

leap year

N R Agarwal Industries Limited
Annual Report 2022-23



Contents

Corporate snapshot	2
How we have grown over the years	4
Strategic review	6
Integrated value-creation report	8
Our Environment-Social and Governance focus	10
Our esteemed Board of Directors.....	12
Management discussion and analysis.....	13
Statutory section	19
Financial statements	71

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 2022-23.



leap year

At N R Agarwal Industries Limited,
we are making the most decisive
capital investment in our existence.

We are investing in India's largest
paperboard manufacturing plant.

This plant is expected to be
commissioned in Q4 of FY 2023-24.

When commissioned, the plant is
expected to graduate the Company to
the next phase of its existence.

In doing so, the Company is
expected to enhance value for
all its stakeholders.

N R Agarwal Industries Limited.

The Company is one of the most attractive proxies of India's paper sector.

The Company caters to domestic and international markets with its premium paper products.

The Company is undertaking an investment to deepen its personality around packaging board.

This expansion is expected to enhance the Company's revenues, margins, surplus and stakeholder value.

Our promoters

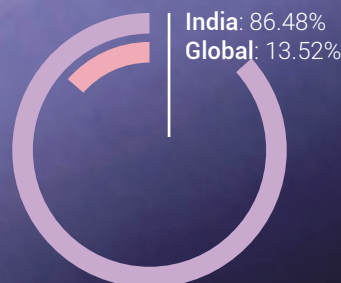
As of March 31, 2023, the promoters held 12516998 equity shares, representing 73.55 per cent of the issued, subscribed and paid-up capital.

Our product range

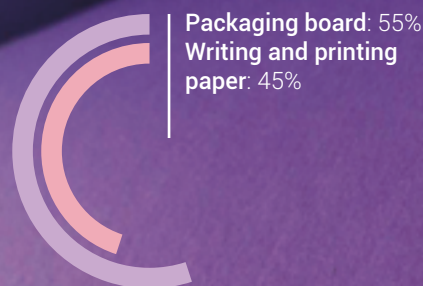
Duplex board: The Company manufactures high-quality duplex boards that are well-suited for offset printing, embossing, and foil stamping purposes. The products are suited for post-print applications and have obtained certification from India's Central Food Technology Research Institute.

Writing and printing paper: The Company produces writing and printing paper renowned for its brightness, shade stability, and smoothness across various GSM thicknesses. The products demonstrate exceptional tensile strength and surface characteristics, rendering them well-suited for high-speed multi-colour gravure printing.

Revenue across the globe, FY 2022-23



Product-wise revenue (as % of overall revenues, FY 2022-23)



Our vision

- To be recognized 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.

Our legacy

N R Agarwal Industries Ltd, established in 1993, specializes in the production of various duplex paper boards, along with writing and printing paper. The Company has emerged as one of India's foremost producers of recycled paper, backed by 30 years of experience. It holds the distinction of being the largest manufacturer of grey and white back duplex board. The Company is a significant player in India's wastepaper-based paper production and ranks among the top seven Indian paper companies by size.

Our responsibility

The Company is respected for its commitment to environmental standards, governance, stability, and community involvement. The Group's strategic plan maintains a continual emphasis on responsibility and sustainability.

Our listing

The Company is listed on Bombay Stock Exchange and National Stock Exchange, with a market capitalization of ₹349.06 cr as of March 31, 2023.

Our credit rating

The Company had been rated A Stable for fund based limits and term loans by ICRA, as of March 31, 2023.

Manufacturing

Capacity expansion: The Company consistently expanded its paper/board production capacity, effectively meeting the growing demands of customers while enhancing its brand presence.

Productivity: The Company focused on improving equipment output through a series of modernisation programmes. Therefore, the efficiency and competitiveness of the Company's equipment have been duly validated.

Our distinctive features

Environment integrity: The Company minimised the utilisation of scarce resources by enhancing operational efficiency, resulting in decreased electricity and water consumption per ton of paper produced. The Company enhanced water recycling by installing a reverse osmosis system.

Infrastructure: The Company functions within a sizable 100 acre industrial plant in a single stretch located in Sarigam, which has enabled it to take up on-going expansion program without investment in land or land development. Additionally, further

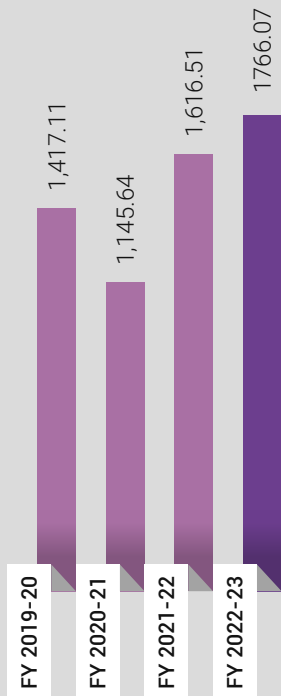
space is available for creating storage space for expanded production capacity.

Proximity: The Company's manufacturing unit is situated 165 km away from the Mumbai Port, 18 kms from Tumb Port and 150 kms from Hazira Port which aids in managing logistics costs associated with waste paper imports and enhances export flexibility to 33 countries.

Our location

The Company has its headquarters in Mumbai, while the production operations are based in Vapi and Sarigam, Gujarat.

How we have grown over the years



Revenues

(₹ 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 ₹1766.06 cr of revenue in FY 2022-23, which was 9.25% higher than the previous year



EBITDA

(₹ cr)

Meaning

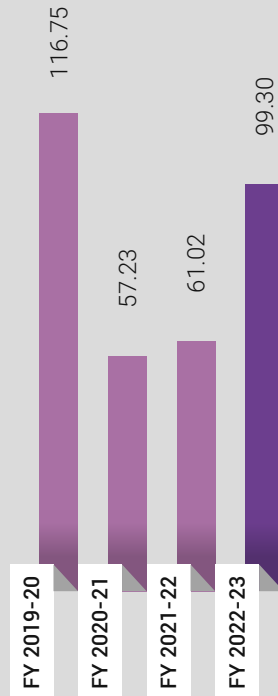
EBITDA is an acronym that refers to the earnings of a Company before interest, tax, depreciation and amortisation expenses are deducted.

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 ₹197.34 cr EBITDA in FY 2022-23, which was 28% higher than the previous year.



Profit after tax

(₹ cr)

Meaning

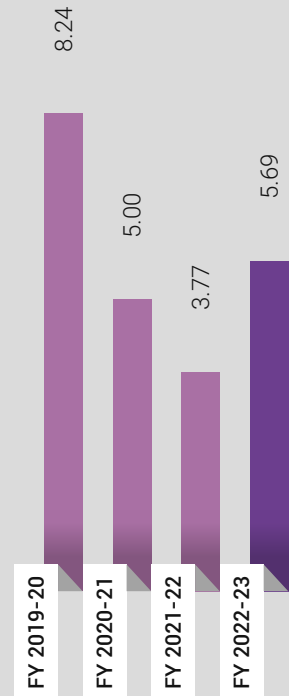
The amount left after a Company has paid all of its operating and non-operating expenditures, other liabilities, and taxes is known as profit after tax. This profit is either given to the entity's shareholders as dividend or held in reserve as retained profit.

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 ₹99.30 cr of PAT in FY 2022-23, which was 62.70% 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 6% of net profit margin in FY 2022-23.



Debt-to-equity ratio (x)

Meaning

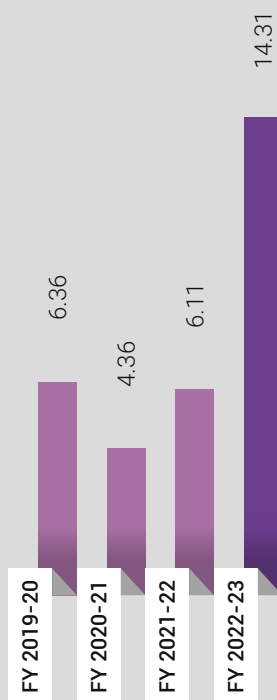
The Debt to Equity ratio (also called the 'debt-equity ratio', 'risk ratio', or 'gearing'), is a leverage ratio that calculates the weight of total debt and financial liabilities against total shareholders' equity.

Importance

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

Performance

The Company reported 0.21 debt to equity ratio at the close of FY 2022-23, which is considered moderate and under-borrowed



Interest coverage ratio (x)

Meaning

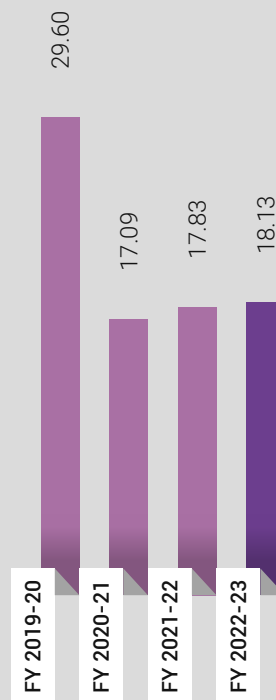
The Interest Coverage Ratio (ICR) is a financial ratio used to determine how well a Company can pay interest on outstanding debt.

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 14.31 for FY 2022-23.



RoCE (%)

Meaning

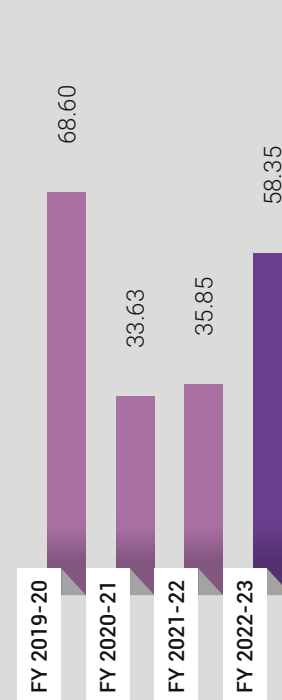
Return on Capital Employed (ROCE), a profitability ratio, measures how efficiently a Company is using its capital to generate profits.

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 18.13% return on capital employed for FY 2022-23.



Earnings per share (₹ 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 ₹58.35 earnings per share for FY 2022-23, which was higher by 63% over the previous year.

Eagle vision

The packaging board capacity expansion is positioned as our game-changer



Overview

At N R Agarwal, the principal message that I must convey is that your Company is at the cusp of a significant transition. Following the change, the Company expects to emerge with a completely new DNA that should enhance responsibility, profitability and sustainability.

While this transition will be most marked during the current financial year, the change has been in process during the last couple of years. During this period, your management took a decided call to churn its products portfolio, moderating its presence in slow moving segments and graduating to the value-added end.

At N R Agarwal, we are engaged in strengthening the portfolio of our products with long-term profitability in mind. As a company responsive to market trends, we will remain committed to enhance overall portfolio value. In view of this, it will be our objective to add products that enhance capital efficiency and moderate our exposure to products that are likely to deliver sub-optimal returns. This portfolio approach is flexible and responsive to the demanding needs of our stakeholders.

In view of this flexibility, your Company selected to divest one writing & printing paper unit for an aggregate value of ₹99 cr to Shree

The Company embarked on a
₹650 cr expansion
programme to commission a
new 500 TPD packaging board
plant.

Ajit Pulp and Paper Limited; it also selected to shut a small duplex board unit. The sub-optimally sized units represented relatively low economies; their legacy nature prevented the Company from manufacturing value-added paper. Consequently, the return on employed capital in these units was below the N R Agarwal profitability average. Your Company utilized the proceeds to enhance its presence in the packaging board segment, which is expected to enhance overall capital efficiency once this capacity is commissioned during the current financial year.

The decision to restructure the portfolio was on account of shifting consumer preference. On the one hand, digitalization is affecting the offtake of writing & printing paper; on the other, there is attractive demand growth for packaging board. The result is that the capacity of writing & printing paper available with the Company declined from 460 ton per day to 296 ton per day by the close of FY 2022-23; the capacity of packaging board will be 789 TPD once the new project commences. Your Company generated proceeds from the divestment to repay all its long-term debt and not draw on any working capital sanction from banks during the last financial year.

Even as this churn was transpiring, your Company set in process the largest capital expenditure in its

existence: the Company embarked on a ₹650 cr expansion programme to commission a new 500 TPD packaging board plant. This plant achieved financial closure a couple of years ago and is likely to be commissioned during the fourth quarter of the current financial year.

Game changer

The commissioning of this new plant is expected to emerge as a game changer in our existence for some good reasons.

One, the new plant was negotiated during a sectorial downturn that made it possible to buy advanced infrastructure at an attractive discount to the established benchmark. We believe that this prudent investment will translate into a sustainably attractive return for years.

Two, the plant will be possibly the largest single packaging board plant in India (as estimated at the time of writing), translating into attractive operating efficiencies. The plant will manufacture coated food grade packaging board, enhancing its application in hygiene-critical applications with correspondingly attractive realizations.

Three, the plant, by virtue of being located 18 kms from Tumb port, 150 kms from Hazira port and 165 kms from Mumbai port, will be attractively placed to import wood pulp and manufacture a value-added packaging board variant.

Four, the plant has been funded by ₹425 cr of long-term debt and ₹225 cr of business earnings (net worth). The debt has been mobilized for ten years, marked by a moratorium of three years and a repayment tenor across seven years. This comfortable tenor will take the pressure off debt repayments, strengthening our cash flows.

Sustainable

At N R Agarwal, the new plant will reinforce our business sustainability at critical levels.

One, the plant has been designed to address the most demanding standards related to pollution minimization and other responsibility benchmarks. As a result, the packaging board plant will not merely be the largest standalone plant of its type in India but also the cleanest. This plant will reinforce our standing as an environmentally responsible corporate citizen.

Two, the plant has been designed in a manner that following a relatively nominal capital spending, its installed capacity can be increased, moderating the capital cost per ton. This implies that at debottlenecked capacity utilization, the Company should be equipped to deliver higher profitability. The result is that the Company could get more profitable even as it gets larger.

Outlook

During the first full year following the first expansion round, we are optimistic of enhancing our revenues to ₹2500 cr with a superior blended profitability (assuming existing and emerging operations). The Company is optimistic of servicing its debt and generating attractive surplus. We believe that this will set into motion a virtuous cycle of capacity investments, graduating us into a sustainably growing player across the foreseeable future.

Our time starts now.

R N Agarwal, Managing Director



N R Agarwal's integrated value-creation report

N R Agarwal's multi-decade growth has been derived through the interplay of various competencies

Our Capitals

All organisations depend on various forms of Capitals for their value creation. Our ability to create long-term value is interrelated and dependent on various forms of Capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

The various Capitals influencing our business and their impact



Social and Relationship Capital

What is it Financial resources that the Company already has or obtains through financing

Management approach Create value for shareholders through sustainable growth

- Significant aspects**
- Balanced and diversified growth
 - Sound financial structure
 - Operational excellence
 - Sustainable outcomes and dividends



Manufactured Capital

What is it The Company's tangible and intangible infrastructure used for value creation through business activities

Management approach Resilient assets and equipment to deliver services to customers

- Significant aspects**
- Number of products and brands
 - Other assets



Intellectual Capital

What is it Intangible, knowledge-based assets

Management approach Consider innovation as a strategic element of the Company

- Significant aspects**
- Disruptive technology and business models
 - Collaborate with partners for innovative business solutions



Human Capital

What is it Employee knowledge, skills, experience and motivation

Management approach Availability of a committed and qualified workforce offers an inclusive and balanced work environment

- Significant aspects**
- Employee well-being
 - Talent management
 - Diversity, equal opportunity
 - Learning & development



Natural Capital

What is it Natural resources impacted by the Company's activities

Management approach Ensure sustainable use of natural resources and contribute to combating climate change

- Significant aspects**
- Climate change
 - Preservation of biodiversity
 - Management of environmental footprint
 - Operational excellence and energy efficiency



Social and Relationship Capital

What is it Ability to share, relate and collaborate with stakeholders, promoting community development and wellbeing

Management approach

- Promote trust with stakeholders, improving the quality of life of people in areas of presence
- Wellbeing of the workers and dignity of workers
- Zero incident programme

- Significant aspects**
- Stakeholder engagement
 - Community support programmes
 - Human rights
 - Brand management
 - Transparency and good governance
 - Corporate reputation



Our Environment-Social and Governance focus

Overview

The magic abbreviation being increasingly used the world over to appraise and filter companies is 'ESG'. ESG has emerged as a test being used by analysts, opinion makers, governance agencies, media, communities and bankers to appraise the quality of corporate managements.

This has helped extend the appraisal discipline beyond the Balance Sheet; in a number of instances, this appraisal has been extended backwards to ESG with the perspective that soon the effects of high/low compliance will inevitably translate to the Balance Sheet.

Environment commitment

N R Agarwal uses waste paper as a primary raw material which effectively reduces the demand for wood, a natural resource that plays a pivotal role in maintaining ecological balance. Utilizing waste paper as a raw material mitigates the pressure on forests and helps curb deforestation, thereby safeguarding vital ecosystems and habitats. Moreover, manufacturing paper out of wastepaper requires a lot of resources such as water and power, creating a lot of wastewater and solid waste in the process. As a result, environment management is highly critical to continue sustainable business operations for the Company. The Company's environment management philosophy aims to cater to the necessary guidelines and requirements of the Central and State Pollution Control Boards and fulfill the government norms related to air, water and solid waste management.

