

Transcript of 32nd ANNUAL GENERAL MEETING ON SEPTEMBER 24, 2025

AT 11:30 AM

Good Afternoon, Ladies and Gentlemen. It is 11:30 am and I would like to welcome you to the 32nd Annual General Meeting of your Company. On behalf of the Board of Directors, I want to thank you for taking the time out to join us today. Your continued support and confidence in us, drives us to do more and create greater value. This meeting is being conducted through VC/ OAVM (Video Conferencing/ Other Audio Visual Means) as per guidelines issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI).

In line with the MCA General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020, subsequent circulars issued in this regard, the latest being September 19, 2024 and SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023 and October 03, 2024, the Notice of the AGM along with the 32nd Annual Report for the financial year 2024-25 was sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Further, in accordance with Regulation 36(1)(b) of the SEBI Listing Regulations, the Company has also sent a letter to the members whose e-mail addresses are not registered with the Company/its Registrar and Transfer Agent/Depositories, providing a web-link from where the Integrated Annual Report can be accessed on the website of the Company.

The Notice convening the 32nd AGM was also uploaded on the website of the Company and is accessible on the websites of the Stock Exchanges and on the website of NSDL.

I wish to inform the members that in case of any technology related challenges and I am unable to continue to participate in this Meeting, any one of the Directors who is able to continue would preside over the meeting.

I would like to introduce all the members of the Board:

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|---|---|
| Shri Raunak Agarwal, Whole Time Director | Present Next to me |
| Shri Rohan Agarwal, Whole Time Director & CEO | Present Next to me |
| Shri P K Mundra, Whole Time Director & CFO | Present Next to me |
| Smt. Reena Agarwal, Whole Time Director | Has not been able to attend the meeting due to some prior commitment. |

| | |
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| Shri R K Bakshi, Independent Director & Chairman of Audit, Stakeholders' Relationship, Nomination & Remuneration, CSR Committee & Risk Management Committee | Present Via Video Conferencing |
| Shri K L Chandakji, Independent Director | Joining shortly via Video Conferencing |
| Shri Sanjay Sinha, Independent Director | Present Via Video Conferencing |
| Smt. Sunita Nair, Independent Director | Present Next to me |

Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by Ministry of Company Affairs and the Companies Act, 2013. The requisite quorum is present through video conference to conduct the proceedings of this meeting. The quorum being present, I call this meeting to order. I now request Company Secretary, to provide general instructions to the members regarding participation in this meeting.

COMPANY SECRETARY:

Thank you, Chairman.

Good afternoon, everyone. As informed by the Chairman, this Annual General Meeting is being held through video conference in accordance with the provisions of Companies Act, 2013 and SEBI and the circulars issued by the Ministry of Corporate Affairs. Facility for joining this meeting through video conference is made available for the members on a first-come-first-serve basis. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, Register of Loans, Investments, Guarantees and Securities, Register of Members and other statutory documents are available for inspection by the members during the meeting and a request may be sent to investors@nrail.com. As the AGM is held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register is not available for inspection.

The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairperson opens the floor for question and answers. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on

the "Vote" tab on their screen to avail this feature. Members are requested to refer to instructions provided in the notice or appearing on the video conference page, for a seamless participation. In case members face any difficulty, they may reach out on the helpline numbers.

Thank you.

Back to you Chairman.

CHAIRMAN:

As the Annual Report is already circulated to all the members, I hope the 32nd Annual Report containing Audited Financial Statements for the year ended March 31, 2025 together with the Auditors' Report and the Directors' Report have been perused by you. Now, with your kind permission the Notice convening the 32nd Annual General Meeting shall be taken as read.

The Statutory Auditors, GMJ & Co. and Secretarial Auditors, Parikh & Associates, have expressed unqualified opinion in their respective audit reports for the financial year 2024-25. Since there are no qualifications in reports issued by the Statutory Auditors and Secretarial Auditor, therefore same is not required to be read.

The representatives of the Statutory Auditors and Secretarial Auditors are also present in this AGM.

Dear Shareholders,

It gives me great pleasure to present the performance review of your Company for the last financial year, along with our perspective on the sector and the way forward.

