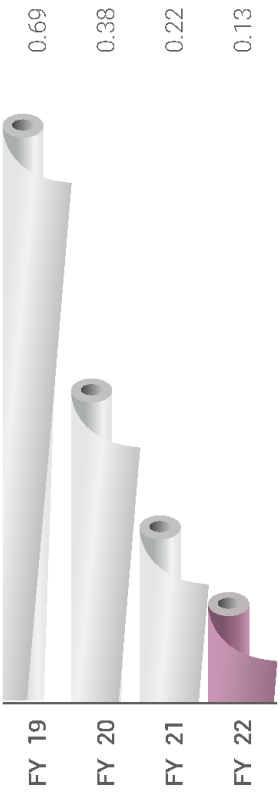
Net profit margin

(%)

Meaning
Net Profit Margin (also known as 'profit margin' or 'net profit margin ratio') is a financial ratio used to calculate the percentage of profit a Company produces from its total revenue.

Importance
It measures the amount of net profit a Company obtains per rupee of revenue gained.

Performance
The Company reported 3.77% of net profit margin in FY 2021-22.



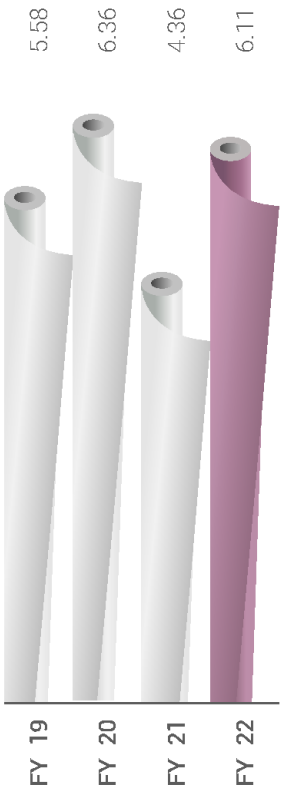
Debt-to-equity ratio

(x)

Meaning
The Debt to Equity ratio (also called the 'debt-equity ratio', 'risk ratio', or 'gearing'), is a leverage ratio that calculates the weight of total debt and financial liabilities against total shareholders' equity.

Importance
This ratio highlights how a Company's capital structure is tilted either toward debt or equity financing.

Performance
The Company reported 0.13 debt to equity ratio at the close of FY 2021-22, which is considered moderate and under-borrowed.



Interest coverage ratio

(x)

Meaning
The Interest Coverage Ratio (ICR) is a financial ratio used to determine how well a Company can pay interest on outstanding debt.

Importance
The interest coverage ratio is commonly used by lenders, creditors and investors to determine the riskiness of lending to the Company.

Performance
The Company reported a safe and attractive interest coverage ratio of 6.11 for FY 2021-22.



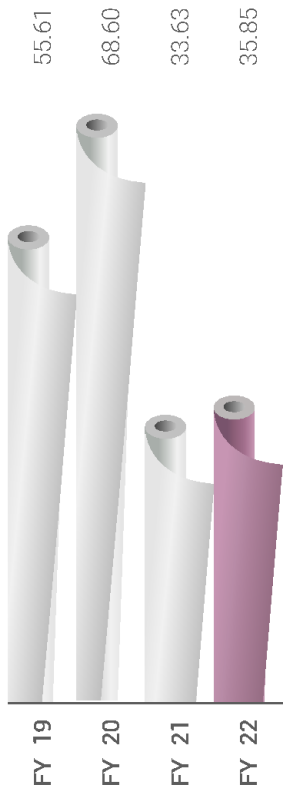
RoCE

(%)

Meaning
Return on Capital Employed (ROCE), a profitability ratio, measures how efficiently a Company is using its capital to generate profits.

Importance
The return on the capital employed metric is considered one of the best profitability ratios and commonly used by investors to determine whether a Company is suitable to invest in or not.

Performance
The Company reported 17.83 % Return on capital employed for FY 2021-22.



Earnings per share

(₹ in cr)

Meaning
Earnings Per Share (EPS) is a financial metric, which divides net earnings available to common shareholders by the average outstanding shares for a certain period.

Importance
The earnings per share indicate a Company's ability to produce net profits for common shareholders. This guide breaks down the earnings per share formula in detail.

Performance
The Company reported ₹35.85 earnings per share for FY 2021-22, which was higher by 6.63% over the previous year.



Patience, Planning and Profitability translated into a creditable performance for our Company in FY 2021-22

The Company remained profitable during each quarter, raising prospects of attractive growth from this point onwards. The performance also validated the competitive business model of the Company across market cycles, enhancing optimism of how we perform when the market recovers completely.

Overview

In my communication in the last annual report, I wrote about the two R's of our business – Resilience and Refresh – that was relevant for the time when paper demand and realisations were depressed.

Times have changed since. The educational institutions that were closed for long have reopened, strengthening the demand for writing & printing paper. More importantly, the one consistent feature of the last couple of years has been the performance of the packaging board segment, underlining the fact that irrespective of broad economic cycles, India's growing population will consume more products, strengthening demand for this segment.

In view of this, the focus of this annual report is the three P's that are intrinsic to our business – Patience, Planning and Profitability.

Business review

The big message that one needs to communicate to the shareholders of our Company is that despite one of our businesses under-performing across three quarters of the year under review, the Company emerged from FY 22 without Balance Sheet impairment and is poised to grow from this point onwards.

The Company reported record revenues of ₹1,616.51 cr; the Company's revenues of ₹446.11 cr during the fourth quarter were the highest reported by the Company during any single quarter in its existence. Realisations, however, were muted; this growth could not be faithfully reflected in the Company's profit figures and yet, the Company reported a positive bottom line each quarter, with the bottom line in the last quarter of FY 22 being nearly twice that of the third quarter. This indicates that our business has rebounded.

There was a clear message that the Company had succeeded in selling more, protecting our enhancing market share and this represents a favorable foundation on which to grow the business into the next orbit.

Revenues increased 41.10% and profit after tax strengthened 6.63%. Despite one segment of the business under-performing, the Company reported a cash profit of ₹112.43 cr, which is a credit to the Company's resilience. It is only during the last quarter that the Company capitalised on the reopening of educational institutions, which strengthened the offtake of writing & printing paper. This increased revenues 12.85 per cent over the immediately preceding quarter and 30.05 per cent over the corresponding quarter of the previous year.

The Company remained profitable during each quarter, raising prospects of attractive growth from this point onwards. The performance also validated the competitive business model of the Company across market cycles, enhancing optimism of how we perform when the market recovers completely.

This performance was the result of a number of fundamental strengths that we exercised during one of the most challenging periods in our existence. During the last few years, the Company had selected to fund growth through accruals, exited the newsprint business, moderated debt and initiated kaizens to strengthen operational performance. The complement of these realities paid off during FY 22 in the form of relatively low costs, enhanced productivity and an attractive debt-equity ratio of 0.13.

Business restructuring

A part of the improvement in our performance was the result of timely decisions taken to re-size and re-navigate the business. At the start of the financial year, the Company comprised two (Unit II & Unit V) machines dedicated to writing & printing paper. The Company selected to divest one writing & printing machine (Unit II) during the year for an aggregate value of ₹99 cr, leaving the Company with one machine (Unit V) with an estimated installed capacity of 1,08,000 TPA or a revenue generation potential of ₹500 cr.

This divestment was prompted by increasing digitalisation. As this trend accelerates, we foresee growth tapering in the writing & printing paper segment with a corresponding moderation in realisations. Our unit sale is in line with this trend; we intend to utilise the proceeds to invest in a new packaging board capacity where we foresee growing demand. This reallocation of resources is in line with the Company's commitment to maximise returns from existing resources and enhance shareholder value.

The immediate and long-term impact of this divestment are likely to enhance liquidity, enhance the role of accruals in our expansion programme, create a competitive foundation for our sustainable growth and strengthen our product mix. Besides, the proactive speed with which we re-aligned our product mix will enhance the confidence of our stakeholders that the management is headed in the right direction.

Our fresh capital expenditure

We had themed the last annual report around 'Resilience and Recovery'. We believe that in the last couple of years, we have demonstrated adequate resilience in being able to protect our bottomline in the face of a revenue decline. The time has come for the Company to focus on recovery and graduate to the next orbit.

The one initiative that is expected to enhance our preparedness for an exciting future is our decision to invest ₹655 cr in a new packaging board plant at our existing unit. This 500 tons per day facility is expected to emerge as a game-changer for various reasons.

One, the plant will be developed with cutting-edge technology that translates into a higher material efficiency and lower production cost by nearly 5 per cent, the basis of our sustainability.

Two, the new unit will be funded with nearly 35 per cent drawn from internal accruals, resulting in a lower debt load on the project and Company.

Three, the plant will be the biggest duplex board paper machine in India, strengthening economies of scale. The commissioning of this plant will enhance the Company's installed production capacity to 4,38,000 TPA.

Four, the plant's location in western India will service the growing demand for packaging board in the region, a decisive advantage over competing plants located in other parts of the country.

Five, the new unit will manufacture board varieties addressing the growing needs of food, hygiene and liquid applications. The machine will be equipped to manufacture FBB (Folding Box Board), SBS (Solid Bleached Sulphate) and recycled Duplex Board (grey back and white back). Even as this expansion positions the Company as a leader in the recycled packaging board segment, it plans to enter virgin grade qualities as well.

Foundation

This new initiative will capitalise on an existing foundation that the Company has patiently built over the years. The unit will be located within the existing 100-acre factory area where only 40 per cent of the space has been utilised. This advantage will make it possible for the Company to capitalise on existing infrastructure, saving commissioning time and capital costs. By the virtue of this location being 120 km from the port, the plant will be empowered to import wastepaper, moderate pulp quantity on the one hand and export the end product on the other. This flexibility will make it possible for the Company to moderate resource costs, enhance offtake, increase capacity utilisation and strengthen average realisations.

The other foundation that the expansion programme will capitalise on will be the Balance Sheet. As of March 31, 2022, the Company was under-borrowed. The Company had ₹70.30 cr of long-term debt on its books and ₹6.16 cr of cash/cash equivalents. A positive net cash position represents a decisive advantage that could empower the Company to enhance the use of accruals, moderate debt and strengthen viability from day one.

Responsibility

The Company recognises the critical role of environmentally-compliant standards in the manufacturing process. The Company is engaged in the installation of a 15 MW cogeneration plant coupled with the necessary effluent treatment plant for the new packaging board plant.

The Company is installing a waste-to-energy high-pressure boiler (220 TPD) with a 7 MW turbine; this will be the largest waste heat recovery boiler in the Indian paper industry. The Company is also engaged in upgrading its existing turbine from 15 MW to 18 MW, installing a sludge drying plant (to dry deinking sludge) and a biomass effluent treatment plant that will be used as supplementary fuel in the boiler, resulting in zero solid waste generated from the plant.

Optimism

At N R Agarwal, we are optimistic of the prospects of our packaging board investment. India is passing through a retail consumption growth phase. This phase has extended across virtually every phase of the country's economic growth story. This growth comes with an inflection point in consumption patterns: with the Government coming down heavily on the use of plastic packaging, a stronger demand is forecast for packaging board.

Even as this demand is expected to increase consistently, a proxy of the country's retail boom (offline and online), we do not foresee a substantial increase in packaging board manufacturing capacity. Besides, anyone intending to commission a new packaging board plant will need extensive land, the aggregation of which could prove time and cash consuming.

Our Company will be better placed in this regard, considering that the commissioning will be located within its existing manufacturing facility, will draw on existing technical strengths and will leverage existing infrastructure. As a result, our commissioning cost of ₹655 cr for a plant likely to generate 1,50,000 TPA is below what would have been warranted for an equivalent greenfield facility. This favourable structure is expected to strengthen our profitability and reduce our break-even point, which should translate into attractive profitability even at a relatively low capacity utilisation.

Outlook

The Company intends to spread its manufacturing capacities during the current financial year coupled with initiatives related to the commissioning of its packaging board plant.

The new plant is expected to be commissioned during the second half of FY 2023-24. At its peak, the packaging board unit is expected to generate ₹1,000 cr of turnover. When combined with our existing business, the Company is expected to generate an aggregate turnover of over ₹2,500 cr at full capacity utilisation.

R N Agarwal
Managing Director



N R Agarwal reported growth and profits during the most challenging days of the pandemic-induced slowdown. The superior performance was derived from a business model that focused on being present in the right products niche, manufacture of the right quality and growing engagements with downstream users.

Macro realities influencing our performance

Pulp influence: The Company's writing & printing segment is influenced by pulp costs. When pulp costs increase, the end product segment realisations increase (and vice versa).

Digitalisation: The paper industry has been threatened by the growing use of virtual technologies, cannibalising paper consumption.

Cost moderation: In a business where it is difficult to pass cost increases to customers, there is a premium on the need to reduce costs by addressing systemic wastages.

Competition: There is intense competition from wood-based paper manufacturers (larger), who generate superior economies and procure wood resources from proximate plantations

Environment: In a business that generates a large volume of effluents and consumes wood (for wood-based paper manufacturers), there is a premium on the need to moderate resource consumption and effluents generation.

Increasing literacy: India's growing literacy rate of 77.7% is expected to strengthen the demand for writing & printing paper.

Income growth: India's disposable income has been rising year-on-year (except during the pandemic year of 2020), strengthening paper offtake .

Capital-intensive business: The paper industry is capital-intensive with a large moat that makes it expensive for intending entrants, protecting the interests of existing players.

Under-penetration: India's paper sector is vastly under-penetrated. Per-capita consumption was estimated at 13 kg compared to a global average of 57 kg, indicating a large headroom.

Population growth: India adds approximately 14 million to its population each year, widening the market for various paper varieties.

Urbanisation: India is the second largest urban community in the world and this trend is likely to increase from 35% in 2022 to 40% by 2030, catalysing paper offtake.

The passion we bring to our business



Long experience: The Company possesses more than a quarter of a century's experience in the business, translating into a deep understanding of markets, products and machines.



Differentiated mindset: The Company is driven by the need to leverage knowledge to make continuous shopfloor improvements with the objective to moderate costs and enhance profitability.



Knowledge sharing: The Company is driven by a culture of cross-functional knowledge sharing and team working, making it possible to address organisational challenges related to uptime, asset utilisation and cost moderation.



Corporate governance: The Company is process-driven, focused on workplace safety, environment integrity (progressively zero liquid discharge), robust risk management and complete alignment with certification and compliance needs.

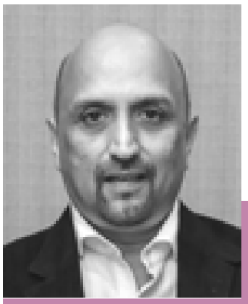


Environment integrity: The Company has selected to consume waste paper as its principal resource, addressing a growing global challenge in the responsible allocation of consumed paper (in addition to other initiatives to minimise carbon footprint).

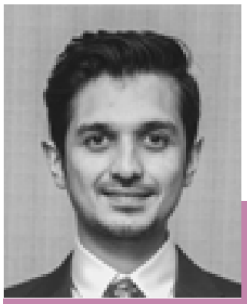


Capex: The Company plans to commission a new packaging board unit during the second half of FY 2023-24; the new unit is expected to generate ₹1,000 cr of turnover at peak leading to an aggregate turnover of over ₹2,500 cr at full capacity utilisation.

Our esteemed Board of Directors



Shri R N Agarwal
Chairman & Managing Director



Shri Raunak Agarwal
Whole Time Director



Smt Reena Agarwal
Whole Time Director



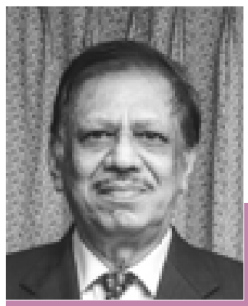
Shri Rohan Agarwal
Whole Time Director



Shri Ashok Kumar Bansal
Whole Time Director



Shri P Kumar
Independent Director



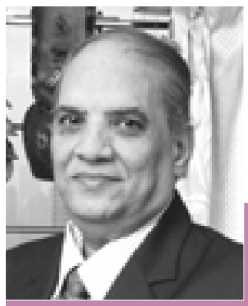
Shri C R Radhakrishnan
Independent Director



Smt Sunita Nair
Independent Director



Shri R K Bakshi
Independent Director



Shri S N Chaturvedi
Independent Director

N R AGARWAL INDUSTRIES LIMITED
CIN: L22210MH1993PLC133365
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Tel. No. +91 (22) 67317500, Fax No. +91 (22) 26730227/26736953

Notice

Notice is hereby given that the Twenty-Ninth Annual General Meeting of the members of N R AGARWAL INDUSTRIES LIMITED will be held on Thursday, September 29, 2022 at 11.30 a.m. IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), 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, 2022, together with the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri Raunak Agarwal (DIN 02173330), who retires by rotation and being eligible, offers himself for re-appointment.

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   RESOLVED THAT pursuant to Section 139, 141 and other applicable provisions if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, M/s. GMJ & Co., Chartered Accountants, Mumbai (Firm Registration No. 103429W), be and is hereby re-appointed as the Statutory Auditors for the second term of 5 years, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Fourth (34th) AGM to be held in 2027 at such remuneration including applicable taxes and out of pocket expenses as may be mutually agreed between the Board of Directors and the Auditors.

SPECIAL BUSINESS:

4. **Re-appointment of Shri Raunak Agarwal (DIN: 02173330) as the Whole Time Director**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

   RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, as amended (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and subject to other consents required, if any, approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Raunak Agarwal (DIN: 02173330) as the Whole Time Director of the Company for a further period of 3 (three) years with effect from August 01, 2022 to July 31, 2025 on the terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the Notice convening this Meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Raunak Agarwal, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 and rules made thereunder or any statutory modification(s) or re-enactment(s) thereof;

   RESOLVED FURTHER THAT in absence or inadequacy of the profits in any financial year, Shri Raunak Agarwal shall be entitled to receive and be paid as minimum remuneration in that year by way of salary and perquisites excluding commission as stated in the explanatory statement, subject however, to the necessary approvals/ ceilings specified under Schedule V to the Companies Act, 2013 (including any statutory modification(s) and re-enactment thereof for the time being in force);

   RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board be, and is hereby, authorized to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling and the Agreement between the Company and Shri Raunak Agarwal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company;

RESOLVED FURTHER THAT the Board be, and is hereby, authorized to do all acts, deeds things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

5. **Re-appointment of Smt Reena Agarwal (DIN: 00178743) as the Whole Time Director**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, as amended (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and subject to other consents required, if any, approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Smt Reena Agarwal (DIN: 00178743) as the Whole Time Director of the Company for a further period of 3 (three) years with effect from August 01, 2022 to July 31, 2025 on the terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the Notice convening this Meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Smt Reena Agarwal, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 and rules made thereunder or any statutory modification(s) or re-enactment(s) thereof;

RESOLVED FURTHER THAT in absence or inadequacy of the profits in any financial year, Smt Reena Agarwal shall be entitled to receive and be paid as minimum remuneration in that year by way of salary and perquisites excluding commission as stated in the explanatory statement, subject however, to the necessary approvals/ceilings specified under Schedule V to the Companies Act, 2013 (including any statutory modification(s) and re-enactment thereof for the time being in force);

RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board be, and is hereby, authorized to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling and the Agreement between the Company and Smt Reena Agarwal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company;

RESOLVED FURTHER THAT the Board be, and is hereby, authorized to do all acts, deeds things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. **Ratification of Cost Auditors' remuneration**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. N. Ritesh & Associates, Cost Accountants, (Registration No. R100675) appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, amounting to ₹1,00,000/- (Rupees One lakh only) per annum and also the payment of GST as applicable and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid Audit be, and is hereby, ratified and confirmed.

7. **Change in place of keeping registers and records of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) approval of the Members of the Company and is hereby accorded to keep the Registers as prescribed under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Registered Office of the Company and/or at the office of Link Intime India Private Limited, Registrar and Share Transfer Agent, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai –

400083 and/or such other place where the office of the Registrar and Share Transfer Agent of the Company is situated within Mumbai, from time to time;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such actions and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution.

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 05, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022 ('SEBI Circulars') has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Thursday, September 29, 2022 at 11.30 a.m. The registered office of the Company shall be deemed to be the venue for the AGM.

2. In compliance with the above mentioned Circulars, the Notice of the AGM and Annual Report for FY 2021-22 will be only sent electronically by the Company to those Members whose email addresses are registered with the Company/RTA and Depositories. The Notice of the 29th AGM and the Annual report for FY 2021-22 will be also available on the Company's website at www.nrail.com and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

   Detailed procedure for attending the AGM and voting through remote e-voting and e-voting at the AGM is provided in the Notice of AGM.

3. Pursuant to the General Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, since the physical attendance of Members as been dispensed with, there is no requirement of appointment of proxies. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Members intending to appoint their authorised representatives to participate in the AGM are requested to send a certified copy of the Board Resolution at investors@nrail.com.

5. The Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business under Items Nos. 3 to 7 of the accompanying Notice are annexed hereto. The relevant details as required under Regulation 36(3) and (5) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standards on General Meetings in respect of the persons seeking appointment / re-appointment as Directors and Auditors are also annexed.

6. In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 (erstwhile Section 205A, 205C of the Companies Act 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend are requested to lodge their claims with the RTA for the same.

7. Pursuant to the provision of Section 124(6) of the Act, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF Authority except for shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority restraining any transfer of the shares.

8. In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialisation. Further, Members may please note that SEBI vide its Circular dated January 25, 2022 mandated listed companies to issue securities in demat form only while processing any service

requests viz. issue of duplicate securities certificate; claim from Unclaimed Suspense Account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company at https://www.nrail.com/shareholders_information.html.

9. Updation of PAN and other details - SEBI vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at https://www.nrail.com/shareholders_information.html and furnish the requisite details.

   Members holding shares in electronic form are advised to send their request for the change of address, bank particulars, residential status or request for transmission of shares etc. to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form.

10. The members holding shares in physical form who have not registered their email addresses with the Company/RTA may register their email addresses at https://linkintime.co.in/emailreg/email_register.html by providing details such as Select Company Name from drop box, Folio Number, Certificate Number, Shareholder name, PAN, Mobile Number, Email Id and also upload the image of share certificate and PAN card in PDF or JPEG format (up to 1MB).The facility for registration of bank details for the members holding shares in physical form are also available at https://linkintime.co.in/emailreg/email_register.html by providing details such as bank account no, bank name, IFSC code and also upload self-attested cancelled cheque leaf along with request letter duly signed in PDF or JPEG format (Up to 1MB).

11. During the 29th AGM, the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements, in which Directors are interested maintained under Section 189 of the Act, relevant documents referred to in the Notice of this AGM and explanatory statement will be available electronically for inspection by the Members upto and during the AGM. Members seeking to inspect such documents can send their requests to the Company at investors@nrail.com.

12. As the AGM will be held through VC/OAVM, the requirement of providing the Route Map and Landmark for the AGM venue does not apply.

13. Book Closure: The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive).

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through laptops for better experience.

iii. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

iv. 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.

v. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include Large Shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

vi. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

vii. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at investors@nrail.com by September 25, 2022. Those Members who have pre-registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

viii. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 29th AGM through VC/OAVM facility.

ix. Members who need assistance before or during the AGM may contact NSDL on 1800 1020 990 /1800 224 430 or contact Mr. Tejas Chaturvedi at evoting@nsdl.co.in.

Voting through Electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), read with MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the day of the AGM will be provided by NSDL. In terms of SEBI circular 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 e-mail address in their demat accounts in order to access e-voting facility.

The e-voting instructions for members are as under:

(i) The remote e-voting period begins on Monday, September 26, 2022 at 9:00 a.m. and ends on Wednesday, September 28, 2022 at 5:00 p.m. During this period, the shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e. Thursday, September 22, 2022 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(ii) A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

(iii) The Members attending the AGM who have not already cast their votes on the resolutions through remote e-voting shall be able to exercise their voting rights on such resolutions during the AGM. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again on such resolutions.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on September 26, 2022 at 9.00 A.M. and ends on September 28, 2022 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2022.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
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
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. **Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details for shareholders other than individual shareholders are given below:**

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) **How to retrieve your 'initial password'?**

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. **If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**

   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "**Terms and Conditions**" by selecting on the check box.
8. Now, you will have to click on "**Login**" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting" tab in their login**.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide folio no., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) by email to investors@nrail.com.

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) to investors@nrail.com. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1(A) i.e. Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode.

2. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

3. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. September 22, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 22, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be 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 in the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

Other General Information:

a. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, September 22, 2022.

b. The Company has appointed Ms. Jigyasa Ved (Membership No. FCS 6488) or failing her Ms. Sarvari Shah (Membership No. FCS 9697) of M/s. Parikh & Associates, Practising Company Secretaries as the Scrutinizer for conducting the voting process (including remote e-voting) in a fair and transparent manner.

c. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting prior to the AGM and e-voting during the AGM and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

d. The Results declared along with the Scrutinizer's Report shall be displayed on the notice board of the Company at its Registered Office and placed on the Company's website www.nrail.com and on the website of NSDL and communicated to the BSE & NSE where the shares of the Company are listed.

