

September 28, 2018

To,
The General Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

To,
Asst. Vice President,
National Stock Exchange of India
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai, Maharashtra 400051

Scrip code : 516082

NSE symbol : NRAIL

Sub: 25th Annual General Meeting of the Company and Voting Results

Dear Sirs,

This is with reference to the 25th Annual General Meeting of the Company held today i.e. on Friday, September 28, 2018 at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D N Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai - 400 053 at 11.30 a.m. (start time) and concluded at 12.30 p.m. (end time).

We wish to inform you that all the resolutions contained in the Notice of the Annual General Meeting dated July 24, 2018 were approved by the Members.

In this connection, please find enclosed the following:

- A) Details regarding the brief proceedings of the Annual General Meeting (AGM) of the Company pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- B) Details regarding the voting results of the business transacted at the said AGM in the prescribed format pursuant to Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- C) Consolidated Report of the Scrutinizer on remote e-voting and voting through ballot forms at the AGM.
- D) Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.
- E) Outcome of AGM

Thanking you,

Yours faithfully
For N R AGARWAL INDUSTRIES LIMITED


Pooja Daffary
Company Secretary

September 28, 2018

To,
The General Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

To,
Asst. Vice President,
National Stock Exchange of India
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai, Maharashtra 400051

Srip code : 516082

NSE symbol : NRAIL

Sub.: PROCEEDINGS OF AGM HELD ON SEPTEMBER 28, 2018.

Dear Sirs,

This is to inform you that the 25th Annual General Meeting of the Company was held on Friday, September 28, 2018.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company had provided electronic voting facility (remote e-Voting) to the Members entitled to cast their vote at the Annual General Meeting. The e-Voting process was carried out by the Company between Tuesday, September 25, 2018 (9.00 a.m.) and ended on Thursday, September 27, 2018 (5.00 p.m.) (IST) with cut-off date for determining shareholders being Friday, September 21, 2018.

The Company had also provided voting facility to the shareholders present at the Annual General Meeting and who had not cast their vote earlier either through remote e-voting facility to cast their vote in the Ballot Box kept there.

The report of the Scrutinizer of the consolidated results of the votes cast through remote e-voting and voting at the meeting is enclosed.

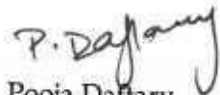
The following resolutions were passed with requisite majority:

1. Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Independent Auditors thereon.
2. Declaration of Dividend @ Rs. 3/- on 4558177 equity shares of Rs. 10/- each for the financial year ended March 31, 2018.
3. Appointment of Director in place of Shri Raunak Agarwal (DIN 02173330), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
4. Re-appointment of Shri Rajendra Agarwal (DIN: 00176440) as the Managing Director of the Company for a further period of three years with effect from August 1, 2018.
5. Appointment of Shri Rajiv Kumar Bakshi (DIN: 00264007) as an Independent Director of the Company for a period of five years with effect from February 7, 2018.
6. Continuation of holding the office of Directorship by Shri P Kumar (DIN: 0017907) as an Independent Director.

7. Approval of limits for the Loans, Guarantees and Investments by the Company
8. Ratification of payment of remuneration to the Cost Auditors for the financial year ended March 31, 2019.

Thanking You,

Yours faithfully,
For N R AGARWAL INDUSTRIES LIMITED



Pooja Daftary
Company Secretary

Disclosure as per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date of AGM	28-09-2018
Total number of shareholders on record date	7784
No. of shareholders present in the meeting either in person or through proxy:	41
Promoters and Promoter Group:	3
Public:	38
No. of Shareholders attended the meeting through Video Conferencing:	Video Conferencing facility was not available.

RESOLUTION - 1

Resolution required: (Ordinary/ Special)		Ordinary						
Whether promoter/ promoter group are interested in the agenda/ resolution?		No						
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter group		1	2		4	5		
	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	227487	0	100.000	0.000
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	227487	0	100.000	0.000
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12733112	0	100	0.000

For N R AGARWAL INDUSTRIES LTD.

P. Dayal
COMPANY SECRETARY

RESOLUTION - 2

Resolution required: (Ordinary/ Special)		Ordinary						
Whether promoter/ promoter group are interested in the agenda/ resolution?		No						
Category	Mode of Voting	No. of shares held	No of votes polled	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour	No. of Votes - Against	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
		1	2		4	5		
Promoter and Promoter group	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	227487	0	100.000	0.000
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	227487	0	100.000	0.000
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12733112	0	100	0.000

For H R AGARWAL INDUSTRIES LTD.