Performance Overview

During FY 2024-25, your Company achieved revenues of Rs. 1,659 crore, compared to Rs. 1,293 crore in the previous year, reflecting growth of 28%. This was largely driven by the ramp-up of our new Duplex Board Plant.

Total production rose to 3,84,880 MT from 2,48,694 MT last year, despite the shutdown of Unit-4 from June 2024, which reduced its output to 12,027 MT. On the other hand, production from the new plant grew sharply to nearly 1,50,000 MT.

While revenues increased, profitability was impacted. EBITDA declined from Rs. 186 crore to Rs. 142 crore, translating to an EBITDA margin of 8.6% against 14.4% in the previous year. Net Profit After Tax fell from Rs. 125 crore to Rs. 18 crore, largely due to higher input costs, lower realizations, and interest expenses on project-related borrowings.

Even during an industry downtrend marked by oversupply and falling realizations (from Rs. 41/kg to Rs. 37/kg in Board & from Rs.71/kg to Rs.57/kg), your Company remained profitable. Importantly, our EBITDA margin of 8.6% was in line with the prevailing industry average, reflecting our resilience and cost competitiveness.

We perceive the current downtrend as an opportunity. Smaller paperboard manufacturers are exiting due to inability to maintain quality, control costs, or manage debt. Simultaneously, larger companies are acquiring capacity, leaving regional demand unmet. Your Company is well-positioned to leverage this consolidation and increase its market share.

Major Milestones

A landmark achievement was the commissioning of our 900 TPD Duplex Board Plant in March 2024, representing an investment of Rs. 850 crore – the largest in the Company's history. This is also the largest single paperboard machine at a single location in India. The plant stabilized quickly, reaching an average 95% capacity utilization by year-end. We are happy to share that on September 14, 2025, the Company achieved a production milestone of 945 MT, which represents 105% of our installed capacity.

This milestone validates our ability to select the right technology, execute complex projects, and sweat assets effectively. It has elevated your Company into the next league of paperboard manufacturers in India.

By the close of the year, almost the entire production had been sold, with closing inventory equivalent to just 12 days of output. About 30% of sales were exported, while 60% were catered to the western Indian market. Our expanded product basket also included value-added board grades that were previously imported or undersupplied.

In line with our strategy of moving beyond commodity products, your Company has recently launched a value-added Folding Box Board (FBB) in July 2025 for domestic and export markets. This marks an important step in portfolio diversification and demonstrates our commitment to meeting evolving packaging needs.

Your Company has also embarked on a balancing program to enhance pulp mill capacity and upgrade converting sections, with an investment of Rs. 150 crore, targeted for completion by November 2025.

New Growth Project - Unit VI

Rather than wait for the industry downtrend to reverse, your Company is proactively exploring the commissioning of a second large greenfield paperboard manufacturing unit, potentially of a higher configuration. The objective is to replicate our proven strategy – ordering equipment during a sectoral slowdown at competitive capital costs, funding the project through a balanced mix of financial structures to moderate the impact on the Balance Sheet, and thereby creating a sustainable growth pathway for the coming years.

In line with this vision, the Board has approved a proposal to set up a new Multilayer Board Plant (Unit VI) with an estimated capacity of 1,000 TPD and a tentative investment of Rs. 1,200 crore. As part of this project, your Company has finalized the purchase of a 2013-make 4.3-meter deckle board paper machine with a capacity of 1,020 TPD, along with pulp stock preparation equipment located in

China. With planned enhancements and operational excellence, the Company is confident of achieving production levels of at least 1,200 TPD from this plant.

Outlook

For FY 2025-26, we are targeting revenues of Rs. 2,200 crore, a growth of 36%, despite continued pricing pressure. With half a million tons of capacity now in place, we are well-positioned to strengthen our leadership as India's largest paperboard manufacturer (greyback and whiteback) and the largest recycled paper producer.

We remain optimistic about the long-term prospects. Rising consumption in India, increasing demand for sustainable packaging, and our scale advantage give us confidence that we will continue to create value for all stakeholders.

On behalf of the Board, I express gratitude to our banks, financial institutions, business partners, the Union and State Governments, and all stakeholders for their continued support. Above all, I thank you, our shareholders, for your trust and confidence.

Thank you for your patient hearing.