By order of the Board of Directors

POOJA DAFTARY
Company Secretary

N R Agarwal Industries Ltd.
502-A/501-B, Fortune Terraces,
New Link Road, Andheri (West),
Mumbai-400053
CIN: L22210MH1993PLC133365
Tel. No. +91 (22) 67317500
Email ID: investors@nrail.com
Website: www.nrail.com

Place: Mumbai
Date: July 29, 2022

ANNEXURE TO NOTICE

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

ITEM NO. 3

This Explanatory Statement is provided pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

In accordance with Sections 139 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 24th Annual General Meeting held on September 20, 2017 appointed M/s. GMJ & Co., Chartered Accountants, Mumbai (Firm Registration No. 103429W) as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of the 24th AGM till the conclusion of the 29th AGM of the Company.

Pursuant to the provisions of Section 139 of the Act, no listed company can appoint/re-appoint an audit firm as a Statutory Auditor for more than two terms of five (5) consecutive years and accordingly, M/s. GMJ & Co. is eligible to be re-appointed as the Statutory Auditors of the Company for another term of five (5) consecutive years.

The Board of Directors of the Company, at its meeting held on May 19, 2022, on the recommendation of the Audit Committee has, after considering and evaluating various factors such as independence, industry experience, technical skills, etc. recommended the re-appointment of M/s. GMJ & Co. as the Statutory Auditors of the Company, to the Members at the ensuing AGM for a second term of five (5) consecutive years from the conclusion of this AGM till the conclusion of the 34th AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company at a remuneration of ₹17,00,000/- per annum for the financial year ending March 31, 2023, plus out-of pocket expenses and applicable taxes. The remuneration for the remaining term till the conclusion of the 34th AGM of the Company shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

M/s. GMJ & Co, Chartered Accountants established in 1986, is one of the leading mid-sized firms in Mumbai, India. The firm caters to diverse industries and supports them in their growth. The Firm's clientele range from Small and Medium Enterprises (SMEs) to Listed Companies. GMJ has an experienced team handling independent verticals catering to requirements of diverse segments of industry, including Corporates, PSU's, MNC's, Banks and others. The Firm is empanelled with Comptroller & Auditor General (CAG), Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI), Forward Market Commission (FMC), Serious Fraud Investigation (SFI) and Indian Bank Association (IBA).

As required under Regulation 33(1)(d) of the SEBI Listing Regulations, the Statutory Auditors have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and that they hold a valid certificate issued by the Peer Review Board of ICAI

M/s. GMJ & Co. has consented to its re-appointment as Statutory Auditors and has confirmed that their re-appointment, if made, shall be in accordance with Sections 139, 141 and other applicable provisions of the Act and rules framed thereunder. Based on the recommendation of the Audit Committee, the Board commends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel ('KMP') of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the accompanying Notice.

ITEM NO. 4

The Board of Directors of the Company, at its meeting held on July 29, 2022, approved the re-appointment of Shri Raunak Agarwal as the Whole Time Director of the Company for a further period of three years with effect from August 01, 2022 on terms and conditions as recommended by the Nomination and Remuneration Committee, subject to the approval of the shareholders.

The material terms of his re-appointment are as under:

(a) **Term:** August 1, 2022 to July 31, 2025

(b) **Salary:** ₹6,00,000/- (Rupees Six Lakhs only) per month with the power to the Board of Directors to increase from time to time within the ceiling limits of the Schedule V of the Companies Act, 2013

(c) **Commission:** Commission on net profits of the Company computed in the manner laid down in Section

198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 and read with Schedule V of the Companies Act, 2013

(d) Perquisites:

In addition to the gross salary payable, Shri Raunak Agarwal shall be entitled to perquisites and allowances like:

i) Car along with driver for the use of Company's business

ii) Reimbursement of all medical expenses incurred for self and family at actuals

iii) Leave Travel Expenses for self and family in accordance with the policy of the Company

iv) Reimbursement of expenses on actuals pertaining to electricity, gas, water, and telephone

Shri Raunak Agarwal shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:

(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.

ii) Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.

iii) Earned privilege leave at the rate of one month's leave for every eleven months of service. Shri Raunak Agarwal shall be entitled to encash leave at the end of her tenure as the Whole Time Director.

In absence or inadequacy of the profits in any financial year, Shri Raunak Agarwal shall be entitled to receive and be paid as minimum remuneration in that year by way of salary and perquisites excluding commission, subject however, to the necessary approvals/ceilings specified under Schedule V to the Companies Act, 2013 (including any statutory modification(s) and re-enactment thereof for the time being in force).

Shri Raunak Agarwal shall not, as long as he functions as the Whole Time Director, be entitled to any fees for attending meetings of the Board or a Committee thereof.

A copy of the Agreement dated July 29, 2022 for the re-appointment of Shri Raunak Agarwal as the Whole Time Director of the Company is open for inspection by the members at the Registered Office of the Company on any working day, between 11.00 a.m. and 1.00 p.m., of the Company except Saturdays and Sundays.

Further the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 requires the listed entities to avail approval of shareholders by way of Special Resolution for payment of annual remuneration to promoter executive Director which exceeds ₹5 cr or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Shri Raunak Agarwal has not been debarred or disqualified by SEBI or any other authority from acting as a Director. His brief resume, the nature of his expertise in specific functional areas, names of companies in which he holds Directorship, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto.

The re-appointment and payment of remuneration to Shri Raunak Agarwal is subject to the approval of shareholders.

Shri Raunak Agarwal is interested in resolution at Item No. 4 which pertains to his appointment and remuneration payable to him. Shri Rajendra Agarwal, Chairman and Managing Director, Smt. Reena Agarwal and Shri Rohan Agrwal, Whole Time Directors of the Company may be deemed to be interested in the said resolution as they are relatives of Shri Raunak Agarwal.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 4 for approval by the members.

ITEM NO. 5

The Board of Directors of the Company, at its meeting held on July 29, 2022, approved the re-appointment of Smt. Reena Agarwal as the Whole Time Director of the Company for a further period of three years with effect from August 01, 2022 on terms and conditions as recommended by the Nomination and Remuneration Committee, subject to the approval of the shareholders.

The material terms of her re-appointment are as under:

(a) **Term:** August 01, 2022 to July 31, 2025

(b) **Salary:** ₹6,00,000/- (Rupees Six Lakhs only) per month with the power to the Board of Directors to increase from time to time within the ceiling limits of the Schedule V of the Companies Act, 2013

(c) **Commission:** Commission on net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 and read with Schedule V of the Companies Act, 2013

(d) **Perquisites:**

In addition to the gross salary payable, Smt. Reena Agarwal shall be entitled to perquisites and allowances like:

i) Car along with driver for the use of Company's business

ii) Reimbursement of all medical expenses incurred for self and family at actuals

iii) Leave Travel Expenses for self and family in accordance with the policy of the Company

iv) Reimbursement of expenses on actuals pertaining to electricity, gas, water, and telephone

Smt. Reena Agarwal shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:

(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.

ii) Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.

iii) Earned privilege leave at the rate of one month's leave for every eleven months of service. Smt. Reena Agarwal shall be entitled to encash leave at the end of her tenure as the Whole Time Director.

In absence or inadequacy of the profits in any financial year, Smt. Reena Agarwal shall be entitled to receive and be paid as minimum remuneration in that year by way of salary and perquisites excluding commission, subject however, to the necessary approvals/ceilings specified under Schedule V to the Companies Act, 2013 (including any statutory modification(s) and re-enactment thereof for the time being in force).

Smt. Reena Agarwal shall not, as long as she functions as the Whole Time Director, be entitled to any fees for attending meetings of the Board or a Committee thereof.

A copy of the Agreement dated July 29, 2022 for the re-appointment of Smt. Reena Agarwal as the Whole Time Director of the Company is open for inspection by the members at the Registered Office of the Company on any working day, between 11.00 a.m. and 1.00 p.m., of the Company except Saturdays and Sundays.

Further the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 requires the listed entities to avail approval of shareholders by way of Special Resolution for payment of annual remuneration to promoter executive Director which exceeds ₹5 cr or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Smt. Reena Agarwal has not been debarred or disqualified by SEBI or any other authority from acting as a Director. Her brief resume, the nature of her expertise in specific functional areas, names of companies in which she holds Directorship, Committee Memberships/ Chairmanships, her shareholding etc., are separately annexed hereto.

The re-appointment and payment of remuneration to Smt. Reena Agarwal is subject to the approval of shareholders.

Smt. Reena Agarwal is interested in resolutions at Item No. 5 which pertains to her appointment and remuneration payable to her. Shri Rajendra Agarwal, Chairman and Managing Director, Shri Raunak Agarwal and Shri Rohan Agrwal Whole Time Directors may be deemed to be interested in the said resolution as they are relatives of Smt. Reena Agarwal.

The Board recommends the Special Resolution set out at Item No. 5 for approval by the members.

ITEM NO. 6

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint

a Cost Auditor to audit the cost records of the Company's Paper and Paper Board Units at Vapi and Sarigam.

On the recommendation of the Audit Committee, the Board of Directors of the Company had approved the appointment of M/s. N. Ritesh & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2021-2022 at a remuneration of ₹1,00,000/- per annum plus out-of pocket expenses and applicable taxes. The remuneration payable to Cost Auditors is required to be ratified by the shareholders in accordance to the provisions of the Act and Rule 14 of the Rules.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) is concerned or interested, financially or otherwise, in this resolution at Item No. 6.

The Board recommends the Ordinary Resolution at Item No. 6 of this Notice for approval by the shareholders.

ITEM NO. 7

As per the provisions of Section 94 of the Act, approval of the Members by way of a Special Resolution is required for the Company to have its Register and Members, the Register of Index of Debenture holders, if any, copies of all Annual Returns prepared under Section 92 of the Companies Act, 2013 together with the copies of the certificate and documents required to be annexed thereto, to be kept at a place other than the Company's registered office, but within the same city, town or village where the registered office of the Company is situated.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 7 of the Notice.

Additional Information as required under Part II of Section II of Schedule V of the Companies Act, 2013 for Item Nos. 4 and 5:

I.	GENERAL INFORMATION			
(1)	Nature of Industry	Paper & Paper Products		
(2)	Date or expected date of commencement of commercial production	Date of Incorporation: 08.12.1993 Date of Commencement of Business: 20.12.1993		
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.		
(4)	Financial Performance	**FY 2019-20 (₹)**	**FY 2020-21 (₹)**	**FY 2021-22 (₹)**
	Turnover	14,04,92,85,800	11,45,63,89,616	16,16,50,60,498
	Net profit (as computed under Section 198)	1,61,06,44,207	86,47,97,000	1,05,38,81,000
	Net profit/ (Loss) as per profit and loss account	1,16,74,89,741	57,71,34,536	61,25,70,323
	Amount of Dividend paid	6,80,76,400	-	1,70,19,100
	Rate of Dividend declared	40% (Dividend for the FY 2018-19)	-	10% (Dividend for the FY 2020-21)
	Earnings before interest, depreciation & taxes	2,28,34,10,836	1,40,94,29,599	1,54,23,72,269
	% of EBIDTA to turnover	16.25	12.30	9.54
(5)	Export performance and net foreign exchange collaborations	2,40,87,17,614	2,32,49,17,120	3,69,42,97,269
(6)	Foreign investments or collaborators, if any.	-	-	-

II.	INFORMATION ABOUT THE APPOINTEES		
		Raunak Agarwal	**Reena Agarwal**
(1)	**Background Details**		
	a. Designation	Whole Time Director	Whole Time Director
	b. Father/Husband's Name	Father: Rajendra Agarwal	Husband: Rajendra Agarwal
	c. Nationality	Indian	Indian
	d. Date of Birth	07/12/1988	25/01/1967
	e. Qualifications	Graduate in Business Administration	Graduate in Commerce
	f. Experience	Over 10 years of experience in Paper Industry	Over two decades of experience in HR activities
(2)	Past remuneration	₹72,00,000/- per annum	₹72,00,000/- per annum
(3)	Recognition or awards	-	-
(4)	Job profile and his suitability	Shri Raunak Agarwal shall be responsible for the marketing activities and do all acts and things, which, in the ordinary course of business, are considered necessary or proper in the interest of the Company.	Smt. Reena Agarwal is heading the HR activities, employees development and corporate affairs.

II.	INFORMATION ABOUT THE APPOINTEES		
		Raunak Agarwal	**Reena Agarwal**
		Considering the above and having regard to his qualifications, ability and experience and looking to the business requirement, the proposed remuneration is considered reasonable.	Considering the above and having regard to her qualifications, ability and experience and looking to the business requirement, the proposed remuneration is considered reasonable.
(5)	Remuneration proposed	A gross remuneration of ₹72,00,000/- per annum	A gross remuneration of ₹72,00,000/- per annum
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin)	Compared to the industry average and the size of the Company, the remuneration proposed to be paid is reasonable.	Compared to the industry average and the size of the Company, the remuneration proposed to be paid is reasonable.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	In addition to the remuneration payable to Shri Raunak Agarwal, Whole Time Director, he is also one of the Promoters of the Company and a relative of Shri R N Agarwal, Smt. Reena Agarwal and Shri Rohan Agarwal, Directors of the Company. Additionally, Ms. Natasha Agarwal, wife of Shri Raunak Agarwal (Whole Time Director) holds place of profit in the Company as Manager-Product Development.	In addition to the remuneration payable to Smt. Reena Agarwal, Whole Time Director, she is also one of the Promoters of the Company and a relative of Shri R N Agarwal, Shri Raunak Agarwal and Shri Rohan Agarwal, Directors of the Company.
III.	OTHER INFORMATION		
(1)	Reasons of loss or inadequate profits	The Company has reported profits from its operations in the current year and is expecting to earn profits in the future also. This disclosure under Section II, Part II of Schedule V to the Companies Act, 2013 is an enabling provision for payment of remuneration to the above mentioned Directors in the event of losses/inadequate profits.	
(2)	Steps taken or proposed to be taken for improvement	NOT APPLICABLE	
(3)	Expected increase in productivity and profits in measurable terms	Financial Year	Projected Net Turnover (₹ in cr) / Projected Profit (PAT) (₹ in cr)
		31/03/2023	1542.30 / 81.95
		31/03/2024	1737.23 / 76.70
		31/03/2025	1992.49 / 99.02

IV DISCLOSURES

Details such as remuneration, service contract, notice period etc. of the Directors have been disclosed in the Corporate Governance Report. The Company has not granted any stock options to its Directors.

By order of the Board of Directors

POOJA DAFTARY
Company Secretary

N R Agarwal Industries Ltd.
502- A/501- B, Fortune Terraces,
New Link Road,Andheri (West),
Mumbai-400053
CIN: L22210MH1993PLC133365
Tel. No. +91 (22) 67317500
Email ID: investors@nrail.com
Website: www.nrail.com

Place: Mumbai
Date: July 29, 2022

Information as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India

Particulars	Raunak Agarwal	Reena Agarwal
Age	33 years	55 years
Date of Appointment	01.05.2008	08.08.2014
Qualification	Graduate in Business Administration	Graduate in Commerce
Expertise/Experience in specific functional area	Over 10 years of experience in Paper Industry	Over two decades of experience in HR activities
Directorships in other companies	NIL	Reera Holdings Private Limited
Resignation from listed entities in the last three years	NIL	NIL
Memberships of Committees in other companies (includes only Audit & Stakeholders Relationship Committees)	NIL	NIL
No. of shares held in the Company	32	45,38,861
Relationship between Directors inter-se and the KMPs	Shri Raunak Agarwal is related to Shri Rajendra Agarwal, Smt. Reena Agarwal and Shri Rohan Agarwal, Promoter and Executive Directors of the Company	Smt. Reena Agarwal is related to Shri Rajendra Agarwal, Shri Raunak Agarwal and Shri Rohan Agarwal, Promoter and Executive Directors of the Company
Number of Board meetings attended during FY 2021-22	5	5
Remuneration	₹72,00,000/- per annum	₹72,00,000/- per annum

Director's Report

To the Members,

Your Directors are pleased to present the 29th Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2022.

FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations and Other Income	1,62,793.52	1,15,399.64
Finance Costs	2,522.67	3,030.53
Gross Profit after Finance Costs but before Depreciation and Taxation	**12,901.05**	**11,063.77**
Depreciation	3,439.85	3,301.78
Profit before Tax and Exceptional Items	9,461.20	7,761.98
Exceptional Items	-	-
Profit before Tax and after Exceptional Items	**9,461.20**	**7,761.98**
Provisions for Taxation	1,657.81	1,344.94
Tax expense of previous year (net)	-	-
Deferred Tax	1,701.24	694.15
Net Profit for the year	**6102.15**	**5,722.89**
Other Comprehensive Income (Net of Tax)	**23.55**	**48.46**
Total Comprehensive Income	**6,125.70**	**5,771.35**

Economic Scenario and State of Company's Affairs

The last two years 2021 and 2022 was marked by successive Covid-19 waves, leading to an overall contraction of the global economy. The world economy began returning to normalcy from early 2021, after a prolonged battle with the Covid-19 pandemic and related concerns. The second half of the financial year 2022, however, marked a setback in the recovery process in the global economy. This period was backed by rising inflationary pressures, rising commodity prices, supply chain disruptions, and a surge in fuel prices.

The Indian Paper industry in general and the writing & printing paper segment, in particular, was adversely affected because of shutdown of educational establishments for major part of the year and continuing work from home practices. We are glad to inform you that despite all these headwinds, the Company reported record revenues of ₹1616.51 cr; as against revenue of ₹1145.64 cr in previous financial year, showing a growth of 41.10%. Realisations, however, were muted; on account of increase in input cost, not only raw material but logistic cost and energy cost despite some pass on by way of increase in selling price of its product. The EBIDTA was ₹154.24 cr as against ₹140.94 cr in previous financial year whereas the the profit after tax strengthened to ₹61.02 cr as against ₹57.23 cr in previous year. Despite one segment of the business-Writing & Printing under-performing, the Company reported a cash profit of ₹95.42 cr,.

While the pandemic had several odds, there was one good thing for our business. It increased the demand of coated duplex board which goes into packaging. During the year under review, we produced 1,90,884 MT of coated duplex board as against 1,67,692 MT during previous financial year, showing a growth of 14%. It led to capacity utilization of 106% which was highest in last 11 years. The capacity utilization was only 68% in writing and printing paper segment due to closure/ partial operation of educational institutions, courts and offices.

We would like to inform the shareholders that the Company remained profitable during each quarter, raising prospects of attractive growth from this point onwards.

Material Changes and Commitments affecting financial position of the Company occurred between March 31, 2022 and date of this report

The Company has sold the assets of Unit II (Writing & Printing) situated at Plot No. 1 and 1/B, Phase I, GIDC, Vapi-396195, Dist. Valsad, Gujarat State to Shree Ajit Pulp and Paper Limited w.e.f. April 12, 2022.

Number of Meetings of the Board of Directors

There were five meetings of the Company's Board of Directors during the financial year 2021-22.

Transfer to reserves

There was no transfer made to the General Reserve.

Credit Rating

The current credit rating of the Company has been upgraded to a Long Term Rating of (ICRA) A and Short Term Rating of (ICRA) A1 for bank loan facilities aggregating to ₹350 cr.

Directors and Key Managerial Personnel

Shri Raunak Agarwal, Whole Time Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment in terms of the provisions of Section 152 of the Companies Act, 2013.

Shri Raunak Agarwal & Smt. Reena Agarwal, Whole Time Directors shall be re-appointed for a further period of 3 years at the forthcoming Annual General Meetig.

Shri Praveen Bhandari resigned as the Chief Financial Officer w.e.f July 20, 2021 and Shri Dipankar Rai was appointed as the new Chief Financial Officer w.e.f December 27, 2021.*

There has been no other change with respect to the Directors and Key Managerial Personnel during the year FY 2021-22.

* Shri Dipankar Rai has resigned as the Chief Financial Officer w.e.f May 31, 2022.

Independent Directors Declaration

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time and there has been no change in the circumstances which may affect their status as Independent Director during the year. In the opinion of the Board, the Independent Directors possess appropriate balance of skills, experience and knowledge, as required. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Audit Committee

The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting. There have been no instances of non-acceptance of any recommendation of the Audit Committee.

The Committee members met five times during the year under review. Details of the meetings are given in the Corporate Governance Report including the Committee's composition.

Vigil Mechanism

The Company has adopted a Whistle Blower Policy dealing with any instance of fraud or any unethical or improper practices. The policy is available on the Company's website. A copy of this policy prescribes adequate safeguards against the victimization of employees who avail of the mechanism and also provide direct access to the Audit Committee Chairman. It is affirmed that no Company personnel has been denied access to the Audit Committee. The Whistle Blower Policy (Vigil Mechanism) is uploaded on the Company's website at http://www.nrail.com/company_policies.html.

Procedure for Nomination and Appointment of Directors

The Nomination and Remuneration Committee is responsible for developing the competency requirements of the Board, based on the industry and the Company's individual strategy. The Board's Composition Analysis reflects an in-depth understanding of the Company's strategies, environment, operations, financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board, on a periodic basis, inter-alia on a Director's appointment or re-appointment, which is envisaged every time. The Committee is also responsible for reviewing and vetting the CVs of potential candidates' vis-à-vis the requisite competencies and meeting potential candidates prior to making nomination recommendations

to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

Criteria for Determining Qualifications, Positive Attributes & Independence of a Director

The Nomination and Remuneration Committee has, besides the requisite qualifications & experience formulated the criteria for determining positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: A Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16(1)(b) of the Listing Regulations.

Other factors: A transparent Board nomination process is in place that encourages thought, experience, knowledge, perspective, age and gender diversity. It is also ensured that the Board has an appropriate blend of functional and industrial expertise. While recommending Director Appointments, the Nomination and Remuneration Committee considers the manner in which the individual function and domain expertise will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong inter-personal relations and communication skills besides soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

Remuneration Policy

The Company has adopted the Nomination and Remuneration Committee Charter which includes the Company's policy on Directors' appointment and remuneration besides the criteria for determining the qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013.

Pursuant to Section 178(4) of the Companies Act, 2013, the Company also adopted remuneration policy relating to remuneration for the Directors, Key Managerial Personnel and Senior Executives. The remuneration policy is attached as Annexure 1 and is also available on Company's website http://www.nrail.com/company_policies.html.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance as well as the evaluation of the working of its Committees. The criteria for performance evaluation of the Board and Committees included aspects such as composition, structure, effectiveness of Board and Committee processes, etc.

A separate exercise was carried out to evaluate individual Directors' performance including that of the Chairman & Managing Director and also the Whole Time Directors, who were evaluated on parameters such as engagement level, contribution, independence of judgment, safeguarding the Company interests and its minority shareholders etc.

The Board of Directors expresses its satisfaction with the evaluation process.

Directors' Responsibility Statement

The Directors hereby confirm and declare that:-

(i) in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;

(ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended March 31, 2022 and of the profit of the Company for the year;

(iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they had prepared the annual accounts on a going concern basis;

(v) they had laid down internal financial controls to be followed by the Company and such controls are adequate and operating efficiently;

(vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating efficiently.

Internal Control over Financial Reporting

The Company has, in place, adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The report on the Internal Financial Control issued by the Statutory Auditors of the Company under the provisions of Companies Act, 2013 is given elsewhere in the report.

Details of Subsidiaries/ Joint ventures/ Associates

The Company does not have any subsidiary/ joint ventures/ associates.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on https://www.nrail.com/compliance_reports.html

Auditors' and Auditors' Report

a. Statutory Auditors

Pursuant to the provisions Section 139 read with Section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, proposed the re-appointment of M/s. GMJ & Co., Chartered Accountants (Firm Registration No. 103429W), as the Statutory Auditors at the Annual General Meeting for a second term of five years i.e. to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty fourth Annual General Meeting of the Company to be held in the year 2027. They have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

You are requested to consider and appoint the Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2022 does not contain any qualification, reservation or adverse remark.

During the year under review, there were no instances of fraud reported by the auditors, under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors.

b. Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Parikh & Associates, Practising Company Secretaries for the financial year 2021-22, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure 2.

The Secretarial Audit Report for the financial year ended March 31, 2022 does not contain any qualification, reservation or adverse remark.

c. Cost Auditors

M/s. N. Ritesh & Associates, Cost Accountants, had been appointed to conduct Cost Audits for all the units of the Company for the year ending March 31, 2022 in terms of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014 and, as required, Cost Audit Report for the financial year 2020-21 was duly filed with Ministry of Corporate Affairs, Government of India on June 24, 2021.

The Cost Audit of the Company for the financial year ended March 31, 2022 was conducted by the said firm and the Report has been submitted to the Ministry of Corporate Affairs, Government of India on July 26, 2022.

Technology Absorption, Energy Conservation & Foreign Exchange Earnings & Outgo

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in Annexure 3 attached and forms part of this Report.

Particulars of Employees & Related Disclosures

The information required under Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished in Annexure 4.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of the first proviso to Section 136 of the Act, the report and accounts are being sent to

the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining the same may write to the Company Secretary at the registered office of the Company.

Public Deposits

The Company has not accepted any deposits from the public during the year under review. No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2022.

Significant and Material Orders passed by the Regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees, investments covered under provisions of Section 186 of the Act are provided in the notes to the Financial Statements.

Related Party Transactions

'Particulars of transactions with Related Parties' pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report as Annexure 5.

There are no materially significant related party transactions made by the Company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the Company at large.