P. D. Agarwal
COMPANY SECRETARY

RESOLUTION - 3

Resolution required: (Ordinary/ Special)		Ordinary						
Whether promoter/ promoter group are interested in the agenda/ resolution?		No						
Category	Mode of Voting	No. of shares held	No of votes polled	% of Votes Polled on outstanding shares $(3) = \frac{(2)/(1)}{100}$	No. of Votes - In favour	No. of Votes - Against	% of Votes in favour on votes polled $(6) = \frac{(4)/(2)}{100}$	% of Votes against on votes polled $(7) = \frac{(5)/(2)}{100}$
		1	2		4	5		
Promoter and Promoter Group	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	211987	15500	93.190	6.810
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	211987	15500	93.190	6.810
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12717612	15500	99.878	0.122

FOR M R AGARWAL INDUSTRIES LTD.

R. D. Aggarwal
COMPANY SECRETARY

RESOLUTION - 4

Resolution required: (Ordinary/ Special)		Special						
Whether promoter/ promoter group are interested in the agenda/ resolution?		No						
Category	Mode of Voting	No. of shares held	No of votes polled	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour	No. of Votes - Against	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
		1	2		4	5		
Promoter and Promoter group	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	211987	15500	93.190	6.810
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	211987	15500	93.190	6.810
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12717612	15500	99.878	0.122

FOR H R AGARWAL INDUSTRIES LTD.

 COMPANY SECRETARY

RESOLUTION - 5

Resolution required: (Ordinary/ Special)			Ordinary					
Whether promoter/ promoter group are interested in the agenda/ resolution?			No					
Category	Mode of Voting	No. of shares held	No of votes polled	% of Votes Polled on outstanding shares $(3)=[(2)/(1)] \times 100$	No. of Votes – in favour	No. of Votes - Against	% of Votes in favour on votes polled $(6)=[(4)/(2)] \times 100$	% of Votes against on votes polled $(7)=[(5)/(2)] \times 100$
		1	2		4	5		
Promoter and Promoter group	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	227487	0	100.000	0.000
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	227487	0	100.000	0.000
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12733112	0	100	0.000

For M R AGARWAL INDUSTRIES LTD.

R. Agarwal
COMPANY SECRETARY

RESOLUTION - 6

Resolution required: (Ordinary/ Special)								
Whether promoter/ promoter group are interested in the agenda/ resolution?								
Category	Mode of Voting	No. of shares held	No of votes polled	% of Votes Polled on outstanding shares (3)=[(2)/(1)] * 100	No. of Votes – In favour	No. of Votes - Against	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
		1	2		4	5		
Promoter and Promoter group	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	211987	15500	93.190	6.810
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	211987	15500	93.190	6.810
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12717612	15500	99.878	0.122

For M R AGARWAL INDUSTRIES LTD.

R. D. Aggarwal
COMPANY SECRETARY

RESOLUTION - 7

Resolution required: (Ordinary/ Special)								
Whether promoter/ promoter group are interested in the agenda/ resolution?								
Special								
No								
Category	Mode of Voting	No. of shares held	No of votes polled	% of Votes Polled on outstanding shares (3)=[(2)/(1)] * 100	No. of Votes – in favour	No. of Votes - Against	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
		1	2		4	5		
Promoter and Promoter group	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	0	227487	0.000	100.000
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	0	227487	0.000	100.000
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12505625	227487	98.213	1.787

For R N AGARWAL INDUSTRIES LTD.

P. Dey
COMPANY SECRETARY

RESOLUTION - 8

Resolution required: (Ordinary/ Special)		Ordinary						
Whether promoter/ promoter group are interested in the agenda/ resolution?		No						
Category	Mode of Voting	No. of shares held	No of votes polled	% of Votes Polled on outstanding shares (3)=[(2)/(1)] * 100	No. of Votes – in favour	No. of Votes - Against	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
		1	2		4	5		
Promoter and Promoter group	E-voting	12460923	12460923	100.00	12460923	0	100.000	0.000
	Poll	12460923	0	0.00	0	0	0.000	0.000
	Postal Ballot	12460923	0	0.00	0	0	0.000	0.000
	Total	12460923	12460923	100.00	12460923	0	100.000	0.000
Public Institutions	E-voting	334145	227487	68.08	227487	0	100.000	0.000
	Poll	334145	0	0.00	0	0	0.000	0.000
	Postal Ballot	334145	0	0.00	0	0	0.000	0.000
	Total	334145	227487	68.08	227487	0	100.000	0.000
Public Non-Institutions	E-voting	4224032	43885	1.04	43885	0	100.000	0.000
	Poll	4224032	817	0.02	817	0	100.000	0.000
	Postal Ballot	4224032	0	0.00	0	0	0.000	0.000
	Total	4224032	44702	1.06	44702	0	100.000	0.000
Total		17019100	12733112	74.82	12733112	0	100	0.000

For H B AGARWAL INDUSTRIES LTD.