The Company's environment management targets with respect to 5R's are as follows:

Reduce: The Company aims to significantly reduce power consumption, water consumption and air pollution.

Replace: The Company upgraded the power generation system to reduce steam consumption while generating maximum power.

Recycle: The Company is in the process of establishing a packaging board plant. This facility will have a daily capacity of 500 TPD and will primarily utilize recycled wastepaper.

Renewable: The Company is in the process of using solid waste to generate energy. The Company is expected to install a state-of-the-art cooling system to convert the solid waste into energy from Thermex India.

Restore: The Company initiates the safe restoration of solid waste to convert it into renewable energy.

Social commitment

At N R Agarwal, our business is driven by the power of relationships. The strength and stability of these relationships makes our business stable. Passionate employees (youth and experience) drive outperformance. Dedicated vendors enhance throughput and efficiency. Primary customers relate our end products with quality and attractive pricing.

The Company is not only driven by the need to make the world a better and cleaner place through manufacture of quality products but also through a widening prosperity effect across the less privileged. N R Agarwal's CSR intervention is an extension of the prosperity-enhancing ethos of the Company into the domain of social responsibility and environmental sustenance.

Our employee safety focus

At N R Agarwal, operational safety is at a premium in the operation of rotary equipment, boiler and TG operation, working at heights, temperature exposure (welding and cutting), excavation, electrical maintenance, acid and chemical handling as well as static electricity generation.

Besides, there are possibilities of major and minor injuries and accidents. The Company enhanced safety through proactive safeguards: enunciated policy, safety awareness, periodic safety performance reporting, recruitment of experienced professionals, training, mock drills, investment in safe

equipment and observation of an Annual Safety Week.

Besides, a precise and documented allocation of employee responsibilities, formal work permit system, elaborate safety policies, methodical incident / accident reports, personal protective equipment use, relevant signage across manufacturing locations, cautionary advice, controlled access, material visible safety data sheet signage, penal provisions for unsafe acts, comprehensive fire safety system, detailed emergency evacuation plan and periodic safety audit was conducted.

Our corporate social responsibility

The Company is dedicated to the well-being of the society, particularly in the fields of healthcare and education. Apart from healthcare and education, N RAIL is involved in various Corporate Social Responsibility (CSR) projects to help develop the surrounding villages. Various CSR activities undertaken by the Company include installing RO systems, constructing borewells and providing safe drinking water to nearby villages through a dedicated pipeline network system. The Company has also contributed to the Swachh Bharat Abhiyan project by constructing toilet blocks in the adjoining villages of Sarigam town. N RAIL remains committed to making a positive impact on the society through hard work, determination and perseverance.

Governance commitment

The Governance component comprises a review of how the Company intends to manage its business, comprising an understanding of processes, practices and systems. The Company appointed experienced Directors on the Board with 50% of the Directors being Independent. The Company implemented the whistleblower mechanism that enabled employees to report concerns to the Chairman of the Audit Committee. The Company addressed investor complaints in time.

The Company encourages auditors to engage in a real-time internal audit; it submitted quarterly audit reports to the Audit Committee and Board along with an Action Taken report. The Company framed necessary policies stipulated by the Companies Act and SEBI Listing Regulations and the endeavors to implement policies. A separate meeting of the Independent Directors is held every year inter alia to evaluate the performance of individual Directors and the Board. The Board was updated about the latest statutory and regulatory amendments issued by various government departments. The Company maintained transparent shareholder communication and price-sensitive information was provided to shareholders through announcements filed with the stock exchanges.

Our esteemed Board of Directors



Shri R N Agarwal
*Chairman & Managing
Director*



Shri Raunak Agarwal
Executive Director



Smt Reena Agarwal
Executive Director



Shri Rohan Agarwal
Executive Director



Shri P K Mundra
Executive 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

Management discussion and analysis

Global economy

Overview

The global economy was estimated to have grown at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine and consequent unprecedented inflation caused by shortage of food grains and rising fuel prices, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and

quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.8% in 2022, among the highest in decades.. The Federal Reserve raised its benchmark interest rate to its highest in 15 years.

The result is that the world ended 2022 concerned that the following year would be slower.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to \$55.3 billion in April-December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

Outlook

The global economy is projected to grow a weak 2.9% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation

is projected to be 6.5% in 2023 (Source: IMF). On the positive side, the reopening of China's economy after the waning of the pandemic, the decline in the European energy crisis

and robust US consumption outlook (despite high inflation) remain positives.

Indian economy

Overview: India emerged as the second fastest-growing G20 economy in FY 2022-23. India had retained its position as the fifth-largest global economy and was seen as a principal driver of the global economy (with China).

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY 23
Real GDP growth(%)	3.7	(6.6%)	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 6% higher rainfall than the long-period average. India's exports (merchandise and services) in April-February 2022-23 were estimated to have grown 16.18 percent over the same period of the previous year. Till Q3, FY 2022-23, India's current account deficit, a crucial indicator of the country's balance of payments position,

decreased to \$18.2 billion or 2.2% of GDP from \$22.2 billion (2.7% of GDP) a year ago. India's fiscal deficit was estimated in nominal terms at ~₹17.55 lakh cr and 6.4% of GDP for the year ending March 31, 2023.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1 percent Y-o-Y in RE 2022-23.

The total gross collection for FY 2022-23 was ₹18.10 lakh cr, an average of ₹1.51 lakh a month and up 22% from FY 2021-22, India's monthly

goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹1.6 lakh cr. Per capita income almost doubled in nine years to ₹172,000 during the year under review, a rise of 15.8 percent over the previous year.

Outlook

India is expected to grow 6.8% in FY 2023-24, catalysed in no small

measure by 35% capital expenditure growth by the government. The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing their highest inflation in 40 years. Broad-based credit growth, improving capacity

utilisation, government's thrust on capital spending and infrastructure should bolster investment activity.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian

economy through projects like PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action,

as well as Financing of Investments. The capital expenditure of the Indian government expanded 35.4% from ₹5.54 lakh cr to ₹7.50 lakh cr.

Global paper and packaging industry overview

The global paper and packaging industry is projected to reach a market value of \$3,83,867.8 million by the end of 2023 and is expected to exhibit a CAGR of 4.1% 2023 -2033, ultimately reaching a market value of \$5,73,705.45 million.

The global paperboard packaging market exhibited a growth in size, increasing from \$192.19 billion in 2022 to \$200.44 billion in 2023, reflecting a CAGR of 4.3%. Furthermore, it is projected to reach a market size of \$235.61 billion in

2027, with a CAGR of 4.1% during the period from 2023 to 2027.

The global printing and writing paper market is projected to grow by \$7.92 billion during the period of 2022 to 2026, with a CAGR of 1.76%. Additionally, the global tissue paper market is expected to grow from \$80.99 billion in 2022 to \$124.74 billion by 2029, with a CAGR of 6.4% during the period of 2022 to 2029.

Packaging products serve a crucial role in various sectors, and the increasing environmental awareness among consumers, along with strict regulations against plastic use

enforced by environmental laws / regulations, is anticipated to boost the paper packaging market. The growth in the paper and packaging industry is primarily driven by the demand from the end-user industries it serves, with the food and beverage industry being a significant consumer of paper packaging. The shift towards sustainable packaging options, including paper-based solutions, is expected to further drive the demand for paper packaging in the market.

(Source: Yahoo Finance, The Business Research Company, Times of India, IMARC)

Indian paper and packaging industry overview

Paper is a significant source of packaging in India, accounting for 5% of global production. The Indian paper and paperboard packaging market was valued at \$10.77 billion in 2021 and is projected to reach \$15.69 billion by 2027, exhibiting a CAGR of 6.63%. Packaging-grade paper constitutes 55% of the major types of paper produced in India. The paper

and packaging industry holds the position of the fifth largest sector in the Indian economy, offering products at prices approximately 40% lower than their European counterparts.

The Indian packaging industry has experienced significant growth, driven by increasing demand from sectors such as e-commerce, food processing, pharmaceuticals, FMCG, manufacturing and healthcare etc. The government's 'Make in India'

initiative has also played a catalytic role in boosting the packaging industry in the country.

The printing and writing paper market is projected to exhibit a CAGR of 1.76% during the period of 2022-2026. This segment is expected to experience demand growth driven by various factors, including the rising population, rise in expenditure on education, re-opening of economy / offices post-pandemic and increasing

traction in the pharmaceutical and e-commerce industries, among others.

The Indian packaging industry is characterized by a significant level of fragmentation, with a large number of small and medium-sized enterprises dominating the market, along with a few dominant players. The industry is highly reliant on imports for high-end

packaging machinery and technology, as the domestic manufacturing capabilities for such machinery are limited.

(Source: InvestIndia, ibef.org)

Paper prices

Indian paper prices have risen due to a worldwide shortage of pulp and increased demand for paper

products amid the ongoing Russia-Ukraine conflict. Both waste paper and pulp prices have observed a downward trajectory recently, leading to a general decrease in paper prices across all market segments.

SWOT analysis

Strengths

- Gaining significant momentum, with a notable increase in demand
- Diverse range of paper types are manufactured to cater to various applications
- Increasing income of plantation farmers
- Cutting-edge manufacturing facility

Weaknesses

- Several financially unviable plants
- Heavy reliance on debt to finance multiple plants and higher rate of interest
- Increasing need for scale to ensure survival

Opportunities

- Significant demand potential due to low per capita consumption compared to developed countries
- Increasing demand for packaging paper/board in food and pharmaceutical sectors
- Increased focus on cleanliness and hygiene as a result of the pandemic or otherwise .
- Opportunities of creating innovative products.

Threats

- Rising costs of raw materials due to inflationary pressures
- Growing competition from imported products
- Reduced demand for paper due to digitalization.
- Rising energy costs impacting competitiveness.

Growth drivers of paper industry

Growing literacy: In 2022, India's literacy rate was estimated to be 77.7%, which has catalyzed the demand for writing and printing paper as well as packaging paper.

E-commerce expansion: The Indian e-commerce market is projected to reach \$350 billion by 2050, driven by factors such as increased internet access, rising incomes and a growing population.

Wellness and cleanliness: The medical grade paper market in India is projected to reach a revenue of \$235.70 million, with a CAGR of 5.62% from 2022 to 2030.

Food packaging: The food packaging market in India is projected to reach approximately \$17.88 billion by 2026, growing at a CAGR of 6.22%. Packaging materials are changing to remove fluorochemicals and adopt more natural and chemical-free alternatives.

Plastic-free consciousness: Due to the challenges associated with plastic, the pulp and paper industry has multiple opportunities. Paper bags and packaging have become popular due to plastic bans in many countries. The paper industry benefits from this anti-plastic sentiment as it encourages the use of biodegradable alternatives.

Growing population: India has surpassed China as the world's most populous country, which will result in a large market base.

Demographic transformation: In 2022, the average age of Indians was 28.7 years, with over half of the population being under 25 years old. The consumer market is largely influenced by the millennial population (15-34 years), who are students or young professionals.

(Source: techsciresearch.in, researchandmarkets, livemint, Financial Express, Economic Times, findeasy, businessworld, Statista)

Company overview

Established in 1993, N R Agarwal Industries Ltd is known for producing high-quality finished paper products, serves domestic and international markets. Based in Mumbai, India, with production plants in Gujarat, the Company aims to almost triple its current production capacity with a new duplex board factory, building on its reputation for delivering top-notch products in India and worldwide.

The Company primarily manufactures paper products used in FMCG packaging, textbooks, notebooks and print media. It has focused on product development, cost reduction and quality improvement over the

years. In FY 2022-23, the Company produced a total of 270940 tons of paper/paper board .

Financial capital analysis

Balance sheet

- Borrowings for FY 2022-23 stood at ₹134.50 cr compared to ₹142.99 cr during FY 2021-22.
- Total non-current assets for FY 2022-23 stood at ₹701.52 cr compared to ₹544.02 cr in FY 2021-22

Profit and loss statement

- Revenues increased 9% to ₹1766.07 cr in FY 2022-23 compared to ₹1616.51 cr in FY 2021-22.

- EBITDA increased 28% to ₹197.34 cr in FY 2022- 23 compared to ₹154.24 cr in FY 2021-22.
- Profit after tax increased 62.70% to ₹99.30 cr in FY 2022-23 compared to ₹61.02 cr in FY 2021-23.
- Total expenses for FY 2022-23 stood at ₹1630.75 cr compared to ₹1533.32 cr in FY 2021-22.
- Depreciation and amortization stood at ₹35.81 cr in FY 2022-23 compared to ₹34.40 cr in FY 2021-22.

Risk management

Economic risk	Economic downturns can lead to decreased consumer spending, which may result in reduced demand for paper products.	Mitigation: India's GDP is projected to grow between 6.0% to 6.8-% in 2023-24, showcasing the country's resilience and recovery potential. This presents opportunities for the market and the Company.
Digitization risk	Increasing digitalization in the country may lead to a decline in paper usage.	Mitigation: The Company offers a wide range of high-quality, customizable and unique products to cater to the growing demand in the e-commerce industry. It has also increased its focus on paper packaging to capitalize on this market trend. It has unique capacity to serve consumers for small lot/order size.
Raw material risk	Shortage of raw materials may disrupt business operations.	Mitigation: The Company also relies on local waste paper as its raw material, reducing dependence on external sources.
Financial risk	High input costs can impact the profitability of the business.	Mitigation: The Company's prompt debt repayment and effective input cost management have positively impacted its profitability, resulting in significant shifts in profit after tax (PAT) and EBITDA.

Key numbers

	2022-23	2021-22
EBITDA/Turnover (%)	11.20	9.54
Debt-equity ratio	0.21	0.13
Return on equity (%)	18.13	17.83
Book value per share (₹)	373.48	314.97
Earnings per share (₹)	58.35	35.85
Interest Coverage Ratio (x)	14.31	6.11
Current Ratio (x)	2.26	1.14
Net Profit Margin (%)	6%	4%

Human resources

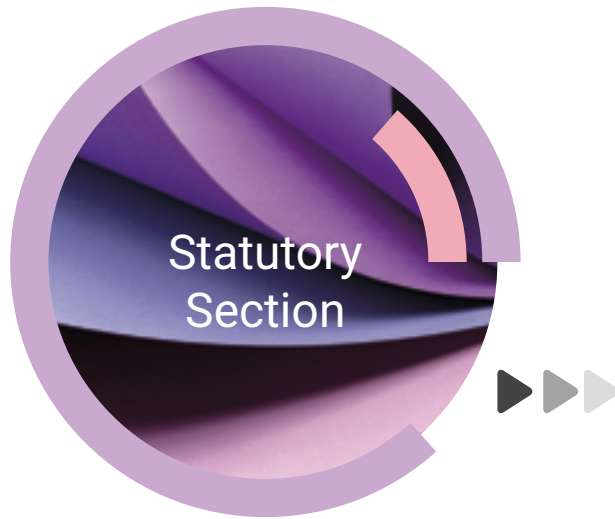
The Company considers its employees as a key factor in its success and is committed to providing them with necessary skills to adapt to technological advancements. It organized various training programs in technical and behavioral skills, leadership, customer orientation, safety, values, and code of conduct during the year. As of March 31, 2023, the Company had a total of 1177 employees.

Internal control systems

The Company follows corporate governance principles and criteria in its internal control and risk management system. The Board of Directors provides guidance and strategic supervision to the Executive Directors and management, and oversees control and risk committees and the audit department. The Statutory Auditors provide supervision over the control and risk committee and the audit department.

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.



N R Agarwal Industries Limited

CIN: L22210MH1993PLC133365

502-A/501-B, Fortune Terraces, 5th Floor, Opp. Citi Mall, New Link Road, Andheri (West), Mumbai 400 053

Tel. No. +91 (22) 67317500, Fax No. +91 (22) 26730227/26736953

Notice

Notice is hereby given that the Thirtieth Annual General Meeting of the members of N R AGARWAL INDUSTRIES LIMITED will be held on Thursday, September 28, 2023 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, 2023, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rohan Agarwal (DIN 08583011), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Shri P K Mundra (DIN: 10258728) as a Director

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

RESOLVED THAT Shri P K Mundra, (DIN: 10258728) who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 03, 2023 and who holds office upto the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

4. Appointment of Shri P K Mundra (DIN: 10258728) as a Whole Time Director & CFO

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 appointment and payment of remuneration to Shri P K Mundra (DIN 10258728) as the Whole Time Director, designated as the Executive Director and CFO of the Company for a period of 3 (three) years with effect from August 03, 2023 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 appointment and/or remuneration as it may deem fit and as may be acceptable to Shri P K Mundra, 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 the event of loss or inadequacy of profits in any financial year of the Company during Shri P K Mundra's term of office as Whole Time Director & CFO, the remuneration payable to him shall be as per the minimum remuneration subject to the ceiling limits prescribed in Schedule V of the Companies Act, 2013;

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. Appointment of Shri K L Chandak (DIN: 00013487) as an Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (the Act), as amended from time to time, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and as recommended by the Nomination and Remuneration Committee and Board of Directors, Shri K L Chandak (DIN: 00013487) who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an

Independent Director of the Company not liable to retire by rotation, for a term of five years from September 28, 2023 to September 27, 2028.