There are 12 items to agenda of this Annual General Meeting which are as under:

Items Nos. 1, 2 & 3 are Ordinary Business Items relating to statutory compliances. Item Nos. 4, 5 & 6 relates to re-appointment and payment of remuneration to Smt. Reena Agarwal as Whole time Director, designated as Executive Director, re-appointment and payment of remuneration to Shri Raunak Agarwal as Whole time Director, designated as Executive Director and re-appointment and payment of remuneration to Shri Rohan Agarwal as Whole time Director, designated as Executive Director & CEO respectively. Item No. 7 relates to appointment of Secretarial Auditors. Item No. 8 relates to ratification of the remuneration payable to the Cost Auditors of the Company. Item No. 9 relates to approval for shifting of registered office of the Company from the State of Maharashtra to the State of Gujarat. Item No. 10 relates to change in place of keeping Registers and Records of the Company. Item No. 11 relates to alteration of Object Clause of the Memorandum of Association of the Company and Item No. 12 relates to appointment of Shri Mahendra Kumar Gupta as an Independent Director of the Company.

We shall now take up each of the Agenda Items.

AGENDA ITEM NO. 1 - ORDINARY RESOLUTION

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2025, together with the reports of the Board of Directors and Auditors thereon.

AGENDA ITEM NO. 2 - ORDINARY RESOLUTION

To declare a final dividend of Rs. 2/- per share on equity shares for the financial year ended March 31, 2025.

Since I am interested in the next 4 items - I step down the Chair and request Shri R K Bakshi to take the Chair.

Shri R K Bakshi to read the next 4 items.

AGENDA ITEM NO. 3 - ORDINARY RESOLUTION

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

AGENDA ITEM NO. 4 - SPECIAL RESOLUTION

Re-appointment and payment of remuneration to Smt. Reena Agarwal (DIN: 00178743) as
Whole time Director, designated as Executive Director

AGENDA ITEM NO. 5 - SPECIAL RESOLUTION

Re-appointment and payment of remuneration to Shri Raunak Agarwal (DIN: 02173330) as Whole time Director, designated as Executive Director

AGENDA ITEM NO. 6 - SPECIAL RESOLUTION

Re-appointment and payment of remuneration to Shri Rohan Agarwal (DIN: 08583011) as Whole time Director, designated as Executive Director & CEO

The Chairman to then resume chairing the proceedings.

AGENDA ITEM NO. 7 - ORDINARY RESOLUTION

Appointment of M/s. Parikh & Associates, Practising Company Secretaries as Secretarial Auditors of the Company

AGENDA ITEM NO. 8 - ORDINARY RESOLUTION

Ratification of Cost Auditors' remuneration.

AGENDA ITEM NO. 9 -SPECIAL RESOLUTION

Shifting of Registered office of the Company from the State of Maharashtra to the State of Gujarat

AGENDA ITEM NO. 10 -SPECIAL RESOLUTION

Change in place of keeping Registers and Records of the Company

AGENDA ITEM NO. 11 -SPECIAL RESOLUTION

Alteration of Object Clause of the Memorandum of Association of the Company

AGENDA ITEM NO. 12 -SPECIAL RESOLUTION

Appointment of Shri Mahendra Kumar Gupta (DIN: 10544135) as an Independent Director of the Company

We will now open the floor for any questions by members. We would request each member to turn on their video - only once when you are projected on the broadcast screen. Kindly unmute yourself and proceed to ask your question. Would request each member to be brief and avoid repeat questions. As has been the practice and to avoid repetition, the answers to all the questions will be provided after all the members have spoken. Once you have asked your question, you can mute yourself and continue to hear and watch the proceedings.

Some shareholders have sent their questions in advance, the management has already taken note of the same and they shall be answered with all other questions.