P. S. Sanyal
COMPANY SECRETARY

PARIKH & ASSOCIATES
COMPANY SECRETARIES

Office :
111, 11th Floor, Sai-Dwar CHS Ltd,
Sab TV Lane, Opp Laxmi Industrial Estate
Off Link Road, Above Shabari Restaurant,
Andheri (W), Mumbai : 400 053
Tel. : 26301232 / 26301233 / 26301240
Email : cs@parikhassociates.com
parikh.associates@rediffmail.com

To,
The Chairman
N R Agarwal Industries Limited
502-A/501-B, Fortune Terraces,
5th Floor, Opp. City Mall, New Link Road,
Andheri (West)
Mumbai 400053

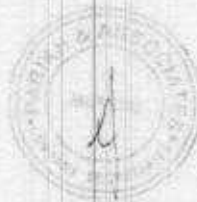
Dear Sir,

Sub: Consolidated Scrutinizer's Report on remote e-voting conducted 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 by Companies (Management and Administration) Amendment Rules, 2015 and voting through ballot paper at the 25th Annual General Meeting of N R Agarwal Industries Ltd. held on Friday, September 28, 2018 at 11.30 am. at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D.N. Road, Opp. Indian Oil Nagar on Link Road, Andheri (West), Mumbai - 400053

I, Jigyasa N. Ved, of M/s. Parikh & Associates, Practicing Company Secretaries, had been appointed as the Scrutinizer by the Board of Directors of N R Agarwal Industries Limited pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, to conduct the remote e-voting process in respect of the below mentioned resolutions proposed at the 25th Annual General Meeting ("AGM") of N R Agarwal Industries Ltd. held on Friday, September 28, 2018 at 11.30 a.m.

I was also appointed as Scrutinizer to scrutinize the voting process at the said AGM held on September 28, 2018.

The notice dated July 24, 2018 along with statement setting out material facts under Section 102 of the Act as confirmed by the Company were sent to the shareholders in respect of the below mentioned resolutions proposed at the AGM of the Company.



N R AGARWAL INDUSTRIES LTD.

P. Dapany
COMPANY SECRETARY

The Company had availed the e-voting facility offered by Central Depository Services (India) Limited ("CDSL") for conducting remote e-voting by the Shareholders of the Company.

The Company had also provided voting through ballot paper to the shareholders present at the AGM and who had not cast their vote earlier through remote e-voting facility.

The shareholders of the company holding shares as on the "cut-off" date, September 21, 2018 were entitled to vote on the resolutions as contained in the Notice of the AGM.

The voting period for remote e-voting commenced on Tuesday, September 25, 2018 at 09.00 a.m. (IST) and ended on Thursday, September 27, 2018 at 05:00 p.m. (IST) and the CDSL e-voting platform was blocked thereafter.

After the closure of the voting at the AGM, the report on voting done at the meeting through ballot paper was generated in my presence and the voting was diligently scrutinized.

The votes cast under remote e-voting facility were thereafter unblocked in the presence of two witnesses who were not in the employment of the Company and after the conclusion of the voting at the AGM the votes cast there under were counted. I have scrutinized and reviewed the remote e-voting and votes tendered therein based on the data downloaded from the CDSL e-voting system and voting through ballot paper at the AGM.

The Management of the Company is responsible to ensure compliance with the requirements of the Act and rules relating to remote e-voting and the voting through ballot paper at the venue of the meeting on the resolutions contained in the notice of the AGM.

My responsibility as scrutinizer for the remote e-voting and the voting conducted through ballot paper at the venue of the meeting is restricted to making a Scrutinizer's Report of the votes cast in favor or against the resolutions.

I now submit my consolidated Report as under on the result of the remote e-voting and voting through ballot paper at the AGM in respect of the said resolutions.



For N K AGARWAL INDUSTRIES LTD.