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. V.J.Talati & Co., Cost Accountants, (Registration No. R00213) 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, 2023, 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.

NOTES:

1. 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 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 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, May 13, 2022 and January 5, 2023 ('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 28, 2023 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 2022-23 is being sent electronically by the Company to those Members whose email addresses are registered with the Company/RTA and Depositories. The Notice of the 30th AGM and the Annual report for FY 2022-23 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 at item no. 15 of notes of this Notice.

3. Pursuant to the MCA Circulars, since the physical attendance of Members has 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 6 of the accompanying Notice are annexed hereto. The relevant details as required under Regulation 36(3) 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 are also annexed.
6. In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 ("the Act") (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. 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 investor 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. 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.

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://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.

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. The 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, the Register of Charges and relevant documents referred to in the Notice of this AGM and explanatory statement will be available 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 22, 2023 to Thursday, September 28, 2023 (both days inclusive).

14. 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 Thursday, September 21, 2023. 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 30th 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.

15. 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 25, 2023 at 9:00 a.m. and ends on Wednesday, September 27, 2023 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 21, 2023 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 Monday, September 25, 2023 at 9:00 a.m. and ends on Wednesday, September 27, 2023 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. Thursday, September 21, 2023, 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 Thursday, September 21, 2023.

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 09, 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
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 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. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.

Type of shareholders	Login Method
	<ol style="list-style-type: none"> After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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 abovementioned 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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

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?

- 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 use 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.: 022 - 4886 7000 and 022 - 2499 7000 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.
2. 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.**
3. 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.
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. Thursday, September 21, 2023, 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. Thursday, September 21, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

5. 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.

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 21, 2023.
- 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 two working days 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 400 053
CIN:L22210MH1993PLC133365
Tel. No. +91 (22) 67317500
Email ID: investors@nrail.com
Website: www.nrail.com

Place: Mumbai

Date: August 03, 2023

ANNEXURE TO NOTICE

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

ITEM NO. 3 & 4

Pursuant to Section 161(1) of the Companies Act, 2013, Shri P K Mundra (DIN 10258728) was appointed as an Additional Director at the Board Meeting held on August 03, 2023. In terms of Section 161(1) of the Companies Act, 2013, Shri P K Mundra would hold office up to the date of the ensuing Annual General Meeting and is eligible for appointment as Director.

At the Board Meeting held on August 03, 2023, the Board also approved the appointment of Shri P K Mundra as a Whole Time Director, designated as the Executive Director of the Company for a term of 3 (three) years with effect from August 03, 2023 subject to the approval of the shareholders at the ensuing general meeting.

Shri P K Mundra (DIN: 10258728) is also the Chief Financial Officer (CFO) of the Company w.e.f. May 11, 2023.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Shri P K Mundra for the office of Director of the Company.

The Company has received from Shri P K Mundra (i) consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013. He has also submitted a Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

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 Nomination and Remuneration Committee has approved the appointment and terms and conditions

including the terms of remuneration of Shri P K Mundra.

Brief terms of appointment and remuneration payable to Shri P K Mundra as Whole Time Director:

- 1) Term: August 03, 2023 to August 02, 2026
- 2) Remuneration:
 - a) **Gross Salary:** ₹6,47,660/- (Rupees Six Lakhs Forty Seven Thousand Six Hundred Sixty only) per month.
 - b) **Perquisites & Allowances:** In addition to the gross salary payable, Shri P K Mundra shall be entitled to perquisites and allowances like:
 - i) Use of the Company's car with driver for official duties, reimbursement of mobile expenses.
 - ii) Company's contribution to provident fund and payment of bonus as per the rules of the Company.
 - iii) Encashment of unavailed leave as per the rules of the Company;

The Board shall have the authority to determine any merit based increase in the gross salary up to ₹10,00,000 p.m.

Where, in any financial year during the currency of the tenure of Shri P K Mundra, the Company makes no profits or its profits are inadequate, the Company shall pay to the Whole Time Director, designated as Executive Director and CFO, the above salary and perquisites, within the ceiling limits prescribed in Schedule V of the Companies Act, 2013 as Minimum Remuneration.

All income tax and other impositions, if any, in respect of the Whole Time Director's remuneration shall be calculated by the Company and deducted in accordance with the applicable provisions of the Income Tax law for the time being in force.

Shri P K Mundra 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 August 03, 2023 for the

appointment of Shri P K Mundra 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 days between 11.00 a.m. and 1.00 p.m.

Pursuant to the provisions of section 196, 197, 203 of the Act read with rules made thereunder and Schedule V of the Act, and SEBI Listing Regulations, the appointment and payment of remuneration to Shri P K Mundra is subject to the approval of shareholders by way of special resolution.

Shri P K Mundra is interested in resolution at Item No. 3 & 4 which pertains to his appointment and remuneration payable to him.

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 Ordinary Resolution set out at Item No. 3 and the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on August 03 2023, considered and recommended the candidature of Shri K L Chandak (DIN 00013487) as an Independent Director of the Company for a term of 5 years.

Shri K L Chandak, aged 76 years is a Chartered Accountant by profession. He has rich corporate experience of 45 years as service in paper industry and has served the Board of West Coast Paper Mills Ltd, a leading integrated pulp & paper mill as an Executive Director for 17 years. He has versatile experience and expertise in all areas of Company management including Finance and Accounts. He was instrumental in turning around of West Coast Paper Mills Limited. He is also an Independent Director on the Board of Shree Rama News Print Limited.

The Nomination and Remuneration Committee and Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with Mr. Chandak:

Name of the Director: Shri K L Chandak

Area of skills/expertise/competence: Paper Business, Business Management

The Company has received a declaration from Shri K L Chandak, who has attained the age of 76 years confirming, that he meets the criteria of independence under the Companies Act, 2013 and Listing Regulations. Further, the Company has also received Shri K L Chandak's consent to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has also submitted a Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.

The Company has also received a notice in writing from a member proposing the candidature of Shri K L Chandak to be appointed as Director of the Company.

In the opinion of the Board, Shri K L Chandak fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Listing Regulations, for his appointment as an Independent Director of the Company and he is Independent of the management.

In terms of provisions of Regulation 17 (1A) of the SEBI Listing Regulations, as amended from time to time, a Company may appoint a person who has attained the age of seventy five years as Director of the Company only upon passing a Special Resolution by shareholders. Further as per section 149 of the Companies Act, 2013, any appointment of an Independent Director is subject to shareholders approval.

A special resolution is therefore proposed at Item No. 5 of this notice for approval of shareholders to the appointment of Shri K L Chandak as an Independent Director of the Company.

Copy of draft letter of appointment of Shri K L Chandak setting out the terms and conditions of appointment is being made available for inspection, by the members.

Shri K L Chandak is interested in the resolution at Item No. 5 of the Notice pertaining to his appointment.

None of the other Directors or Key Managerial Personnel or their relatives is concerned or interested in the resolution mentioned at Item No. 5 of the Notice.

The Board recommends the special resolution set forth at Item No. 5 for the approval of 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. V. J. Talati & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2022-2023 at a remuneration of ₹1,00,000/- per annum. 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.

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 400 053
CIN:L22210MH1993PLC133365
Tel. No. +91 (22) 67317500
Email ID: investors@nrail.com
Website: www.nrail.com

Place: Mumbai

Date: August 03, 2023

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	Rohan Agarwal	K L Chandak	P K Mundra
Age	30	76	63
Date of Appointment	01.11.2019	As approved by shareholders	03.08.2023
Qualification	Graduate in Business Administration	B.Com, F.C.A	B.Com (Hons), CS, MBA
Expertise/Experience in specific functional area	Over 10 years of experience in Paper Industry	Business Management including Finance and Accounts.	Over 41 years of versatile experience in finance, HR, legal matters as well as secretarial, income tax, structural products, insurance, costing, accounts including purchase amongst various other functions.
Directorships in other companies	Reera Holdings Private Limited	Shree Rama Newsprint Limited (Listed Company)	NIL
Resignation from listed entities in the last three years	NIL	NIL	NIL
Memberships of Committees in other companies (includes only Audit & Stakeholders Relationship Committees)	NIL	Chairman of Audit Committee and Stakeholders Relationship Committee in Shree Rama Newsprint Limited	NIL
No. of shares held in the Company	1,000	NIL	NIL
Relationship between Directors inter-se and the KMPs	Shri Rohan Agarwal is related to Shri R N Agarwal, Smt. Reena Agarwal and Shri Raunak Agarwal, Promoters and Executive Directors of the Company	There is no inter-se relationship between Shri K L Chandak, other members of the Board and Key Managerial Personnel of the Company	Shri P K Mundra is the Chief Financial Officer of the Company. There is no other inter-se relationship between Shri P K Mundra, other members of the Board and Key Managerial Personnel of the Company
Number of Board meetings attended during 2022-23	4	NA	NA
Remuneration	₹7,200,000/- per annum	He is entitled to Sitting Fees only	₹8,200,000/- per annum

Director's Report

To the Members,

Your Directors are pleased to present the 30th Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2023.

FINANCIAL RESULTS

(₹ in lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations and Other Income	177,849.74	162,793.52
Finance Costs	1,378.72	2,522.67
Gross Profit after Finance Costs but before Depreciation and Taxation	18,355.39	12,901.05
Depreciation	3,581.01	3,439.85
Profit before Tax and Exceptional Items	14,774.38	9,461.20
Exceptional Items	-	-
Profit before Tax and after Exceptional Items	14,774.38	9,461.20
Provisions for Taxation	3,045.74	1,657.81
Tax expense of previous year (net)	-	-
Deferred Tax	1,798.29	1,701.24
Net Profit for the year	9,930.35	6,102.15
Other Comprehensive Income (Net of Tax)	27.94	23.55
Total Comprehensive Income	9,958.29	6,125.70

State of Company's Affairs

The financial year 2022-23 was the first year of revival of the economy post Covid-19 and this is reflected in revival of paper sector in general and working of the Company as well. We are therefore glad to inform you that, the Company reported record revenues of ₹1,766.07 cr as against revenue of ₹ 1,616.51 cr in previous financial year, showing a growth of 9.25%. The EBIDTA was ₹197.34 cr as against ₹154.24 cr in previous financial year due to improved realisation whereas the profit after tax strengthened to ₹99.30 cr as against ₹61.02 cr in previous year. The overall production was 270,941 MT as against 304,759 MT in the previous year due to closure of Unit-3 at Vapi.

Material Changes and Commitments affecting financial position of the Company occurred between March 31, 2023 and date of this report

There are no material changes and commitments which affected the financial position of the Company between March 31, 2023 and date of this report.

Number of Meetings of the Board of Directors

There were four meetings of the Company's Board of Directors during the financial year 2022-23. Details of the meetings are given in the Corporate Governance Report.

Transfer to reserves

There was no transfer made to the General Reserve.

Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the Board of Directors of the Company (the 'Board') formulated and adopted the Dividend Distribution Policy (the 'Policy'). The Policy is available on our website at https://nrail.com/company_policies.html

Dividend

The Company wishes to retain its profits for future growth and expansion activities and hence, your Directors decided

not to recommend payment of dividend for the financial year under review.

Credit Rating

The current credit rating of the Company has been re-affirmed to a Long Term Rating of (ICRA) A Stable and Short Term Rating of (ICRA) A1 for bank loan facilities aggregating to ₹775 cr.

Directors and Key Managerial Personnel

Shri Rohan Agarwal, (DIN 08583011) Executive 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.

During the year, the tenure of Shri Rohan Agarwal (DIN 08583011) as the Whole Time Director completed on November 01, 2022. The Board of Directors approved the re-appointment of Shri Rohan Agarwal, as Whole Time Director for a further period of three years with effect from November 04, 2022. The said re-appointment was approved by the Members of the Company through Postal Ballot which was held on February 23, 2023.

Shri Ashok Kumar Bansal (DIN 07325904) resigned as the Executive Director from close of July 31, 2023 and the Board appreciates his contribution to the growth of the Company during his tenure.

Shri P K Mundra (DIN: 10258728) was appointed as an Additional and Whole Time Director, designated as Executive Director of the Company by the Board of Directors w.e.f. August 03, 2023 for a period of three years subject to the approval of members at the ensuing Annual General Meeting. He was also appointed as the Chief Financial Officer of the Company w.e.f May 11, 2023.

Shri R K Bakshi (DIN 00264007) has been re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation, for a second term, w.e.f February 01, 2023 to September 30, 2027. The said re-appointment was approved by the Members of the Company through Postal Ballot held on February 23, 2023.

With a view to strengthen the Board and to meet the regulatory requirements, the Board of Directors of the Company on the recommendation of Nomination and

Remuneration Committee recommend the appointment of Shri K L Chandak (DIN: 00013487) as an Independent Director of the Company to hold office for a period of five years. The necessary special resolution in this regard is proposed at Item No. 5 of the notice of ensuing annual general meeting.

Shri Dipankar Rai (PAN AFNPR7894H) resigned as the Chief Financial officer w.e.f. May 31, 2022. Shri Basant Kumar Bansal (PAN AACPB4928Q) was appointed as the Chief Financial Officer w.e.f November 04, 2022 and he resigned w.e.f November 30, 2022 due to personal reasons.

There has been no other change with respect to the Directors and Key Managerial Personnel during the year 2022-23.

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 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 four 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, 2023 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, 2023 is available on the Company's website on http://www.nrail.com/company_policies.html

Auditors' and Auditors' Report

a. Statutory Auditors

M/s. GMJ & Co., Chartered Accountants, (Firm Registration No. 103429W) have been appointed as the Statutory Auditors of the Company for a second term of five years at the Annual General Meeting ("AGM") of the Company held on September 29, 2022, to hold office till the conclusion of the 34th AGM of the Company to be held in the year 2027. M/s. GMJ & Co., Chartered Accountants, have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

The Auditors' Report for the financial year ended March 31, 2023 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 2022-23, 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, 2023 does not contain any qualification, reservation or adverse remark.

c. Cost Auditors

M/s V.J.Talati & Co., Cost Accountants, had been appointed to conduct Cost Audits for all the units of the Company for the year ending March 31, 2023 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 2021-22 was duly filed with Ministry of Corporate Affairs, Government of India on June 14, 2022.

The Cost Audit of the Company for the financial year ended March 31, 2023 was conducted by the said firm and the report shall be filed with the Ministry of Corporate Affairs within the prescribed timelines.

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, 2023.

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

The Company has not made any loans, guarantees,

investments covered under provisions of Section 186 of the Companies Act, 2013.

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: <http://www.nrail.com/companyolicies.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 2022-23, the

Company has spent a total amount of ₹2.50 cr towards CSR initiatives.

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

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 2022-2023.

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 and trainees) are covered under this policy.

The Company has not received any complaint of sexual harassment during the financial year 2022-23.

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

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

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

Place: Mumbai

Date: August 03, 2023

R N AGARWAL

Chairman & Managing Director

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

ANNEXURE – 2

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2023

(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, 2023, 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, 2023 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 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 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, 2021; (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, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- 1. Company's Unit III (Duplex Board) situated at Plot No. 901, Phase III, GIDC, Vapi –396 195, Dist. Valsad, Gujarat State, has been permanently shut down with effect from January 6, 2023.

For Parikh & Associates
Company Secretaries

J. U. Poojari
Partner

FCS No: 8102 CP No: 8187

Place: Mumbai

UDIN: F008102E000730549

Date: August 03, 2023

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

J. U. Poojari
Partner

FCS No: 8102 CP No: 8187
UDIN: F008102E000730549
PR No.: 1129/2021

Place: Mumbai
Date: August 03, 2023

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 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:

- Modification in suction press lubrication system to increase machine roll life.
- Optimized the final tower ash which helps to increase yield.
- Optimization of steam and condensate recovery system in house to increase the condensate recovery and thus reduce steam consumption per ton of paper.
- Dryer screen roll bearing mounting bracket modifications and roll balancing done to increase the roll life as well as machine speed up.
- Installation of vibration monitoring system at dryer screen rolls, felt rolls.
- Optimization of RO Plant to reduce the operation cost as well as to increase the RO water consumption in plant 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:

- The Company has firing effluent sludge in APFC boiler to reduce coal consumption.
- Company is recycling plastic collected from waste paper by firing in to plastic fired boiler to generate steam [energy] from the same.