The Board of Directors have approved a policy on related party transactions which is placed on the Company's website at the web link: https://nrail.com/company_policies.html.

Risk Management

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and relevant provisions of Listing Regulations, the Company has adopted Risk Management Policy for identification and implementation of Risk Mitigation Plan for the Company. The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

Corporate Social Responsibility (CSR) Initiatives

Section 135 of the Companies Act, 2013 mandates every Company having a minimum net worth threshold limit, turnover or net profit, as prescribed, to constitute a Corporate Social Responsibility Committee, formulating a Corporate Social Responsibility Policy that shall indicate activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and duly approved by the Board as well as fix the amount of expenditure to be incurred on the activities and monitor the CSR Policy from time to time.

Since your Company falls within the minimum threshold limit, it has constituted a CSR Committee of the Board and formulated a CSR Policy. The focus areas of CSR Policy are education, preventive health care, sanitation, environment and engagement. During the financial year 2021-22, the Company has spent a total amount of ₹2.62 cr towards CSR initiatives.

The CSR Report, forming part of this Report, is furnished in Annexure 6.

Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report of the Company for the financial year ended March 31, 2022 is given in a separate section and forms part of this report.

Corporate Governance & Management Discussion & Analysis

The Corporate Governance Report and Management's Discussion & Analysis Report and the Auditor's Certificate regarding compliance with conditions of Corporate Governance, forms part of the Annual Report.

Listing Fees

The Company has paid the listing fees to BSE and NSE for the year 2021-2022.

Insider Trading Regulations and Code of Disclosure

The Board of Directors have adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 which is available on our website at the web link https://www.nrail.com/company_policies.html.

Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

Human Resources

There is a continuous effort to improve the working environment with focus on employee well-being and capability building to enable them to perform at their best for the Company. The Company develops leaders at global platforms at regular intervals as a part of its commitment to engage and retain talent. The Company offers robust leadership development efforts to hone employee skills and help keep the Company ahead of the curve.

People are the real strength of the Company while pursuing best-in-class performance. The Company is significantly increasing investment in its employees with training and development. NRAIL invests in training and knowledge at all levels in order to align employees with requirements on safety, customer support, market needs, operational excellence, technology upgradation, process improvements, innovation and behavioral competencies.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint of sexual harassment during the financial year 2021-22.

The Company has complied with the provisions relating to constitution of Internal Complaints Committee under POSH Act.

Acknowledgements

Your Directors place on record their deep appreciation of the employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain an industry leader. Your Directors also take this opportunity to thank all the Shareholders, Clients, Dealers, Vendors, Banks, Government and Regulatory Authorities for their continued support and confidence in the Company's Management.

On behalf of the Board of Directors

Mumbai,
July 29, 2022

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE – 1

REMUNERATION POLICY

Policy on Remuneration of Directors, Key Managerial Personnel and Senior Management

1.01 Guiding Principles:

(i) The terms of employment and remuneration of the Managing Director (MD), Whole Time Director (WTD), Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) shall be competitive in order to ensure that the Company can attract and retain competent talent.

(ii) The remuneration policy shall ensure that:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs of the quality required to run the Company successfully.

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(c) Remuneration to Directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.

(d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

(iii) While determining the remuneration and incentives for the MD/ WTD and KMPs, the following shall be considered:

(a) pay and employment conditions with peers / elsewhere in the competitive market

(b) benchmarking with the industry practices

(c) performance of the individual

(d) company performance

(iv) For benchmarking with industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.

(v) The pay structures shall be appropriately aligned across levels in the Company.

1.02 Remuneration Policy:

(1) SMPs & KMPs (other than MD/WTD):

(i) Remuneration packages shall be designed in such manner that:

(a) motivates delivery of key business strategies, creates a strong performance-orientated environment and rewards achievement of the Company's objectives & goals over the short and long-terms.

(b) Attracts high-flyer executives in a competitive global market and remunerates executives fairly and responsibly.

(ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care insurance and hospitalization benefits, telephone reimbursement etc.

(iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and that of the Company. Industry practices/ trends shall also be given due consideration.

(iv) Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognized compensation service consultancies.

(v) The remuneration to be paid to the KMPs viz. Chief Executive Officer (CEO), Chief Financial officer (CFO), Company Secretary (CS) or SMPs, shall be

recommended by the Nomination and Remuneration Committee (NRC) considering relevant qualification and experience of the individual as well as the prevailing market condition.

(vi) The NRC may consider granting Stock Options to KMPs & SMPs pursuant to any Stock Option Plan adopted by the Company, if any.

(2) MD/WTD:

(i) Remuneration to the MD and WTD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.

(ii) Remuneration shall be evaluated annually against performance and benchmarks of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognized compensation service consultancies.

(iii) Total remuneration for the MD and WTD shall comprise of the following:

(a) Salary (both fixed & variable)

(b) Perquisites like house rent allowance, domiciliary medical expenses, club memberships, etc.

(c) Retirals made in accordance with applicable laws and policies of the Company.

(d) In addition, they shall also be entitled to a Performance Bonus linked to their individual performance and also the performance of the Company.

(e) It shall be ensured that the total remuneration payable to MD and WTD's shall be within the permissible limits of Section 197 read with Schedule V of the Companies Act, 2013.

(3) Non-Executive Directors (NEDs):

i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meetings of the Board and of the Committees thereof.

ii) NEDs shall also be entitled for payment of commission, if any, as upto the limits permitted in Section 197 of the Companies Act, 2013 and approved by the shareholders from time to time.

iii) Independent Directors shall not be eligible for Stock Options, pursuant to any Stock Option Plan adopted by the Company.

iv) The NEDs shall be eligible for remuneration for professional services rendered, if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

1.03 APPLICABILITY:

i) This Remuneration Policy shall apply to all existing and future employment agreements with the Directors, KMPs & SMPs.

ii) In all respects, the Remuneration Policy shall be subject to overall guidance of the Board of Directors. Any departure from the policy shall be approved by the Board.

1.04 DISCLOSURES:

The Company shall disclose in the Board's Report and the Financial Statements such particulars as are prescribed under the Companies Act, 2013 and Rules made thereunder.

1.05 DISSEMINATION:

The Company's Remuneration Policy is published on its website at https://www.nrail.com/company_policies.html

ANNEXURE – 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
N R AGARWAL INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **N R Agarwal Industries 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, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022, generally 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 examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

(f) 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; (Not applicable to the

Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company, namely:

1. Factories Act, 1948
2. Water (Prevention and Control of pollution) Act, 1974
3. Environment (Protection) Act, 1986
4. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
5. Indian Boiler Act, 1923 and Regulation 1950
6. The Air (Prevention and Control of Pollution) Act, 1981 & the Rules made thereunder.

We have also examined compliance with the applicable clauses of the following which have been generally complied:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

1. The Company has sold/transferred immoveable/ moveable assets of its quality finished paper products manufacturing unit situated at Plot No.1 and 1/B, Phase I, GIDC, Vapi –396 195, Dist. Valsad (Gujarat) ("Unit II") comprising of identified assets being factory land, building, plant and machinery, inventory of stores & spares, licenses/permissions/ approvals required to conduct operations of Unit II and related regulatory deposits etc. to Shree Ajit Pulp and Paper Limited.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: July 29, 2022

Shalini Bhat
Partner
FCS No: 6484 CP No: 6994
UDIN: F006484D000705160
PR No.: 1129/2021

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
N R AGARWAL INDUSTRIES LIMITED

Our report of even date is to be read along with this letter.

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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process 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. Wherever 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 management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: July 29, 2022

Shalini Bhat
Partner
FCS No: 6484 CP No: 6994
UDIN: F006484D000705160
PR No.: 1129/2021

ANNEXURE – 3

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

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy:

All the manufacturing facilities continued their efforts to reduce the specific energy consumption. Specific and total energy consumption is tracked on daily basis at individual factory level and also at consolidated manufacturing level. Energy audits are conducted at all the manufacturing units at regular intervals and findings of the audit are implemented. Apart from regular practices and measures for energy conservation, many new initiatives were driven across the units. The measures taken at all your Company's manufacturing units are briefly enumerated as below:

Process optimization and automation:

Efforts have been put consistently to optimize the use of energy consumption in production processes and operation of utilities. A few notable measures are:

- Installation of Screw Press for removing moisture from plastic waste resulting in increased consumption in boiler and enhanced production of steam and reducing the supporting fuel consumption.
- Optimization of steam and condensate recovery system in house to increase the condensate recovery and to reduce steam consumption per ton of paper.
- Modifying the Bush bearing to Spherical roller bearing of MG Cylinder, installation of new Mould Blower / Vacuum Pumps to increase the Machine Production of Unit III.
- Installation of Sectional Drives in Coating Section of Unit I to increase machine speed which thereby increases production.
- Optimization of RO Plant to reduce the operation cost as well as increases the RO water consumption and reduce the fresh water consumption.
- Improvement in power factors by installing APFC panels.

ii) Steps taken by the Company for utilizing alternate sources of energy:

All the manufacturing units will continue to put in effort to reduce specific energy consumption. Some major initiatives include:

- Replacement of conventional light fittings with LED fittings across the manufacturing units.
- Monitoring and analysis of energy consumption on daily basis with respect to energy model.
- Implementing best practices across all plants.
- Making guidelines for purchase of energy efficient equipment's like chillers, air compressors, motors, air conditioners, cooling tower, pumps, transformers etc.

iii) Capital investment on energy conservation equipments:

The Company selects equipments and electrical motors based on their higher energy efficiency. Old equipments and motors are being phased out with new energy efficient equipments for conservation of energy resources. Thermal insulations of equipments and boilers are regularly monitored and replaced to conserve heat energy and reduce heat loss to atmosphere. The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments. Some notable capital investments made:

- Installation of VFD in RO Plants to operate the pumps in auto mode as per process requirements and saving of power.
- Installation of VFD Trim Blowers in Unit III and IV for power saving purpose.
- Installation of VFD in Vacuum Pumps in all units.
- Installation of Screw Press for removing moisture from plastic waste resulting in increased consumption in boiler and enhanced production of steam.
- Replacement of non-efficient motors with energy efficient motors.
- Replacement of low-efficiency pumps with energy efficient pumps.

B. Technology Absorption:

(i) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Reduction of power consumption per ton of paper
- Control over the grammage variation of paper.
- Fresh water consumption reduced and ETP load minimized.
- Reduction in the SS load in primary clarifier.
- Reduction in the COD & BOD load.
- Emission in the air is negligible and maintains all emission parameters.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- Details of technology imported: The Company has not imported any technology during the last three financial years.
- Year of import: Not Applicable
- Whether the technology has been fully absorbed: Not Applicable
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iii) Expenditure incurred on Research and Development: Nil

C. Foreign exchange earnings and outgo:

Particulars	₹ in lakh FY 2021-22	₹ in lakh FY 2020-21
Foreign exchange earnings	36,942.97	23,249.17
Foreign exchange outgo	49,774.64	33,262.54

On behalf of the Board of Directors

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Mumbai, July 29, 2022

ANNEXURE – 4

[Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

(i)	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:	R N Agarwal Chairman & Managing Director	139.63:1	
		Raunak Agarwal Whole Time Director	68.52:1	
		Reena Agarwal Whole Time Director	70.45:1	
		Ashok Kumar Bansal Whole Time Director	22.80:1	
		Rohan Agarwal Whole Time Director	60.79:1	
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:	R N Agarwal Chairman & Managing Director	(6.48%)	(₹361.13 Lakhs in FY 2021-22 as against ₹386.15 Lakhs paid in FY 2020-21)
		Shri Raunak Agarwal Whole Time Director	9.39%	(₹177.22 Lakhs in FY 2021-22 as against ₹162.00 Lakhs in FY 2020-21)
		Smt. Reena Agarwal Whole Time Director	16.06%	(₹182.22 Lakhs in FY 2021-22 as against ₹157.00 Lakhs in FY 2020-21)
		Ashok Kumar Bansal Whole Time Director	(3.15%)	(₹58.96 Lakhs in FY 2021-22 as against ₹60.88 Lakhs in FY 2020-21)
		Shri Rohan Agarwal Whole Time Director	80.71%	(₹157.22 Lakhs in FY 2021-22 as against ₹87.00 Lakhs in FY 2020-21)
	The percentage decrease in remuneration of Chief Financial Officer is (12.11%) and percentage increase in remuneration of the Company Secretary is 12.23%.			
(iii)	The percentage increase in the median remuneration of employees in the financial year:			6.99%
(iv)	The number of permanent employees on the rolls of Company:			1499

(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	The average increase in salary/wages of the employees was 5.46% (other than managerial personnel) as against an increase of 9.81% in the remuneration to managerial personnel. Retention of talented technical and managerial personnel as per Remuneration Policy of the Company.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company:	Yes, the remuneration has been paid as per the remuneration policy of the Company.

On behalf of the Board of Directors

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Mumbai, July 29, 2022

ANNEXURE – 5

FORM NO. AOC-2

[Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

1. Details of contracts or arrangements or transactions not at Arm's Length basis:

Sl. No.	Particulars		
a)	Name(s) of the related party & nature of relationship	Ms. Natasha Agarwal a) Wife of Rauank Agarwal, Whole Time Director b) Daughter-in-law of Shri R N Agarwal, Chairman & Managing Director and Smt. Reena Agarwal, Whole Time Director	Ms. Anuva Agarwal a) Wife of Rohan Agarwal, Whole Time Director b) Daughter-in-law of Shri R N Agarwal, Chairman & Managing Director and Smt. Reena Agarwal, Whole Time Director
b)	Nature of contracts/ arrangements/ transaction	Appointment of a relative of Director to office or place of profit under Section 188 (f) of the Act. Designation – Manager Product Development	Appointment of a relative of Director to office or place of profit under Section 188 (f) of the Act. Designation – Manager Human Resource
c)	Duration of the contracts/ arrangements/ transaction	Full-time employee of the Company	Full-time employee of the Company
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Remuneration of ₹50,000/- per month.	Remuneration of ₹2,00,000/- per month w.e.f June 01, 2021.
e)	Justification for entering into such contracts or arrangements or transactions	Ms. Natasha Agarwal has completed her Bachelors in Fine Arts from SAIC (School of the Art Institute of Chicago). She has a work experience of over 6 years in the field of interior designing and styling. Her expertise and experience would add value to the business of the Company.	Ms. Anuva Agarwal has completed her Bachelors in Psychology, International Relations and Law (Bsc) from Brandeis University in Boston, Massachusetts, USA. She has previously worked with the Brookings Institution in Washington DC in their foreign policy and human rights department and up until recently in a private education consultancy firm in New Delhi, mentoring students in their higher academic pursuits from middle school to further education. In view of her personnel development skills, she has been appointed as Manager-Human Resource.

Sl. No.	Particulars		
f)	Date of approval by the Board	28.07.2017	25.05.2021
g)	Amount paid as advances, if any	Nil	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Not Applicable	Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship:	NIL
(b)	Nature of contracts / arrangement / transactions:	
(c)	Duration of the contracts / arrangements / transactions:	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	

On behalf of the Board of Directors

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Mumbai, July 29, 2022

ANNEXURE – 6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company

The Company intends to make a positive difference to the society and contribute its share towards the betterment of the area in which the Company operates. It recognizes that its business activities have wide impact on the areas in which it operates and therefore, an effective policy is required with due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company endeavors to make CSR a key business process for sustainable development. The Company's CSR initiatives focus on promoting education, preventive health care, sanitation, environmental sustainability and measures for benefit of villagers in rural areas of Vapi and Sarigam. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The CSR Policy as approved by the Board of Directors has been uploaded on the Company's website. The web link is: https://nrail.com/company_policies.html

2. Composition of CSR Committee:

Sl. No.	Name of Director	Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	P Kumar	Chairman-Independent Director	2	2
2.	R K Bakshi	Member- Independent Director	2	2
3.	Reena Agarwal	Member-Executive Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

https://www.nrail.com/committees.html

http://nrail.com/company_policies.html

https://www.nrail.com/compliance_reports.html

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)-NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any
1.	2021-2022	₹4,79,624	₹14,94,414/-

6. Average net profit of the Company as per Section 135(5) - ₹1,23,59,83,277 /-

7. (a) Two percent of average net profit of the Company as per section 135(5) - ₹2,47,19,666/-

(b) Surplus arising out of the CSR projects or programme or activities of the previous financial years - NA

(c) **Amount required to be set off for the financial year, if any-** ₹19,74,039/-

(d) **Total CSR obligation for the financial year (7a+7b-7c)-** ₹24,719,666 /-

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹2,62,14,080/-	NIL	-	-	NIL	-

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the List of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in years)	Amount Allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Imple-mentation – Direct (Yes/No)	Mode of Implemen-tation -through Imple-menting Agency	
				State	District						Name	CSR Reg No.
1.	Contribution to Rotary Hospital	Promoting Healthcare	Yes	Gujarat	Vapi	3	5,00,00,000	2,25,00,000	NA	No	Rotary Shaikshanik & Tabibi Seva Sahayak Mandal	CSR00 007428
2.	Contribution to National Education Society	Promoting Education	Yes	Gujarat	Vapi	3	1,00,00,000	30,00,000	NA	No	National Education Society	CSR00 006984
	Total							2,55,00,000				

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(11)	
Sl. No.	Name of the Project	Item from the List of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (in ₹)	Mode of Implemen-tation – Direct (Yes/ No)	Mode of Implementation - through Implementing Agency	
				State	District			Name	CSR Registration number
1.	COVID-19 Relief Activities	Promoting Health Care and Rural Development	Yes	Solapur	Maha-rashtra	5,14,080	Yes	-	-
2.	Contribution to ISKCON	Eradicating hunger, Poverty and Malnutrition	Yes	Gujarat	Vapi	2,00,000	No		CSR00005241
	Total					7,14,080			

(d) **Amount spent in Administrative Overheads:** Nil

(e) **Amount spent on Impact Assessment, if applicable:** NA

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹2,62,14,080/-

(g) **Excess amount for setoff, if any:** ₹14,94,414/-

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	2,47,19,666/-
(ii)	Total amount spent for the Financial Year	2,62,14,080/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	14,94,414/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	14,94,414/-

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NA							

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project- Completed /Ongoing
NA								

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

(a) Date of creation or acquisition of the capital asset(s) - NA

(b) Amount of CSR spent for creation or acquisition of capital asset - NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - NA

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5)** -NA

R N Agarwal
Managing Director
DIN: 00176440

P Kumar
Chairman-CSR Committee
DIN: 00179074

Mumbai, July 29, 2022

Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	CIN	L22210MH1993PLC133365
1.	Name of the Company	N R Agarwal Industries Limited
2.	Registered Address	502-A/501-B, Fortune Terraces, New Link Road, Andheri (West), Mumbai-400053 Tel: +91 (22) 67317500
3.	Website	www.nrail.com
4.	Email Address	investors@nrail.com
5.	Financial Year reported	FY 2021-22
6.	Sector(s) that the Company is engaged in	Manufacturing of Paper and Paper Board falling into NIC 2008 Code - 1701 of Ministry of Statistics and Programme Implementation.
7.	Three key products/services manufactured/ provided by the Company	Duplex Board Writing Printing Paper Copier Paper
8.	Total number of locations where business activity is undertaken by the Company	Vapi, Gujarat Sarigam, Gujarat
9.	Markets served by the Company	The Company has Pan India presence through a strong dealer network with dominance in Western Region. The International Markets are served by exporting our products to around 18 countries including Bangladesh, Sri Lanka, UAE, Austria to name a few.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Standalone (in cr)
1	Paid up Capital	17.01
2	Total Turnover	1616.51
3	Total profit after taxes	61.02
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	4.30%

5. List of activities in which expenditure in 4 above has been incurred:

List of Activities	Amount (in lakhs)
Covid-19 Relief Activities	5.14
Promoting Health Care	225.00
Promoting Education	30.00
Eradicating Hunger, Poverty and Malnutrition	2.00

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? : No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?

   If yes, then indicate the number of such subsidiary Company(s): NA

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

   No, the entities that the Company does business with, do not participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

No.	Name	Designation
1.	R N Agarwal	Chairman & Managing Director

(b) Details of BR head

No.	Particulars	Details
1.	DIN	00176440
2.	Name	R N Agarwal
3.	Designation	Chairman & Managing Director
4.	Telephone number	022-67317500
5.	E-mail id	rna@nrail.com

2. Principle-wise (as per NVGs) BR Policy/policies

Principle	Description	Company's Policy
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct, Whistle Blower Policy
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	-
Principle 3	Businesses should promote the well-being of all employees	Prevention of Sexual Harassment of Women at Workplace
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy
Principle 5	Businesses should respect and promote human rights	Code of Conduct, Prevention of sexual harassment of women at workplace
Principle 6	Business should respect, protect and make efforts to restore the environment	-

Principle	Description	Company's Policy
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of Conduct
Principle 8	Businesses should support inclusive growth and equitable development	CSR Policy
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	-

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for?	Y	N	Y	Y	Y	N	Y	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	Y	-	Y	Y	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	-	-	-	-	-	-	-	-	-
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	Y	Y	-	Y	Y	-
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	Y	Y	-	Y	Y	-
6	Indicate the link for the policy to be viewed online?	*	-	*	*	*	-	*	*	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	Y	-	Y	Y	-
8	Does the Company have in-house structure to implement the policy/ policies?	Y	-	Y	Y	Y	-	Y	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	-	Y	Y	Y	-	Y	Y	-
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	**	-	**	**	**	-	**	**	-

* http://nrail.com/company_policies.html

** The Company has evaluated the Policies internally

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		Y				Y			Y
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year.

The Company does not have a Committee of Board for dealing with this matter specifically. However, BR performance of the Company is being continuously assessed by the Senior Executives of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report is available at the website of the Company and may be accessed at https://nrail.com/annual_reports.html. The report is published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

The Company is committed to highest standards of corporate governance practices. It forms an integral part of our values, ethics and business practices which is aimed at creating and enhancing long-term value of stakeholders. We practice and promote corporate ethics to enhance transparency in our operations and accountability amongst the stakeholders. Code of Conduct of the Company, reflects strong alignment to core values and commitment to maintain the highest standards of said practices in its interface with all stakeholders, society at large and the environment. There lies an element of fiduciary responsibility with the Directors and Senior Management of the Company to maximise the value of shareholders via good business practices and controls. Currently, the policy covers the Company only.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

No significant stakeholder complaints were received from investors, depositors, vendors, dealers etc.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

All the products manufactured by the Company viz. paper and board, are manufactured taking into account social and environmental concerns. The Company continues to remain focused on delivering stakeholder value while maintaining ecological balance. Rooted in the concept of sustainable development, the Company aims to deliver products that satisfy customer needs while being durable, resource-efficient as well as economically feasible. Sustainability is embedded into various stages of our

product life-cycle, including procurement, manufacturing, transportation, distribution and, finally, the disposal of product by the customer.

We, at N R Agarwal Industries, are also working hard in order to reduce water consumption in our all units, and adopting the latest technologies for the treatment of waste water to achieve the goal and we are successful in reducing a substantial amount of water consumption.

At the the writing & printing unit, we have a buffer tank cum equalisation tank followed by a screening system/ flash mixer and flocculator before treating the rich wastewater in the primary clarifier wherein suspended solids are removed and the clear water is treated for the secondary stage, that is, a biological treatment followed by secondary clarifier.

We also have tertiary treatment in the form of RO and recover almost 2300 m^3 of water per day, which is a direct saving of freshwater. Running RO is a complicated process, as we initially installed a 1000 m^3 per day capacity RO and faced a lot of problems including very high treatment costs. Later on, we rectified all the issues with huge investment and also installed an additional RO line of 1300 m^3 per day capacity. Today, we can proudly say that our both RO systems are running continuously and are giving the desired output of 2300 m^3 per day.

For board units, we have a full-fledged treatment system and use the maximum possible treated water in the system and thereby controlling freshwater consumption.

In the last three years, we have invested more than ₹37 cr in increasing the capacity of secondary treatment and installing a new tertiary treatment system in the form of RO.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Raw material: The raw material (waste paper based) intensity of the Company was 1.19 MT/MT in FY 2020-21 and 1.09 MT/MT in FY 2021-22.

Energy: The energy efficiency is on top priority by implementation of advanced technologies available and the energy consumption i.e. 617 KWH/MT in FY 2020-21 & 605 KWH/MT in FY 2021-22, one of the best in the industry.

Steam: Steam consumption per ton of product has reduced from 3.51 MT/MT in FY 2020-21 to 3.40 MT/MT in FY 2021-22.

The Company is committed towards minimizing the consumption of resources and has implemented a series of measures to ensure optimal utilization of raw materials, energy and water. However, attributing the reduction to per unit of product is not feasible.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Owing to the nature of the product, it is not feasible to identify the reduction during usage by consumers.

3. Does the Company have procedures in place for sustainable sourcing (including) transportation?

If yes, what percentage of your inputs was sourced sustainably?