P. Sanyal
COMPANY SECRETARY

Resolution 1: Ordinary Resolution

Adoption of the Audited Financial Statements for the financial year ended March 31, 2018, together with the Reports of the Board of Directors & the Auditors thereon.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
24	1,27,33,112	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
NIL	NIL	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL



For N S SARMIL INDUSTRIES LTD.

P. Sanyal
COMPANY SECRETARY

Resolution 2: Ordinary Resolution**Declaration of dividend for financial year ended March 31, 2018.**

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
24	1,27,33,112	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
NIL	NIL	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL



For M & AGRIUM INDUSTRIES LTD.

COMPANY SECRETARY

Resolution 3: Ordinary Resolution

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

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
23	1,27,17,612	99.88

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
1	15,500	0.12

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL



For N R AGARWAL & CO. PRIVATE LIMITED

P. D. Jaiswal
COMPANY SECRETARY

Resolution 4: Special Resolution

Re-appointment of Shri Rajendra Agarwal (DIN: 00176440) as the Managing Director and payment of remuneration to him.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
23	1,27,17,612	99.88

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
1	15,500	0.12

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL



For: N R AGARWAL INDUSTRIES LTD.

P. Dargam
COMPANY SECRETARY

Resolution 5: Ordinary Resolution

Appointment of Shri Rajiv Kumar Bakshi (DIN: 00264007) as an Independent director.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
24	1,27,33,112	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
NIL	NIL	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL



For N R ASSOCIATES INDUSTRIES LTD.

P. Zafar
COMPANY SECRETARY

Resolution 6: Special Resolution

Continuation of Directorship by Shri P. Kumar (DIN: 00179074) as an Independent Director.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
23	1,27,17,612	99.88

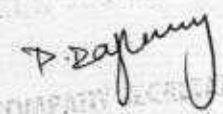
(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
1	15,500	0.12

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL



For H EACROW INVESTMENTS LTD.

 COMPANY SECRETARY

Resolution 7: Special Resolution

Approval of the limits for the Loans, Guarantees and Investments by the Company pursuant to Section 186 of the Companies Act, 2013.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
22	1,25,05,625	98.21

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
2	2,27,487	1.79

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL



For H E AGARWAL INDUSTRIES LTD.
P. Dargy
COMPANY SECRETARY

Resolution 8: Ordinary Resolution

Ratification of payment of remuneration to the Cost Auditors for the financial year ended March 31, 2018.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
24	1,27,33,112	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
NIL	NIL	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
NIL	NIL

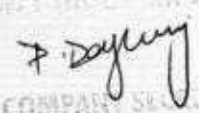
Thanking you,
Yours faithfully,


Jigyasa N. Ved
Parikh & Associates
Practising Company Secretaries
FCS: 6488 CP: 6018
111,11th Floor, SaiDwar CHS Ltd
Sab TV Lane, Opp.LaxmiIndl. Estate,
Off Link Road, Above Shabari Restaurant,
Andheri-West, Mumbai - 400053



Place: Mumbai
Dated: September 28, 2018.

For N R AGARWAL INDUSTRIES LTD.


COMPANY SECRETARY

September 28, 2018

To,
The General Manager
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

To,
Asst. Vice President,
National Stock Exchange of India
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai, Maharashtra 400051

Scrip code : 516082
NSE symbol : NRAIL

Subject: Outcome of AGM

Dear Sir,

Pursuant to Regulation 30 of LODR Regulations, 2015, we wish to inform that Company at its Annual General Meeting held on September 28, 2018, has approved the re-appointment of Shri R N Agarwal as the Managing Director of the Company for a further period of three years with effect from August 1, 2018 and regularization of the appoint of Shri R K Bakshi as the Independent Director. The continuation of Directorship of Shri P Kumar as the Independent Director has also been approved.

The Brief Profile of the Directors has been enclosed.

Kindly take the same on record.