Speaker's List Called Out:

1. Satish Shah
2. Anil Mehta
3. Bimal Kumar Agarwal
4. Anil Parekh
5. Bharat Raj K
6. Naresh Kachalia
7. Bhanu Kachalia
8. Kishor Kachalia
9. Saket Kapoor
10. Prakashini Shenoy
11. Sweety Agarwal
12. Rajendra Prasad Tulsian
13. Keshav Garg
14. Satya Prakash Mittal

Q: Mr. Saket Kapoor (summarised)

Mr. Kapoor raised multiple points and requested a copy of the Chairperson's opening remarks due to internet interruption at his end. He asked for clarity on the following:

1. Product profile – proportion of board vs. writing & printing grades.
2. How the Company is preparing to take on the risks of another larger capex while currently stabilizing one capex. Concerns included lower realizations and competition from imports (ASEAN nations).
3. Net debt numbers as of June and projected peak debt post expansion. Impact of ICRA credit rating downgrade on cost of funds going forward.
4. Risk mitigation – raw material (RM) and forex exposures, management bandwidth to handle higher capacity.
5. Demand outlook and confidence in achieving optimum utilization after significant capacity additions.

6. Q1 results – specifically the other income figure of Rs. 25.68 crore and whether removing that would have resulted in losses for the quarter.
7. Communication with investors – request for quarterly updates / concalls.
8. Query on the Company's investment in a QIP / preference allocation (reference to an investment in Borosil Renewables).
9. Clarification on the resignation profile and remuneration of Ms. Reena Agarwal (roles in HR) and clarification on salary figures cited by him.
10. Impact of the reported fire at Unit 1.

(He also urged clearer, regular investor communication and the possibility of follow-up channels for additional queries.)

Chair response to Mr. Kapoor (summary):

- The Chair agreed to provide the opening remarks transcript and confirmed management will answer questions too.
 - Confirmed that questions related to product mix, capex plans questions will be answered during the Q&A session.
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Q: Ms. Prakashini Shenoy (summary)

- Congratulated the Company on the Annual Report (described as colorful, informative and compliant).
- Expressed full support for the resolutions and requested continuation of VC mode so more members can participate.

Chair: Thanked Ms. Shenoy.

Q: Ms. Sweeti Agarwal (summary)

- Noted that she had submitted questions in advance and asked the Company to address them.

Chair: Confirmed the Company had her questions and would answer them.

Q: Mr. Keshav Garg (summary)

- Asked assumptions for FY26 guidance of Rs. 2,200 crore – realizations, volumes and utilizations underpinning the guidance. Requested a point-by-point response.

Chair: Confirmed all his (22) questions would be answered; requested not to repeat previously submitted questions to save time.

Q: Mr. Satya Prakash Mittel (summary)

- Appreciated the detailed speech and expansion progress. Requested detailed answers to a long list of previously submitted questions. Suggested investors be allowed to visit the plant to provide suggestions and to meet management in person.

Chair: Acknowledged and agreed to answer all questions.

Consolidated management responses

(Chair presented answers to the pre-submitted questions and the live questions – below are consolidated, clarified responses.)

- 1. Strategy & capacity rationalization:**
 - The Company has shut smaller, lower-margin units (Unit 3 & Unit 4) and shifted focus to larger machines to gain economies of scale. Larger capacity allows cost reduction and better margins. The PM2 project (900 TPD) was initiated to move into higher value-added products (e.g., FBB) where organized competition is limited.
- 2. Market environment & realizations:**
 - Last two years saw a downturn and lower realizations across the industry. For the Company, realizations for board fell to ~Rs. 37,000/ton. Writing & printing realizations fell to ~Rs. 57,000/ton. The Company expects market stabilization and improvement helped by government interventions (e.g., Minimum Import Price for certain grades) and GST changes, and anticipates better conditions over the next 1–2 years.
- 3. Production & utilization targets (FY 2025–26 guidance):**
 - Target revenue for FY 2025–26: ~Rs. 2,200 crore.
 - Target production (approx.): Total ~458,000 MT – comprising:
 - i. Unit 1 (old duplex) ~15,000 MT;
 - ii. PM2 (new duplex) ~245,000 MT (~95% utilization);
 - iii. Unit 5 PM1 (writing/printing) ~190,000 MT (100% utilization). This is materially higher versus prior year production of ~384,880 MT.
- 4. Sales mix & exports:**
 - Target for FBB from PM2: ~70,000 MT in the current year (with plans to increase in subsequent years, e.g., ~120,000 MT). Exports are expected to remain around 30% of sales.
- 5. Margins & EBITDA outlook:**
 - Management is not providing exact forward-looking EBITDA figures but expects better performance than the prior year due to MIP (Minimum Import Price) protection and improved offtake.