The Company acknowledges that its supply chain can significantly impact the environment and society at large. In order to ensure sustainability across the entire value chain, the Company has made responsible sourcing an integral part of its sustainability strategy.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is engaged in extensive research and development to ensure long-term sustainability of raw materials for operations via responsible sourcing and promoting local procurement. Apart from the procurement of raw materials, the Company has established number of projects like wastewater RO treatment plant, purchased hardwood pulp processing plant, sludge drying plant etc. and during execution we facilitated supplies from local vendors as and where applicable. These vendors who are small and local were developed over time by educating them about our systems & processes in place.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

   At N R Agarwal Industries Ltd., we use 100% recycled waste paper as our primary raw material and not forest wood. We are mindful of the huge losses suffered by the environment through deforestation. Waste generated in operations is considered as a potential resource for various other activities by making its best use within the operations through optimisiation of existing processes. This has led to increased commitment towards reducing environmental impact of business activities via waste minimisation and re-use. Non-hazardous solid wastes such DIP and effluent sludge are re-used in various processes. We are also incinerating the waste plastic coming out of the system to generate the process steam. Thus, we have adopted the technologies wherein solid waste is being used as a source of energy thereby reducing the use of steam coal and saving the environment.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees - 1404
2. Please indicate the total number of employees hired on temporary/contractual/casual basis- 576
3. Please indicate the number of permanent women employees – 7
4. Please indicate the number of permanent employees with disabilities - Nil
5. Do you have an employee association that is recognized by management – No
6. What percentage of your permanent employees is members of this recognized employee association? – NA
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees -Need based
   (b) Permanent Women Employees-Need based
   (c) Casual/Temporary/Contractual Employees -Need based
   (d) Employees with Disabilities-NA

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, the Company has identified key stakeholder groups and mapped its internal and external stakeholders. The key categories include (i) Government and regulatory authorities; (ii) Employees; (iii) Consumers; (iv) Suppliers; (v) Investors, Shareholders & Lenders; (vi) Local Community; (vii) NGOs.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, the Company has identified the disadvantaged, vulnerable & marginalised stakeholders from the nearby local communities and surrounding villages in the form of contractual employees.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

   The Company values the support of its stakeholders and respects the interest and concerns they have towards the Company. The Company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. The Company has a structured CSR program through which it assesses the needs of local stakeholders and carries out initiatives to address societal needs.

Principle 5: Businesses should respect and promote human rights.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

   The Company is committed to protect the human rights of its stakeholders. Human resource is considered as a valuable resource in the organization. Human resource practices of the Company aim at ensuring not only protection but also respect for human rights. Various policies viz. Safety of Women & Prevention of Sexual Harassment at Workplace Code of Conduct, etc. are

in place to ensure protection of human rights of the employees and other stakeholders. The Company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. To this extent, the Company extends its initiatives to promote human rights to external stakeholders including suppliers and contractors. It is a constant endeavour to ensure that none of the suppliers engage in employment of child, forced or compulsory labour. The Company strongly prohibits the employment of child, forced or compulsory labour in all its operations.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   In the reporting period, no violations or complaints surfaced and no areas were discovered where any of our operations or suppliers might be found to have significant risk of child labour or forced or compulsory labour or infringed human rights of other stakeholders.

Principle 6- Business should respect, protect, and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   The Company is committed towards environmental protection and encourages its suppliers and contractors to employ environment friendly measures in their day to day operations.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.**

   Yes, the Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimisation, effluent reduction and water conservation. Throughout our products, activities and services, we endeavor to minimise any adverse impact on the environment by means of pollution prevention, energy and water conservation.

3. **Does the Company identify and assess potential environmental risks?**

   At each location, there is a dedicated team that, among other responsibilities, takes care of ensuring compliance to applicable federal, state and local laws related to environmental matters. To assure compliance with applicable laws and standards, the internal audit team conducts internal audits of all facilities, on a continuous and ongoing basis.

4. **Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?**

   Not currently

5. **Has the Company undertaken any other initiatives on – clean technology, energy, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   - New high speed & high efficiency turbine at Unit 2 which is generating more power from the same fuel consumption
   - Installed two plants for sludge drying system in order to use the same at the Boiler
   - Invested in low pressure boiler for plastic incineration
   - New RO plant for converting waste water to fresh water

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The Company is committed to minimizing its waste as well as emissions. It has initiated various measures across the manufacturing locations to waste minimization and reuse. Also, the Company continues to invest in reducing air emission levels through adoption of cleaner technologies/ fuels, monitoring of combustion efficiencies and investments in pollution control equipment. All these measures ensure that the emissions/ waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   During the FY 2021-22, there were no non-compliances with environmental laws and/or regulations and the Company did not pay any fines towards any case pending from previous years.

Principle 7- Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a member of any trade and chamber or association?** Not Currently

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company has always advocated the cause of good governance, administration and economic reforms. It actively participates and raises its concern on matters of governance, economic reforms and other public policies in public interest at appropriate forums.

Principle 8-Business should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?**

   The Company has been one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, and rural development etc. The Company has a CSR Policy in accordance with the provisions of the Companies Act, 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   Some of the projects are undertaken by the in-house team based on local needs and some are routed through renowned NGOs like Rotary Club and National Education Society, to name a few.

3. **Have you done any impact assessment of your initiative?**

   The CSR team at the manufacturing locations regularly interact with the local communities to assess the impact of various initiatives and their feedbacks are taken into consideration for future initiatives.

4. **What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.**

   The Company has spent ₹2.62 cr towards Community Development during the financial year 2021-22. The major chunk of this contribution has gone towards adopting a Hospital in the village of Sarigam for the underprivileged in the adjoining areas to enable them access to quality medical facilities at highly subsidized rates. The Company has also contributed towards assisting a local school in Sarigam which provides free education to children.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   The CSR team at the manufacturing locations regularly interact with the local communities to assess the impact of community development projects undertaken by these units to ensure that the objectives and benefits of these projects are being met.

Principle 9-Business should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The Company received a total of 57 complaints during the year 2021-22 and no complaints remained pending as on March 31, 2022.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)**

The Company has an uncompromising commitment to provide best in-class products and ace customer satisfaction. The Company complies with all laws and regulations concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.**

   There was no incidence of non-compliance with regulations and voluntary codes concerning product and service information and labeling. Similarly, there was no instance reported for non-compliance with regulations and voluntary codes concerning health and safety impacts of the Company's products and services.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company is focused on delivering value to its customers and therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.

Management discussion and analysis

Global economic overview

The global economy grew an estimated 6.1% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The spot price of Brent crude oil increased 53.34% from USD 50.37 per barrel at the beginning of 2021 to USD 77.24 per barrel at the end of the calendar year, strengthening the performance of oil-exporting countries and moderating growth in importing nations.

The global economy was affected by prohibitive shipping freight rates, and a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalyzed brun-up in commodity prices.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

Regional growth (%)	FY 2022	FY 2021
World output	6.1	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Indian economic overview

The Indian economy reported an attractive recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3 per cent in FY 2020-21 to a growth of 8.7 per cent in FY 2021-22.

Y-o-Y growth of the Indian economy

Regional growth (%)	FY19	FY20	FY21	FY22
Real GDP growth (%)	6.1	4.2	(7.3)	8.7

Growth of the Indian economy, FY 2021-22

Regional growth (%)	Q1, FY22	Q2, FY22	Q3, FY22	Q4, FY22
Real GDP growth (%)	20.1	8.4	5.4	4.1

The Indian economy was affected by the second wave of the pandemic that affected economic growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6 per cent in the last quarter of FY 2020-21, the Indian economy grew 20.1 per cent in the first quarter of FY 2021-22 due to the relatively small economic base during the corresponding period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon, lower though than in the previous year. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in FY22 is anticipated to be 3-3.5%. The country's manufacturing sector grew an estimated 12.5 per cent, the agriculture sector by 3.9 per cent, mining, and quarrying by 14.3%, construction by 10.7%, and electricity, gas, and water supply by 8.5% in FY 2021-22.

There were positive features of the Indian economy during the year under review. Foreign direct investments (FDI) in India increased by 15 per cent to US$74.01 billion in 2021 from US$87 billion in 2020, a validation of global investing confidence in India's growth story.

India surpassed the ₹88,000 cr target set for asset monetization in FY 2021-22, raising over ₹97,000 cr with roads, power, coal, mining and minerals account for a large chunk of the transactions.

India's currency weakened 3.59% from ₹73.28 to ₹75.91 to a US dollar through FY 22. The consumer price index (CPI) of India stood at an estimated 5.3% in FY 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded its all-time highest GST collections in March 2022 standing at ₹1.42 lakh cr, which is 15% higher than the corresponding period in 2021.

The fiscal deficit was estimated at ~₹15.91 trillion for the year ending March 31, 2022, on account of higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹1.29 lakh in FY 2020-21 to ₹1.50 lakh in FY 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

Retail inflation in March at 6.95 per cent was above the RBI's tolerance level of 6 per cent but fuel prices played no part in this surge. Retail inflation spiked to a 17-month high in March 2022, above the upper limit of the RBI's tolerance band for the third straight month.

(Source: Economic Times, IMF, World Bank, EIU, Business Standard, McKinsey, SANDRP, Times of India, Livemint, InvestIndia.org, Indian Express, NDTV, Asian Development Bank)

Outlook

India's medium-term optimism is derived from the fact that three-down cycles – long-term, medium-term, and short-term – could well be reversing at the same time. The long-term downtrend, as a result of nonperforming assets, scams, and overcapacity could be over; the medium-term downtrend that was caused by the ILFS crisis, select banks collapse, and weakening NBFCs could well be over; the short-term downtrend on account of the pandemic has weakened following the acceleration of the vaccine rollout.

The Indian economy is projected to grow by 8% in FY23 (World Bank estimate), buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms, and an efficient roll-out of the vaccine leading to a revival in economic activity.

Global paper & packaging industry

Even in this digital age, the importance and the need of paper still exits on the back of e-commerce boom and being utilised as packing material. In 2022, worldwide paper and cardboard output is expected to reach approximately 416 million metric tons. Packing paper manufacture increased owing to an increase in online shopping and work from home, however writing and printing demand was low.

The largest paper-consuming country worldwide was China, which consumed more than 100 million metric tons of paper and paperboard in 2021, followed by the United States and Japan, which in the same year consumed over 70.6 million metric tons and 25.5 million metric tons, respectively. The most in-demand type of paper worldwide was containerboard, which was used in making corrugated boxes (or cardboard) and other packaging solutions. *(Source: statista.com)*

Indian paper & packaging industry

The packaging sector is the fifth largest sector in the Indian economy and is expected to reach $204.81 bn by 2025. During the COVID-19 pandemic, the Indian e-commerce industry witnessed significant growth due to restrictions imposed on people's movement and the shutdown of physical stores. People across the country increasingly purchased online groceries, food items and daily essentials while also purchasing merchandise online.

The packaging industry in India is growing rapidly, spanning various end-user segments like food and beverages, healthcare, hygiene and home care, among others. Strong favourable demographics aside, disposable income levels, increasing consumer awareness, and demand for processed food, and multinational giants entering the food, beverages, e-commerce and pharmaceuticals spaces are key drivers of the growth of the paper and paperboard packaging industry.

Due to the lockdown, all paper manufacturing companies found it difficult to obtain pulp, despite the fact that the demand for packaging materials had increased significantly. However, the majority of the companies found alternatives and continued to meet market demands globally. Now that things are returning to normal, pulp production and procurement have resumed and it is expected to grow at a CAGR of 2.7% between 2022 and 2027. *(Source: mordorintelligence.com, globenewswire.com)*

Growth drivers of paper industry

Rising literacy levels: The literacy rate in India is increasing, with the current figure being 77.7%. Literacy is expected to increase demand for higher education, catalysing the growth of paper sector.

E-commerce growth: E-commerce has transformed business operations in India. From US$ 46.2 billion in 2020, the Indian e-commerce market is projected to rise to US$ 188 billion by 2025. India's e-commerce sector is expected to grow to US$111 billion and US$200 billion by 2024 and 2026, respectively.

Health and hygiene: As a result of the COVID-19 outbreak, the demand for medical quality tissue paper also increased, helped boost demand for pharmaceutical grade paper.

Food packaging: Packaging materials are evolving to eliminate fluorochemicals and replace them with a more natural chemical-free alternative. India's food packaging market size is expected to reach nearly US$ 17.88 Bn by 2026 with a CAGR of 6.22%.

Anti-plastic sentiments: Because of the challenges linked with plastic, the pulp and paper business has a plethora of options. Paper bags and packaging have gained popularity as a result of plastic bans in several nations. The paper business benefits from this anti-plastic attitude since it stimulates (the adoption of) biodegradable alternatives.

(Source: The Wire, Statista, Hindu Business line, Trading Economics, Linch Pinseo, Printweek)

Company overview

N R Agarwal Industries Ltd., founded in 1993 and specialising in the production of high-quality finished paper products, serves both domestic and international markets. The Company is headquartered in Mumbai (India), with production plants in Vapi and Sarigam, Gujarat. N R Agarwal Industries has established its mark in India and throughout the world with high-quality goods and now wants to nearly treble its existing production capacity with a new duplex board factory.

The Company's products are mostly used in FMCG packaging, textbooks and notebooks and print media applications. Over the years, the Company has placed a major emphasis on product development, cost reduction, and quality improvement. The Company produced 3,04,758 tons of paper in the fiscal year 2021-22.

Financial capital analysis

Balance sheet

- Borrowings for FY 2021-22 stood at ₹142.99 cr compared to ₹168.56 cr during FY 2020-21
- Total non-current assets for FY 2021-22 stood at ₹540.61 cr compared to ₹621.11 cr in FY 2020-21

Profit and loss statement

- Revenues increased 41.10 % to ₹1616.51 cr in FY 2021-22 compared to ₹1145.64 cr in FY 2020-21
- EBITDA decreased/increased to ₹154.24 cr in FY 2021-22 compared to ₹140.94 cr in FY 2020-21
- Profit after tax increased 6.63 % to ₹61.02 cr in FY 2021-22 compared to ₹57.23 cr in FY 2020-21
- Total expenses for FY 2021-22 stood at ₹1533.32 cr compared to ₹1076.38 cr in FY 2020-21
- Depreciation and amortization stood at ₹34.40 cr in FY 2021-22 compared to ₹33.02 cr in FY 2020-21

Risk management

Economic risk: The pandemic was unexpected and it had a significant impact across every industry globally.

Mitigation: India's GDP rebounded from a negative 7.3% in FY21 to 8.7% this fiscal year, indicating that the country offers resistance and recovering capability which will lead to ample opportunities for the market as well as the Company.

Digitization risk: The rising digitization of the country, owing mostly to the COVID-19, may result in a decrease in the use of paper.

Mitigation: Customers may choose from a variety of quality, customized and distinctive items offered by the Company. To capitalize on the expanding demand the e-commerce business, the Company has also increased its focus on the paper packaging area.

Raw material risk: The unavailability of raw materials could disrupt the flow of business.

Mitigation: The Company uses waste paper as raw material, minimizing its reliance on outside sources.

Financial risk: High input costs can accept the profitability of the business.

Mitigation: The Company was able to obtain more debt cost-effectively due to prompt debt repayment and minimal gearing, In addition, the Company's effective input cost management has resulted in a considerable shift in profit after tax (PAT) and EBITDA.

Key numbers

Particulars	FY 2021-22	FY 2020-21
EBIDTA/Turnover (%)	9.54	12.30
Debt-equity ratio	0.13	0.22
Return on equity (%)	17.83	17.09
Book value per share (H)	314.97	279.98
Earnings per share (H)	35.85	33.63
Interest Coverage Ratio (x)	6.11	4.36
Current Ratio (x)	1.14	1.03
Debt-Equity ratio (x)	0.13	0.22
Net Profit Margin (%)	4%	5%

Human resources

The Company believes that the quality of its employees is the key to its success and is committed to equipping them with skills, enabling them to seamlessly evolve with on-going technological advancements. During the year, the Company organized training programs in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values, and code of conduct. The Company's employee strength stood at 1404 as of March 31, 2022.

Internal control systems

The internal control and risk management system are structured and applied by the principles and criteria established in the corporate governance code of the organization. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring, and support committees. The control and risk committee and the head of the audit department work under the supervision of the Statutory Auditors.

Cautionary statement

The Management Discussion and Analysis report containing your Company's objectives, projections, estimates, and expectations may constitute certain statements, which are forward-looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied.

Report on Corporate Governance

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles, in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

A report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below:

BOARD OF DIRECTORS

Composition & Attendance

The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on March 31, 2022, the Board of Directors has an optimum combination of Executive and Non-Executive Directors. Shri R N Agarwal is the Promoter and the Chairman & Managing Director of the Company. The Board comprises of 10 Directors, out of which 5 are Executive Directors and 5 are Non-Executive Independent Directors including one Woman Independent Director.

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in other public limited companies are given below:

Name of Director	Category	No. of Board Meetings attended during 2021-2022	Attendance at the last AGM held on September 29, 2021	Directorship in other Public Entities* (As on 31.03.2022)		No. of Committees positions held in other public companies ** (As on 31.03.2022)	
				Chairman	Member	Chairman	Member
Shri R N Agarwal	Chairman & Managing Director	5	Yes	-	-	-	-
Shri Raunak Agarwal	Whole Time Director	5	Yes	-	-	-	-
Smt. Reena Agarwal	Whole Time Director	5	No	-	-	-	-
Shri Rohan Agarwal	Whole Time Director	5	Yes	-	-	-	-
Shri A K Bansal	Whole Time Director	5	Yes	-	-	-	-
Shri P Kumar	Non-Executive Independent Director	5	Yes	-	1	2	2
Shri C R Radhakrishnan	Non-Executive Independent Director	5	Yes	-	-	-	-

Name of Director	Category	No. of Board Meetings attended during 2021-2022	Attendance at the last AGM held on September 29, 2021	Directorship in other Public Entities* (As on 31.03.2022)		No. of Committees positions held in other public companies ** (As on 31.03.2022)	
				Chairman	Member	Chairman	Member
Shri R K Bakshi	Non-Executive Independent Director	5	Yes	-	2	1	3
Shri S N Chaturvedi	Non-Executive Independent Director	5	Yes	-	1	1	1
Smt. Sunita Nair	Non-Executive Independent Director	5	Yes	-	-	-	-

*Excludes Directorships in Private Limited Companies, Foreign Companies, Government Bodies and Alternate Directorships.

**Only memberships of Audit Committee and Stakeholders Relationship Committee have been considered for the Committee positions.

List of other listed entities where the Director of the Company is a Director and the category of such Directorship:

Sr. no.	Name of the Director	Name of other Listed entity in which serving as Director	Category of Directorship
1.	Shri R N Agarwal	-	
2.	Shri Raunak Agarwal	-	
3.	Smt. Reena Agarwal	-	
4.	Shri A K Bansal	-	
5.	Shri P Kumar	Banswara Syntex Ltd.	Independent Director
6.	Shri C R Radhakrishnan	-	
7.	Shri R K Bakshi	W.H. Brady & Co. Ltd.	Independent Director
8.	Shri Rohan Agarwal	-	
9.	Shri S N Chaturvedi	Siyaram Silk Mills Ltd.	Independent Director
10.	Smt. Sunita Nair	-	

The details in respect of Directors to be re-appointed as Directors as per Regulations 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings is provided alongwith the notice calling the Annual General Meeting.

The Company held five Board Meetings during FY 2021-22. The dates on which the Board Meetings were held were: May 25, 2021, July 28, 2021, October 14, 2021, November 11, 2021 and February 01, 2022. Necessary quorum was present at the above Meetings.

None of the Non-Executive Directors of the Company hold any equity shares in the Company. Shri R N Agarwal, Shri Raunak Agarwal, Smt. Reena Agarwal and Shri Rohan Agarwal are related to each other. The other Directors are not related to promoters or management at the board level or, inter-se, among themselves. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which they are Directors. Necessary disclosures regarding committee positions in other public companies as on March 31, 2022 have been made by the Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. The maximum tenure of the Independent Directors is in compliance with the Act. None of the Independent Directors are Directors in more than seven listed companies and are not serving as Whole Time Directors of more than three companies. Further, the Managing Director & CEO and the Executive Director do not serve as Independent Directors in any listed Company. All Independent Directors have confirmed that they meet

the criteria as mentioned under Section 149 of the Act and Listing Regulations. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') and have given the online proficiency self-assessment test/they are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

BOARD PROCEDURE

The information as required under Schedule II Part A of the Listing Regulations is made available to the Board. The Board also reviews, on a quarterly basis, the declaration made by the Managing Director regarding compliance with all applicable laws. The MD & CFO have certified to the Board, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) read with Part B of Schedule II of Listing Regulations pertaining to the CEO and CFO certification for the financial year ended March 31, 2022. In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Directors are also kept informed of major events and approvals obtained, if necessary.

The Company has not entered into any materially significant transactions, during the year under report with any of the Promoters, Directors, and Senior Management Personnel etc. other than transactions if any, entered into in the normal course of Company's business.

CODE OF CONDUCT

The Code of Conduct has been formulated for the Board Members and Senior Management Personnel. The Code incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The said Code of Conduct is posted on Company's website at www.nrail.com. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by Shri R N Agarwal, Chairman & Managing Director forms part of this report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes its Independent Directors about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The Familiarisation Programmes imparted to Independent Directors are disclosed on the Company's website at the following web link https://nrail.com/independent_directors.html.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on January 4, 2022 as required under Schedule IV to the Companies Act, 2013 and Listing Regulations. At the meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors attended the Meeting.

EVALUATION OF BOARD PERFORMANCE

During the year, the annual evaluation of the Board's own performance, Board Committees and Individual Directors including the Chairman was carried out pursuant to the provisions of the Act and the Listing Regulations. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman who were evaluated on parameters such as attendance, contribution

at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Board of Directors expressed their satisfaction with the evaluation process.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

BOARD SKILLS, EXPERTISE AND COMPTENCE

The Board of Directors collectively possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, corporate governance, education, community service and other disciplines as required in the context of the Company's operations.

The core skills, experience and knowledge of individual Directors are:

Name of Directors	Details of skills/competencies
Shri R N Agarwal	Industrialists and entrepreneurs having requisite skills, experience and knowledge required in the context of the Company's operations
Shri Raunak Agarwal	
Smt. Reena Agarwal	
Shri Rohan Agarwal	
Shri A K Bansal	Technical and Commercial Acumen
Shri P Kumar	Professionals having financial, banking knowledge and corporate governance skills
Shri C R Radhakrishnan	
Shri R K Bakshi	
Shri S N Chaturvedi	
Smt. Sunita Nair	Legal Acumen

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Act. All members of the Committee have the relevant experience in the fields of finance, taxation and accounting. Shri P Kumar, Chairman of the Committee, has expert knowledge in the field of finance, management and Company affairs.

Terms of Reference

The Audit Committee functions according to its powers, scope and role defined in Part C of Schedule II of the Listing Regulations and Section 177 of the Act, 2013. The broad Terms of Reference of the Audit Committee inter-alia are as follows:

- To overview the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- To review with the management, the quarterly and annual financial statements before submission to the Board for approval.
- To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, fixation of audit fees and to approve payment(s) for any other services rendered by the Statutory Auditors.
- To review with the management, performance of Statutory and Internal Auditors.
- To review the adequacy of the internal audit function and efficacy of the internal control systems.
- To review the findings of any internal investigations by the Internal Auditors.
- To review the statement of significant related party transactions submitted by the management.
- And, all items listed in Schedule II Part A of the Listing Regulations.

The Committee relies on the expertise and knowledge of the Management, Internal Auditors and the Independent Statutory Auditors in carrying out its responsibilities. The Management is responsible for the preparation, presentation and integrity of the Company's financial statements including accounting and financial reporting principles. Management is also responsible for internal control over financial reporting and procedures which are designed to ensure compliance with Accounting Standards, applicable laws, regulations as well as objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control. The minutes of the Audit Committee Meetings form part of the papers circulated for Board Meetings.

Composition and Attendance during the year

The composition of the Audit Committee and the details of meetings attended by the members during the financial year are given below:

Name	Category	No. of Meetings attended
Shri P Kumar, Chairman	Non-Executive Independent	5
Shri C R Radhakrishnan, Member	Non-Executive Independent	5
Shri R K Bakshi, Member	Non-Executive Independent	5
Shri S N Chaturvedi, Member	Non-Executive Independent	5

During the year, the Audit Committee met five times on May 25, 2021, July 28, 2021, October 14, 2021, November 11, 2021 and February 01, 2022. Necessary quorum was present at the above Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 29, 2021. The Company Secretary acts as the Secretary to the Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee, is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Act.

Terms of Reference

The broad Terms of Reference of the Nomination and Remuneration Committee inter-alia are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
- For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent Director. The person recommended to the Board for appointment as an independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  a. use the services of an external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- To decide the extension or continuation of the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
- To review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.

Composition and Attendance during the year

The Nomination and Remuneration Committee comprises of three Independent Directors including the Chairman of the Committee. The composition of the Committee and the details of meetings attended by the members during the financial year are given below:

Name	Category	No. of Meetings attended
Shri P Kumar, Chairman	Non-Executive Independent	4
Shri R K Bakshi, Member	Non-Executive Independent	4
Shri S N Chaturvedi, Member	Non-Executive Independent	4

During the year, the Committee met four times on May 25, 2021, July 28, 2021, November 11, 2021 and February 01, 2022. Necessary quorum was present at the above Meetings.

Succession Plan

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The NRC works along with the human resource team of the Company for a structured leadership succession plan.

The Remuneration Policy of the Company has been given as Annexure 1 to the Board's Report.