Thanking You,

Yours faithfully,

FOR N R AGARWAL INDUSTRIES LIMITED,


Pooja Daftary
Company Secretary

Particulars	Shri Rajendra Agarwal	Shri P Kumar	Shri R K Bakshi
Age	56 years	81 years	66 years
Date of Appointment	08.12.1993	20.09.2014	07.02.2018
Qualification	BE-Electrical, MBA	M.A. C.A.I.I.B	M.Sc., CAIIB, Diploma in Bank Management
Expertise/Experience in specific functional area	Over 25 years of experience in Paper Industry as an industrialist	Over 45 years of experience in Banking and Management consultancy	Over 37 years of experience as a Professional Banker and Ex-ED of Bank of Baroda
Directorships in other companies	NIL	Banswara Syntex Ltd.	W.H. Brady & Co. Ltd. A. K. Capital Finance Pvt. Ltd. Regency Hospital Ltd.
Memberships of Committees in other companies (Includes only Audit & Stakeholders Relationship Committee)	NIL	Chairman of Audit Committee and Stakeholders' Relationship Committee of Banswara Syntex Ltd.	Member of Audit Committees of W.H. Brady & Co. Ltd., Regency Healthcare Ltd. and A.K. Capital Finance Ltd.
No. of shares held in the Company	7922030	NIL	NIL
Relationship between Directors inter-se and the KMPs	Shri R N Agarwal is related to Smt. Reena Agarwal and Shri Raunak Agarwal, Whole Time Directors of the Company	Shri P Kumar is not related to any of the Directors or KMPs of the Company	Shri R K Bakshi is not related to any of the Directors or KMPs of the Company

P. Agarwal



Accelerating towards Future

Contents

A.

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Forward-looking statements

In this annual report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



This year's cover page creative is a blend of imagery and graphics showcasing a futuristic growth trajectory for the Company.



To get this report online log on to www.nrail.com/annual_reports.html

Certification



Forest Stewardship Council



Scan the above QR code to have a quick view of the report on your hand-held device.



Shri N R Agarwal (1932 - 2011)

“

Leadership
is the ability to translate
Vision into Reality.

Knowing our dynamic founder

Chief Architect of the Company's vision and value driven business strategy

Late Shri N R Agarwal was a visionary first generation entrepreneur and founder of N R Agarwal Industries Ltd. (NRAIL). He was a qualified Chemical Engineer with over 40 years' experience in the paper industry. It was under his dynamic leadership that the Company became a recognized player in the paper industry. Excellence, modernization, quality and quantum growth were his guiding principles. Today NRAIL has evolved into India's largest packaging and printing solution Company serving not only in India but across the globe. He was highly regarded for his constant emphasis on bettering the lives of people - be it employees, customers, business partners, or shareholders and responsiveness to change and continuous learning.

The Indian paper industry has seen some steady growth in the recent times. Increasing per capita consumption, growing e-commerce space and increasing presence of the FMCG and packaged food industry are some of the positives that renewed the optimism across the sector.

At NRAIL, we encashed our rich industry knowledge, strong balance sheet and enhanced capabilities to cash on these realities.

Result: We have not just maintained our growth but have grown substantially over the last year outpacing the industry growth. We have not just maintained our margins but have increased it manifold over the last year.

We have delivered this exceptional performance by strengthening our technical and operational capabilities, by implementing lessons learnt from the past and by further enhancing our customers' satisfaction.

At NRAIL, we have always focussed on what lies ahead of us.

And it is this focus on future that gives us both the confidence and conviction to continue on this growth trajectory.

And this is how we are accelerating towards a secure future.

By investing in higher-growth segments, by being a more agile Company with lower overhead costs and by being more environmentally responsible.

Knowing N R Agarwal Industries Ltd.

Reputed for its reliability, adaptability, innovation, quality consciousness and leadership in its product categories.

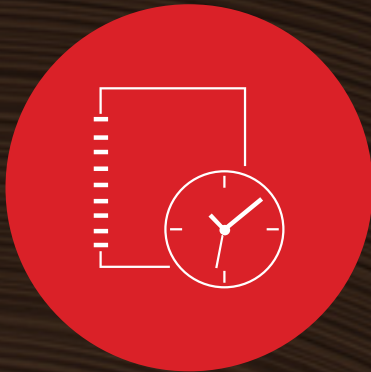
Driven by the motto of delivering stellar performance. Being growth and customer focused, the Company is committed towards creating values that help build a strong future.

N R Agarwal Industries Ltd. is among the top 5 largest manufacturers of recycled paper in India and has emerged as a fitting proxy to the newly found segmental growth.



Our Vision

To be recognised as a global manufacturer of innovative paper products to our valued customers by living our core values of providing a fair return to our stakeholders



Our Mission

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

Amongst the few leading companies in India that manufactures finished quality paper products with 100% wastes through recycling process.

Aerial view of Unit-V, Sarigam, Gujarat



Who we are

Established in 1993, the Company is engaged in the business of manufacturing quality finished paper products and pioneered the use of recycled paper for the same. The Company supplies its high quality paper products in both domestic and international markets.



Where we are listed

NRAIL shares are listed and actively traded on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India, with a market capitalization of ₹ 706.20 Cr as on March 31, 2018. The promoters held 73.22% of the Company's equity capital at the close of FY 2018.