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:

- Replacement of old 15 MW turbine with new energy efficient turbine resulting in 13% improvement in coal saving.
- Installation of Paddle Dryer system to solve the issue of Solid waste disposal of Bio mass.
- 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
- Reduction in carbon emissions due to saving of 1100 MT Coal per month.
- 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

(iv) Expenditure incurred on Research and Development:

Nil

C. Foreign exchange earnings and outgo:

	₹ in lakhs	
	2022-23	2021-22
Foreign exchange earnings	27,339.52	36,942.97
Foreign exchange outgo	51,852.07	49,774.64

On behalf of the Board of Directors

Place: Mumbai

R N AGARWAL

Date: August 03, 2023

Chairman & Managing Director

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	143.97:1	
		Raunak Agarwal Executive Director	127.34:1	
		Reena Agarwal Executive Director	127.34:1	
		Ashok Kumar Bansal Executive Director	22.10:1	
		Rohan Agarwal Executive Director	120.78:1	
(ii)	The percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;	R N Agarwal Chairman & Managing Director	8.76%	(₹392.78 Lakhs in 2022-23 as against ₹361.13 Lakhs paid in 2021-22)
		Shri Raunak Agarwal Executive Director	96.03%	(₹347.40 Lakhs in 2022-23 as against ₹177.22 Lakhs in 2021-22)
		Smt. Reena Agarwal Executive Director	90.65%	(₹347.40 Lakhs in 2022-23 as against ₹182.22 Lakhs in 2021-22)
		Shri Ashok Kumar Bansal Executive Director	2.29%	(₹60.30 Lakhs in 2022-23 as against ₹58.96 Lakhs in 2021-22)
		Shri Rohan Agarwal Executive Director	109.58%	(₹329.50 Lakhs in 2022-23 as against ₹157.22 Lakhs in 2021-22)
		Ms. Pooja Daftary Company Secretary	26.65%	(₹19.20 Lakhs in 2022-23 as against ₹15.16 Lakhs in 2021-22)
		Mr. Dipankar Rai* Chief Financial Officer	0.00%	(₹4.66 Lakhs in 2022-23 as against ₹4.66 Lakhs in 2021-22)
*Mr. Dipankar Rai's tenure with the Company was from December 2021 to May 2022.				
(iii)	The percentage increase in the median remuneration of employees in the financial year:			5.48%
(iv)	The number of permanent employees on the rolls of Company:			1364
(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 11.18% (other than Managerial Personnel) as against an increase of 57.71% 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

Place: Mumbai
Date: August 03, 2023

R N AGARWAL
Chairman & Managing Director

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, Promoter and Executive Director of the Company b) Daughter-in-law of Shri R N Agarwal, Chairman & Managing Director and Smt. Reena Agarwal, Promoter and Executive Director of the Company	Ms. Anuva Agarwal a) Wife of Rohan Agarwal, Promoter and Executive Director of the Company b) Daughter-in-law of Shri R N Agarwal, Chairman & Managing Director and Smt. Reena Agarwal, Promoter and Executive Director of the Company
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 ₹200,000/- per month.
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:

Sl. No.	Particulars			
a)	Name(s) of the related party & nature of relationship	Reera Holdings Pvt Ltd (REERA) Shri R N Agarwal and Smt. Reena Agarwal, Directors and Promoters of the Company are Directors and shareholders of the REERA	Shri R N Agarwal a) Husband of Smt. Reena Agarwal, Promoter and Executive Director of the Company b) Father of Raunak & Rohan Agarwal, Promoters and Executive Directors of the Company	Smt. Reena Agarwal a) Wife of Shri R N Agarwal, Chairman & Managing Director of the Company b) Mother of Raunak & Rohan Agarwal, Promoters and Executive Directors of the Company
b)	Nature of contracts/ arrangements/ transaction	Under Section 188(1)(a) purchase of goods or materials	Under Section 188(1)(c) leasing of property of any kind	Under Section 188(1)(c) leasing of property of any kind
c)	Duration of the contracts/ arrangements/ transaction	One year (FY 2022-23)	For a period of 60 months commencing from February 15, 2022	For a period of 60 months commencing from February 15, 2022
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	During the year 2022-2023, the Company purchased waste paper amounting to ₹559.25 lakhs from REERA.	The Company has taken two flats on lease from Shri R N Agarwal on following terms: (a) Rent of ₹500,000/- per month per flat (b) Security deposit of ₹1,000,000/- per flat	The Company has taken a flat on lease from Smt Reena Agarwal on following terms: (a) Rent of ₹500,000/- per month (b) Security deposit of ₹1,000,000/-

Sl. No.	Particulars			
e)	Justification for entering into such contracts or arrangements or transactions	REERA trades in waste paper. They buy it from various small traders, sort it in good usable kind of waste paper by removing foreign particles before selling into the market. This helps in planning our sourcing strategy on quality, quantity & pricing parameters on consistent basis. Additionally, REERA shall be procuring waste paper from small vendors or small godownist where immediate payment is required & our current suppliers are not able to cover that market.	The Company has leased premises for providing residential accommodation to its Key Managerial Personnel.	The Company has leased premises for providing residential accommodation to its Key Managerial Personnel.
f)	Date of approval by the Board	19.05.2022	11.11.2021	11.11.2021
g)	Amount paid as advances, if any	Nil	Security deposit of ₹1,000,000/- per flat	Security deposit of ₹1,000,000/-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Not Applicable*	Not Applicable*	Not Applicable*

*The transactions stated above are not material transactions.

On behalf of the Board of Directors

Place: Mumbai
Date: August 03, 2023

R N AGARWAL
Chairman & Managing Director

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. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of 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 executive summary along with web-link(s) 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.	(a)	Average net profit of the Company as per Section 135(5)	₹1,114,434,842/-
	(b)	Two percent of average net profit of the Company as per section 135(5)	₹22,288,697/-
	(c)	Surplus arising out of the CSR projects or programme or activities of the previous financial years	NA
	(d)	Amount required to be set off for the financial year, if any	₹1,974,039/-
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]-	₹20,314,659/-
6.	(a)	Details of CSR amount spent against other than ongoing projects for the financial year	₹25,000,000/-
	(b)	Amount spent in Administrative Overheads	Nil
	(c)	Amount spent on Impact Assessment, if applicable	NA
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹25,000,000/-

(e) 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
25,000,000/-	NIL	-	-	NIL	-

(g) Excess amount for setoff, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	20,314,659/-
(ii)	Total amount spent for the Financial Year	25,000,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4,685,342/-
(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)]	4,685,342/-

7. Details of unspent Corporate Social Responsibility 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							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA							

9. 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

On behalf of the Board of Directors

Place: Mumbai
Date: August 03, 2023

R N AGARWAL
Managing Director
DIN: 00176440

P Kumar
Chairman- CSR Committee
DIN: 00179074

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, 2023, 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 2022-2023	Attendance at the last AGM held on September 29, 2022	Directorship in other Public Entities* (As on 31.03.2023)		No. of Committees positions held in other public companies ** (As on 31.03.2023)	
				Chairman	Member	Chairman	Member
Shri R N Agarwal	Chairman & Managing Director	4	Yes	-	-	-	-
Shri Raunak Agarwal	Executive Director	4	Yes	-	-	-	-
Smt. Reena Agarwal	Executive Director	4	No	-	-	-	-
Shri Rohan Agarwal	Executive Director	4	Yes	-	-	-	-
Shri A K Bansal	Executive Director	4	Yes	-	-	-	-
Shri P Kumar	Non-Executive Independent Director	3	No	-	1	2	2
Shri C R Radhakrishnan	Non-Executive Independent Director	4	No	-	-	-	-
Shri R K Bakshi	Non-Executive Independent Director	4	Yes	-	2	1	2
Shri S N Chaturvedi	Non-Executive Independent Director	4	Yes	-	1	1	1
Smt. Sunita Nair	Non-Executive Independent Director	4	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.

- Shri Rohan Agarwal, Executive Director was re-appointed with effect from November 04, 2022.
- Shri R K Bakshi, Independent Director was re-appointed for a second term with effect from February 01, 2023.
- Shri P K Mundra, Chief Financial Officer of the Company, appointed as an Additional and Executive Director with effect from August 03, 2023.
- Shri A K Bansal, Executive Director, resigned with effect from August 01, 2023.

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 P K Mundra	-	-
5.	Shri P Kumar	Banswara Syntex Ltd.	Independent Director
6.	Shri C R Radhakrishnan	-	-
7.	Shri R K Bakshi*	Brady & Morris Engineering Company Ltd. (appointed w.e.f. 11.02.2023)	Independent Director
8.	Shri Rohan Agarwal	-	-
9.	Shri S N Chaturvedi	Siyaram Silk Mills Ltd.	Independent Director
10.	Smt. Sunita Nair	-	-

*Shri R K Bakshi ceased to be a Director in W.H. Brady & Co Ltd w.e.f. February 01, 2023.

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

The Company held four Board Meetings during FY 2022-23. The dates on which the Board Meetings were held were: May 19, 2022, July 29, 2022, November 04, 2022 and January 23, 2023. 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, 2023 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. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are

not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. 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 Directors 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 MD & CFO certification for the financial year ended March 31, 2023. 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 during the year 2022-2023 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 14, 2023 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 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 COMPETENCE

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 P K Mundra	Financial, Secretarial etc
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, 2013. 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:

1] Role of the Audit Committee shall include the following:

- to recommend the appointment/re-appointment/replacement, remuneration and terms of appointment of the Statutory Auditors and the Internal Auditors of the Company.
- to review and monitor independence and performance of the Statutory and Internal Auditors and effectiveness of the audit process;

- to examine Financial Statements and Auditors' Report thereon and for this purpose, to call, if necessary, the comments of the Auditors about the following:
 - Internal control systems.
 - Scope of audit, including observations of Auditors.
- to recommend financial statements to the Board for approval, after carrying out the procedure mentioned at (4) above.
- to approve transactions of the Company with related parties including any subsequent modifications.
- to scrutinise inter-corporate loans and investments made by the Company.
- to carry out valuation of undertakings and the assets of the Company, as and when necessary.
- to evaluate the internal financial control systems and Risk Management Systems
- to monitor end use of funds raised through public offers (including public issue, rights issue, preferential issue, etc.) and related matters.
- establish a vigil mechanism (Whistle Blower Policy) for Directors and employees to report genuine concerns in such manner and to review the said policy and cases reported thereunder.
- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and

practices and reasons for the same;

- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about
- the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 cr or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiary/ies.
- to appoint Registered Valuer and approve the terms and conditions of appointment. [Section 247(1)]
- in respect of Cost Auditors
 - Recommendation to the Board for the appointment of the Cost auditors and their remuneration and terms of appointment.
 - Review with Cost auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Approval of fees to Cost auditors for any other services rendered by them.
 - Review Cost Auditors' Report and recommend to the Board for the approval.
 - Reviewing, with the management, the performance of the Cost Auditors.
- monitoring and reviewing cyber security inter-alia to protect unauthorised access to data centers and other computerised systems
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 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

II] Audit committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

III] As per the Company's Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Code") the Audit committee would additionally:

- Approve policies in relation to the implementation of the Code and to supervise implementation of the Code.
- Note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- Provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;

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:

During the year, the Audit Committee met four times on May 19, 2022, July 29, 2022, November 04, 2022 and January 23, 2023. Necessary quorum was present at the above Meetings.

Name	Category	No. of Meetings attended
Shri P Kumar, Chairman	Non-Executive Independent	3
Shri C R Radhakrishnan, Member	Non-Executive Independent	4
Shri R K Bakshi, Member	Non-Executive Independent	4
Shri S N Chaturvedi, Member	Non-Executive Independent	4

The Chairman of the Audit Committee was absent and one of the members of the Committee appointed as the Chairman was present at the Annual General Meeting of the Company held on September 29, 2022. 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:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - 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.
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- 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 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:

During the year, the Committee met four times on May 19, 2022, July 29, 2022, November 04, 2022 and January 23, 2023. Necessary quorum was present at the above Meetings.

Name	Category	No. of Meetings attended
Shri P Kumar, Chairman	Non-Executive Independent	3
Shri R K Bakshi, Member	Non-Executive Independent	4
Shri S N Chaturvedi, Member	Non-Executive Independent	4

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, 2023:

(a) NON-EXECUTIVE DIRECTORS

Name of the Directors	Sitting Fees (₹)
Shri P Kumar	250,000
Shri C R Radhakrishnan	230,000
Smt. Sunita Nair	150,000
Shri R K Bakshi	290,000
Shri S N Chaturvedi	260,000
Total	1,180,000

(in ₹)

(b) EXECUTIVE DIRECTORS

Particulars	Shri R N Agarwal (Chairman & Managing Director)	Shri Raunak Agarwal (Executive Director)	Smt. Reena Agarwal (Executive Director)	Shri Ashok Kumar Bansal (Executive Director)	Shri Rohan Agarwal (Executive Director)
Salary	24,000,000	7,200,000	7,200,000	5,838,800	5,370,000
Perquisites	15,277,700	39,600	39,600	39,600	431,406
Bonus	-	-	-	-	-
Commission	-	27,500,000	27,500,000	-	27,500,000
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, 2013 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:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.

- 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.
- 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.
- Oversee the performance of the Company's Registrar and Transfer Agent.
- Oversee and review all matters connected with the transfer, transmission, etc. of the Company's securities.
- Approve issue of the Company's duplicate share / debenture certificates.

- Look into the various aspects of interest of shareholders, debenture holders and other security holders.
- 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 composition of the Stakeholders' Relationship Committee and the details of meetings attended by the members during the financial year are given below:

The Stakeholders' Relationship Committee met four times during the financial year on May 19, 2022, July 29, 2022, November 04, 2022 and January 23, 2023.

Name	Category	No. of Meetings attended
Shri P Kumar, Chairman	Non-Executive Independent	3
Shri R N Agarwal, Member	Non-Executive Independent	4
Shri R K Bakshi, Member	Non-Executive Independent	4
Shri C R Radhakrishnan, Member	Non-Executive Independent	4

The Chairman of the Stakeholders' Relationship Committee was absent and one of the members of the Committee appointed as the Chairman was present at the Annual General Meeting of the Company held on September 29, 2022.

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, 2023. The status of investor complaints as on March 31, 2023 as reported under Regulation 13(3) of the SEBI Listing Regulations is as under:

Complaints as on April 1, 2022	Nil
Received during the year	2
Resolved during the year	2
Pending as on March 31, 2023	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,
 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 composition of the Corporate Social Responsibility Committee and the details of meetings attended by the members during the financial year are given below:

The CSR Committee met twice during the financial year on May 19, 2022 and January 23, 2023.

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

The Risk Management Committee met thrice during the year on July 29, 2022, November 04, 2022 and January 23, 2023.

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

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 thrice during the financial year on October 19, 2022, January 12, 2023 and February 21, 2023.

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	Category	No. of Meetings attended
Shri R N Agarwal, Chairman	Executive-Non-Independent	3
Shri P Kumar, Member	Non-Executive-Independent	2
Shri Raunak Agarwal, Member	Executive-Non-Independent	3

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 Limited.

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

The Share Transfer Committee met 7 (seven) times during the financial year 2022-23 on May 02, 2022, June 17, 2022, July 11, 2022, September 08, 2022, October 04, 2022,

November 07, 2022 and January 27, 2023.

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

Name	Category	No. of Meetings attended
Shri R N Agarwal, Chairman	Executive-Non-Independent	7
Shri Raunak Agarwal, Member	Executive-Non-Independent	7

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 (3) years and special resolutions passed are as follows:

Financial Year	Day, Date & Time	Location	Special Resolutions, if any
2021-22	Thursday, September 29, 2022 at 11.30 a.m.	Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	1. Re-appointment of Shri Raunak Agarwal as the Whole Time Director 2. Re-appointment of Smt Reena Agarwal as the Whole Time Director 3. Change in place of keeping registers and records of the Company
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
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

(b) Details of Extra-Ordinary General Meeting:

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

(c) Details of special resolutions 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 Resolutions through notice of postal ballot dated January 23, 2023 for proposed re-appointment of Shri Rohan Agarwal (DIN 08583011) as the Whole Time Director and re-appointment of Shri R K Bakshi (DIN 00264007) as an Independent Director, which was duly passed and the results of which were announced on February 24, 2023. 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)
Re-appointment of Shri Rohan Agarwal (DIN 08583011) as the Whole Time Director	58	12,465,718	99.34	5	82,386	0.66	0	0
Re-appointment of Shri R K Bakshi (DIN 00264007) as an Independent Director	58	12,502,003	99.63	4	46,059	0.37	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 read with General Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No.10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs.
- ii. Details of special resolutions 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: http://www.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 filing the RPT Disclosure for the half year ended March 31, 2022 under Regulation 23(9) of SEBI LODR Regulations, 2015 to BSE and NSE for which the Company has paid the fine of ₹70,000/- during the FY 2022-23 to the respective stock exchanges as levied by the Stock Exchanges. 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 Practising 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 Practising 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 as stated above. 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 ₹17 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 2022-23. 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 Practising 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, 2023.
- 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 2022-23, the Company closely monitored movement of commodity prices. Further the Company has not undertaken any hedging activities on commodity and its open exposures stand 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, 2023.