The key principles governing the Company's Remuneration Policy are as follows:

A. REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are paid remuneration by way of sitting fees only. They are paid sitting fees for each Board and Committee Meetings attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

B. REMUNERATION TO EXECUTIVE DIRECTORS

The appointment of Executive Directors comprising of the Chairman & Managing Director and other Whole Time Directors is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. Payment of remuneration to the Managing Director and Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration packages of the Chairman and Managing Director and Executive Directors comprises of salary, perquisites and allowances, as also contributions to provident and other retirement benefit funds as approved by the shareholders at the General Meeting.

Presently, the Company does not have a scheme for grant of stock options or performance linked incentives for its Directors.

The remuneration policy and the criteria for making payments to Non-Executive Directors is available on the website of the Company www.nrail.com.

DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2022:

(a) NON-EXECUTIVE DIRECTORS

Name of the Directors	Sitting Fees (₹)
Shri P Kumar	3,10,000
Shri C R Radhakrishnan	2,10,000
Smt. Sunita Nair	1,50,000
Shri R K Bakshi	2,90,000
Shri S N Chaturvedi	2,60,000
Total	**12,20,000**

(b) EXECUTIVE DIRECTORS

(in ₹)

Particulars	Shri R N Agarwal (Chairman & Managing Director)	Shri Raunak Agarwal (Whole Time Director)	Smt. Reena Agarwal (Whole Time Director)	Shri Ashok Kumar Bansal (Whole Time Director)	Shri Rohan Agarwal (Whole Time Director)
Salary	2,40,00,000	72,00,000	72,00,000	58,74,000	42,00,000
Perquisites	21,31,463	39,600	39,600	39,600	2,44,500
Bonus	-	-	-	-	-
Commission	1,00,00,000	1,05,00,000	1,10,00,000	-	1,15,00,000
Provident Fund	21,600	21,600	21,600	21,600	21,600
Leave Encashment	-	-	-	-	-
Notice Period & Severance Fees	Three months' notice or three months salary in lieu thereof	Three months' notice or three months salary in lieu thereof	Three months' notice or three months salary in lieu thereof	Three months' notice or three months salary in lieu thereof	Three months' notice or three months salary in lieu thereof

Your Company has not provided any stock options to its Directors.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board has in place a "Stakeholders' Relationship Committee".

Terms of Reference

The broad Terms of Reference of the Stakeholders Relationship Committee inter-alia are as follows:

1. Consider and resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Oversee the performance of the Company's Registrar and Transfer Agent.
6. Oversee and review all matters connected with the transfer, transmission, etc. of the Company's securities.
7. Approve issue of the Company's duplicate share / debenture certificates.
8. Looking into the various aspects of interest of shareholders, debenture holders and other security holders.
9. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

Composition and Attendance during the year

The Stakeholders' Relationship Committee met four times during the year on: May 25, 2021, July 28, 2021, November 11, 2021 and February 01, 2022.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by the members during the financial year are given below:

Name	Category	No. of Meetings attended
Shri P Kumar, Chairman	Non-Executive Independent	4
Shri R N Agarwal, Member	Executive- Non-Independent	4
Shri R K Bakshi, Member	Non-Executive Independent	4
Shri C R Radhakrishnan (Appointed as Member w.e.f. 11.11.2021)	Non-Executive Independent	1

The Chairman of the Committee was present at the Annual General Meeting of the Company held on September 29, 2021.

Based on the reports received from the Company's Registrar and Share Transfer Agent, the Company received no complaints / grievances during the year and there were no complaints pending as on March 31, 2022. The status of investor complaints as on March 31, 2022 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on April 1, 2021	Nil
Received during the year	Nil
Resolved during the year	Nil
Pending as on March 31, 2022	Nil

The Company Secretary has been designated as the Compliance Officer.

Name, Designation and Address of Compliance Officer:

Ms. Pooja Daftary
Company Secretary & Compliance Officer
502-A/501-B, Fortune Terraces,
5th Floor, Opp. Citi Mall,
New Link Road, Andheri (West)
Mumbai-400053
Tel: 6731 7500/ 6731 7547
Fax: 2673 0227/ 2673 6953
Email: pooja.daftary@nrail.com

Shareholders may also correspond with the Company on its email address viz.: investors@nrail.com.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The Committee is constituted in line with the provisions of Section 135 of the Act.

Terms of Reference

The broad Terms of Reference of the CSR Committee inter-alia are as follows:

- Formulating and recommending to the Board, the CSR policy indicating the activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
- Recommending to the Board, the CSR projects/ activities to be undertaken by the Company.
- Recommending to the Board, the CSR expenditure to be incurred.
- Recommending to the Board, modifications to the CSR policy as and when required.
- Regularly monitoring the implementation of the CSR policy and projects under support and periodically reporting the progress to the Board.
- Meeting atleast once a year to review the CSR work in progress.
- To function under the overall supervision of the Board.
- To do such other things as may be prescribed in the Act and the Rules thereunder.

Composition and Attendance during the year

The CSR Committee met twice during the year on May 25, 2021 and February 01, 2022.

The composition of the Corporate Social Responsibility Committee and the details of meetings attended by the members during the year are given below:

Name	Category	No. of Meetings attended
Shri P Kumar, Chairman	Non-Executive Independent	2
Smt. Reena Agarwal, Member	Executive-Non–Independent	2
Shri R K Bakshi, Member	Non-Executive Independent	2

RISK MANAGEMENT COMMITTEE

The Committee is constituted as per the amended Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

The broad Terms of Reference of the Risk Management Committee inter-alia are as follows:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- To keep the board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of Directors.

Composition and Attendance during the year

The Risk Management Committee met twice during the financial year on November 11, 2021 and February 01, 2022.

The composition of the Risk Management Committee and the details of meetings attended by the members during the financial year are given below:

Name	Category	No. of Meetings attended
Shri S N Chaturvedi, Chairman	Non-Executive Independent	2
Shri. R N Agarwal, Member	Executive-Non–Independent	2
Shri Raunak Agarwal, Member	Executive-Non–Independent	2

EXECUTIVE COMMITTEE OF THE BOARD

The Executive Committee of the Board is responsible for handling urgent/interim matters which occur between two Board Meetings such as reviewing and acceptance of financial assistance, delegation of authority for banking transactions, etc.

The Committee met twice during the year on July 05, 2021 and February 15, 2022.

The composition of the Executive Committee of the Board and the details of the meetings attended by the members during the financial year are given below:

Name of Director	Category	No. of Meetings attended
Shri R N Agarwal, Chairman	Executive-Non-Independent	2
Shri P Kumar, Member	Non-Executive-Independent	2
Shri Raunak Agarwal, Member	Executive-Non-Independent	2

SHARE TRANSFER COMMITTEE

The Board of Directors at their meeting held on March 29, 2015 has delegated the power of share transfer, transposition, transmission and other ancillary matters to the Company's Registrar and Share Transfer Agent, Link Intime India Private Ltd.

The Share Transfer Committee is responsible for approving consolidation of shares, remat requests, issue of duplicate shares, etc.

The Share Transfer Committee met 3 (three) times during the financial year on September 29, 2021, October 11, 2021 and November 15, 2021.

The composition of the Share Tranfer Committee and the details of the meetings attended by the members during the financial year are given below:

Name of Director	Category	No. of Meetings attended
Shri R N Agarwal, Chairman	Executive-Non-Independent	3
Shri Raunak Agarwal, Member	Executive-Non-Independent	3

SUBSIDIARY COMPANIES

The Company has no Subsidiary Company.

GENERAL BODY MEETINGS FOR LAST THREE YEARS

(a) The details of location, date and time of Annual General Meetings held during the last three years and special resolutions passed are as follows:

Financial Year	Day, Date & Time	Location	Special Resolutions, if any
FY 2020-21	Wednesday, September 29, 2021 at 11.30 a.m.	Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	1. Re-appointment of Shri Rajendra Agarwal as the Managing Director 2. Re-appointment of Shri Ashok Kumar Bansal as the Whole Time Director
FY 2019-20	Tuesday, September 29, 2020 at 11.30 a.m.	Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	1. Appointment of Shri Rohan Agarwal as the Whole Time Director 2. Continuation of holding the office of Directorship by C R Radhakrishnan as an Independent Director
FY 2018-19	Monday, September 16, 2019 at 11:30 a.m.	The Club Mumbai, D.N Nagar, Andheri (W), Mumbai- 400053	1. Re-appointment of Shri Ashok Kumar Bansal as the Whole Time Director 2. Re-appointment of Shri P Kumar as an Independent Director 3. Re-appointment of Shri C R Radhakrishnan as an Independent Director

(b) Details of Extra-Ordinary General Meeting:

No Extra-Ordinary General Meeting of the shareholders was held during the year.

(c) i. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated October 14, 2021 for approval under Section 180(1)(A) of the Companies Act, 2013 for asset sale / transfer of immoveable/moveable assets of manufacturing Unit situated at Plot No. 1 and 1/B, Phase IL GIDC, Vapi -396 195, Dist. Valsad, Gujarat ("Unit II"), which was duly passed and the results of which were announced on December 01, 2021. Ms. Jigyasa N. Ved (Membership No. FCS 6488) of Parikh & Associates, Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
	Number of members voted	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
Approval under Section 180(1)(A) of the Companies Act, 2013 for asset sale / transfer of immoveable moveable assets of manufacturing Unit situated at Plot No. 1 and 1/B, Phase IL GIDC, Vapi -396 195, Dist. Valsad, Gujarat ("Unit II")	76	1,24,69,803	99.58	11	52,835	0.42	0	0

Procedure for postal ballot:

i. The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular No. 39/2020 dated December 31, 2020, and Circular No.10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs.

ii. Details of special resolution proposed to be conducted through postal ballot: None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

DISCLOSURES

a) The particulars of transactions between the Company and its related parties as per Accounting Standard (AS) - 18, are set out in notes to accounts in the Annual Report and were approved by the Audit Committee. There are no materially significant related party transactions of the Company having potential conflict with the interests of the Company at large. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link: https://nrail.com/company_policies.html.

b) The Board of Directors has been informed from time to time about the business risks faced by the Company and the steps taken by the management to face them.

c) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to the capital markets during the last three years. There was a delay in submission of Annual Report for the FY 2019-20 to BSE and NSE for which the Company has paid the fine of ₹10,000/- during the FY 2020-21 to the respective stock exchanges as levied by the Stock Exchanges and the same was waived off subsequently. No other penalties or strictures were imposed on the Company by these authorities.

d) The Company has a Whistle Blower Policy in place and none of the employees have been denied access to the Audit Committee. The said policy has been also put up on the website of the Company at the following link: http://www.nrail.com/company_policies.html.

e) Schedule V of the Listing Regulations mandates the Company to obtain a Certificate from either the Auditors or Practicing Company Secretaries regarding the compliance of conditions of corporate governance stipulated in the Listing Regulations and annex the Certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a Certificate from the Practicing Company Secretaries of the Company to this effect and the same is given as an Annexure to this Report.

f) The corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of the Listing Regulations to the extent applicable to the Company have been complied with. Further, the Company has adopted the following non-mandatory requirements of the Clause:

   i) The financial statements of the Company are unqualified and

   ii) The Internal Auditor presents his report to the Audit Committee at the end of every quarter.

g) The Company does not have any subsidiaries; hence the policy for material subsidiaries is not applicable to the Company.

h) Accounting Treatment in preparation of Financial Statements:

   The Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

i) The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement.

j) Acceptance of recommendation of all Committees:

   In terms of the Listing Regulations, there have been no instances during the year when recommendations of any of the Committees were not accepted by the Board.

k) M/s. GMJ & Co., Chartered Accountants (Firm Registration No. 103429W) have been appointed as the Statutory Auditors of the Company. The fees of ₹20 lakhs plus out of pocket expenses was paid to Statutory Auditors for all the services rendered by them during the year under review.

SECRETARIAL AUDIT AND OTHER CERTIFICATES:

- M/s. Parikh & Associates, Practising Company Secretaries, have conducted a Secretarial Audit of the Company for FY 2021-22. Their Report confirms that the Company has complied with the applicable provisions of the Companies Act, Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report is given as an Annexure 2 to the Board's Report.
- A qualified Practicing Company Secretary carries out a Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- In accordance with the SEBI Circular dated February 8, 2019 read with Regulation 24A of SEBI Listing Regulations, the Company has obtained an Annual Secretarial Compliance Report from M/s Parikh & Associates, Practising Company Secretaries, confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2022.
- Pursuant to Regulation 40 (9) of the Listing Regulations, certificates have been issued on a yearly basis by a Company Secretary in Practice, certifying due compliance of the share transfer formalities by the Company.
- M/s. Parikh & Associates, Practising Company Secretaries has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/MCA or any such statutory authority. The said report is annexed to this Report on Corporate Governance.

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

During FY 2021-22, the Company closely monitored movement of commodity prices. Further the Company has not undertaken any hedging activities on commodity and its open exposures stands NIL for the year. Disclosure on risks forms part of Management Discussion and Analysis Report.

CEO/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the financial year ended March 31, 2022.

MEANS OF COMMUNICATION

- The quarterly and the half yearly results as per the proforma prescribed by the Listing Regulations are approved and taken on record by the Board of Directors of the Company. The approved results are forthwith sent to the Stock Exchanges where the Company's shares are listed. The results are also published, within 48 hours, in English and Marathi newspapers namely Business Standard and Mumbai Lakshdeep having wide circulations. The results are displayed on the Company's website, www.nrail.com and also filed with BSE and NSE.
- The Company publishes the audited annual results within the stipulated period of two months from the close of the financial year as required by the Listing Regulations. The annual audited results are also communicated to the Stock Exchanges where the Company's shares are listed, published in the newspapers and displayed on the Company's website, BSE and NSE Online Portal.
- Comprehensive information about the Company, its business and operations can be viewed on the Company's website. The "Investor Relations" section

on the website gives information relating to financial results, annual reports, shareholding pattern, corporate governance report and policies of the Company. Information about unclaimed dividends is also available in this section, under the head "Investor Information".

GENERAL SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

Day, date and time	:	Thursday, September 29, 2022 at 11.30 a.m. (IST)
Venue	:	In accordance with the General Circular issued by the MCA on May 5, 2022 read with General Circular dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 14, 2021, the AGM will be held through VC/OAVM only
Corporate Identification Number	:	L22210MH1993PLC133365
Financial Year	:	April to March
Date of Book Closure	:	September 23, 2022-September 29, 2022
Listing of equity shares on	:	BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001 National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai-400051
Script Code (BSE)	:	516082
NSE Symbol	:	NRAIL
Listing Fees	:	The Company has paid the Listing Fees to both the exchanges on time.
Demat (ISIN)	:	INE740D01017
Registrar and Share Transfer Agent	:	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg Vikhroli (W), Mumbai-400083 Tel: 022-49186000 Email: rnt.helpdesk@linkintime.co.in

SHARE TRANSFER SYSTEM:

- In accordance with Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form. Further, SEBI has vide its circular dated January 25, 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate securities certificates, sub-division, consolidation, transmission, etc. to enhance ease of dealing in securities markets by investors. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://www.nrail.com/shareholders_information.html.

  Dematerialisation of holdings will, inter alia, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors.

  In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation.

- Pursuant to Regulation 7(3) of the Listing Regulations, certificates have been submitted to the Stock Exchange on yearly basis duly signed by the Compliance Officer of the Company and the Authorised Representative of the Share Transfer Agent certifying that all the activities in relation to both physical and electronic share transfer facility are

maintained either in house or by Registrar to an issue and share transfer agent registered with the Board.

MARKET PRICE DATA:

High / Low of daily closing market price of the Company's shares traded at NSE and BSE during each month of the financial year ended March 31, 2022 are as under:

April' 21-March' 22	HIGH				LOW			
	NRAIL (BSE)	SENSEX	NRAIL (NSE)	NIFTY	NRAIL (BSE)	SENSEX	NRAIL (NSE)	NIFTY
April	270.00	50375.77	248.40	15044.35	201.00	47204.50	193.85	14151.40
May	274.00	52013.22	275.00	15606.35	203.00	48028.07	205.55	14416.25
June	245.00	53126.73	245.50	15915.65	212.00	51450.58	218.10	15450.90
July	332.00	53290.81	331.80	15962.25	231.00	51802.73	232.00	15513.45
August	361.00	57625.26	361.15	17153.50	283.50	52804.08	283.05	15834.65
September	353.35	60412.32	353.00	17947.65	303.60	57263.90	303.00	17055.05
October	360.00	62245.43	361.00	18604.45	289.05	58551.14	288.80	17452.90
November	317.45	61036.56	319.00	18210.15	232.00	56382.93	227.70	16782.40
December	269.00	59203.37	271.10	17639.50	230.00	55132.68	230.80	16410.20
January	274.60	61475.15	273.00	18350.95	245.40	56409.63	246.90	16836.80
February	273.00	59618.51	274.20	17794.60	207.40	54383.20	208.00	16203.25
March	279.00	58890.92	278.00	17559.80	211.75	52260.82	211.95	15671.45

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022:

SR. NO.	RANGE NO OF SHARES	NO OF SHAREHOLDERS	% TOTAL HOLDERS	TOTAL AMOUNT	% OF CAPITAL
1	Upto 100	8,004	70.42	4,07,120	2.39
2	101 to 200	1,181	10.39	1,99,171	1.17
3	201 to 500	1,130	9.94	4,06,283	2.39
4	501 to 1000	479	4.21	3,83,959	2.26
5	1001 to 5000	464	4.08	11,25,795	6.61
6	5001 to 10000	63	0.55	4,38,373	2.58
7	10001 to 100000	40	0.35	10,01,893	5.89
8	100001 and above	5	0.04	1,30,56,506	76.72
	TOTAL	**11,366**	**100**	**1,70,19,100**	**100**

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2022:

Category	No. of shares held	Percentage to total share capital
Promoters	1,25,16,998	73.55
Banks / FI	2,500	0.01
FIIs	1,08,718	0.64
Body corporates	5,79,677	3.41
Individuals	33,44,983	19.65
Non Resident Indians/ Overseas Corporate Bodies	84,755	0.50
Clearing Members	25,419	0.15
IEPF	1,70,376	1.00
HUF	1,84,998	1.09
Trusts	676	0.004
Total	**1,70,19,100**	**100.00**

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are available for trading in the Depository System of both the National Securities Depository Limited and the Central Depository Services (India) Limited.

Details of shares held in physical form and dematerialized form as on March 31, 2022:

Mode	No of Shares	% of Share Capital
Electronic form with CDSL	1,45,18,670	85.31
Electronic form with NSDL	21,94,009	12.89
Physical Form	3,06,421	1.80
Total	**1,70,19,100**	**100.00**

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: N.A.

CREDIT RATING:

ICRA Ltd. has assigned a long-term rating of [ICRA] A (pronounced ICRA A) for ₹350 cr Line of Credit and short-term rating of [ICRA]A1 (pronounced ICRA A one). The outlook on the long-term rating is stable.

SEXUAL HARASSMENT AT WORKPLACE

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under:

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, there are no shares lying in the suspense account.

ADDRESS FOR CORRESPONDENCE:

Registered Office:

502-A/501-B, Fortune Terraces,
Opp. Citi Mall, New Link Road,
Andheri (West), Mumbai-400053
Tel: 67317500/Fax: 2673 0227/2673 6953
Email: admin@nrail.com Website: www.nrail.com

Plant Locations:

Unit I	Unit II	Unit III	Unit IV	Unit V
Plot No.169, Phase II, GIDC, Vapi-396195, Dist. Valsad, Gujarat State, Tele-Fax: 0260 – 2401634/2401706	Plot No.1, Phase I, GIDC, Vapi-396195, Dist. Valsad, Gujarat State, Tele-Fax: 0260-2400979/2401841	Plot No. 901, Phase III, GIDC, Vapi-396195, Dist. Valsad, Gujarat State, Tele-Fax:0260 2400052/2401836	Plot No.901/P, Phase III, GIDC, Vapi-396195, Dist. Valsad, Gujarat State, Tele-Fax: 0260 2400052/2401836	S. Nos.69/1/P3, 69/1/P/3/P1,72/P3-P4, At Village Sarigam & Angam, Taluka - Umbergaon, Vapi-396195, Gujarat Tele : 0260 2784082/83

* Unit II (Writing & Printing) situated at Plot No.1, Phase I, GIDC, Vapi-396195, Dist. Valsad, Gujarat State sold to Shree Ajit Pulp and Paper Limited w.e.f. April 12, 2022.

Registrar and Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg
Vikhroli (W), Mumbai-400083
Tel: 022-49186000
Email: rnt.helpdesk@linkintime.co.in

Other Policies under the SEBI Listing Regulations

Policy on Archival and Preservation of Documents as required under Regulation 9 of the SEBI Listing Regulations is available on the website of the Company at https://www.nrail.com/company_policies.html.

Policy on Determination of Materiality for Disclosures of Events or Information as per Regulation 30 of the SEBI Listing Regulations is available on the website of the Company at https://www.nrail.com/company_policies.html.

Dividend Distribution Policy as adopted by the Company pursuant to Regulation 43A of the SEBI Listing Regulations is available on the website of the Company at https://www.nrail.com/company_policies.html.

Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Shri R N Agarwal, Chairman and Managing Director of N R Agarwal Industries Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended March 31, 2022.

R N Agarwal
Chairman and Managing Director

Mumbai, July 29, 2022

Financial Statements

Independent Auditor's Report

To
The Members of
N R AGARWAL INDUSTRIES LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of N R AGARWAL INDUSTRIES LIMITED ("the Company") which comprise the Balance Sheet as at March 31,2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr.No.	Key Audit Matter	How was the matter addressed in our audit
1	**Revenue recognition [refer note no.1.2.10 and 28 to the Ind AS financial statements]** Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/ deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

Sr.No.	Key Audit Matter	How was the matter addressed in our audit
2	**Capital work-in-progress/Property Plant and Equipment (PPE) [refer note no. 1.2.03 and 2 to the Ind AS financial statements]** The Company has made additions to the Capital work-in-progress/Property, Plant and Equipment of the ongoing units. Also, the Company has capitalized a portion of its capital work-in-progress considering them as ready to use. The assets need to be capitalized and depreciated once the assets are ready for use as intended by the management. Inappropriate timing of capitalization of the asset and/or inappropriate classification of categories of items of PPE could result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.	Testing the design, implementation and operating effectiveness of controls in respect of review of capital work in progress, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation, substantive testing of appropriateness of the cut-off date considered for project capitalization. We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories. Further, through sites visits, we have physically verified the existence of capital work in progress/PPE as at the reporting period.
3	**Provisions and Contingent Liabilities (including direct and indirect taxes) [refer note no. 1.2.15 and 35 to the Ind AS financial statements]** The Company is involved in direct and indirect tax litigations that are pending with various tax authorities. Whether a liability is recognised or disclosed as a contingent liability in the financial statements is inherently judgmental and dependent on a number of significant assumptions and assessments. These include assumptions relating to the likelihood and/or timing of the cash outflows from the business and the interpretation of local laws and pending assessments at various levels of the statute.	Obtained an understanding from the management with respect to process and controls followed by the Company for identification and monitoring of developments in relation to the litigations, including completeness thereof. Obtained the list of litigations from the management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts. Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved. Assessed management's conclusions and understanding precedents in similar cases.

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Corporate Governance, but does not include the Ind AS financial statements and our auditor's report thereon.The above stated reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements

or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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 Ind AS 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

1. As required by 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 applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.

   c) The company does not have any branches. Hence, the provisions of Section 143(3)(c)is not applicable.

   d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   f) In our opinion, there are no financial transactions or matters which have any adverse effect on the functioning of the company.

   g) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   h) There is no adverse remark relating to the maintenance of accounts and other matters connected therewith.

   i) With respect to 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"

   j) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position

as referred to Note 35 to the Ind AS financial statement.

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

(iii) There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, 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 or entity, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) As stated in Note 15(H) to the Ind AS financial statements, the dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

3. 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.

For GMJ & Co
Chartered Accountants
(FRN: 103429W)

CA Sanjeev Maheshwari
Partner
M. No.: 038755
UDIN:220387 55AJGI DN8921

Place : Mumbai
Date : May 19, 2022

Annexure 'A' to the Independent Auditors' Report

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

i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management at regular intervals. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanation given to us and on the basis of our verification, title deeds of all immovable properties(other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(d) 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 not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami transactions (Prohibition) act, 1988 (45 of 1988 as amended in 2016) and rules made thereunder.

ii. (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. 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 books of account that were more than 10% in the aggregate of each class of inventory.

(b) During the year, 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. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below:

(₹ In lakhs)

Quarter	Name of Bank	Particulars of Security Provided	Amount as per Books of account	Amount as reported in Quarterly return / statement	Amount of difference	Reason for material discrepancies
Q1 - 21-22	Bank of Baroda, Bank of India, IDBI and Axis Bank (Sanctioned limit - 10,593 lakhs)	Stocks, Book debts and all other movable current assets	32,226.34	29,301.78	2,924.56	Difference is primarily due to inclusion of certain liabilities not forming part of creditors for goods.
Q2 - 21-22			29,617.95	29,013.81	604.15	
Q3 - 21-22			27,018.47	26,148.00	870.47	
Q4 - 21-22			31,582.66	31,242.37	340.30	

iii. 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 not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties. The Company has not made any investments in firms and limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided any loans and advances in the nature of loans, any guarantee and security to any other entity. Therefore, clause 3(iii)(a)(A) & 3(iii)(a)(B) are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not made any new investment during the year and the investments made earlier, are prima facie not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans during the year.