Our management team

Stewarded by one of the doyens of the industry, Shri R N Agarwal, Chairman & Managing Director, and aptly assisted by a team of qualified professionals, the Company emerged as one of the leading manufacturers of quality finished paper products in India. Our strong management team comprising personnel with diversified capabilities has helped the Company constantly explore ways and means to enhance offtake, optimize its expenses, widen reach and deploy technologies that enhance cost-competitiveness and yet help deliver superior quality products.



Our product offerings

Known for its quality, The Company manufactures recycled paper based products addressing three categories: duplex boards, writing and printing papers and newsprint.

Duplex Boards: Manufactured with low level heavy metals, used in multi-purpose post-print applications and certified by Central Food Technology Research Institute of India, the Company's quality duplex boards are suitable for gravure printing, embossing and foil stamping.

Writing and Printing: The Company manufactures writing and printing paper products that are high in brightness, shade stability and smoothness across GSM ranges. The high tensile strength and surface properties of the products make them suitable for high-speed multi-colour printing.

Newsprint: A low-cost print paper, print media is the second largest industry in the print and media segment in India. The Company continues to enjoy a cost-competitive position to manufacture newsprint paper for a wider customer base.



Where we are

Headquartered in Mumbai (India), the Company has its manufacturing facilities located in Vapi and Sarigam, Gujarat. Bolstered by products of immaculate quality, the Company has made its presence felt in India and the world. Today, the Company enjoys a market presence in more than 20 countries across the globe.



Manufacturing capacity

Equipped with state-of-the-art machineries and ultra-modern technologies across all its manufacturing facilities, the Company has a total manufacturing capacity of 354000 TPA as on current date.

Value Created for Stakeholders



498.97

Capital Employed as on
March 31, 2018 (in ₹ Cr)

13.25

ROA (in %)

25.49

ROCE (in %)

7.92

PBT Margin (in %)

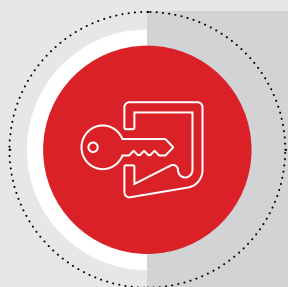


1443

Number of Employees
as on March 31, 2018

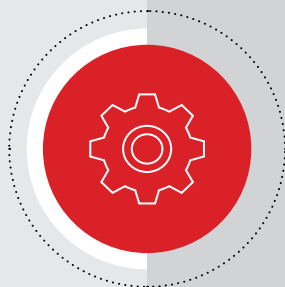
56.84

Employee benefit expenses in
FY 2018 (in ₹ Cr)



25 years

Average experience of top
management



5

Number of
Manufacturing
facilities

93.14

CAPEX in last three
years (in ₹ Cr)

8911

Quantity of Newsprint produced
during the year (in MT)

164223

Quantity of Duplex Board produced
during the year (in MT)

126787

Quantity of Writing and Printing paper
produced during the year (in MT)

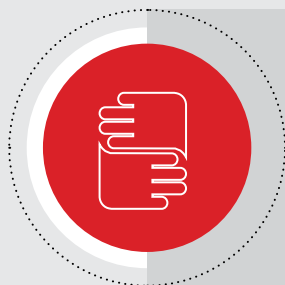


72.30

Amount incurred on power
generation during the year
(in ₹ Cr)

25

Installed capacity of captive
power plant (in MW)



39

Amount Spent on CSR activities
in FY 2018 (in ₹ lakhs)

Message from the Corner Desk



In conversation with **Shri R N Agarwal**
Chairman and Managing Director, N R Agarwal Industries Ltd.

“

We aim to be one of the top five paper mills in India in the near future and all our investments and strategies are aimed towards achieving this transition.

“

In line with this strategy, we embarked on upgrading our old machines with the latest state-of-the-art ones.

Q How would you summarise the industry scenario in FY 2018?

A This year the paper industry in India has witnessed an unprecedented boom. Strong economic growth has been accompanied by equally robust demand for paper. The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanisation and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country. The low per capita paper consumption in the country also provides a greater window of opportunity in the near long-term.

Additionally, the Chinese Government's move of banning import of several varieties of waste paper amidst environment concerns, has resulted in a drop in global waste paper prices. As a result, the prices of recycled paper in China, used for packaging material, has increased due to short supply of waste paper. Indian manufacturers using waste paper stand to benefit on account of lower global waste paper prices (on excess supply) and higher realization for recycled paper.