6. Waste-to-energy & cost savings:

- The Company operates a 7.5 MW captive waste-to-energy plant that uses impurities and rejects from waste-paper pulping. This plant came to full production in early 2025 and is expected to generate an approximate revenue benefit of ~Rs. 1.5 crore per month.

7. Balancing capex (Rs. 150 crore):

- This capex addresses pulp mill and finishing bottlenecks to sustain higher GSM production and enable consistent 900–950 TPD output. Expected completion by Nov–Dec 2025.

8. New greenfield project (Unit 6):

- Board approved a new multi-layer board plant (Unit 6) – estimated capacity 1,000 TPD and tentative cost Rs. 1,200 crore. The Company purchased a 2013 European machine (4.3m deckle, ~1,020 TPD) located in China; with enhancements the machine can deliver ~1,200 TPD. Commissioning timeline: ~2–3.5 years (given land acquisition, environmental clearances and other formalities). Funding: mix of debt and internal accruals; equity may be considered if favourable.

9. Debt & credit rating:

- Current Debt-Equity ratio: ~0.68. Management does not consider the Company over-leveraged. They'd be comfortable up to ~1.5:1, depending on project funding mix. ICRA had downgraded the rating by one notch attributable to reduced EBITDA last year; management expects to regain rating as profitability improves.

10. Unit 4 status:

- Unit 4 will remain shut – the machines are old and not worth restarting. Focus will be on new higher-capacity projects.

11. Cost competitiveness:

- The Company expects to be among the top 5 lowest-cost producers in India due to economies of scale, operational efficiencies and the captive waste-to-energy plant. Marketing network and product diversification (FBB) also strengthen competitiveness, especially in exports.

12. Imports & government protection:

- Government has notified a Minimum Import Price (MIP) for certain virgin boards (FBB), which will support domestic margins. For duplex grayback/whiteback, imports are negligible because of specific Indian size/tonnage requirements.

13. Other income / treasury investments:

- The Company had treasury investments (temporary parking of surplus funds) – approximately Rs. 120–130 crore – which earned returns higher than bank interest costs. This treasury income contributed to “other income” (e.g., Rs. ~25.68 crore in Q1). Short-term investments include a small QIP preference allocation (~2 lakh shares) – this was a treasury move and not a long-term shift from core manufacturing. Management clarified that treasury earnings exceeded the interest costs the Company was paying, and parked funds were temporary pending capex deployment.

14. Income-tax search / raid:

- The Company affirms it is in full compliance with the Income Tax Act. The recent IT action has not affected the Company materially; no demands have been raised as of today.

15. Fire at Unit 1:

- There was a small fire at Unit 1 last Friday resulting in ~7-8 days' production impact. The Company is covered under insurance and expects no material loss beyond the lost production days.

16. Investor communication:

- Management acknowledged investors' requests for more frequent updates (quarterly calls / con-calls) and noted they would consider enhanced investor engagement while ensuring compliance.

17. Executive remuneration clarification:

- Clarification provided: Ms. Reena Agarwal's salary is Rs. 96 lakh (not Rs. 2.5 crore as queried by a member) (Chair offered this clarification voluntarily.)

18. Capacity utilization & orders:

- Management stated that the new board machine is stabilised; orders are strong (management mentioned being fully booked for ~15 days – which is a positive sign for the paper industry where order visibility is measured in days).

19. Risks:

- Management acknowledged industry cyclicity; key downside risks include adverse price movements and raw material volatility. However, with the balancing capex, product diversification, MIP protection and scale, management believes risks are manageable for FY 2025-26.

20. Customer & market data:

- Management declined to disclose top customer names, but stated India (five geographies) and top institutional customers are part of a robust marketing network.

I thank all the shareholders for their questions and suggestions.

COMPANY SECRETARY:

Members may note that the voting on the NSDL platform will continue to be available 15 minutes post the close of AGM. Therefore, members who have not cast their vote yet are requested to do so.

The Board of Directors has appointed Ms. Jigyasa Ved of M/s. Parikh & Associates, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process. Further, I hereby authorize the Company Secretary, to declare the result of the voting and place the results on the website of the Company at the earliest. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

As the business of the meeting is over, I declare the meeting as concluded and once again thanks all the participants for attending the AGM.