(c) 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 not granted any loans or advances in the nature of loans during the year. Therefore, clause 3 (iii)(c) is not applicable to the Company.

(d) 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 not granted any loans or advances in the nature of loans during the year. Therefore, clause 3 (iii)(d) is not applicable to the Company .

(e) 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 not granted any loans or advances in the nature of loans during the year. Therefore, clause 3 (iii)(e) is not applicable to the Company .

(f) 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 not granted any loans or advances in the nature of loans during the year. Therefore, clause 3 (iii)(f) is not applicable to the Company .

iv. According to the information and explanation given to us, during the year, the company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 185 and 186 of the Act to the extent applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company in the respect of the products where, pursuant to the Rules made by the Central Government, the maintenance of Cost Records have been prescribed under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to whether they are accurate or complete.

vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, 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 any other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at March 31,2022, the following are the particulars of the dues that have not been deposited on the account of dispute:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Forum where dispute is pending	Financial year to which the amount relates
Central Excise Act, 1944 & Service Tax (Finance Act, 1994)	Excise Duty & Service Tax (including interest and penalty, if applicable)	485.61	Appellate Authority – CESTAT	2003-04 to 2017-18
Customs Act, 1962	Custom Duty	30.49	Appellate Authority – CESTAT	2013-14 to 2014-15
Income Tax Act, 1961	Penalty Demand Income Tax	132.08	CIT(A)	2006-07, 2008-09, 2009-10
Income Tax Act, 1961	Penalty Demand Income Tax	123.69	CIT(A)	2010-11 to 2011-12

viii. 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 not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the records of the Company examined by us and 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 to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilfull defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us,and the procedures performed by us, and on an overall examination of the financial statements of the Company, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

(d) According to the information and explanations given to us,and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) The Company does not have any subsidiary, associate or joint venture (as defined under the Act) during the year ended March 31, 2022. Therefore, the provisions of Clause 3(ix)(e) of the Order is not applicable to the Company

(f) The Company does not have any subsidiary, associate or joint venture (as defined under the Act) during the year ended March 31, 2022. Therefore, the provisions of Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) According to the information and explanations given to us and based on the records and documents produced before us, during the year the company has not raised money by way of initial public offer or further public offer (including debt instruments), therefore, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(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 not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under Section 143(12) of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during

the year while determining the nature, timing and extent of audit Procedures.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of clause 3(xii) of the Order is not applicable to the company.

xiii. According to the information and explanation given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, 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. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, during the course of audit, the Company (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the order is not applicable to the Company.

xix. 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 Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, in our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act. Accordingly, clause 3(xx)(b) of the Order is not applicable.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For GMJ & Co
Chartered Accountants
(FRN: 103429W)

CA Sanjeev Maheshwari
Partner
M. No.: 038755
UDIN: 220387 55AJGI DN8921

Place : Mumbai
Date : May 19, 2022

Annexure – 'B' to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of "N R Agarwal Industries Limited" ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 GMJ & Co
Chartered Accountants
(FRN: 103429W)

CA Sanjeev Maheshwari
Partner
M. No.: 038755
UDIN: 220387 55AJGI DN8921

Place : Mumbai
Date : May 19, 2022

Balance Sheet as at March 31, 2022

(₹ in lakhs)

Particulars	Note No.	As at March 31,2022	As at March 31,2021
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	46,337.33	55,053.11
Capital Work-in-progress	2	2,463.36	2,826.68
Other Intangible assets	3	1,107.17	1,157.29
Intangible Assets under Development	2	5.75	76.50
Right -of- use asset	2	2,665.55	2,184.97
Financial Assets			
Investments	4	34.78	24.01
Loans	5	1.00	-
Other financial assets	6	257.49	237.26
Other non-current Assets	7	1,188.55	551.57
Total non-current assets		**54,060.98**	**62,111.39**
CURRENT ASSETS			
Inventories	8	15,490.33	13,893.65
Financial Assets			
Trade receivables	9	16,706.93	12,305.86
Cash and cash equivalents	10A	5.74	20.60
Other bank balances	10B	610.09	706.76
Loans	11	44.65	15.88
Other financial assets	12	121.82	132.14
Other current assets	13	3,472.22	3,629.55
Current tax assets(Net)	14	373.64	485.91
Total Current assets		**36,825.42**	**31,190.35**
Assets held for sale		**9,193.00**	-
TOTAL ASSETS		**1,00,079.40**	**93,301.74**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	1,701.91	1,701.91
Other equity	16	51,903.08	45,947.57
Total equity		**53,604.99**	**47,649.48**
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	17	3,554.67	4,606.94
Lease Liabilities	18	2,875.89	2,455.55
Other financial liabilities	19	743.61	2,927.30
Provisions	20	329.32	389.98
Deferred tax liabilities (net)	21	6,824.22	5,116.11
Total non-current liabilities		**14,327.71**	**15,495.88**
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	22	10,744.78	12,249.72
Lease Liabilities	24	288.30	205.19
Trade payables	23		
(a) total outstanding dues of micro enterprises and small enterprises		1,275.57	1,554.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		13,764.18	11,899.84
Other financial liabilities	25	5,325.42	3,824.68
Provisions	26	88.21	56.92
Other current liabilities	27	660.24	366.03
Total current liabilities		**32,146.70**	**30,156.38**
TOTAL EQUITY AND LIABILITIES		**1,00,079.40**	**93,301.74**
Significant Accounting Policies and Notes form an integral part of the Financial Statements.	1 to 61		

As per our attached report of even date

For GMJ & Co
Chartered Accountants
Firm's Registration No 103429W

SANJEEV MAHESHWARI
Partner
Membership No. 038755
UDIN: 220387 55AJGI DN8921

Mumbai, May 19, 2022

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director
DIN 00176440

POOJA DAFTARY
Company Secretary

RAUNAK AGARWAL
Whole Time Director
DIN 02173330

DIPANKAR RAI
Chief Financial Officer

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from Operations	28	1,61,650.60	1,14,563.90
Other income	29	1,142.92	835.74
Total Income		**1,62,793.52**	**1,15,399.64**
EXPENSES			
Cost of materials consumed	30	99,988.33	65,651.53
Changes in inventories of finished goods, work -in-progress and stock-in-trade	31	969.57	224.21
Employee benefits expense	32	7,144.56	6,806.40
Finance costs	33	2,522.67	3,030.54
Depreciation and amortisation expenses	2 & 3	3,439.85	3,301.78
Other expenses	34	39,267.34	28,623.20
Total Expenses		**1,53,332.32**	**1,07,637.66**
Profit before exceptional item and tax		**9,461.20**	**7,761.98**
Exceptional items		-	-
Profit before tax		**9,461.20**	**7,761.98**
Tax expense	21		
Current tax		1,657.81	1,344.94
Deferred tax		1,701.24	694.15
Profit after tax		**6,102.15**	**5,722.89**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plan		19.65	63.81
Income tax effect on above		(6.87)	(22.30)
Equity Instruments through Other Comprehensive Income		10.77	6.95
Other Comprehensive Income for the year [Net of tax]		**23.55**	**48.46**
Total Comprehensive Income for the year		**6,125.70**	**5,771.35**
Basic and diluted earning per equity share [EPS](₹)	36		
Basic		35.85	33.63
Diluted		35.85	33.63
(Face value of ₹10 each)			
Significant Accounting Policies and Notes form an integral part of the Financial Statements.	1 to 61		

As per our attached report of even date

For GMJ & Co
Chartered Accountants
Firm's Registration No 103429W

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Company Secretary

DIPANKAR RAI
Chief Financial Officer

Statement of changes in equity for the year ended March 31, 2022

A) Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Balance at the beginning of the current reporting period	1,70,19,100	1,701.91	1,70,19,100	1,701.91
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	1,70,19,100	1,701.91	1,70,19,100	1,701.91
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the current reporting period	1,70,19,100	1,701.91	1,70,19,100	1,701.91

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and surplus				
	Capital reserve	General Reserve	FVOCI - equity investments	Surplus in the Statement of Profit and Loss	Total
As at April 01, 2020*	**146.25**	**802.53**	**10.69**	**39,216.76**	**40,176.23**
Profit for the year	-	-	-	5,722.89	5,722.89
Other comprehensive income for the year					
Remeasurements gain/(loss) on defined benefit plans.	-	-	-	63.81	63.81
Equity Instruments	-	-	6.95	-	6.95
Tax on Other Comprehensive Income	-	-	-	(22.30)	(22.30)
As at March 31, 2021*	**146.25**	**802.53**	**17.64**	**44,981.16**	**45,947.57**
Profit for the year	-	-	-	6,102.15	6,102.15
Other comprehensive income for the year					
Remeasurements gain/(loss) on defined benefit plans.	-	-	-	19.65	19.65
Equity Instruments	-	-	10.77	-	10.77
Tax on Other Comprehensive Income	-	-	-	(6.87)	(6.87)
Dividends					
Final dividend	-	-	-	(170.19)	(170.19)
As at March 31, 2022	**146.25**	**802.53**	**28.40**	**50,925.90**	**51,903.08**

*There are no changes in other equity due to change in accounting policy or prior period errors.

Significant Accounting Policies and Notes form an integral part of the Financial Statements. 1 to 61

As per our attached report of even date

For GMJ & Co
Chartered Accountants
Firm's Registration No 103429W

SANJEEV MAHESHWARI
Partner
Membership No. 038755
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Mumbai, May 19, 2022

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Company Secretary

DIPANKAR RAI
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	9,461.20	7,761.99
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	3,439.85	3,301.78
Loss/ (profit) on sale of property, plant & equipment	102.24	1.18
Impairment loss on Asset held for sale	35.70	-
Unrealised Foreign Exchange Loss/(Gain) (Net)	(42.34)	(57.61)
Interest Received	(62.36)	(257.35)
Fair value gain on financial instruments through P&L	(15.66)	-
Write off of Capital advance	-	120.00
Sundry Balance Written back	(30.23)	-
Interest on lease liability	280.56	290.40
Write off of Investment	-	0.10
Bad Debt ,Provision for Doubtful Debt and receivables	(7.38)	7.35
Finance costs	2,242.11	2,740.14
Operating Profit before working capital changes	15,403.69	13,907.95
Add: Adjustments For:		
Change in Working Capital		
(Increase)/decrease in inventories	(1,887.60)	(3,636.82)
(Increase)/decrease in trade receivables	(3,686.70)	(261.47)
(Increase)/decrease in loans (non-current and current)	(29.77)	72.16
(Increase)/decrease in other assets (non-current and current)	(38.54)	(1,302.34)
(Increase)/decrease in other financial assets (non-current and current)	5.76	(13.63)
Increase/(decrease) in trade payables	1,616.15	4,959.42
Increase/(decrease) in other financial liabilities (non-current and current)	(618.48)	(369.53)
Increase/(decrease) in other liabilities (current)	294.20	(597.41)
Increase/(decrease) in provisions	(49.02)	52.68
Cash generated from/(used) in operations	11,009.69	12,811.04
Less: Income tax paid (net of refunds)	1,543.80	1,199.34
Net Cash flow from/(used) in Operating Activities (A)	**9,465.89**	**11,611.70**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets, including capital advances	(4,204.03)	(5,049.22)
Proceeds from sale of property, plant and equipment	65.12	12.13
Interest received	39.94	257.35
Net Cash flow from/(used) in Investing Activities (B)	**(4,098.97)**	**(4,779.74)**

Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	3,200.00	200.00
Repayment of borrowings	(6,313.42)	(5,351.93)
Finance Cost	(2,232.95)	(2,858.03)
Payment of Lease Liabilites	(497.63)	(471.85)
Increase/(Decrease) in Short Term borrowings (Net)	715.79	2,331.41
Unsecured Borrowings (Net)	(181.86)	(525.84)
Dividends paid	(168.38)	-
Net Cash Flow from/(used) in Financing Activities (C)	**(5,478.45)**	**(6,676.24)**
Net increase (decrease) in cash and cash equivalents	(111.53)	155.72
Cash and Cash Equivalents at the beginning of the financial year	727.36	571.62
Cash and Cash Equivalents at end of the year	**615.83**	**727.36**

Notes:-

1. Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.
2. Debt reconciliation statement in accordance with Ind AS 7.

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balances		
Long-term borrowings (including current maturities)	10,302.85	15,957.33
Short-term borrowings	6,553.81	4,222.40
Movements		
Long-term borrowings (including current maturities)	(3,273.01)	(5,654.48)
Short-term borrowings	715.79	2,331.41
Closing balances		
Long-term borrowings (including current maturities)	7,029.84	10,302.85
Short-term borrowings	7,269.61	6,553.81
Significant Accounting Policies and Notes form an integral part of the Financial Statements.	1 to 61	

As per our attached report of even date

For GMJ & Co
Chartered Accountants
Firm's Registration No 103429W

SANJEEV MAHESHWARI
Partner
Membership No. 038755
UDIN: 220387 55AJGI DN8921

Mumbai, May 19, 2022

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director
DIN 00176440

RAUNAK AGARWAL
Whole Time Director
DIN 02173330

POOJA DAFTARY
Company Secretary

DIPANKAR RAI
Chief Financial Officer

Notes to financial statements for the year ended March 31, 2022

NOTE 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

N R Agarwal Industries Limited ('the Company') is a public limited Company incorporated in India with its registered office at 502-A/501-B, Fortune Terraces, 5th Floor, Opposite Citi Mall, New Link Road, Andheri (West), Mumbai- 400053 Maharashtra. The Equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is among the first and leading manufacturers of recycled paper in India and the largest manufacturer of grey back and white back Duplex Boards for over 29 years now and forayed into Writing & Printing (W&P) paper in July 2014. The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 19, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1) Certain financial assets and liabilities that are measured at fair value;

2) Defined benefit plans - Plan assets measured at fair value;

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.02 Use of estimates and judgments: The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

2.03 Property, plant and equipment

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 01, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing cost attributable to acquisition, construction of qualifying assets are capitalized until such time as the assets are substantially ready for their intended use.

Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent expenditure on property, plant and equipment after its purchase/completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Property, plant and equipment acquired and put to use for the project are capitalized and depreciation thereon is included in the project cost till the project is ready for its intended use. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal, any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the property, plant and equipment is de-recognized.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

The Company depreciates its property, plant and equipment (PPE) over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment's wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows-

Building	30-60 Years
Plant & Machinery	15-40 Years
Furniture & Fixture	10 Years
Office Equipment	3-5 Years
Computers & Server	3-6 Years
Vehicles	8 Years

Freehold land is not depreciated. Lease hold land is amortized over the period of lease.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as Capital Advances under other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work-in-Progress'. The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end.

Depreciation on additions / deletions is calculated pro-rata from the month of such addition / deletion, as the case may be.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Notes to financial statements for the year ended March 31, 2022

2.04 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of- use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.05 Impairment of Non-Financials assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit and loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

2.06 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, other short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.07 Intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The Company amortizes computer software using the straight-line method over the period of 3 years. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

2.08 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - Initial recognition

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss (FVTPL) on the basis of following:

(i) Measured at amortized cost:

A financial asset is measured at amortized cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortized cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. On de-recognition, gain or loss, if any, is recognized to Statement of Profit and Loss.

Notes to financial statements for the year ended March 31, 2022

(ii) Measured at fair value through other comprehensive income (FVOCI):

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognized in the OCI, except for interest income which recognized using EIR method. The losses arising from impairment are recognized in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognized in the OCI is reclassified from the equity to Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss (FVTPL):

Investment in financial asset other than equity instrument, not measured at either amortized cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized in the Statement of Profit and Loss.

Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognizes a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

De-recognition

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities measured at amortized cost are subsequently measure at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss. For trade and other payables, loans and borrowings maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition

A financial liability is de-recognized when the obligations under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.09 Inventories

Inventories includes raw material, Work-in-Progress, finished goods, Coal, stores & spares, Consumables and packing materials. Inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, and other materials are determined on moving average basis.

Finished / Semi-Finished Goods: cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Stock of scrap is valued at realizable value.

Notes to financial statements for the year ended March 31, 2022

2.10 Revenue from contracts with customers

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration such as the amount of discounts, incentives, volume rebates, outgoing taxes on sales etc., and the existence of significant financing contracts, non-cash consideration and consideration payable to the customer, if any.

Variable Consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of goods

Revenues are recognized at a point in time when control of the goods passes to the buyer, usually upon either at the time of dispatch or delivery. In case of export sale, it is usually recognised based on the shipped-on board date as per bill of lading. Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc.

Interest income

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. Interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

Dividend income

Dividend income on investment is recognized when the right to receive dividend is established.

Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

2.11 Foreign currency transactions and translations

The functional currency of the Company is Indian Rupees (₹ or INR) which is also the presentation currency for the financial statements.

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non- monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

2.12 Employee Benefit Plan

Defined contribution plan

The Company makes Provident Fund contributions to regulatory authorities for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund authorities. The Company does not expect any shortfall in the foreseeable future.

Defined benefit plans

The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972 and is provided on the basis of its actuarial valuation based on the projected unit credit method at each Balance Sheet date and funded through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC'). Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. Changes in actuarial gains or losses are charged or credited to other comprehensive income in the period in which they arise.

Other long-term employee benefit obligations

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation. Changes in actuarial gains or losses are charged or credited to profit or loss in the period in which they arise.

2.13 Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

Notes to financial statements for the year ended March 31, 2022

2.14 Income Tax

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and 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

Minimum Alternate Tax

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.15 Provisions, Contingent liabilities and Contingent assets

A provision is recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising out of past event where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.17 Earnings per Share (EPS)

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

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Notes to financial statements for the year ended March 31, 2022

Note 2 : Property, Plant and Equipment, Capital Work-In-Progress, Intangible Assets under Development and Right of Use Assets

Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold Land	Leasehold Land	Road & Pathway	Factory Buildings	Other - Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computers	Leasehold Improvements	Total
Gross Carrying Value											
At April 1, 2020	464.31	466.68	265.63	8,368.88	2,108.52	51,915.32	473.27	922.06	168.21	-	65,152.89
Additions	-	-	-	118.95	-	2,847.96	3.71	269.58	28.01	-	3,268.21
Disposals	-	-	-	-	-	32.75	-	0.32	-	-	33.07
At March 31, 2021	**464.31**	**466.68**	**265.63**	**8,487.83**	**2,108.52**	**54,730.54**	**476.98**	**1,191.32**	**196.22**	**-**	**68,388.03**
Additions	-	-	-	221.36	-	1,880.48	996.31	266.68	16.32	528.36	3,909.51
Disposals*	-	282.32	-	783.20	6.42	12,888.27	10.39	139.66	131.56	-	14,241.82
At March 31, 2022	**464.31**	**184.36**	**265.63**	**7,925.99**	**2,102.10**	**43,722.75**	**1,462.90**	**1,318.34**	**80.98**	**528.36**	**58,055.72**
Accumulated Depreciation											
At April 1, 2020	-	23.05	80.60	1,232.63	402.22	8,157.51	138.11	264.86	86.99	-	10,385.97
Charge for the year	-	7.68	25.55	305.02	35.56	2,396.50	43.37	133.35	21.67	-	2,968.70
Disposals	-	-	-	-	-	19.75	-	-	-	-	19.75
At March 31, 2021	**-**	**30.73**	**106.15**	**1,537.65**	**437.78**	**10,534.26**	**181.48**	**398.21**	**108.66**	**-**	**13,334.92**
Charge for the year	-	5.40	25.43	303.81	31.45	2,393.61	56.32	156.56	23.38	12.38	3,008.34
Disposals *	-	20.57	-	462.30	1.43	3,915.54	6.85	95.15	123.03	-	4,624.87
At March 31, 2022	**-**	**15.56**	**131.58**	**1,379.16**	**467.80**	**9,012.33**	**230.95**	**459.62**	**9.01**	**12.38**	**11,718.39**
Net Carrying Value											
At March 31, 2022	**464.31**	**168.80**	**134.05**	**6,546.83**	**1,634.30**	**34,710.42**	**1,231.95**	**858.72**	**71.97**	**515.98**	**46,337.33**
At March 31, 2021	**464.31**	**435.95**	**159.48**	**6,950.18**	**1,670.74**	**44,196.28**	**295.50**	**793.11**	**87.56**	**-**	**55,053.11**

*Disposals during the year includes assets reclassified as "Asset held for sale". Please refer note no. 48 for Assets transferred to "Assets held for sale".

Note - No revaluation has been done during the year

Capital Work-In-Progress

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Factory Building	1,035.51	103.98
Plant and Machinery	485.56	1,342.69
Others	942.29	1,380.01
Total	**2,463.36**	**2,826.68**

Note 2 : Property, Plant and Equipment, Capital Work-In-Progress, Intangible Assets under Development and Right of Use Assets (Contd.)

(a) CWIP Ageing Schedule

(i) as at March 31, 2022

(₹ in lakhs)

	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
Project in Progress	1,521.44	-	941.92	-	2,463.36
Project Suspended	-	-	-	-	-
Total	**1,521.44**	**-**	**941.92**	**-**	**2,463.36**

(ii) as at March 31, 2021

(₹ in lakhs)

	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
Project in Progress	411.87	1,149.34	1,265.47	-	2,826.68
Project Suspended	-	-	-	-	-
Total	**411.87**	**1,149.34**	**1,265.47**	**-**	**2,826.68**

Note : There are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Intangible Assets under Development

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Software	5.75	76.50
Total	**5.75**	**76.50**

(a) Intangible Asset Under Development

(i) as at March 31, 2022

(₹ in lakhs)

	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
Project in Progress	5.75	-	-	-	5.75
Project Suspended	-	-	-	-	-
Total	**5.75**	**-**	**-**	**-**	**5.75**

(ii) as at March 31, 2021

(₹ in lakhs)

	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
Project in Progress	-	76.50	-	-	76.50
Project Suspended	-	-	-	-	-
Total	**-**	**76.50**	**-**	**-**	**76.50**

Note : There are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Notes to financial statements for the year ended March 31, 2022

Note 2 : Property, Plant and Equipment, Capital Work-In-Progress, Intangible Assets under Development and Right of Use Assets (Contd.)

Right-of-Use Assets

(₹ in lakhs)

Particulars	Land	Building	Total
Gross Carrying Value			
At April 1, 2020	1,433.70	1,289.71	2,723.41
Additions	-	-	-
Transfers/Adjustments	-	-	-
At March 31, 2021	**1,433.70**	**1,289.71**	**2,723.41**
Additions		769.20	769.20
Transfers/Adjustments			-
At March 31, 2022	**1,433.70**	**2,058.91**	**3,492.61**
Depreciation			
At April 1, 2020	49.26	220.25	269.51
Depreciation for the year	49.12	219.81	268.93
Disposals	-	-	-
At March 31, 2021	**98.38**	**440.06**	**538.44**
Depreciation for the year	49.12	239.50	288.62
Disposals	-	-	-
At March 31, 2022	**147.50**	**679.56**	**827.06**
Net Carrying Value			
At March 31, 2022	**1,286.20**	**1,379.35**	**2,665.55**
At March 31, 2021	**1,335.32**	**849.65**	**2,184.97**

Note - No revaluation has been done during the year

Note 3 : Other Intangible Assets

(₹ in lakhs)

Particulars	Computer Software	Others	Total
Gross Carrying Value			
At April 1, 2020	8.94	95.03	103.97
Additions	-	1,193.03	1,193.03
Disposals	-	0.07	0.07
At March 31, 2021	**8.94**	**1,287.99**	**1,296.93**
Additions	-	92.77	92.77
Disposals	-	-	-
At March 31, 2022	**8.94**	**1,380.76**	**1,389.70**
Amortization			
At April 1, 2020	8.06	67.50	75.56
Amortisation for the year	-	64.14	64.14
Disposals	-	0.06	0.06
At March 31, 2021	**8.06**	**131.58**	**139.64**

Note 3 : Other Intangible Assets (Contd.)