Q Could you please elaborate on NRAIL's performance in FY 2018?

A Well, this year was another round of commendable performance continuing to lay the foundation for future growth. All our capacities are operating at 90%+ capacities. We reported revenues from operations of ₹ 1226.17 Cr during the year, an increase of 11.95% from the previous year and the highest since our inception. We fast-tracked our sales across the different product lines and reported 12% growth at the EBIDTA level and 81.46% growth in the net profit after tax level. Our net operating profit and net profit after tax margins recorded 12.65% and 7.36% respectively. Hence, this year is marked by robust top-line and bottom-line growth.

Q What were some of the major initiatives that transpired during the year?

A Technological improvement and upgradation of the machineries are two of the major initiatives that transpired during the year. At NRAIL, we felt that it was imperative to undertake a major overhaul across all our manufacturing units in order to stay relevant in today's competitive world as well as ensure future readiness. Leveraging our past experience of more than four decades in the paper business, we undertook some of the most decisive initiatives during the year in question towards building a robust future for the Company. In line with this strategy, we embarked on upgrading our old machines with the latest state-of-the-art ones. This has been an ongoing work for some time now at NRAIL but in FY 2018 it picked a great momentum and we invested ₹ 53.64 Cr during the year for technology and machinery upgradation.

Revenues

₹1226cr

11.95% ↑

Net Profit margin

7.36%

“

We also took the decision to fast track the evolution of the Company with envisaging the setting up of a new 600 TPD kraft paper unit.

Another step that we took during the year was deciding to continue with the newsprint business. Earlier during the year we had decided to bid adieu to the newsprint segment on account of higher import cost and shift in user preference to online news platforms which had been adversely affecting newsprint prices. However, to our pleasant surprise, in the last few months the newsprint prices have soared to historical highs, reducing the gap between newsprint and writing printing papers to less than 10%. In the light of this recent development, the Company is not exiting the newsprint segment in totality.

We also took the decision to fast track the transition of the Company with envisaging the setting up of a new 600 TPD kraft paper unit. The rationale behind considering kraft paper as an option is the foresight of a strong demand growth from the packaging sector, especially the brown-grade. Because of the growing e-commerce business, the packaging paper and boards (PPB) segment is likely to grow fast. With readily available land space and infrastructure, this move can provide us with the required impetus for achieving the next leg of our envisioned future growth.

Q

How is this new project unfolding?

A

Currently we are at a pretty nascent stage of implementing our vision and the kraft project is just being looked at as a potential possibility. Recently, we came to an agreement with Ernst & Young to undertake a techno economic viability study on our behalf and based on their report we would take our final decision.

“

Considering the present per capita paper consumption in India, I see a sea of opportunity lying ahead of us.

Q

How do you see the Indian paper industry shaping up over the next 5 years?

A

Considering the present per capita paper consumption in India, I see a sea of opportunity lying ahead of us. With the growing importance of e-commerce business, rising literacy rates and burgeoning FMCG and packaged food industry, the days ahead for the Indian paper industry are expected to be phenomenal as the Indian paper industry is likely to outpace the global industry in terms of growth. Despite increasing digitisation, the Indian paper industry is expected to clock double digit growth over the next five years. Moreover, there are some changes in the Chinese market which has restricted their own production and curtailed their imports of some of the waste paper varieties which is good news for Indian waste paper consumer mills. Looking at all these factors, I am quite bullish about the paper industry for the coming years.

“

At NRAIL, our outperformance is derived from our strategic focus to be a low cost paper manufacturer with a growing systemic integration on new technologies and processes.

Q How is the Company accelerating towards the future?

A We aim to be one of the top five paper mills in India in the near future and all our investments and strategies are aimed towards achieving this transition. The capital expenditures we have made over the last few years mean that our plants are more agile, and our machinery and equipment are up to date. These investments, coupled with process improvements, also mean we are well prepared to handle more volume and are well positioned to cater to the growing demands.

Q How you plan to fund your investments?

A The project is expected to cost ~₹ 4 bn and shall be funded by way of debt and internal accruals. The exact proportion of debt-accruals shall be determined in due course, as we move ahead with the project execution.

Q What is the outlook for the year ahead?

A At NRAIL, our outperformance is derived from our strategic focus to be a low cost paper manufacturer with a growing systemic integration on new technologies and processes. In a bid to extend our value chain, we intend to explore new opportunities in the kraft paper manufacture, firmly establishing our status as a multi-product Company.