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 28, 2023 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, December 14, 2021, May 05, 2022 and December 28, 2022 the AGM will be held through VC/OAVM only
Corporate Identification Number	L22210MH1993PLC133365
Financial Year	April to March
Date of Book Closure	September 22, 2023-September 28, 2023
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 for FY 2022-23 and 2023-24 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-400 083 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, 2023 are as under:

April'22-March'23	HIGH				LOW			
	NRAIL (BSE)	SENSEX	NRAIL (NSE)	NIFTY	NRAIL (BSE)	SENSEX	NRAIL (NSE)	NIFTY
April	305.00	60,845.10	303.00	18,114.65	261.80	56,009.07	262.55	16,824.70
May	276.90	57,184.21	276.60	17,132.85	217.80	52,632.48	222.00	15,735.75
June	248.90	56,432.65	251.25	16,793.85	200.65	50,921.22	200.20	15,183.40
July	267.00	57,619.27	257.00	17,172.80	226.65	52,094.25	223.20	15,511.05
August	380.05	60,411.20	380.00	17,992.20	270.00	57,367.47	266.00	17,154.80
September	416.10	60,676.12	414.90	18,096.15	345.35	56,147.23	349.00	16,747.70
October	426.95	60,786.70	427.90	18,022.80	386.05	56,683.40	382.85	16,855.55
November	425.00	63,303.01	421.00	18,816.05	316.60	60,425.47	319.00	17,959.20
December	326.95	63,583.07	325.95	18,887.60	264.00	59,754.10	261.25	17,774.25
January	340.00	61,343.96	300.10	18,251.95	263.15	58,699.20	262.95	17,405.55
February	270.40	61,682.25	269.95	18,134.75	216.25	58,795.97	215.35	17,255.20
March	235.00	60,498.48	234.95	17,799.95	197.50	57,084.91	196.25	16,828.35

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

Sr. No.	Range No of Shares	No of Shareholders	% Total Holders	Total Amount	% of Capital
1	Upto 100	7,945	70.36	389,947	2.29
2	101 to 200	1,172	10.38	194,192	1.14
3	201 to 500	1,137	10.07	416,499	2.45
4	501 to 1000	493	4.37	367,063	2.16
5	1001 to 5000	449	3.98	1,017,802	5.98
6	5001 to 10000	49	0.43	341,046	2.00
7	10001 to 100000	42	0.37	1,052,442	6.18
8	100001 and above	5	0.04	13,240,109	77.80
	TOTAL	11,366	100	17,019,100	100

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2023:

Category	No. of shares held	Percentage to total share capital
Promoters	12,516,998	73.55
Banks / FI	2,500	0.01
FIs	69,523	0.41
Body corporates	368,220	2.16
Individuals	3,632,712	21.35
Non Resident Indians/ Overseas Corporate Bodies	82,114	0.48
Clearing Members	3,786	0.02
LLP	4,874	0.03
IEPF	169,876	1.00
HUF	167,821	0.99
Trusts	676	0.00
Total	17,019,100	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, 2023:

Mode	No of Shares	% of Share Capital
Electronic form with CDSL	14,814,737	87.05
Electronic form with NSDL	1,905,957	11.20
Physical Form	298,406	1.75
Total	17,019,100	100.00

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

CREDIT RATING:

The current credit rating of the Company has been Reaffirmed to Long Term Rating of (ICRA) A Stable and Short Term Rating of (ICRA) A1 for bank loan facilities aggregating to ₹775 crs.

LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED:

The Company has not given any loans or advances to any Firm / Company in which its Directors are interested.

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

Plot No.169, Phase II, GIDC,
Vapi- 396 195, Dist. Valsad,
Gujarat State,
Tele-Fax: 0260 – 2401634/2401706

Unit IV

Plot No.901/P, Phase III, GIDC,
Vapi- 396 195, Dist. Valsad,
Gujarat State,
Tele-Fax: 0260 2400052/2401836

Unit V

S. Nos.69/1/P3, 69/ 1/P/3/P1,72/P3-P4, At Village
Sarigam & Angam, Taluka - Umbergaon, Valsad- 396 155,
Gujarat
Tele : 0260 2784082/83

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 http://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 http://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 http://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, 2023.

On behalf of the Board of Directors

Place: Mumbai

R N AGARWAL

Date: August 03, 2023

Chairman & Managing Director

Practising Company Secretaries' Certificate on Corporate Governance

**TO THE MEMBERS OF
N R AGARWAL INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by N R Agarwal Industries Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

There was a delay in submission of disclosure of related party transactions under Regulation 23 (9) of the SEBI (LODR) Regulations, 2015 to BSE Limited and National Stock Exchange of India Limited for which the Company has paid necessary fine levied by the Stock Exchanges as reported in the Corporate Governance Report.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

J.U Poojari

FCS No: 8102 CP No: 8187

UDIN: F008102E000730593

Peer Review No. 1129/2021

Place: Mumbai

Date: August 03, 2023

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

N R Agarwal Industries Limited

502-A/501-B, Fortune Terraces, 5th Floor, Opp. City Mall,
New Link Road, Andheri (West), Mumbai - 400053

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of N R Agarwal Industries Limited having CIN L22210MH1993PLC133365 and having registered office at 502-A/501-B, Fortune Terraces, 5th Floor, Opp. Citi Mall, New Link Road, Andheri (West), Mumbai - 400053 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Rajendra Nagin Agarwal	00176440	01/08/2010
2.	Raunak Rajendra Agarwal	02173330	01/05/2008
3.	Reena Rajendra Agarwal	00178743	08/08/2014
4.	Ashok Kumar Bansal	07325904	05/11/2015
5.	Parduman Vishwanath Kumar	00179074	05/08/2005
6.	Radhakrishnan Ramachandra Iyer	01309312	27/02/2007
7.	Rajiv Kumar Bakshi	00264007	07/02/2018
8.	Rohan Rajendra Agarwal	08583011	01/11/2019
9.	Sachindra Nath Chaturvedi	00553459	22/10/2019
10.	Sunita Ajay Nair	08701609	01/04/2020

*the date of appointment is as per the MCA Portal.

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

For Parikh & Associates

Practising Company Secretaries

J.U Poojari

FCS No: 8102 CP No: 8187

UDIN: F008102E000730494

Peer Review No. 1129/2021

Place: Mumbai

Date: August 03, 2023

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, 2023, 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 and other explanatory information.

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, 2023, 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	<p>Revenue recognition [refer note no. 1.2.10 and 28 to the Ind AS financial statements]</p> <p>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.</p>	<p>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.</p>
2	<p>Capital work-in-progress/Property Plant and Equipment (PPE) [refer note no. 1.2.03 and 2 to the Ind AS financial statements]</p> <p>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.</p>	<p>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.</p> <p>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.</p>

Sr.No.	Key Audit Matter	How was the matter addressed in our audit
3	<p>Provisions and Contingent Liabilities (including direct and indirect taxes) [refer note no. 1.2.15 and 36 to the Ind AS financial statements]</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>Performed substantive procedures including tracing from underlying documents / communications from the tax authorities and re-computation of the amounts involved.</p> <p>Assessed management's conclusions and understanding precedents in similar cases.</p>

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.

When we read the above stated reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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, 2023

taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.

- 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 36 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(i) to the Ind AS financial statements, The Company has not proposed,

declared or paid any interim or final dividend during the year and hence compliance with section 123 of the Act is not applicable for the year.

- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended March 31, 2023.

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

Place : Mumbai
Date : May 11, 2023

M. No.: 038755
UDIN: 23038755BGVWKR2055

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, 2023 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	Nature of Current Assets offered as Security	Amount as per Books of account	Amount as reported in Quarterly return / statement	Amount of difference	Reason for material discrepancies
Q1 – 22-23	Bank of Baroda, Bank of India, IDBI and Axis Bank (Sanctioned limit- ₹10,593 lakhs)	Stocks, Book debts and all other movable current assets	33,419.04	33,556.56	-137.52	In Q3 22-23 debtors outstanding more than 90 days not considered in Quaterly statement submitted to bank.
Q2 – 22-23			32,371.64	32,552.46	-180.82	
Q3 – 22-23			35,639.45	34,347.84	1,291.61	
Q4 – 22-23	HDFC Bank, Federal Bank, State Bank of India and Axis Bank (Sanctioned limit- ₹18,862 lakhs)	26,633.78	26,592.48	41.30		

- 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, 2023 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, 2023, 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	38.86	CIT(A)	2011-12 to 2012-13

- 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 wilful 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, 2023. 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, 2023. 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

Place : Mumbai

M. No.: 038755

Date : May 11, 2023

UDIN: 23038755BGVWKR2055

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 ("the Act"))

We have audited the internal financial controls over financial reporting of "N R Agarwal Industries Limited" ("the Company") as of March 31, 2023 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co

Chartered Accountants

(FRN: 103429W)

CA Sanjeev Maheshwari

Partner

Place : Mumbai

M. No.: 038755

Date : May 11, 2023

UDIN: 23038755BGVW KR2055

Balance Sheet

as at March 31, 2023

(₹ in lakhs)

Particulars	Notes	As at	
		March 31, 2023	March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2A	45,005.17	46,337.33
Capital work-in-progress	2B	12,201.96	2,804.62
Other Intangible assets	3A	966.36	1,107.17
Intangible assets under development	3B	-	5.75
Right-of-use assets	2C	2,346.60	2,665.55
Financial assets			
Investments	4	52.58	34.78
Loans	5	67.07	1.00
Other financial assets	6	316.02	257.49
Other non-current assets	7	9,196.08	1,188.55
Total non-current assets		70,151.84	54,402.24
CURRENT ASSETS			
Inventories	8	12,963.92	15,149.07
Financial assets			
Trade receivables	9	13,803.47	16,706.93
Cash and Bank Balances:			
a) Cash and cash equivalents	10A	802.81	5.74
b) Bank balances other than cash and cash equivalents	10B	4,172.13	610.09
Loans	11	21.77	44.65
Other financial assets	12	192.61	121.82
Current tax assets (Net)	13	108.99	373.64
Other current assets	14	1,871.29	3,472.22
Total current assets		33,936.99	36,484.16
Assets held for sale		-	9,193.00
TOTAL ASSETS		1,04,088.83	1,00,079.40
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	1,701.91	1,701.91
Other equity	16	61,861.35	51,903.08
Total equity		63,563.26	53,604.99
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	17	13,282.16	3,554.67
Lease liabilities	18	2,541.03	2,875.89
Other financial liabilities	19	792.60	743.61
Provisions	20	296.18	329.32
Deferred tax liabilities (net)	21	8,627.98	6,824.22
Total non-current liabilities		25,539.95	14,327.71
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	22	168.31	10,744.78
Lease liabilities	23	386.64	288.30
Trade payables:	24		
(a) total outstanding dues of micro enterprises and small enterprises		1,314.41	1,275.57
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		8,227.52	13,764.18
Other financial liabilities	25	4,403.21	5,325.42
Other current liabilities	26	430.32	660.24
Provisions	27	55.21	88.21
Total current liabilities		14,985.62	32,146.70
TOTAL EQUITY AND LIABILITIES		1,04,088.83	1,00,079.40
Significant accounting policies and notes form an integral part of the Financial Statements.	1 to 60		

As per our attached report of even date

For and on behalf of the Board of Directors

For **GMJ & CO**

Chartered Accountants

Firm's Registration No 103429W

SANJEEV MAHESHWARI

Partner

Membership No. 038755

UDIN: 230387 55BGVW KR2055

Mumbai, May 11, 2023

R N AGARWAL

Chairman and Managing Director

DIN 00176440

P K MUNDRA

Chief Financial Officer

RAUNAK AGARWAL

Whole Time Director

DIN 02173330

POOJA DAFTARY

Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	28	1,76,606.73	1,61,650.60
Other income	29	1,243.01	1,142.92
Total		1,77,849.74	1,62,793.52
EXPENSES			
Cost of materials consumed	30	1,10,649.70	99,988.33
Changes in inventories of finished goods, work -in-progress and stock-in-trade	31	(936.76)	969.57
Employee benefits expense	32	7,768.40	7,144.56
Finance costs	33	1,378.72	2,522.67
Depreciation and amortisation expenses	34	3,581.01	3,439.85
Other expenses	35	40,634.29	39,267.34
Total		1,63,075.36	1,53,332.32
Profit before tax		14,774.38	9,461.20
Exceptional items		-	-
Profit before tax		14,774.38	9,461.20
Tax expense	21		
Current tax		3,045.74	1,657.81
Deferred tax		1,798.29	1,701.24
Profit after tax		9,930.35	6,102.15
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plan		15.58	19.65
Income tax effect on above		(5.45)	(6.87)
Equity instruments through other comprehensive income		17.81	10.77
Other comprehensive income for the year [Net of tax]		27.94	23.55
Total comprehensive income for the year		9,958.29	6,125.70
Basic and diluted earning per equity share [EPS] (₹)			
Basic		58.35	35.85
Diluted		58.35	35.85
(Face value of ₹10 each)			
Significant accounting policies and notes form an integral part of the Financial Statements.	1 to 60		

As per our attached report of even date

For and on behalf of the Board of Directors

For **GMJ & CO**

Chartered Accountants

Firm's Registration No 103429W

R N AGARWAL

Chairman and Managing Director

DIN 00176440

RAUNAK AGARWAL

Whole Time Director

DIN 02173330

SANJEEV MAHESHWARI

Partner

Membership No. 038755

UDIN: 230387 55BGVW KR2055

Mumbai, May 11, 2023

P K MUNDRA

Chief Financial Officer

POOJA DAFTARY

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2023

A) Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	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				Total
	Capital reserve	General Reserve	FVOCI - equity investments	Surplus in the Statement of Profit and Loss	
As at April 01, 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
Profit for the year	-	-	-	9,930.35	9,930.35
Other comprehensive income for the year					
Remeasurements gain/(loss) on defined benefit plans.	-	-	-	15.58	15.58
Equity Instruments	-	-	17.81	-	17.81
Tax on Other Comprehensive Income	-	-	-	(5.45)	(5.45)
Dividends					
Final dividend	-	-	-	-	-
As at March 31, 2023	146.25	802.53	46.22	60,866.38	61,861.35

*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 60

As per our attached report of even date

For and on behalf of the Board of Directors

For **GMJ & CO**

Chartered Accountants

Firm's Registration No 103429W

R N AGARWAL

Chairman and Managing Director

DIN 00176440

RAUNAK AGARWAL

Whole Time Director

DIN 02173330

SANJEEV MAHESHWARI

Partner

Membership No. 038755

UDIN: 230387 55BGVW KR2055

P K MUNDRA

Chief Financial Officer

POOJA DAFTARY

Company Secretary

Mumbai, May 11, 2023

Cash Flow Statement for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before income tax	14,774.38	9,461.20
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	3,581.01	3,439.85
Loss/ (profit) on sale of property, plant & equipment	83.21	102.24
Impairment loss on asset held for sale	-	35.70
Unrealised foreign exchange loss/(gain) (net)	(3.84)	(42.34)
Interest received	(387.70)	(62.36)
Insurance claim receivable	-	-
Fair value gain on financial instruments through P&L	15.66	(15.66)
Sundry balance written back	(24.01)	(30.23)
Interest on lease liability	313.42	280.56
Bad Debt ,Provision for Doubtful Debt and receivables	3.48	(7.38)
Interest paid	1,065.30	2,242.11
Operating profit before working capital changes	19,420.91	15,403.69
Add: Adjustments For:		
Change in working capital		
(Increase)/decrease in inventories	2,185.16	(1,887.60)
(Increase)/decrease in trade receivables	2,899.99	(3,686.70)
(Increase)/decrease in loans (non-current and current)	(43.19)	(29.77)
(Increase)/decrease in other assets (non-current and current)	1,873.14	(38.54)
(Increase)/decrease in other financial assets (non-current and current)	(122.73)	5.76
Increase/(decrease) in other bank balances	(3,562.04)	96.67
Increase/(decrease) in trade payables	(5,473.82)	1,616.15
Increase/(decrease) in other financial liabilities (non-current and current)	(942.64)	(618.48)
Increase/(decrease) in other liabilities (current)	(229.92)	294.20
Increase/(decrease) in provisions	(66.13)	(49.02)
Cash generated from/(used in) operations	15,938.73	11,106.36
Less: Income tax paid (net of refunds)	3,038.43	1,543.80
Net cash flow from/(used in) operating activities (A)	12,900.30	9,562.56
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets, including capital advances	(19,423.51)	(4,204.03)
Proceeds from sale of property, plant and equipment	9,418.37	65.12
Interest received	365.44	39.94
Net cash flow from/(used in) investing activities (B)	(9,639.70)	(4,098.97)

Cash Flow Statement for the year ended March 31, 2023

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from secured long term borrowings	6,141.51	3,200.00
Repayment of secured long term borrowings	-	(6,313.42)
Increase/(Decrease) in long term unsecured borrowings (Net)	207.50	(181.86)
Increase/(Decrease) in short term borrowings (Net)	(7,197.99)	715.79
Payment of lease liabilities	(622.43)	(497.63)
Dividends paid	(0.08)	(168.38)
Interest paid	(992.04)	(2,232.95)
Net cash flow from/(used in) financing activities (C)	(2,463.53)	(5,478.45)
Net increase / (decrease) in cash and cash equivalents	797.07	(14.86)
Cash and cash equivalents at the beginning of the financial year	5.74	20.60
Cash and cash equivalents at end of the year (Note 10A)	802.81	5.74

Notes:-

- Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.
- Debt reconciliation statement in accordance with Ind AS 7

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balances		
Long-term borrowings (including current maturities)	7,029.84	10,302.85
Short-term borrowings	7,269.61	6,553.81
Movements		
Long-term borrowings (including current maturities) (Note 17)	6,349.01	(3,273.01)
Short-term borrowings (Note 22)	(7,197.99)	715.79
Closing balances		
Long-term borrowings (including current maturities)	13,378.85	7,029.84
Short-term borrowings	71.62	7,269.61

Significant accounting policies and notes form an integral part of the Financial Statements.