(₹ in lakhs)

Particulars	Computer Software	Others	Total
Amortisation for the year	-	142.89	142.89
Disposals	-	-	-
At March 31, 2022	**8.06**	**274.47**	**282.53**
Net carrying value			
At March 31, 2022	**0.88**	**1,106.29**	**1,107.17**
At March 31, 2021	**0.88**	**1,156.41**	**1,157.29**

Note - No revaluation has been done during the year

Note 4 : Non-Current Investments

(₹ in lakhs)

Particulars	Face Value / Share *	No. of Shares *	As at March 31, 2022	As at March 31, 2021
Quoted, Equity shares fully paid up				
Investment Carried at Fair Value through OCI				
Bank of Baroda	2 (2)	30,000 (30,000)	33.48	22.23
Bank of India	10 (10)	2,200 (2,200)	1.01	1.49
Unquoted, Equity shares fully paid up			-	-
Investments Carried at Fair Value through Profit or Loss			-	-
Mahalaxmi Co-Operative Housing Society Ltd.	10 (10)	375 (375)	0.04	0.04
Kherana Paper Mills Pvt. Ltd.	100 (100)	95 (95)	-	-
Saraswat Co-Operative Bank Ltd.	10 (10)	2,500 (2,500)	0.25	0.25
			34.78	**24.01**
Aggregate book value of unquoted investments			0.29	0.29
Aggregate market value of quoted investments			34.49	23.72
Aggregate amount of impairment in value of investment			-	-

*Figures in bracket related to previous year

Note 5 : Non-Current Financial Assets - Loans

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured considered good)		
Loans to employees	1.00	-
Total	**1.00**	**-**

Notes to financial statements for the year ended March 31, 2022

Note 6 : Non-Current Financial Assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rent and other security deposits	257.49	237.26
Total	**257.49**	**237.26**

Note 7 : Non-Current Assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advances	1,138.19	502.38
Advances to employees	1.92	0.75
Deferred lease expenses	48.44	48.44
Total	**1,188.55**	**551.57**

Note 8 : Inventories (At lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials - Stock	8,156.33	6,110.98
Raw Materials - In Transit	-	1,436.31
Work-in-progress	427.51	674.07
Finished Goods	1,146.02	1,869.02
Stores and Spares	2,438.75	3,111.42
Coal - In Stock	1,020.47	488.59
Coal - In Transit	1,742.35	-
Project Stock	341.26	-
Packing Materials	217.64	203.26
Total	**15,490.33**	**13,893.65**

Note: 1 - Inventories have been offered as security against the working capital loans provided by bank.

Note: 2 - Inventory for Unit II has been treated as "Asset held for Sale" on account of sale of Unit II in April, 2022 amounting to ₹290.92 lakhs.

Note 9 : Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables – Considered Good Secured	-	-
Trade receivables – Considered Good Unsecured	16,706.93	12,305.86
Trade receivables which have significant increase in credit risk	13.07	23.10
Trade Receivables – Credit impaired	-	-
Less: Allowance for bad and doubtful debts	13.07	23.10
Total trade and other receivables	**16,706.93**	**12,305.86**

Note 9 : Trade Receivables (contd.)

Trade Receivable Ageing Schedule - Outstanding for period from due date (As on March 31, 2022)*

(₹ in lakhs)

Particulars	Undisputed Trade receivables – considered good (Secured)	Undisputed Trade receivables – considered good (Unsecured)	Undisputed Trade Receivables – credit impaired	Trade receivables which have significant increase in credit risk	Total
Not Due	-	15,958.43	-	-	15,958.43
Less than 6 months	-	701.69	-	-	701.69
6 months to 1 year	-	31.31	-	0.87	32.18
1-2 year	-	10.01	-	2.48	12.49
2-3 Year	-	1.26	-	0.42	1.68
More than 3 years	-	4.24	-	9.30	13.54
Total	**-**	**16,706.94**	**-**	**13.07**	**16,720.01**

Trade Receivable Ageing Schedule - Outstanding for period from due date (As on March 31, 2021)*

(₹ in lakhs)

Particulars	Undisputed Trade receivables – considered good (Secured)	Undisputed Trade receivables – considered good (Unsecured)	Undisputed Trade Receivables – credit impaired	Trade receivables which have significant increase in credit risk	Total
Not Due	-	9,499.21	-	-	9,499.21
Less than 6 months	-	2,514.20	-	3.15	2,517.35
6 months to 1 year	-	137.55	-	3.90	141.45
1-2 year	-	147.45	-	13.75	161.20
2-3 Year	-	-	-	-	-
More than 3 years	-	7.45	-	2.30	9.75
Total	**-**	**12,305.86**	**-**	**23.10**	**12,328.96**

There are no unbilled receivables as at March 31, 2022 and March 31, 2021.

*There are no disputed trade receivables

a) The credit period ranges from 15 days to 120 days.

b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Notes to financial statements for the year ended March 31, 2022

Note 10(A) : Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Banks in current accounts	-	19.93
Cash on hand	5.74	0.67
Total	**5.74**	**20.60**

Note 10(B) : Other Bank Balance

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks to the extent held as Margin Money	586.95	685.41
Unpaid Dividends	23.14	21.35
Total	**610.09**	**706.76**

Note 11 : Current Financial Assets - Loans

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured considered good)		
Loans to employees	44.65	15.88
Total	**44.65**	**15.88**

Note 12 :Current Financial Assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rent and other security deposits *	75.84	85.76
Interest on deposit	30.32	37.60
Claim and other receivable	-	8.78
Financial Assets measured at Fair Value - Foreign Exchange Forward Contract	15.66	-
Total	**121.82**	**132.14**

*Security deposits included water deposit for Unit II which has been classified as "Asset held for Sale" on account of sale of Unit II in April, 2022 amounting to ₹105.22 lakhs. (Refer note no. 48)

Note 13 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to employees	5.54	1.33
Commercial Advances	1,725.39	1,988.57
Prepaid expenses	183.07	86.10
Balances with Government authorities*	853.10	1,005.68
Export benefits receivable	705.12	547.62
Others	-	0.25
Total	**3,472.22**	**3,629.55**

*Balance with Government authorities included receivable for Unit II which has been classified as "Asset held for Sale" on account of sale of unit II in April, 2022 amounting to ₹89.48 lakhs. (Refer note no. 48)

Note 14 : Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax/ Tax deducted at source (net of provisions)	373.64	485.91
Total	**373.64**	**485.91**

Note 15 : Equity Share Capital

(A) **Equity share capital**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Authorized		
2,25,00,000 Equity Shares ₹10/- each (March 31, 2021: 2,25,00,000 Equity Shares of ₹10/- each)	2,250.00	2,250.00
25,00,000 Preference Shares ₹10/- each (March 31, 2021: 25,00,000 Preference Shares of ₹10/- each)	250.00	250.00
b) Issued, subscribed and fully paid-up		
1,70,19,100 Equity Shares ₹10/- each (March 31, 2021: 1,70,19,100 Equity Shares of ₹10/- each)	1,701.91	1,701.91

(B) **Reconciliation of the shares outstanding at the beginning and at the end of the year**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	1,70,19,100	1,70,19,100
Add: Equity shares issued	-	-
At the end of the year	1,70,19,100	1,70,19,100

Notes to financial statements for the year ended March 31, 2022

Note 15 : Equity Share Capital (contd.)

(C) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹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 shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(D) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

Name of Shareholders	March 31, 2022		March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Shri. Rajendra Agarwal	79,78,105	46.88	79,78,105	46.88
Smt. Reena Agarwal	45,38,861	26.67	45,38,861	26.67

(E) None of the above shares are reserved for Issue under options/contract/commitments for sale of shares or disinvestment.

(F) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL

(G) Details of Shares held by the promoters at the end of the year

Promoter Name	March 31, 2022		
	No. of Shares	% of Total Shares	% Change during the year
Rajendra Nagin Agarwal	79,78,105	46.88	-
Reena Rajendra Agarwal	45,38,861	26.67	-
Raunak Agarwal	32	0.00	-
Total	**1,25,16,998**	**73.55**	

Promoter Name	March 31, 2021		
	No. of Shares	% of Total Shares	% Change during the year
Rajendra Nagin Agarwal	79,78,105	46.88	-
Reena Rajendra Agarwal	45,38,861	26.67	-
Raunak Agarwal	32	0.00	-
Total	**1,25,16,998**	**73.55**	

Note 15 : Equity Share Capital (contd.)

(H) Dividend

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the Company and other internal and external factors enumerated in the Company's dividend policy

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A) Declared and paid during the year:*		
Final Dividend for the F.Y. 2020-21: Re 1 per share (F.Y. 2019-20: Nil per share)	170.19	-
	170.19	**-**
B) Proposed for approval at the annual general meeting (not recognised as a liability)		
Final Dividend for the F.Y. 2021-22: Nil per share (F.Y. 2020-21: Re 1 per share)	-	170.19
	-	**170.19**

*Dividend declared and paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.

(I) Shares Held by Holding Company

There is no Holding company.

Note 16 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	146.25	146.25
General Reserve	802.53	802.53
Retained Earnings	50,925.90	44,981.16
Equity instruments through other comprehensive income	28.40	17.63
Total	**51,903.08**	**45,947.57**

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Capital Reserve		
Opening balance	**146.25**	**146.25**
Add: Additions during the year	-	-
Less: Utilization during the year	-	-
Closing balance	**146.25**	**146.25**

Notes to financial statements for the year ended March 31, 2022

Note 16 : Other Equity (contd.)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
b) General Reserve		
Opening balance	**802.53**	**802.53**
Add: Additions during the year	-	-
Less: Utilization during the year	-	-
Closing balance	**802.53**	**802.53**
c) Retained Earnings		
Opening balance	44,981.16	39,216.76
Net profit for the year	6,102.15	5,722.89
Items of other comprehensive income recognised directly in retained earnings		
Measurement of post employment benefit obligation, net of tax	12.78	41.51
Dividend	(170.19)	-
Closing balance	**50,925.90**	**44,981.16**
d) Equity instruments through other comprehensive income		
Opening balance	17.63	10.68
Add: Changes for the year	10.77	6.95
Closing balance	**28.40**	**17.63**

Note 17 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term and Corporate loans from Banks	7,029.84	10,120.99
Less:- Current maturities disclosed under other current borrowings (Refer note 22)	3,475.17	5,695.90
	3,554.67	4,425.09
Unsecured		
Loan from related parties	-	181.85
	-	181.85
Total	**3,554.67**	**4,606.94**

Note 17 : Borrowings (contd.)

Nature of Security and terms of repayment for Long Term secured Borrowings: -

(₹ in lakhs)

Bank Name	Terms of repayment & Security	As at March 31, 2022	As at March 31, 2021
A - Term, Corporate, FITL and Mortgage Loans from Banks: -			
Bank of Baroda	Secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and excluvise first charge on movable assets including plant and machinery and immovable assets at Unit III and IV at Vapi and Unit V at Sarigam (excluding non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal and Smt Reena Agarwal	296.55	905.63
	Effective rate of interest - March 31, 2022 @ 9.00% p.a., March 31, 2021 @ 9.00% p.a.		
	Terms of repayment - 32 quarterly instalments of ₹150.93 lakhs.		
Bank of Baroda	Secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and excluvise first charge on movable assets including plant and machinery and immovable assets at Unit III and IV at Vapi and Unit V at Sarigam (excluding non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal and Smt Reena Agarwal	159.37	478.12
	Effective rate of interest - March 31, 2022 @ 9.00% p.a., March 31, 2021 @ 9.00% p.a.		
	Terms of repayment - 32 quarterly instalments of ₹79.68 lakhs.		

Notes to financial statements for the year ended March 31, 2022

Note 17 : Borrowings (contd.)

(₹ in lakhs)

Bank Name	Terms of repayment & Security	As at March 31, 2022	As at March 31, 2021
Bank of Baroda	Secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit III and IV at Vapi and Unit V at Sarigam (excluding non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal and Smt Reena Agarwal	437.50	1,312.50
	Effective rate of interest - March 31, 2022 @ 9.00% p.a., March 31, 2021 @ 9.00% p.a.		
	Terms of repayment - 32 quarterly instalments of ₹218.75 lakhs.		
Bank of Baroda	Secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit III and IV at Vapi and Unit V at Sarigam (excluding non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal and Smt Reena Agarwal	206.25	431.25
	Effective rate of interest - March 31, 2022 @ 9.00% p.a., March 31, 2021 @ 9.00% p.a.		
	Terms of repayment - 26 quarterly instalments of ₹56.25 lakhs.		
Bank of Baroda	Secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit III and IV at Vapi and Unit V at Sarigam (excluding non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal and Smt Reena Agarwal	306.00	1,462.50

Note 17 : Borrowings (contd.)

(₹ in lakhs)

Bank Name	Terms of repayment & Security	As at March 31, 2022	As at March 31, 2021
	Effective rate of interest - March 31, 2022 @ 9.00% p.a., March 31, 2021 @ 9.00% p.a.		
	Terms of repayment - 32 quarterly instalments of ₹289.12 lakhs.		
Bank of Baroda	Secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit III and IV at Vapi and Unit V at Sarigam (excluding non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal and Smt Reena Agarwal	974.91	2,812.50
	Effective rate of interest - March 31, 2022 @ 9.00% p.a., March 31, 2021 @ 9.00% p.a.		
	Terms of repayment - 24 quarterly instalments of ₹312.50 lakhs.		
The Saraswat Co-operative Bank Ltd.	Secured by way of first pari passu charge on movable assets including plant and machinery and immovable assets at Unit I at Vapi. The loan is further secured on exclusive basis (i) Directors residential bungalow at Lokhandwala, Andheri (W), Mumbai 400053, (ii) the non agricultural land admeasuring 37.61 acres at Sarigam, Gujarat and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal, Smt Reena Agarwal and Shri Rohan Agarwal.	173.62	520.87
	Effective rate of interest - March 31, 2022 @ 9.25% p.a., March 31, 2021 @ 9.25% p.a.		
	Terms of repayment - 32 quarterly instalments of ₹86.81 lakhs.		

Notes to financial statements for the year ended March 31, 2022

Note 17 : Borrowings (contd.)

(₹ in lakhs)

Bank Name	Terms of repayment & Security	As at March 31, 2022	As at March 31, 2021
The Saraswat Co-operative Bank Ltd.	Secured by way of (i) Directors residential bungalow at Lokhandwala, Andheri (W), Mumbai 400053, (ii) the non agricultural land admeasuring 37.61 acres at Sarigam, Gujarat and (iii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal, Smt Reena Agarwal and Shri Rohan Agarwal.	1,087.50	1,812.50
	Effective rate of interest - March 31, 2022 @ 9.25% p.a., March 31, 2021 @ 9.25% p.a.		
	Terms of repayment - 20 quarterly instalments of ₹181.25 lakhs.		
State Bank of India	Secured by way of (i) Exclusive first charge on the Building, Plant & Machinery of proposed Unit V PM-2 (ii) First pari-pasu charge on the Company owned factory land of Unit V and Unit V PM-2 admeasuring 230391 sq mtrs (excluding non agricultural land 37.61 acres charged exclusively to Saraswat Co-op Bank Ltd.) located at Sarigam, Gujarat. (iii) Second pari-pasu charge on the Building, Plant & Machinery (present & future) of Unit V located at Sarigam, Gujarat. (iv) Second pari-pasu charge on the Land, Building, Plant & Machinery (present & future) of Unit I, III and IV located at Vapi, Gujarat. (v) Second pari-pasu charge over the entire current assets of the Company, (present & future). (vi) Pledge over entire equity shares of promoter. (vii) personal guarantees of Shri R N Agarwal, Shri Raunak Agarwal and Smt Reena Agarwal	3,000.00	-
	Effective rate of interest - March 31, 2022 @ 9.00% p.a., March 31, 2021 @ 0.00% p.a.		
	Terms of repayment - 28 quarterly instalments of ₹562.50 lakhs.		
B - Vehicle Loans from Banks:-			
Bank of Baroda	Various Car Loans secured by hypothecation of Motor Car.	397.12	380.99
	Terms of repayment - each repayable in 60 monthly instalments.		
Kotak Mahindra Prime Ltd.	Secured by hypothecation of Motor Car.	3.08	38.46
	Terms of repayment - repayable in 60 monthly instalments.		

Note 18 : Lease Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability	2,875.89	2,455.55
Total	**2,875.89**	**2,455.55**

Note 19 : Other Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable (Retention Money)	-	2,000.00
Dealers deposits	513.00	539.51
Creditors for Capital Expenditure	230.61	387.79
Total	**743.61**	**2,927.30**

Note 20 : Non-Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:-		
Gratuity and compensated absences	329.32	389.98
Total	**329.32**	**389.98**

Note 21: Income tax

a) Income tax expense in the statement of profit and loss comprises:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current income tax	1,657.81	1,344.94
Deferred Tax	1,701.24	694.15
Total	**3,359.05**	**2,039.09**

b) Reconciliation of tax expense and the accounting profit

(₹ in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
Profit before income taxes		9,461.20	7,761.99
Enacted tax rate in India		34.944%	34.944%
Computed expected tax expenses		3,306.12	2,712.35
Difference in Tax Rate	(1,658.22)	145.52	129.84
Effect of concessions	(303.05)	(105.90)	(856.13)
Effect of Deduction of Donation	(133.75)	(46.74)	-
Expenses/Income not consider for tax purpose	175.03	60.05	53.04
Income tax expense Net		**3,359.05**	**2,039.09**

Notes to financial statements for the year ended March 31, 2022

Note 21: Income tax (contd.)

c) Movement in deferred tax assets and liabilities during the year ended March 31, 2022

(₹ in lakhs)

	As at March 31, 2021	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred income tax assets				
Expenditure deductible for tax purposes in future period	40.29	0.03	-	40.32
MAT credit entitlement*	3,519.22	(977.39)	-	2,541.82
Provisions for employee benefits	156.16	(3.39)	(6.87)	145.90
Loss allowance on Trade Receivables	8.07	(3.51)	-	4.57
Lease Rental (IND AS 116)	166.26	7.99	-	174.25
	3,890.00	**(976.27)**	**(6.87)**	**2,906.85**
Deferred income tax liabilities				
Temporary difference in the carrying amount of property, plant and equipment	9,006.11	724.97	-	9,731.08
	9,006.11	**724.97**	**-**	**9,731.08**
Net deferred tax assets / (liabilities)	**(5,116.11)**	**(1,701.24)**	**(6.87)**	**(6,824.22)**

Note 22 : Current Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Working Capital loan from Banks	7,269.61	5,735.41
Current maturities of long term borrowings	3,475.17	5,695.90
Unsecured		
Vendor Bill discounting	-	818.41
Total	**10,744.78**	**12,249.72**

Note:-

1. Working capital loan from Banks are secured by first pari passu charge by way of hypothecation of all the stocks, book debts and all other movable current assets of the Company and second pari passu charge by way of mortgage of the immovable properties of the Company and hypothecation of plant & machinery of the Company.
2. The Company does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

Note 22 : Current Borrowings (contd.)

Borrowings Secured against Current Assets

The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with books of account other than those as set out below:

(₹ in lakhs)

Quarter	Name of Bank	Particulars of Security Provided	Amount as per Books of account	Amount as reported in Quarterly return / statement	Amount of difference*
Q1 - 21-22	Bank of Baroda, Bank of India, IDBI and Axis Bank (Sanctioned limit - 10,593 lakhs)	Stocks, Book debts and all other movable current assets	32,226.34	29,301.78	2,924.56
Q2 - 21-22			29,617.95	29,013.81	604.15
Q3 - 21-22			27,018.47	26,148.00	870.47
Q4 - 21-22			31,582.66	31,242.37	340.30

* Difference is primarily due to inclusion of certain liabilities not forming part of creditors for goods.

(₹ in lakhs)

Quarter	Name of Bank	Particulars of Security Provided	Amount as per Books of account	Amount as reported in Quarterly return / statement	Amount of difference*
Q2 - 20-21	Bank of Baroda, Bank of India and IDBI (Sanctioned limit - 10,593 lakhs)	Stocks, Book debts and all other movable current assets	23,671.22	24,010.27	-339.05
Q4 - 20-21			26,140.25	25,814.99	325.26

* Difference is primarily due to inclusion of certain liabilities not forming part of creditors for goods.

Note 23 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises		
Trade payable	1,275.57	1,554.00
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances	5,169.08	4,939.64
Trade payable other than acceptances	8,595.10	6,960.20
Total	**15,039.75**	**13,453.84**

Trade payables are non-interest bearing and are normally settled within 60 - 120 days.

Notes to financial statements for the year ended March 31, 2022

Note 23 : Trade Payables (contd.)

Trade Payable Ageing Schedule - Outstanding for period from due date (As on March 31, 2022)

(₹ in lakhs)

Particulars	Less than 1 year	1-2 year	2-3 Year	More than 3 years	Total
(i) MSME	1,270.64	3.92	-	1.01	1,275.57
(ii) Others	13,716.86	25.89	1.78	19.65	13,764.18
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

Trade Payable Ageing Schedule - Outstanding for period from due date (As on March 31, 2021)

(₹ in lakhs)

Particulars	Less than 1 year	1-2 year	2-3 Year	More than 3 years	Total
(i) MSME	1,550.92	1.20	0.63	1.25	1,554.00
(ii) Others	11,834.59	3.11	9.82	52.32	11,899.84
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-

There are no unbilled due as at March 31, 2022 and March 31, 2021.

a) Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2022 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	1,275.57	1,554.00
Interest	2.58	0.23
ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.58	0.23
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are ₹5.05 lakhs.

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note 24 : Lease Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability	288.30	205.19
Total	**288.30**	**205.19**

Note 25 : Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	5.37	27.49
Unpaid Dividends	23.14	21.35
Salary and wages payable	809.72	501.52
Other payables for expenses	4,124.60	2,933.01
Creditors for Capital Expenditure	362.59	341.31
Total	**5,325.42**	**3,824.68**

Note 26 : Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits - gratuity and compensated absences	88.21	56.92
Total	**88.21**	**56.92**

Note 27 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	491.94	283.68
Trade advances*	168.30	82.35
Total	**660.24**	**366.03**

*Advance received for Unit II sale has been treated as "Asset held for Sale" amounting to ₹707 lakhs. (Refer note no. 48)

Note 28 : Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products	1,60,060.63	1,12,825.58
Other operating revenue:		
Sale of Scrap	462.22	218.03
Export incentives	1,127.75	1,520.29
Total	**1,61,650.60**	**1,14,563.90**

Notes to financial statements for the year ended March 31, 2022

Note 29: Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income		
On Fixed deposits with banks	24.19	29.03
On Others	38.17	228.32
Other Non-operating income		
Net Gain on foreign currency transactions and translation	961.54	501.95
Fair value gain on financial instruments through P&L	15.66	-
Other non operating income	103.36	76.44
Total	**1,142.92**	**835.74**

Note 30: Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Waste paper	81,980.77	51,547.07
Chemical	15,577.30	12,124.19
Packing Material	2,661.62	2,010.24
Less: Sale of raw material	(231.36)	(29.97)
Total	**99,988.33**	**65,651.53**

Note 31: Changes in inventories of finished goods, work-in-progress and goods-in-trade

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the end of the year		
Finished goods/ goods in trade	1,146.01	1,869.02
Work-in-progress	427.51	674.07
	1,573.52	2,543.09
Inventory at the beginning of the year		
Finished goods/ goods in trade	1,869.02	2,216.44
Work-in-progress	674.07	550.86
	2,543.09	2,767.30
Total	**969.57**	**224.21**

Note 32: Employee Benefits Expense

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	6,585.49	6,313.33
Contribution to provident and other funds	400.07	396.12
Staff welfare expenses	159.00	96.95
Total	**7,144.56**	**6,806.40**

Note 33: Finance Cost

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses[*]	1,755.29	2,309.15
Interest on lease liability	280.56	290.40
Bank charges	374.23	292.05
Other borrowings cost	112.59	138.94
Total	**2,522.67**	**3,030.54**
[*] The break up of interest expense into major heads is given below:		
On term loans	629.68	1,360.44
On working capital loans	632.25	559.37
Others	493.35	389.34
	1,755.28	**2,309.15**

Note 34: Other Expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores, spares and tools	4,701.17	3,547.41
Power, fuel and water	22,660.47	14,665.92
Material handling charges	2,765.94	2,503.39
Repairs and maintenance:		
Plant and machinery	862.25	594.59
Buildings	124.20	166.91
Others	148.43	143.61
General Expenses	1,109.76	987.39
Selling and distribution expenses	1,588.07	2,018.89
Carriage Outward	4,217.39	3,122.18
Allowance for Bad and Doubtful Debts	-	6.60
Rent, Rates and taxes	198.44	167.63
Insurance	164.79	131.59
Legal and professional Fees	202.85	168.94
Director's sitting fees	12.10	8.60

Notes to financial statements for the year ended March 31, 2022

Note 34: Other Expenses (contd.)

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Payment to auditors (Refer note below for payment to statutory auditor)	21.49	20.24
Travelling and Conveyance Expenses	67.26	81.95
Expenditure on Corporate Social Responsibility	262.14	264.96
Loss on sale /discard of fixed assets	103.10	1.18
Impairment loss on asset held for sale	35.70	-
Miscellaneous expenses	21.79	21.22
Total	**39,267.34**	**28,623.20**

Note -Payment to Statutory Auditors

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit Fees	17.00	17.00
Tax Audit & Other fees	3.00	3.00
Fees for certificates and other services	1.49	0.10
Out of pocket expenses	-	0.14
Total	**21.49**	**20.24**

Note 35: Contingent Liabilities and Commitments

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt		
(i) Disputed Excise Duty/Custom Duty demands	516.10	533.04
(ii) Disputed Income Tax demands	255.77	257.24
(iii) On account of guarantees given to the bankers	119.55	834.51
(iv) Other claims against the Company not acknowledged as debts		
Labour	221.95	174.81
Panchayat Tax	-	-
Other matters(Pipeline)	441.54	441.54
(b) Guarantees excluding financial guarantees	-	-
(c) Other money for which the Company is contingently liable	-	-
ii) Commitments:		
(i) Capital commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	4,266.98	1,588.35

Note 35: Contingent Liabilities and Commitments (contd.)