As per our attached report of even date

For and on behalf of the Board of Directors

For **GMJ & CO**

Chartered Accountants

Firm's Registration No 103429W

R N AGARWAL

Chairman and Managing Director

DIN 00176440

RAUNAK AGARWAL

Whole Time Director

DIN 02173330

SANJEEV MAHESHWARI

Partner

Membership No. 038755

UDIN: 230387 55BGVW KR2055

Mumbai, May 11, 2023

P K MUNDRA

Chief Financial Officer

POOJA DAFTARY

Company Secretary

Notes to the Financial Statements for the year ended March 31, 2023

NOTE 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1. CORPORATE INFORMATION

N. R. Agarwal Industries Limited ('the Company') having CIN L22210MH1993PLC133365 is a public limited Company incorporated on December 08, 1993 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 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 & Print (W&P) paper in July 2014.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 11, 2023.

1.2. SIGNIFICANT ACCOUNTING POLICIES

1.2.1 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.

1.2.2 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.

1.2.3 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. 1st April, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recognised using straight-line method so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives. Depreciation charge for impaired

Notes to the Financial Statements for the year ended March 31, 2023

assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life. In the case of qualifying assets, cost also includes applicable borrowing costs vide policy relating to borrowing costs.

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. 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.

Notes to the Financial Statements for the year ended March 31, 2023

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.

1.2.4 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. Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date. The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. Interest on lease liability is recognised using the effective interest method.

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 re measurement 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. The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

If right of use assets are measured at revalued amounts.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification.

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

Notes to the Financial Statements for the year ended March 31, 2023

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 re-measured 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.

1.2.5 Impairment of Non-Financial assets

As at the end of each financial year, the carrying amounts of PPE and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. Intangible assets with indefinite life are tested for impairment each year. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

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.

Recoverable amount is determined: (i) in the case of an individual asset, at the higher of the fair value less costs to sell and the value-in-use; and (ii) in the case of a cash generating unit, at the higher of the cash generating unit's fair value less costs to sell and the value-in-use.

The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset. If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

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.

1.2.6 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand,

Notes to the Financial Statements for the year ended March 31, 2023

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.

1.2.7 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.

The Company's major intangible assets comprises assets with finite useful life. Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. An impairment loss is recognised in the statement of profit and loss. The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law or the likelihood of technical, technological obsolescence or commercial obsolescence. If, there are no such limitations, the useful life is taken to be indefinite. Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method. An intangible asset with an indefinite useful life is not amortized. The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified.

1.2.8 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.

(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

Notes to the Financial Statements for the year ended March 31, 2023

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.

Notes to the Financial Statements for the year ended March 31, 2023

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.

1.2.9 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. Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

Finished / Semi-Finished Goods: cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads at plant level 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 the Financial Statements for the year ended March 31, 2023

1.2.10 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 Company's right to receive payment is established.

Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

1.2.11 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

Exchange rate as of the date on which the non-monetary asset or non-monetary liability is recognised on payment or receipt of advance consideration is used for initial recognition of related asset, expense or income.

Notes to the Financial Statements for the year ended March 31, 2023

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on income 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. Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when such exchange differences are regarded as an adjustment to finance costs on those foreign currency borrowings. Exchange differences on transactions entered into to hedge certain foreign currency risks.

1.2.12 Employee Benefit Plan

Short-Term Employee Benefits

Employee benefits such as salaries, wages, short-term compensated absences, bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

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.

1.2.13 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 the Financial Statements for the year ended March 31, 2023

1.2.14 Income Tax

Current income tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances. 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. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

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 expected 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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

1.2.15 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 estimate 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.

Notes to the Financial Statements for the year ended March 31, 2023

1.2.16 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.

1.2.17 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.

1.3. AMENDMENTS TO EXISTING STANDARDS (W.E.F. 1ST APRIL, 2023)

The following standards / amendments to standards have been issued by the Ministry of Corporate Affairs (MCA) on March 31, 2023 and will be effective from April 1, 2023. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

1. Ind AS 101 - First time adoption of Ind AS - modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
2. Ind AS 102 - Share-based Payment - modification relating to adjustment after vesting date to the fair value of equity instrument granted
3. Ind AS 103 - Business Combination - modification relating to disclosures to be made in the first financial statements following a business combination.
4. Ind AS 107 - Financial Instruments Disclosures - modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
5. Ind AS 109 - Financial Instruments - modification relating to reassessment of embedded derivatives.
6. Ind AS 1 - Presentation of Financials Statements - modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
7. Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors - modification of definition of 'accounting estimate' and application of changes in accounting estimates.
8. Ind AS 12 - Income Taxes - modification relating to recognition of deferred tax liabilities and deferred tax assets.
9. Ind AS 34 - Interim Financial Reporting - modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

Notes to the Financial Statements for the year ended March 31, 2023

Note 2 : Property, Plant and Equipment and Capital Work-In-Progress

Note 2A: 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 Imporvements	Total
Gross Carrying Value											
At April 1, 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
Additions	36.87	-	-	61.69	-	1,568.48	81.54	40.40	6.10	-	1,795.08
Disposals	0.00	-	-	0.00	26.13	101.02	18.31	53.61	0.34	0.00	199.41
At March 31, 2023	501.18	184.36	265.63	7,987.68	2,075.97	45,190.21	1,526.13	1,305.13	86.74	528.36	59,651.39
Accumulated Depreciation											
At April 1, 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
Charge for the year	-	3.11	25.43	299.42	29.84	2,256.17	139.44	157.39	22.18	100.39	3,033.37
Disposals	-	-	-	-	16.85	20.37	17.40	50.92	-	-	105.54
At March 31, 2023	-	18.67	157.01	1,678.58	480.79	11,248.13	352.99	566.09	31.19	112.77	14,646.22
Net Carrying Value											
At March 31, 2023	501.18	165.69	108.62	6,309.10	1,595.18	33,942.08	1,173.14	739.04	55.55	415.59	45,005.17
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

Note 2B: Capital Work-In-Progress

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Factory Building	-	1,035.51
Plant and Machinery	601.07	826.82
Others	11,600.89	942.29
Total	12,201.96	2,804.62

(a) CWIP Ageing Schedule

(i) as at March 2023

(₹ in lakhs)

Particulars	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
Project in Progress	8,952.51	2,312.86	-	936.59	12,201.96
Project Suspended	-	-	-	-	-
Total	8,952.51	2,312.86	-	936.59	12,201.96

Notes to the Financial Statements for the year ended March 31, 2023

Note 2 : Property, Plant and Equipment and Capital Work-In-Progress (contd...)

(ii) as at March 2022

(₹ in lakhs)

Particulars	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
Project in Progress	1,862.70	-	941.92	-	2,804.62
Project Suspended	-	-	-	-	-
Total	1,862.70	-	941.92	-	2,804.62

Note : There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note 2C: Right of Use Assets

(₹ in lakhs)

Particulars	Land	Building	Total
Gross Carrying Value			
At April 1, 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
Additions	-	76.38	76.38
Transfers/Adjustments	-	0.00	0.00
At March 31, 2023	1,433.70	2,135.29	3,568.99
Amortization			
At April 1, 2021	98.38	440.06	538.44
Amortisation for the year	49.12	239.50	288.62
Disposals	-	-	-
At March 31, 2022	147.50	679.56	827.06
Amortisation for the year	49.12	346.21	395.33
Disposals	-	-	-
At March 31, 2023	196.62	1,025.77	1,222.39
Net Carrying Value			
At March 31, 2023	1,237.08	1,109.52	2,346.60
At March 31, 2022	1,286.20	1,379.35	2,665.55

Note - No revaluation has been done during the year.

Notes to the Financial Statements for the year ended March 31, 2023

Note 3 : Other Intangible Assets and Intangible Assets under Development

Note 3A: Other Intangible Assets

(₹ in lakhs)

Particulars	Computer Software	Others	Total
Gross Carrying Value			
At April 1, 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
Additions	-	11.50	11.50
Disposals	-	-	-
At March 31, 2023	8.94	1,392.26	1,401.20
Amortization			
At April 1, 2021	8.06	131.58	139.64
Amortisation for the year	-	142.89	142.89
Disposals	-	-	-
At March 31, 2022	8.06	274.47	282.53
Amortisation for the year	-	152.31	152.31
Disposals	-	-	-
At March 31, 2023	8.06	426.78	434.84
Net carrying value			
At March 31, 2023	0.88	965.48	966.36
At March 31, 2022	0.88	1,106.29	1,107.17

Note - No revaluation has been done during the year.

The amortization expense of intangible assets has been included under Depreciation and amortisation expenses' in the Statement of Profit and Loss.

Note 3B: Intangible Assets under Development

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Software	-	5.75
Total	-	5.75

(a) Intangible Asset Under Development

(i) as on March 2023

(₹ in lakhs)

Particulars	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
Project in Progress	-	-	-	-	-
Project Suspended	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements for the year ended March 31, 2023

Note 3 : Other Intangible Assets and Intangible Assets under Development (contd...)

(ii) as at March 2022

(₹ in lakhs)

Particulars	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

Note : There are no projects whose completion is overdue or has exceeded its cost compared to its original plan

Note 4 : Non-Current Investments

(₹ in lakhs)

Particulars	Face Value / Share *	No. of Shares *	As at March 31, 2023	As at March 31, 2022
Quoted, Equity shares fully paid up				
Investment Carried at Fair Value through OCI				
Bank of Baroda	2	30,000	50.65	33.48
Bank of India	10	2,200	1.64	1.01
Unquoted, Equity shares fully paid up				
Investments Carried at Fair value through Profit or loss				
Mahalaxmi Co-Operative Housing Society Ltd.	10	375	0.04	0.04
Saraswat Co-Operative Bank Ltd.	10	2,500	0.25	0.25
			52.58	34.78
Aggregate book value of unquoted investments			0.29	0.29
Aggregate market value of quoted investments			52.29	34.49

*There are no changes in face value and number of shares as compared to last year

Note 5 : Non-Current Financial Assets - Loans

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured considered good)		
Loans to employees	67.07	1.00
Total	67.07	1.00

Note 6 : Non-Current Financial Assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Rent and other security deposits	316.02	257.49
Total	316.02	257.49

Notes to the Financial Statements for the year ended March 31, 2023

Note 7 : Non-Current Assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	9,148.83	1,138.19
Advances to employees	6.65	1.92
Deferred lease expenses	40.60	48.44
Total	9,196.08	1,188.55

Note 8 : Inventories (At lower of cost or net realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials - In Stock	6,836.49	8,156.33
Raw Materials - In Transit	612.62	-
Work-in-progress	772.91	427.51
Finished Goods	1,737.37	1,146.02
Stores and Spares	2,412.33	2,438.75
Coal - In Stock	467.99	1,020.47
Coal - In Transit	-	1,742.35
Packing Materials	124.21	217.64
Total	12,963.92	15,149.07

Note: 1 - Inventories have been offered as security against the working Capital loans provided by bank.

Note 9 : Trade Receivables

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables- Considered Good Unsecured	13,803.47	16,706.93
Trade receivables which have significant increase in credit risk	2.96	13.07
Total	13,806.43	16,720.01
Less: Allowance for bad and doubtful debts	2.96	13.07
Total trade and other receivables	13,803.47	16,706.93

Notes to the Financial Statements for the year ended March 31, 2023

Note 9 : Trade Receivables (contd...)

Trade Receivable Ageing Schedule - Outstanding for period from due date (As on March 31, 2023)* (₹ 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	-	9,290.71	-	-	9,290.71
Less than 6 months	-	4,498.11	-	-	4,498.11
6 months to 1 year	-	11.09	-	0.59	11.68
1-2 year	-	0.90	-	1.23	2.13
2-3 Year	-	-	-	-	-
More than 3 years	-	2.66	-	1.14	3.80
	-	13,803.47	-	2.96	13,806.43
Less: Allowance for bad and doubtful debts	-	-	-	2.96	2.96
Total	-	13,803.47	-	-	13,803.47

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	-	15,958.42	-	-	15,958.42
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
	-	16,706.93	-	13.07	16,720.00
Less: Allowance for bad and doubtful debts	-	-	-	13.07	13.07
Total	-	16,706.93	-	-	16,706.93

There are no unbilled receivables as at March 31, 2023 and March 31, 2022.

*There are no disputed trade receivables

- The credit period ranges from 15 days to 120 days
- 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 the Financial Statements for the year ended March 31, 2023

Note 10(A) : Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Banks:		
in Current accounts	1.35	-
in Term deposit (with less than 3 months maturities)	800.12	-
Cash on hand	1.34	5.74
Total	802.81	5.74

Note 10(B) : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Earmarked balances with bank		
Margin money deposits with Bank	4,149.07	586.95
Unclaimed dividend account	23.06	23.14
Total	4,172.13	610.09

Note 11 : Current Financial Assets - Loans

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured considered good)		
Loans to employees	21.77	44.65
Total	21.77	44.65

Note 12 : Current Financial Assets - Others

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Rent and Other Security deposits	41.88	75.84
Interest on deposit	74.14	30.32
Claim and other receivable	76.59	-
Financial Assets measured at Fair Value - Foreign Exchange Forward Contract	-	15.66
Total	192.61	121.82

Note 13 : Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Income Tax/ Tax deducted at source (net of provisions)	108.99	373.64
Total	108.99	373.64

Notes to the Financial Statements for the year ended March 31, 2023

Note 14 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to employees	10.27	5.54
Commercial Advances	887.47	1,725.39
Prepaid expenses	168.48	183.07
Balances with Government authorities	742.90	853.10
Export benefits receivable	28.71	705.12
Other Receivables	33.46	-
Total	1,871.29	3,472.22

Note 15 : Equity Share Capital

(A) Equity share capital

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Authorized		
225,00,000 Equity Shares ₹10 each (March 31, 2022: 225,00,000 Equity Shares of ₹10/- each)	2,250.00	2,250.00
25,00,000 Preference Shares ₹10 each (March 31, 2022: 25,00,000 Preference Shares of ₹10/- each)	250.00	250.00
Issued, subscribed and fully paid-up		
1,70,19,100 Equity Shares ₹10 each (March 31, 2022: 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

No. of shares

Particulars	As at March 31, 2023	As at March 31, 2022
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

(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) Shares Held by Holding Company

There is no Holding Company

Notes to the Financial Statements for the year ended March 31, 2023

Note 15 : Equity Share Capital (contd...)

e) Details of shareholders holding more than 5% shares in the Company is set out below (representing legal and beneficial ownership):

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	Nos	% holding	Nos	% holding
Shri. R N Agarwal	79,78,105	46.88	79,78,105	46.88
Smt. Reena Agarwal	45,38,861	26.67	45,38,861	26.67

- f) None of above shares are reserved for issue under options/contract/commitments for sale of shares or disinvestment.
- g) 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
- h) Details of Shares held by the promoters the end of the year

Promoter Name	As at March 31, 2023		
	No. of Shares	% of Total Shares	% Change during the year
R N Agarwal	79,78,105	46.88	-
Reena Agarwal	45,38,861	26.67	-
Raunak Agarwal	32	0.00	-
Total	1,25,16,998	73.55	

Promoter Name	As at March 31, 2022		
	No. of Shares	% of Total Shares	% Change during the year
R N Agarwal	79,78,105	46.88	-
Reena Agarwal	45,38,861	26.67	-
Raunak Agarwal	32	0.00	-
Total	1,25,16,998	73.55	

i) 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.

Particulars	As at March 31, 2023	As at March 31, 2022
A) Declared and paid during the year:		
Final Dividend for the F.Y. 2021-22: ₹ Nil per share (F.Y. 2020-21: ₹1 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. 2022-23: ₹ Nil per share (F.Y. 2021-22: ₹ Nil per share)	-	-
	-	-

Notes to the Financial Statements for the year ended March 31, 2023

Note 16 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Reserve	146.25	146.25
General Reserve	802.53	802.53
Retained Earnings	60,866.38	50,925.90
Equity instruments through other comprehensive income	46.19	28.40
Total	61,861.35	51,903.08

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Capital Reserve	146.25	146.25
b) General Reserve	802.53	802.53
c) Retained Earnings		
Opening balance	50,925.90	44,981.16
Net profit for the year	9,930.35	6,102.15
Adjustment on transition to Ind AS 116		
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	10.13	12.78
Dividend	-	(170.19)
Closing balance	60,866.38	50,925.90
d) Equity instruments through other comprehensive income		
Opening balance	28.38	17.61
Add: Changes for the year	17.81	10.77
Closing balance	46.19	28.38

Note 17 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term and Corporate loans from Banks	13,171.35	7,029.84
Less:- Current maturities disclosed under other current borrowings (Refer note 22)	96.69	3,475.17
	13,074.66	3,554.67
Unsecured		
Loan from related parties	207.50	-
	207.50	-
Total	13,282.16	3,554.67

Notes to the Financial Statements for the year ended March 31, 2023

Note 17 : Borrowings (contd.)