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(ii) Uncalled liability on shares and other investments partly paid	-	-
(iii) EPCG Commitments		
Future export obligations / commitments under import of Capital Goods at Concessional rate of customs duty	103.75	780.12

Notes:

(i) The Asst. Commissioner of Income Tax, Vapi had raised a demand of ₹352.11 lakhs as penalty u/s 271(1) (C) for the assessment years 2007-08 to 2010-11. In order to stay this demand the Company offered to adjust refund of earlier years amounting to ₹168.56 lakhs and also paid ₹50 lakhs . Net outstanding demand is ₹133.55 lakhs The Company had appealed against these orders before the CIT (A) and the same is pending disposal.

(ii) The Income Tax department is in appeal before the Hon'ble High Court, Gujarat for the assessment years 2007-08 to 2013-14 on various grounds decided by the Income Tax Appellate Tribunal.

(iii) The Asst. Commissioner of Income Tax, Vapi had raised a demand of ₹154.63 lakhs as penalty u/s 271(1) (C) for the assessment years 2011-12 and 2012-13. Refund of ₹9.64 lakhs and also paid ₹21.31 lakhs has been adjusted reducing demand to ₹123.69 lakhs. The Company had appealed against these orders before the CIT (A) and the same is pending disposal.

Note 36: Earnings Per Share [EPS] computed in accordance with Ind AS 33

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Face Value per Equity Share	**10.00**	**10.00**
(a) Basic earnings per share	**35.85**	**33.63**
(b) Diluted earnings per share	**35.85**	**33.63**
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share (₹ in lakhs)	6,102.15	5,722.90
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share (₹ in lakhs)	6,102.15	5,722.90
Adjustment for calculation of diluted earnings per share	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share (₹ in lakhs)	6,102.15	5,722.90
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	1,70,19,100.00	1,70,19,100.00
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	1,70,19,100.00	1,70,19,100.00

Notes to financial statements for the year ended March 31, 2022

Note 37: Related Party Disclosures

(a) Details of Related Parties

i) Key Management Personnel

Rajendra Agarwal	Chairman and Managing Director
Reena Agarwal	Whole Time Director
Raunak Agarwal	Whole Time Director
Ashok Kumar Bansal	Whole Time Director
Rohan Agarwal	Whole Time Director
Gopal Uchil	Chief Financial Officer (upto July 30, 2020)
Praveen Kumar Bhandari	Chief Financial Officer (upto July 20, 2021)
Dipankar Rai	Chief Financial Officer (w.e.f. December 27, 2021)
Pooja Daftary	Company Secretary

ii) Non-Executive/Independent Directors on the Board

P Kumar	Independent Director
C R Radhakrishnan	Independent Director
R K Bakshi	Independent Director
S N Chaturvedi	Independent Director
Sunita Nair	Independent Director

iii) Relatives of Key Management Personnel

Natasha Agarwal	Manager - Product Development
Anuvaa Agarwal	Manager - HR (w.e.f. June 01, 2021)

iv) Enterprises over which any person described in (c) or (d) is able to exercise significant influence

Reera Holdings Private Limited	(w.e.f. April 22, 2021)

(b) Transactions during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Key Management Personnel and Relatives		
Remuneration	588.59	626.77
Key Management Personnel		
Commission to Directors	430.00	310.00
Interest paid to Directors	21.67	37.48
Rent	22.50	-
Non-Executive/Independent Directors on the Board		
Sitting Fees	12.10	8.60

Note 37: Related Party Disclosures (contd.)

(c) Balances at the year end

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Unsecured Borrowings from Key Management Personnel	-	181.85
Commission Payable	314.75	310.00
Remuneration and Salary payable	49.00	47.74

The remuneration paid to key managerial personal excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(d) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest bearing and settlement occurs in cash. There have been no financials guarantees provided to a Related Party. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amount owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

Note 38: Employee benefits plan

As per Ind AS 19 "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below :

a) Other long-term benefits - Compensated absences

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary.

The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

b) Defined benefits plans - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net employee benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Notes to financial statements for the year ended March 31, 2022

Note 38: Employee benefits plan (contd.)

I. Change in present value of obligation during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Present value of obligation at the beginning of the year	980.98	917.52
Included in profit and loss:		
Current Service Cost	119.77	117.70
Interest Cost	67.98	62.76
Past Service Cost	-	15.97
Actuarial Gain/(Loss)	-	-
Included in OCI:		
Actuarial losses/(gains) arising from:		
Experience adjustments	10.85	(55.50)
Financial assumption	(42.38)	(10.33)
Demographic Assumptions	0.10	-
Others		
Benefits Paid	(89.35)	(57.62)
Benefits Paid Non fund base	-	(9.50)
Present Value of obligation at the end of the year	**1,047.97**	**980.98**

II. Change in Fair Value of Plan Assets during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Plan assets at the beginning of the year	962.83	844.74
Included in profit and loss:		
Expected return on plan assets	66.72	57.78
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	(11.57)	(2.03)
Others:		
Employer's contribution	68.46	119.96
Benefits paid	(89.35)	(57.62)
Plan assets at the end of the year	**997.10**	**962.83**

The plan assets are maintained with Life Insurance Corporation of India (LIC).

III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Present Value of obligation as at year-end	(1,047.97)	(980.98)
2	Fair value of plan assets as at year -end	997.10	962.83
3	Funded status {Surplus/(Deficit)}	(50.87)	(18.15)
	Net Asset/(Liability)	**(50.87)**	**(18.15)**

Note 38: Employee benefits plan (contd.)

IV. Expenses recognised in the Statement of Profit and Loss

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Current Service Cost	119.77	117.70
2	Interest Cost	67.98	62.76
3	Past service Cost	-	15.97
4	Expected return on plan assets	(66.72)	(57.78)
	Total Expense	**121.03**	**138.65**

V. Expenses recognised in the Statement of Other Comprehensive Income

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Net Actuarial (Gain)/Loss	(31.42)	(65.84)
2	Expected return on plan assets excluding interest income	11.57	2.03
	Total Expense/(Income)	**(19.85)**	**(63.81)**

VI. Constitution of Plan Assets

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Insurance	997.10	962.83

VII. Bifurcation of Net Liability at the end of the year

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Current Liability	50.87	18.15
2	Non-Current Liability	-	-

VIII. Actuarial Assumptions

(₹ in lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Discount Rate	7.29%	6.93%
2	Expected rate of return on plan assets	7.29%	6.93%
3	Salary Escalation	7.25%	
4	Mortality table	IALM (2006-08) Ultimate	
5	Withdrawal Rate	2.00%	

IX. The expected contribution for Defined Benefit Plan for the next financial year will be ₹167.72 lakhs

Notes to financial statements for the year ended March 31, 2022

Note 38: Employee benefits plan (contd.)

X. Experience Adjustment:

(₹ in lakhs)

Gratuity	2021-22	2020-21
Present Value of obligation	(1,047.97)	(980.98)
Fair value of plan assets	997.10	962.83
Net Asset/(Liability)	(50.87)	(18.15)
Actuarial (Gain)/Loss on plan obligation	10.85	(55.50)
Actuarial Gain/(Loss) on plan assets	(11.57)	(2.03)

XI. Sensitivity Analysis

(₹ in lakhs)

	Year ended March 31, 2022		Year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(104.79)	124.72	(104.42)	124.89
Future salary growth (1% movement)	120.50	(103.71)	119.93	(102.64)
Withdrawal Rate (1% movement)**	1.24	(1.65)	(2.96)	3.16

** Changes in defined benefit obligation due to 1% Increase/Decrease in Withdrawal Rate, if all other assumptions remain constant is negligible.

XII. Methodology for defined benefit obligation

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities allowing for retirements, death-in-service and withdrawals.

XIII. Maturity Profile of defined benefit payments from the Fund

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
i) **Duration of defined benefit payments**		
Within the next 12 months (next annual reporting period)	82.04	32.34
Between 2 and 5 years	184.97	196.19
Beyond 5 years	2,612.61	2,452.12

c) Defined contribution plan

Company's employees are covered by Provident Fund to which the Company makes a defined contribution measured as a fixed percentage of salary. The contributions are made to registered provident fund administered by Government. During the year, amount of ₹213.88 lakhs (Previous Year: ₹201.21 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to the funds.

Note 39: Segment information

The operations of the Company are limited to one segment viz. Paper and Paper Boards. The products being sold under this segment are of similar nature and comprises of paper products only.

Operating segments are defined as components of a Company for which discrete financial information is available that is evaluated regularly by the Managing Director (Chief Operating Decision Maker) ("CODM"), in deciding how to allocate resources and assessing performance.

Geographical revenues is allocated based on the location of the customer. Information regarding geographical revenue is as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
India	1,19,909.12	88,189.38
Outside India	40,151.51	24,636.20
Total	**1,60,060.63**	**1,12,825.58**

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Note 40: Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas of CSR activities are promoting health care, promoting education and rural development activities. The expenditure incurred during the year on these activities are as specified in schedule VII on the Companies Act, 2013.

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Gross amount required to be spent by the Company during the year	247.20	260.16
(b) Amount spent during the year on:		
Ongoing Projects		
(i) Healthcare	-	215.00
(ii) Education	-	35.00
(iii) Infrastructure / Cultural / Environment	-	-
Other than Ongoing Projects		
(i) Healthcare	230.14	9.46
(ii) Education	30.00	5.00
(iii) Infrastructure / Cultural / Environment	2.00	0.50
Total	**262.14**	**264.96**
(c) Shortfall at the end of year	-	-
(d) Total of previous years shortfall	-	-

(e) Reason for Shortfall - Nil

(f) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard - Nil

(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.

Notes to financial statements for the year ended March 31, 2022

Note 40: Corporate Social Responsibility (CSR) (contd.)

(h) Any amount remaining unspent transferred to

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Ongoing project : Special account in compliance with the provision of Section 135(6)	-	-
(ii) Other than ongoing project : A Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to Section 135(5)	-	-

Note 41: Financial Instruments by category

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financials Assets

(₹ in lakhs)

	Particulars	Level	As at March 31, 2022		As at March 31, 2021	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1)	**Financial assets at fair value through profit and loss**					
	Non-current assets - a) Investments	3	0.29	0.29	0.29	0.29
2)	**Financial assets designated at fair value through other comprehensive income**					
	Investment- In Equity shares	1	34.49	34.49	23.72	23.72
3)	**Financial assets at amortised cost**					
	a) Other Bank Balances*	3	610.09	610.09	706.76	706.76
	b) Cash & Cash Equivalents*	3	5.74	5.74	20.60	20.60
	c) Trade receivables*	3	16,706.93	16,706.93	12,305.86	12,305.86
	d) Other receivables*	3	258.49	258.49	237.26	237.26
	e) Other financial assets	3	166.47	166.47	148.03	148.03
			17,782.50	**17,782.50**	**13,442.51**	**13,442.51**

Note 41: Financial Instruments by category (contd.)

b) Financial Liabilities

(₹ in lakhs)

Particulars	Level	As at March 31, 2022		As at March 31, 2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liability at amortised cost					
a) Borrowings	3	14,299.45	14,299.45	16,856.66	16,856.66
b) Lease Liabilities	3	3,164.19	3,164.19	2,660.74	2,660.74
c) Trade payables*	3	15,039.75	15,039.75	13,453.84	13,453.84
d) Other financial liability*	3	6,069.03	6,069.03	6,751.98	6,751.98
		38,572.42	**38,572.42**	**39,723.22**	**39,723.22**

*The carrying amounts of trade receivables, cash and cash equivalents, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities are considered to be approximately equal to the fair value.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

During the years mentioned above, there have been no transfers amongst the levels of hierarchy. The fair values of unquoted equity instruments are not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

Notes to financial statements for the year ended March 31, 2022

Note 42: Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, security deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee.

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) 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 prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables.

(i) Foreign Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies. Consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Exports of the Company are significantly lower in comparison to its imports. Foreign currency exchange rate exposure is party balanced by exports of goods and prudent hedging policy.

Foreign Currency Exposure

Name of the Instrument	Currency	March 31,2022		March 31,2021	
		In lakhs	₹ In lakhs	In lakhs	₹ In lakhs
Open Foreign Exchange Exposures - Receivable	US$	$45.39	3,427.62	$43.79	3154.21
Open Foreign Exchange Exposures - Payable	US$	$36.56	2,760.35	$14.30	1053.75
Open Foreign Exchange Exposures - Payable	EURO €	€ 0.15	12.28	€ 0.16	13.21

Note 42: Financial risk management objectives and policies (contd.)

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following Impact on profit before tax:

Particulars	2021-22		2020-21	
	1% appreciation in Foreign Currency	1% depreciation in Foreign Currency	1% appreciation in Foreign Currency	1% depreciation in Foreign Currency
Increase / (decrease) in profit or loss for $	6.67	(6.67)	21.00	(21.00)
Increase / (decrease) in profit or loss for €	(0.12)	0.12	(0.13)	0.13
Net Increase/(decrease) in profit or loss	6.55	(6.55)	20.87	(20.87)

(ii) Interest rate risk:

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of interest bearing loans, vehicle loans and advances and security deposits; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of paper and paper boards and therefore require a continuous supply of raw materials i.e. waste paper, chemicals, coal etc. being the major input used in the manufacturing. Due to the significantly increased volatility of the price of waste paper and coal the Company had entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before orders are accepted and the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sales limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

Expected credit loss for trade receivables:

The Company estimates its allowance for trade receivable using lifetime expected credit loss. The Company has also taken advances and trade deposits from its customers which mitigate the credit risk to an extent. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the

Notes to financial statements for the year ended March 31, 2022

Note 42: Financial risk management objectives and policies (contd.)

reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 360 days past due.

ii) Financial Instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation, financial strength/ rating and service standards to select the banks with which balances and deposits are maintained. Generally the balances are maintained with the institutions with which the Company has also availed borrowings.

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

(₹ in lakhs)

Particulars	Neither Due nor impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at March 31, 2022					
Unsecured	15,958.43	701.69	32.18	27.71	16,720.01
Loss allowance	-	-	(0.87)	(12.20)	(13.07)
Total	**15,958.43**	**701.69**	**31.31**	**15.51**	**16,706.93**
As at March 31, 2021					
Unsecured	9,499.21	2,517.35	141.44	170.95	12,328.96
Loss allowance	-	(3.15)	(3.90)	(16.05)	(23.10)
Total	**9,499.21**	**2,517.35**	**141.44**	**147.85**	**12,305.86**

(c) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Further, the Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and Company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

(₹ in lakhs)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	7,269.61	7,269.61	-	-	7,269.61
Borrowings - Non-Current	7,029.84	3,475.17	3,554.67	-	7,029.84
Trade payables	15,039.75	14,987.50	52.25	-	15,039.75
Other financial liabilities - Current & Non-Current)		-	-	-	-
Trade Payable (Retention Money)	-	-	-	-	-
Lease Liability	3,164.19	288.30	1,298.27	1,577.62	3,164.19
Dealers deposits	513.00	-	513.00	-	513.00
Others	5,556.03	5,556.03	-	-	5,556.03

Note 42: Financial risk management objectives and policies (contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

(₹ in lakhs)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	6,553.81	6,553.81	-	-	6,553.81
Borrowings - Non-Current	10,302.85	5,695.90	4,606.95	-	10,302.85
Trade payables	13,453.83	13,385.51	68.32	-	13,453.83
Other financial liabilities :-		-	-	-	-
Trade Payable (Retention Money)	2,000.00	-	2,000.00		2,000.00
Lease Liability	2,660.74	205.19	877.93	1,577.62	2,660.74
Dealers deposits	539.51	-	539.51	-	539.51
Others	4,212.49	4,212.49	-	-	4,212.49

Note 43: Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.
- maintain an optimal capital structure to reduce the cost of capital.

The Company manages capital by monitoring gearing ratio which is net debt divided by equity plus net debt.

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (A)	14,299.45	11,160.76
Less : Cash and Bank Balance (B)	615.83	727.36
Net Debt (A-B)	**13,683.62**	**10,433.40**
Total Equity	53,604.99	47,649.49
Total Capital	**67,288.62**	**58,082.89**
Gearing Ratio	**20%**	**18%**
Net Debt to Equity Ratio	**0.26**	**0.22**

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, debt to EBIDTA ratio, interest service coverage ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended once the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of adoption of the financial statements. The Company has also satisfied all the debt covenants prescribed in respective sanction of bank loans.

Note 44 :

Sundry Debtors, Sundry Creditors, Unsecured Loans and Loans and Advances balances are subject to confirmation and reconciliation.

Notes to financial statements for the year ended March 31, 2022

Note 45 : Disclosure required under Section 186(4) of The Companies Act, 2013

Particulars of transaction made during the year and outstanding balance as at the end of the year:

Name of the Party	Nature	Rate of interest	March 31, 2022	March 31, 2021
Nil	Nil	Nil	Nil	Nil

Note 46 : Ind AS 116 - Leases

The Company's lease asset primarily consist of leases for land and buildings for offices and warehouses having the lease terms between 3 and 30 years. Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019, using the modified retrospective method and has taken the adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(₹ in lakhs)

Particulars	Right of Use Asset		
	Land	Building	Total
Balance as at April 1, 2021	1,335.32	849.64	2,184.96
Additions during the year	-	769.20	769.20
Depreciation of right use assets	49.12	239.50	288.62
Balance as at March 31, 2022	**1,286.20**	**1,379.35**	**2,665.55**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	2,660.74	2,842.18
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-
Additions during the year	720.52	-
Finance cost accrued during the year	280.56	290.40
Payment of lease liabilities	(497.63)	(471.85)
Closing Balance	**3,164.19**	**2,660.74**
Current Lease Liabilities	**288.30**	**205.19**
Non-current Lease Liabilities	**2,875.89**	**2,455.55**

The maturity analysis of lease liabilities are disclosed in Note 40(c)

The effective interest rate for lease liabilities for previous years is 10.65%, while the leases added during the year had effective interest rate is 9%.

Rental expense recorded for short-term leases was ₹749.35 lakhs (₹598.74 lakhs March 31, 2021).

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note 47: COVID-19 Assessment

The Company has taken all possible steps to mitigate the effect of COVID-19 pandemic on its business and operations. The Company is continuously monitoring the situation and does not foresee any significant impact of pandemic on its operations and the financial position as at March 31, 2022. The Company will continue to closely monitor any changes in future economic conditions and assess its impact on its operations.

Note 48 : Events occurring after balance sheet date - Assets Held for Sale

The shareholders vide postal ballot dated December 01, 2021 had approved the sale of one of the Writing & Printing units of the Company (Unit II). Subsequently, the Company received necessary regulatory and banking approvals and has completed the entire transaction for sale in April, 2022. Since the Unit was in the process of being sold, the day to day operations of the Company at this Unit had ceased. On account of this, the Company has classified these as "Assets Held for Sale".

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as 'held for sale' are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

(₹ in lakhs)

Group of Assets held for sale		As at March 31, 2022	As at March 31, 2021
Land		261.75	-
Building		325.89	-
Plant & Machinery		8,856.63	-
Furniture & Fixture		3.54	-
Computer		2.25	-
Total	**(A)**	**9,450.07**	**-**
Add:			
Inventory		290.92	-
Security deposits		105.22	-
Balance with Government authorities		89.48	-
Total	**(B)**	**485.62**	
Less:			
Advances		707.00	-
Total	**(C)**	**707.00**	
Impairment	**(D)**	-35.70	
		9,193.00	**-**

Notes to financial statements for the year ended March 31, 2022

Note 49: Analytical Ratio

Particulars			FY 2021-2022	FY 2020-2021	Explanation for ratio's which have moved by more than 25%
Ratios	Numerator	Denominator	Ratio	Ratio	
Current Ratio	Current Asset	Current Liabilities	1.14	1.03	
Debt-Equity Ratio	Total Debt	Equity	0.13	0.22	During the year, our company had made a net repayment of debt of more than 32.75 cr
Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	1.73	1.19	Due to Increase in Net Sales and reduction in repayment of current maturity of long term debt
Return on Equity Ratio	PAT	Avg. Shareholders Equity	3.59	3.36	
Inventory turnover ratio	Net Sales	Avg. Inventory	10.79	9.34	
Trade receivables turnover ratio	Net Sales	Avg. Trade Receivables	11.03	9.26	
Trade payables turnover ratio	Net Purchases	Avg.Trade payables	7.62	6.68	
Net capital turnover ratio	Net Sales	Working Capital	35.91	109.12	Due to increase in input costs there is rise in inventory and receivables
Net profit ratio	Net Profit	Net Sales	0.04	0.05	
Return on Capital Employed	EBIT	Capital Employed	17.83%	17.09%	
Return on investment	Total Comprehensive Income	Free Equity	11.46%	12.15%	

Head	Description
Current Asset	Total Current Assets
Current Liabilities	Total Current Liabilities
Total Debt	Term loan (including current Maturities) + Loan from Related Parties
Equity	Share Capital + Other Equity
Net Purchases	Cl. Stock (excluding FG & WIP) + Consumption of RM+Change in Stock + Store and Spare - Op Stock (excluding FG & WIP)
Avg. Trade Payables	(Op. Trade payables (Total dues to MSME & non MSME) + Cl. Trade payables (Total dues to MSME & non MSME))/2
Earnings Available for Debt Service	Profit after Tax + Depreciation + Finance Cost + Loss on sale /discard of fixed assets & Impairment loss
Debt Service	Interest accrued but not due on borrowings + Term loan (including current Maturities)

Note 49: Analytical Ratio (contd.)

Head	Description
Avg. Shareholders Equity	(Op. Share Capital + Cl. Share Capital)/2
PAT	Profit after Tax before OCI
Net Sales	Sales of Products
Avg. Inventory	(Op. Inventory + Cl. Inventory)/2
Avg. Trade Receivables	(Op. Balance of Trade Receivables + Cl. Balance of Trade Receivables)/2
Working Capital	Total Current Assets - Total Current Liabilities
Net Profit	Profit after Tax before OCI
EBIT	Profit Before Tax + Finance Cost
Capital Employed	Total Assets - Total Current Liabilities
Total Comprehensive Income	Profit after OCI adjustments
Free Equity	Share Capital - Capital Reserve + Other Equity

Note 50 : Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with Registrar of Companies (ROC) within the statutory period. No charges or satisfactions are yet to be registered with beyond the statutory period.

Note 51 : Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

Note 52 : Compliance with approved Scheme(s) of Arrangements

The Company has no scheme of arrangements which have been approved by the competent Authority in terms of Section 230 to 237 of the Companies Act, 2013 during the reporting period.

Note 53 : Utilisation of borrowed funds and share premium

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) 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

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   (a) 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

   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Note 54 : Undisclosed income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to financial statements for the year ended March 31, 2022

Note 55 : Title deeds of immovable properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

Note 56 : Details of crypto currency or virtual currency

The Company has not traded or invested in Crypto currency or Virtual currency.

Note 57 : Details of Benami Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 58 : Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

Note 59 : Relationship with Struck off Companies

Details of transactions with struck off companies during the year is as below:

Class	Name of struck off company	Nature of transactions with struck-off company	Balance Outstanding	Relationship with the Struck off company, if any to be disclosed
Investments in securities				
Receivables				
Payables	H B Fuller India Pvt. Ltd.	Procurement & Payment	Nil	NA
Shares held by struck off company				
Other outstanding balances (to be specified)				

Note 60 :

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Note 61:

The Company has taken all possible steps to mitigate the effect of COVID-19 pandemic on its business and operations. The Company is continuously monitoring the situation and does not foresee any significant impact of pandemic on its operations and the financial position as at March 31, 2022. The Company will continue to closely monitor any changes in future economic conditions and assess its impact on its operations.

Significant Accounting Policies and Notes form an integral part of the Financial Statements. 1 to 61

As per our attached report of even date

For GMJ & Co
Chartered Accountants
Firm's Registration No 103429W

SANJEEV MAHESHWARI
Partner
Membership No. 038755
UDIN: 220387 55AJGI DN8921

Mumbai, May 19, 2022

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director
DIN 00176440

RAUNAK AGARWAL
Whole Time Director
DIN 02173330

POOJA DAFTARY
Company Secretary

DIPANKAR RAI
Chief Financial Officer

Notes

Corporate information

CIN: L22210MH1993PLC133365

Board of Directors

Shri R N Agarwal
Chairman & Managing Director

Shri Raunak Agarwal
Whole Time Director

Smt. Reena Agarwal
Whole Time Director

Shri Ashok Kumar Bansal
Whole Time Director

Shri Rohan Agarwal
Whole Time Director

Shri P Kumar
Independent Director

Shri R K Bakshi
Independent Director

Shri S N Chaturvedi
Independent Director

Shri C R Radhakrishnan
Independent Director

Smt. Sunita Nair
Independent Director

Company Secretary & Compliance Officer

Ms. Pooja Daftary
Contact Details: 022-67317547
Email id: investors@nrail.com

Auditors

GMJ & Co.,
Chartered Accountants

Bankers

Bank of Baroda

Bank of India

IDBI Bank Limited

State Bank of India

Punjab National Bank

Axis Bank

The Saraswat Co-operative Bank Limited

Registered Office

502-A/501-B, Fortune Terraces,
5th Floor, Opp. Citi Mall,
New Link Road, Andheri (West),
Mumbai - 400053

Registrar & Share Transfer Agents

LinkIntime India Pvt Ltd
Address - C 101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai - 400083
Contact Details: 022-49186000
Email Id: rnt.helpdesk@linkintime.co.in



Waste.Redefined.

N R AGARWAL INDUSTRIES LIMITED

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