Nature of Security and terms of repayment for Long Term secured Borrowings: -

(₹ in lakhs)

Bank	Terms of repayment & Security	As at March 31, 2023	As at March 31, 2022
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 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. Terms of repayment - 32 quarterly installments of ₹150.93 Lakhs.	-	296.55
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. Terms of repayment - 32 quarterly installments of ₹79.68 Lakhs.	-	159.37
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. Terms of repayment - 32 quarterly installments of ₹218.75 Lakhs.	-	437.50
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. Terms of repayment - 26 quarterly installments of ₹68.75 Lakhs.	-	206.25

Notes to the Financial Statements for the year ended March 31, 2023

Note 17 : Borrowings (contd.)

Nature of Security and terms of repayment for Long Term secured Borrowings: -

(₹ in lakhs)

Bank	Terms of repayment & Security	As at March 31, 2023	As at March 31, 2022
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
	Terms of repayment - 32 quarterly installments 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
	Terms of repayment - 24 quarterly installments 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
	Terms of repayment - 32 quarterly installments of ₹86.81 Lakhs.		
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
	Terms of repayment - 20 quarterly installments of ₹181.25 Lakhs.		

Notes to the Financial Statements for the year ended March 31, 2023

Note 17 : Borrowings (contd.)

Nature of Security and terms of repayment for Long Term secured Borrowings: -

(₹ in lakhs)

Bank	Terms of repayment & Security	As at March 31, 2023	As at March 31, 2022
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. Terms of repayment - 28 quarterly installments of ₹562.50 Lakhs.	8,962.18	3,000.00
Punjab National Bank	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. Terms of repayment - 28 quarterly installments of ₹500 Lakhs.	3,008.19	-
Bajaj Fianance Ltd	Secured by way of first pari passu charge on movable assets including plant and machinery and immovable assets at Unit I, Unit III and IV at Vapi present and future. Second pari-passu charge over the entire current assets of the Company (present & future). Personal guarantee of Shri R N Agarwal. Terms of repayment - 24 quarterly installments of ₹312.50 Lakhs.	1,000.00	-
B - Vehical Loans from Banks:-			
Bank of Baroda	Various Car Loans secured by hypothecation of Motor Car. Terms of repayment - each repayable in 60 monthly installments.	200.98	397.12
Kotak Mahindra Prime Ltd.	Secured by hypothecation of Motor Car. Terms of repayment - repayable in 60 monthly installments.	-	3.08

Notes to the Financial Statements for the year ended March 31, 2023

Note 18 : Lease Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	2,541.03	2,875.89
Total	2,541.03	2,875.89

Note 19 : Other Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payable (Retention Money)	255.23	-
Dealers deposits	531.00	513.00
Creditors for Capital Expenditure	6.37	230.61
Total	792.60	743.61

Note 20 : Non-Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits:-		
Leave obligations	296.18	329.32
Total	296.18	329.32

Note 21: Income tax

a) Income tax expense in the statement of profit and loss comprises:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current income tax	3,045.74	1,657.81
Deferred Tax	1,798.29	1,701.24
Total	4,844.03	3,359.05

b) Reconciliation of tax expense and the accounting profit

(₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Profit before income taxes		14,774.38	9,461.20
tax rate in India		34.944%	34.944%
Computed expected tax expenses		5,162.76	3,306.12
Long Term Capital Gain	1,886.81	437.73	-
Difference in Tax Rate	14.56	(731.61)	145.52
Effect of concessions	-	-	(105.90)
Effect of Deduction of Donation	(128.16)	(44.78)	(46.74)
Expenses/Income not consider for tax purpose and others	40.91	19.93	60.05
Income tax expense Net		4,844.03	3,359.05

Notes to the Financial Statements for the year ended March 31, 2023

Note 21: Income tax (contd...)

c) Movement in deferred tax assets and liabilities during the Year ended March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2022	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Deferred income tax assets				
Expenditure deductible for tax purposes in future period	40.32	(0.78)	-	39.54
MAT credit entitlement*	2,541.82	(2,541.82)	-	-
Provisions for employee benefits	145.90	(17.65)	(5.45)	122.79
Loss allowance on Trade Receivables	4.57	(3.53)	-	1.03
Lease Rental (IND AS 116)	174.25	28.79	-	203.04
	2,906.86	(2,534.99)	(5.45)	366.40
Deferred income tax liabilities				
Temporary difference in the carrying amount of property, plant and equipment	9,731.08	(736.70)	-	8,994.38
	9,731.08	(736.70)	-	8,994.38
Net deferred tax assets / (liabilities)	(6,824.22)	(1,798.29)	(5.45)	(8,627.98)

Note 22 : Current Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Working Capital loan from Banks	71.62	7,269.61
Current maturities of long term borrowings	96.69	3,475.17
Total	168.31	10,744.78

Note:- Working capital loan from Banks are secured by a) first pari passu charge by way of hypothecation of all the stocks, book debts and all other movable current assets of the Company. b) Second pari passu charge over the Fixed Assets of the Company situated at Unit I,III, IV at Vapi both present and future.c) Second Pari passu charge over the Fixed Assets of the Company situated at Unit V & Unit V PM2 at Sarigam both present and future except non -agricultural land admeasuring to 26.26 Acres and d) personal Guarantee of Shri R N Agarwal , Smt. Reena Agarwal and Shri Raunak Agarwal.

Notes to the Financial Statements for the year ended March 31, 2023

Note 22 : Current Borrowings (contd...)

The Company has filed quarterly returns or statements with the banks for the sanctioned working capital facilities, which are in agreement with unaudited books of account of the Company of the respective quarters with insignificant discrepancies other than those as set out below:

(₹ in lakhs)

Quarter	Name of bank	Nature of Current asset offered as security	Amount as per Books of account	Amount as reported in Quaterly return / statement	Amount of difference*
Q1 22-23	Bank of Baroda, Bank of India, IDBI and	Stocks, Book debts and all other movable current assets.	33,419.04	33,556.56	-137.52
Q2 22-23	Axis Bank (Sanctioned limit - ₹10,593 lakhs)		32,371.64	32,552.46	-180.82
Q3 22-23			35,639.45	34,347.84	1,291.61
Q4 22-23	HDFC Bank, Federal Bank, State Bank of India and Axis Bank (Sanctioned limit- ₹18,862 lakhs)		26,633.78	26,592.48	41.30

* In Q3 22-23 debtors outstanding more than 90 days not considered in Quaterly statement submitted to bank.

Quarter	Name of bank	Nature of Current asset offered as security	Amount as per Books of account	Amount as reported in Quaterly return / statement	Amount of difference*
Q1 21-22	Bank of Baroda, Bank of India, IDBI	Stocks, Book debts and all other movable current assets.	32,226.34	29,301.78	2,924.56
Q2 21-22	and Axis bank (Sanctioned limit - ₹10,593 lakhs)		29,617.95	29,013.81	604.14
Q3 21-22			27,018.47	26,148.00	870.47
Q4 21-22			31,582.66	31,242.37	340.29

* Difference is primarily due to inclusion of certain liabilities not forming part of creditors for goods.

Note 23 : Lease Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	386.64	288.30
Total	386.64	288.30

Note 24 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises		
Trade payable	1,314.41	1,275.57
Total outstanding dues of creditors other than micro and small enterprises		
-Acceptances	2,526.57	5,169.08
-Trade payable other than acceptances	5,700.95	8,595.10
Total	9,541.93	15,039.75

Trade payables are non-interest bearing and are normally settled within 60 - 120 days

Notes to the Financial Statements for the year ended March 31, 2023

Note 24 : Trade Payables (contd...)

Trade Payable Ageing Schedule - Outstanding for period from due date (As on March 31, 2023)

(₹ in lakhs)

Particulars	Less than 1 year	1-2 year	2-3 Year	More than 3 years	Total
(i) MSME	1,314.41	-	-	-	1,314.41
(ii) Others	8,190.98	5.44	16.96	14.14	8,227.52
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
Total	9,505.39	5.44	16.96	14.14	9,541.93

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	-	-	-	-	-
Total	14,987.50	29.81	1.78	20.66	15,039.75

There are no unbilled due as at March 31, 2023 and March 31, 2022.

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, 2023 is given below.

Particulars	As at March 31, 2023	As at March 31, 2022
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	1,314.14	1,275.57
Interest	-	2.58
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.	2.58	-
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
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 ₹ Nil (₹5.05 lakhs - March 2022)

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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 25 : Other Current Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	78.63	5.37
Unclaimed Dividends	23.06	23.14
Salary and wages payable	503.74	809.72
Other payables for expenses	3,407.95	4,124.60
Creditors for Capital Expenditure	389.83	362.59
Total	4,403.21	5,325.42

Note 26 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	297.59	491.94
Trade advances	132.73	168.30
Total	430.32	660.24

Note 27 : Current Provisions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Gratuity	18.50	50.87
Leave obligations	36.71	37.34
Total	55.21	88.21

Note 28 : Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Products	1,74,457.33	1,60,060.63
Other operating revenue:		
Sale of Scrap	393.82	462.22
Export incentives	1,755.58	1,127.75
Total	1,76,606.73	1,61,650.60

Notes to the Financial Statements for the year ended March 31, 2023

Note 29: Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income		
On Fixed deposits with banks	134.04	24.19
On Others	253.66	38.17
Other Non-operating income		
Net Gain on foreign currency transactions and translation	742.76	961.54
Fair value gain on financial instruments through P&L	(15.66)	15.66
Other non operating income	128.21	103.36
Total	1,243.01	1,142.92

Note 30: Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Waste paper	92,168.00	81,980.77
Chemical	16,472.36	15,577.30
Packing Material	2,330.34	2,661.62
	1,10,970.70	1,00,219.69
Less: Sale of raw material	(321.00)	(231.36)
Total	1,10,649.70	99,988.33

Note 31: Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the end of the year		
Finished goods/ stock-in-trade	1,737.37	1,146.02
Work-in-progress	772.92	427.51
	2,510.29	1,573.53
Inventory at the beginning of the year		
Finished goods/ stock-in-trade	1,146.02	1,869.03
Work-in-progress	427.51	674.07
	1,573.53	2,543.10
Total	(936.76)	969.57

Notes to the Financial Statements for the year ended March 31, 2023

Note 32: Employee Benefits Expense

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	7,231.40	6,585.49
Contribution to provident and other funds	396.29	400.07
Staff welfare expenses	140.71	159.00
Total	7,768.40	7,144.56

Note 33: Finance Cost

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expenses[*]	687.44	1,755.29
Interest on lease liability	313.42	280.56
Other borrowings cost	92.35	112.59
Other Bank charges	285.51	374.23
Total	1,378.72	2,522.67
[*] The break up of interest expense into major heads is given below:		
On term loans	67.67	629.69
On working capital loans	248.04	632.25
Others	371.73	493.35
	687.44	1,755.29

Note 34: Depreciation and amortisation expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	3,033.37	3,008.34
Depreciation on right-of-use asstes	395.33	288.62
Amortisation of Intangible assets	152.31	142.89
Total	3,581.01	3,439.85

Notes to the Financial Statements for the year ended March 31, 2023

Note 35: Other Expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores, spares and tools	5,382.93	4,701.17
Power, fuel and water	25,274.78	22,660.47
Material handling charges	2,512.51	2,765.94
Repairs and maintenance:		
Plant and machinery	792.03	862.25
Buildings	201.82	124.20
Others	255.59	148.43
General Expenses	1,223.20	1,109.76
Selling and distribution expenses	1,387.63	1,588.07
Carriage Outward	2,472.10	4,217.39
Provision for Doubtful Debts	-	-
Rent, Rates and taxes	349.97	198.44
Insurance	144.14	164.79
Legal and professional Fees	170.07	202.85
Director's sitting fees	11.90	12.10
Payment to auditors (Refer note below for payment to statutory auditors)	20.00	21.49
Travelling and Conveyance Expenses	59.11	67.26
Expenditure on Corporate social responsibility	250.00	262.14
Loss on sale /discard of fixed assets	118.91	103.10
Impairment loss on Asset held for sale	(35.70)	35.70
Miscellaneous expenses	43.30	21.79
Total	40,634.29	39,267.34

Note -Payment to Statutory Auditors

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit Fees	17.00	17.00
Tax Audit & Other fees	3.00	3.00
Fees for certificates and other services	-	1.49
Total	20.00	21.49

Notes to the Financial Statements for the year ended March 31, 2023

Note 36: Contingent Liabilities and Commitments

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i) Contingent Liabilities		
(i) Disputed Excise Duty/Custom Duty demands	516.10	516.10
(ii) Disputed Income Tax demands	38.86	255.77
(iii) On account of counter guarantees given to the bankers	683.30	119.55
(iv) Other claims against the Company not acknowledged as debts		
Labour	101.43	221.95
Other matters(Pipeline)	441.54	441.54
ii) Commitments:		
(i) Capital commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	17,540.26	4,266.98
(ii) EPCG Commitments		
Future export obligations / commitments under import of Capital Goods at Concessional rate of customs duty.	103.75	103.75

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 in addition to that the department had adjusted ₹133.55 lakhs of refund of the assessment year 2009-10. 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 and department had adjusted ₹84.82 lakhs refund of the assessment year 2009-10 and 2010-11. The Company had appealed against these orders before the CIT (A) and the same is pending disposal.

Notes to the Financial Statements for the year ended March 31, 2023

Note 37: Earnings Per Share [EPS] computed in accordance with Ind AS 33

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Face Value per Equity Share	10.00	10.00
(a) Basic earnings per share	58.35	35.85
(b) Diluted earnings per share	58.35	35.85
(c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	9,930.36	6,102.15
<i>Diluted earnings per share</i>		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	9,930.36	6,102.15
Adjustment for calculation of diluted earnings per share	-	-
Profit attributable to the equity holders of the Company used in calculating diluted earnings per share	9,930.36	6,102.15
(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

Note 38: Related Party Disclosures

(a) Details of Related Parties

i) Key Management Personnel

R N 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
Praveen Kumar Bhandari	Chief Financial Officer (w.e.f. September 21, 2020 to July 30, 2021)
Dipankar Rai	Chief Financial Officer (w.e.f. December 27, 2021 to May 31, 2022)
Basant Bansal	Chief Financial Officer (w.e.f. November 4, 2022 to November 30, 2022)
P K Mundra	Chief Financial Officer (w.e.f. May 11, 2023)
Pooja Daftary	Company Secretary

Notes to the Financial Statements for the year ended March 31, 2023

Note 38: Related Party Disclosures (contd.)

ii) 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

iv) Enterprises over which any person described in (a) is able to exercise significant influence

Reera Holdings Private Limited	(w.e.f. April 22, 2021)
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(b) Transactions during the year

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Key Management Personnel		
Commission to Directors	825.00	430.00
Interest paid to Directors	14.31	21.67
Rent	180.00	22.50
Relatives of 'Key Management Personnel		
Salary:		
Natasha Agarwal	6.22	3.11
Anuvaa Agarwal	24.22	12.11
Non-Executive/Independent Directors on the Board		
Sitting Fees	11.90	12.10
Enterprises over which any person described in (a) is able to exercise significant influence		
Purchase from Reera holding private Limited	559.25	-

(c) Balances at the year end

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Unsecured Borrowings from Key Management Personnel	207.50	-
Commission Payable	507.77	314.75
Remuneration and Salary payable	64.35	49.00

Notes to the Financial Statements for the year ended March 31, 2023

Note 38: Related Party Disclosures (contd.)

(d) Compensation to Key Management Personnel

As at March 31, 2023

(₹ in lakhs)

Sr No.	Key Management Personnel	Short-term employee benefits	Postemployment benefits	Other long-term benefits	Termination benefits	Share-based payment.
1	R N Agarwal	356.99	-	-	-	-
2	Reena Agarwal	72.40	-	-	-	-
3	Raunak Agarwal	72.40	-	-	-	-
4	Rohan Agarwal	54.09	-	-	-	-
5	Ashok Bansal	62.70	-	-	-	-
6	Basant Basal	14.12	-	-	-	-
7	Dipankar Rai	9.40	-	-	-	-
8	Pooja Daftary	19.67	-	-	-	-
	Total	661.77	-	-	-	-

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.

As at March 31, 2022

(₹ in lakhs)

Sr No.	Key Management Personnel	Short-term employee benefits	Postemployment benefits	Other long-term benefits	Termination benefits	Share-based payment.
1	R N Agarwal	261.53	-	-	-	-
2	Reena Agarwal	72.61	-	-	-	-
3	Raunak Agarwal	72.61	-	-	-	-
4	Rohan Agarwal	42.62	-	-	-	-
5	Ashok Bansal	61.40	-	-	-	-
6	Praveen Kumar Bhandari	21.41	-	-	-	-
7	Dipankar Rai	14.85	-	-	-	-
8	Pooja Daftary	15.16	-	-	-	-
	Total	562.19	-	-	-	-

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.

(e) 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, 2023, 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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 39: 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.

Particulars	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
I. Change in present value of obligation during the year		
Present value of obligation at the beginning of the year	1,047.97	980.98
Included in profit and loss:		
Current Service Cost	116.84	119.77
Interest Cost	76.40	67.98
Past Service Cost	-	-
Actuarial Gain/(Loss)	-	-
Included in OCI:		
Actuarial losses/(gains) arising from:		
Experience adjustments	(7.59)	10.85
Financial assumption	(21.17)	(42.38)
Demographic Assumptions	-	0.10
Others		
Benefits Paid	(219.01)	(89.35)
Benefits Paid Non fund base	-	-
Present Value of obligation as at year-end	993.44	1,047.97

Notes to the Financial Statements for the year ended March 31, 2023

Note 39: Employee benefits plan (contd.)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
II. Change in Fair Value of Plan Assets during the year		
Plan assets at the beginning of the year	997.10	962.83
Included in profit and loss:		
Expected return on plan assets	72.69	66.72
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	(13.19)	(11.57)
Others:		
Employer's contribution	137.35	68.46
Benefits paid	(219.01)	(89.35)
Plan assets at the end of the year	974.94	997.10

The plan assets are maintained with Life Insurance Corporation of India (LIC)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets		
1 Present Value of obligation as at year-end	(993.44)	(1,047.97)
2 Fair value of plan assets at year -end	974.94	997.10
3 Funded status {Surplus/(Deficit)}	(18.50)	(50.87)
Net Asset/(Liability)	(18.50)	(50.87)
IV. Expenses recognised in the Statement of Profit and Loss		
1 Current Service Cost	116.84	119.77
2 Interest Cost	76.40	67.98
3 Past service Cost	-	-
4 Expected return on plan assets	(72.69)	(66.72)
Total Expense	120.55	121.03
V. Expenses recognised in the Statement of Other Comprehensive Income		
1 Net Actuarial (Gain)/Loss	(28.76)	(31.42)
2 Expected return on plan assets excluding interest income	13.19	11.57
Total Expense/(Income)	(15.57)	(19.85)
VI. Constitution of Plan Assets		
1 Insurance	974.94	997.10

Notes to the Financial Statements for the year ended March 31, 2023

Note 39: Employee benefits plan (contd.)

(₹ in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
VII. Bifurcation of Net Liability at the end of the year		
1 Current Liability	18.50	50.87
2 Non-Current Liability	-	-
VIII. Actuarial Assumptions		
1 Discount Rate	7.49%	7.29%
2 Expected rate of return on plan assets	7.49%	7.29%
3 Salary Escalation	7.25%	
4 Mortality table	IALM (2012-14) (Urban)	
5 Withdrawal Rate	2.00%	

IX. The expected contribution for Defined Benefit Plan for the next financial year will be 125.46 lakhs

X. Experience Adjustment:

(₹ in lakhs)

Particulars	2022-23	2021-22
Present Value of obligation	(993.44)	(1,047.97)
Fair value of Plan assets	974.94	997.10
Net Asset/(Liability)	(18.50)	(50.87)
Actuarial (Gain)/Loss on plan obligation	(7.59)	10.85
Actuarial Gain/(Loss) on plan assets	(13.19)	(11.57)

XI. Sensitivity Analysis

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(95.89)	113.50	(104.79)	124.72
Future salary growth (1% movement)	107.80	(94.15)	120.50	(103.71)
Withdrawal Rate (1% movement)**	3.23	(3.91)	1.24	(1.65)

** 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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 39: Employee benefits plan (contd.)

XIII. Maturity Profile of Defined benefit payments from the Fund

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
i) Duration of defined benefit payments		
Within the next 12 months (next annual reporting period)	65.34	82.04
Between 2 and 5 years	216.20	184.97
Beyond 5 years	2,424.39	2,612.61

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 204.83 lakhs (Previous Year: 213.88 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to the funds.

Note 40: 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:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
India	1,50,310.38	1,19,909.12
Outside India	24,146.95	40,151.51
Total	1,74,457.33	1,60,060.63

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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 41: 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	As at March 31, 2023	As at March 31, 2022
Gross obligation for the financial year	222.89	247.20
Less: Amount excess spent in previous year	(19.74)	(4.80)
(a) Gross amount required to be spent by the Company during the year	203.15	242.40
(b) Amount spent during the year on:		
Ongoing Projects		
(i) Healthcare	-	-
(ii) Education	-	-
(iii) Infrastructure / Cultural / Environment	-	-
Other than Ongoing Projects		
(i) Healthcare	250.00	230.14
(ii) Education	-	30.00
(iii) Infrastructure / Cultural / Environment	-	2.00
Total	250.00	262.14
(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.

(h) Any amount remaining unspent transferred to

Particulars	As at March 31, 2023	As at March 31, 2022
(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)	-	-

Notes to the Financial Statements for the year ended March 31, 2023

Note 42: 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, 2023		As at March 31, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1) Financial assets at fair value through profit and loss					
Non-current assets - 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	52.29	52.29	34.49	34.49
3) Financial assets at amortised cost					
a) Other Bank Balances*	3	4,172.13	4,172.13	610.09	610.09
b) Cash & Cash Equivalents*	3	802.81	802.81	5.74	5.74
c) Trade receivables*	3	13,803.47	13,803.47	16,706.93	16,706.93
d) Other receivables*	3	383.09	383.09	258.49	258.49
e) Other financial assets	3	214.38	214.38	166.47	166.47
		19,428.46	19,428.46	17,782.50	17,782.50

b) Financial Liabilities

(₹ in lakhs)

Particulars	Level	As at March 31, 2023		As at March 31, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liability at amortised cost					
a) Borrowings	3	13,450.47	13,450.47	14,299.45	14,299.45
b) Lease Liability	3	2,541.03	2,541.03	2,875.89	2,875.89
c) Trade payables*	3	9,541.93	9,541.93	15,039.75	15,039.75
d) Other financial liability*	3	792.60	792.60	743.61	743.61
		26,326.03	26,326.03	32,958.70	32,958.70

*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.

Note 42: Financial Instruments by category (contd.)

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.

Note 43: 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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 43: Financial Instruments by category (contd.)

(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 partly balanced by exports of goods and prudent hedging policy.

Foreign Currency Exposure

(₹ in lakhs)

Name of the Instrument	Currency	March 31, 2023		March 31, 2022	
		in lakhs	₹ in lakhs	in lakhs	₹ in lakhs
Open Foreign Exchange Exposures - Receivable	US\$	\$6.85	563.42	\$45.39	3,427.62
Open Foreign Exchange Exposures - Payable	US\$	\$101.18	8318.55	\$36.56	2,760.35
Open Foreign Exchange Exposures - Payable	EURO €	€ 73.32	6570.45	€ 0.15	12.28

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax:

(₹ in lakhs)

Name of the Instrument	March 31, 2023		March 31, 2022	
	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 \$	(77.55)	77.55	6.67	(6.67)
Increase / (decrease) in profit or loss for €	(65.70)	65.70	(0.12)	0.12
Net Increase/(decrease) in profit or loss	(143.25)	143.25	6.55	(6.55)

(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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 43: Financial Instruments by category (contd.)

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 reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

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.

Particulars	Neither Due nor impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at March 31, 2023					
Unsecured	9,290.71	4,498.11	11.68	5.93	13,806.43
Loss allowance	-	-	(0.59)	(2.37)	(2.96)
Total	9,290.71	4,498.11	11.09	3.56	13,803.47
As at March 31, 2022					
Unsecured	15,958.42	701.69	32.18	27.71	16,720.00
Loss allowance	-	-	(0.87)	(12.20)	(13.07)
Total	15,958.42	701.69	31.31	15.51	16,706.93

(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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 43: Financial Instruments by category (contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023:

(₹ in lakhs)

Particulars	Carrying Amount	Undiscounted Amount/ Contractual cash flows			
		Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	71.62	71.62	-	-	71.62
Borrowings - Non-Current	13,378.85	96.69	13,282.16	-	13,378.85
Trade payables	9,541.93	9,505.39	36.54	-	9,541.93
Other financial liabilities - Current & Non-Current)					
Trade Payable (Retention Money)	-	-	-	-	-
Lease Liability	2,927.67	644.46	1,868.01	3,898.04	6,410.51
Dealers deposits	531.00	-	531.00	-	531.00
Others	4,664.81	4,664.81	-	-	4,664.81

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

(₹ in lakhs)

Particulars	Carrying Amount	Undiscounted Amount/ Contractual cash flows			
		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 :-					
Trade Payable (Retention Money)	-	-	-	-	-
Lease Liability	3,164.19	596.03	1,817.10	4,228.04	6,641.17
Dealers deposits	513.00	-	513.00	-	513.00
Others	5,556.03	5,556.03	-	-	5,556.03

Note 44: Capital Management and Distribution made and proposed

(a) 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

Notes to the Financial Statements for the year ended March 31, 2023

Note 44: Capital Management and Distribution made and proposed (contd.)

The Company manages capital by monitoring gearing ratio which is net debt divided by equity plus net debt.

Particulars	As at	
	March 31, 2023	March 31, 2022
Debt (A)	13,450.47	14,299.45
Less : Cash and Bank Balance (B)	4,974.94	615.83
Net Debt (A-B)	8,475.53	13,683.62
Total Equity	63,563.26	53,604.99
Total Capital	72,038.79	67,288.61
Gearing Ratio	12%	20%
Net Debt to Equity Ratio	0.13	0.26

Loan Covenants

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, debt to EBITDA 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 45:

Sundry Debtors, Sundry Creditors, Unsecured Loans and Loans and Advances balances are subject to confirmation and reconciliation.

Note 46 : 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: (₹ in lakhs)

Name of the Party	Nature	Rate of interest	March 31, 2023	March 31, 2022
Nil	Nil	Nil	Nil	Nil

Note 47 : 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 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 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:

Particulars	Right of Use Asset		
	Land	Building	Total
Balance as at April 1, 2021	1,433.70	1,289.71	2,723.41
Additions during the year	-	769.20	769.20
Depreciation of Right of use assets	147.50	679.56	3,492.61
Balance as at April 1, 2022	1,286.20	1,379.35	2,665.55
Additions during the year	-	76.38	76.38
Depreciation of Right of use assets	49.12	346.21	395.33
Balance as at March 31, 2023	1,237.08	1,109.52	2,346.60

Notes to the Financial Statements for the year ended March 31, 2023

Note 47 : Ind AS 116 - Leases (contd.)

Set out below are the carrying amounts of lease liabilities and the movements during the period: (₹ in lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening Balance	3,164.19	2,660.74
Transition impact on account of adoption of Ind AS 116 "Leases"	-	-
Additions during the year	72.48	720.52
Finance cost accrued during the year	313.43	280.56
Payment of lease liabilities	(622.43)	(497.63)
Closing Balance	2,927.67	3,164.19
Current Lease Liabilities	386.64	288.30
Non-current Lease Liabilities	2,541.03	2,875.89

The maturity analysis of lease liabilities are disclosed in Note 43 (c)

The effective interest rate for lease liabilities for previous years is 9% to 10.65%, while the leases added during the year had effective interest rate is 9% to 10.65%.

Rental expense recorded for short-term leases was ₹695.28 lakhs (₹749.35 lakhs March 31, 2022)

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 48 : Assets Held for Sale in previous year

One of the writing printing unit of the Company (Unit II) had closed in previous year, pursuant to which Unit II was in process to sell below assets which has been classified as 'asset held for sale' in previous year, subsequently the Company received necessary approvals and has completed the entire transaction of sale to M/s Shree Ajit Pulp and Paper Limited on April 12, 2022.

Group of Assets held for sale	As at	As at
	March 31, 2023	March 31, 2022
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 the Financial Statements for the year ended March 31, 2023

Note 49 : Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with within the statutory period. No charges or satisfactions are yet to be registered with beyond the statutory period.

Note 50 : 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 51 : 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 Sec 230 to 237 of the Companies Act, 2013 during the reporting period.

Note 52 : Utilisation of borrowed funds and share premium

- A. The Company have 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 have 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 53 : 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)

Note 54 : 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.

Notes to the Financial Statements for the year ended March 31, 2023

Note 55 : Analytical Ratio

(₹ in lakhs)

Particulars Ratios	Numerator	Denominator	FY 2022-23 Ratio	FY 2021-22 Ratio	Explanation for ratio's which have moved by more than 25%	% change
Current Ratio	Current Asset	Current Liabilities	2.26	1.13	There have been decrease in net creditors and working capital borrowing and slightly decrease in our Inventory and trade receivables.	101.25%
Debt-Equity Ratio	Total Debt	Equity	0.21	0.13	During the year, debt had increase due to new project and all old debts get cleared.	60.50%
Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	1.13	1.73	Improvement in earning by 23% and increase in term loan due to new project.	-34.85%
Return on Equity Ratio	PAT	Avg. Shareholders Equity	5.83	3.59	There has been improvement in PBT by 2.5% and PAT also improved by 2% after tax effect.	62.74%
Inventory turnover ratio	Net Sales	Avg. Inventory	12.14	10.79		12.52%
Trade Receivables turnover ratio	Net Sales	Avg. Trade Receivables	11.44	11.03		3.64%
Trade payables turnover ratio	Net Purchases	Avg. Trade payables	9.09	7.62		19.30%
Net capital turnover ratio	Net Sales	Working Capital	9.21	38.89	Due to decrease in working capital borrowing and decrease in creditors.	-76.33%
Net profit ratio	Net Profit	Net Sales	0.06	0.04	Due to better market condition of writing printing in current financial year improvement in current margin.	49.31%
Return on Capital employed	EBIT	Capital Employed	18.13%	17.83%		1.70%
Return on investment	Total Comprehensive Income	Free Equity	15.70%	11.46%	Due to decrease in interest cost and better market condition of writing printing.	37.04%

Head	Description
Current Asset	Total Current asset
Current liabilities	Total Current Liabilities
Total Debt	Term Loan(including current maturities) + loan from related parties
Equity	Share Capital + Other Equity
Net purchases	Cl's Stock (excluding FG & WIP) + Consumption of RM + Change in Stock + Store and Spare - Opening Stock (Excluding FG & WIP)
Avg. trade payables	(Op. Trade payables (Total dues to MSME & non MSME) + Cl's Trade payables (Total dues to MSME & Non MSME))/2
Earning Available for Debt Services	Profit After Tax+ Depreciation + Finance Cost+ Loss on sale/ discrd of fixed assets & impairment loss.
Debt Service	Interest Accrued but not due on borrowings+ term loan (including current maturities)
Avg Shareholder Equity	(Op. Share capital+ Cl's share capital)
PAT	Profit after Tax before OCI
Net sales	Sales of Product
Avg inventory	(Op Inventory+ Cl's Inventory)/2

Notes to the Financial Statements for the year ended March 31, 2023

Note 55 : Analytical Ratio (contd.)

Head	Description
Avg Trade receivables	(Op. Balance of Trade receivables+ Cls 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 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

Name of struck off Company	Nature of transactions struck-off Company	Balance Outstanding as at March 31, 2023	Balance Outstanding as at March 31, 2022	Relationship with the Struck off Company, if any to be disclosed
Pan Club Hotels Private Limited	Payables (Service received & Payment)	Nil	0.04	NA

Note 60 : Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Significant Accounting Policies and Notes form an integral part of the Financial Statements. 1 to 60

As per our attached report of even date

For and on behalf of the Board of Directors

For **GMJ & CO**

Chartered Accountants

Firm's Registration No 103429W

R N AGARWAL

Chairman and Managing Director

DIN 00176440

RAUNAK AGARWAL

Whole Time Director

DIN 02173330

SANJEEV MAHESHWARI

Partner

Membership No. 038755

UDIN: 230387 55BGVW KR2055

Mumbai, May 11, 2023

P K MUNDRA

Chief Financial Officer

POOJA DAFTARY

Company Secretary

Corporate Information

CIN

L22210MH1993PLC133365

Board of Directors

Shri R N Agarwal

Chairman & Managing Director

Shri Raunak Agarwal

Executive Director

Smt. Reena Agarwal

Executive Director

Shri Rohan Agarwal

Executive Director

Shri P K Mundra

Executive Director and CFO

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

Lenders

State Bank of India

Punjab National Bank

Axis Bank

HDFC Bank

Federal Bank

Bajaj Finance

Registered Office

502-A/501-B, Fortune Terraces,
5th Floor, Opp. Citi Mall,
New Link Road, Andheri (West),
Mumbai - 400053

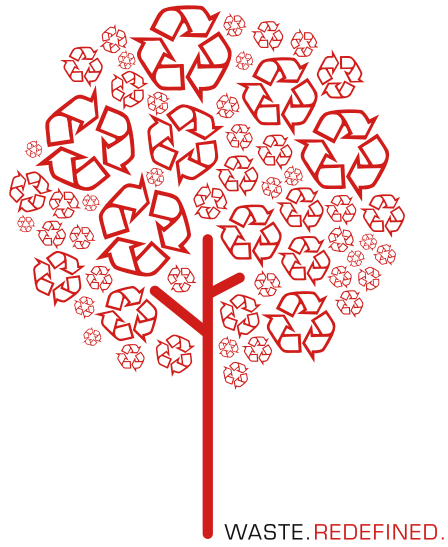
Registrar & Share Transfer Agents

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



N R AGARWAL INDUSTRIES LIMITED

Regd. Off.: 502-A/501-B, Fortune Terraces,
5th Floor, Opp. Citi Mall, New Link Road,
Andheri (West), Mumbai - 400053