In line with these statements of intent, we expect to possess one of the highest recycled paper product manufacturing capacity in India and generate a top line of ₹ 2000 Cr in next 5 years with capacities of nearly 500000 TPA. We believe that the implementation of these capacities and delivery of revenues will not only enhance our profits but will also enrich our organisational value.

Our Growth Story in Numbers

Our rich fundamentals

₹ **219.39** Cr

Net worth as on
March 31, 2018

₹ **7.86** Cr

Cash balances as on
March 31, 2018

₹ **463.38** Cr

Property, Plant and Equipment
as on March 31, 2018

₹ **157.80** Cr

Cumulative net profits after
tax in the last three years

₹ **341.02** Cr

Revenue increase over
the last three years

1.32

Debt (long and short term
debt) to equity ratio

₹ **93.14** Cr

Capital expenditure incurred
over the last three years

₹ **216.29** Cr

Cumulative cash profit
in last three years

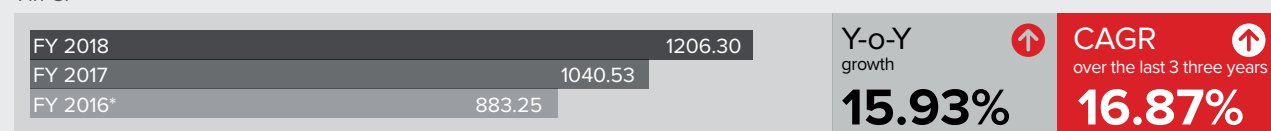
256000 TPA to **354000** TPA

Capacity expansion in the last three years

Financial Transformation

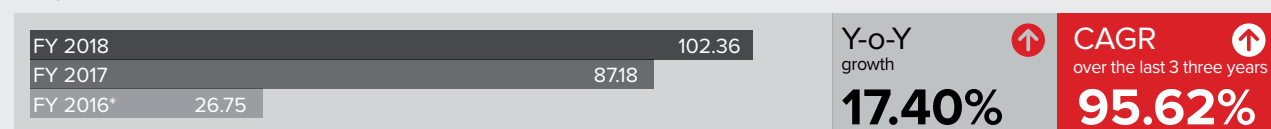
Net Sales

₹ in Cr



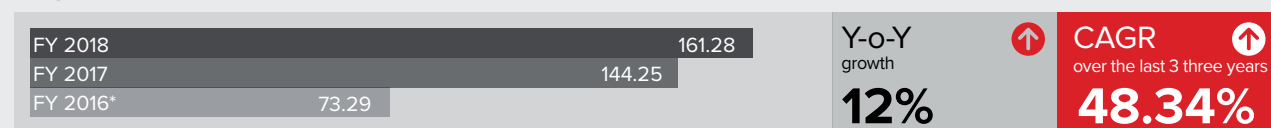
Cash Profit from Operations

₹ in Cr



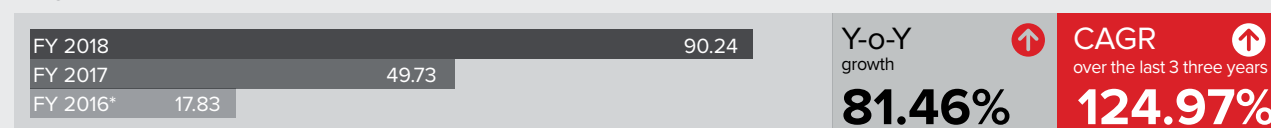
EBIDTA

₹ in Cr



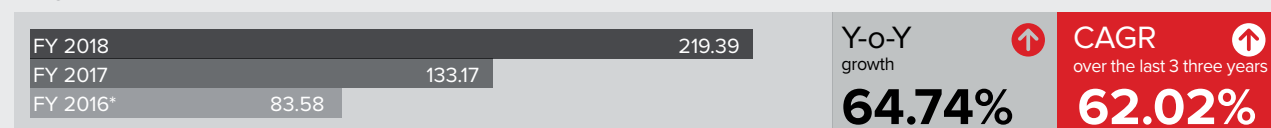
Profit After Tax

₹ in Cr



Net Worth

₹ in Cr



*As per old GAAP

Our Strengths

Serving our customers with timely delivery

At NRAIL, we enjoy an edge over our competitors when it comes to providing quality products to our customers. Our customers and dealers have developed a sense of trust on us which allows us to establish a long-standing relationship with them. We have successfully maintained one of the lowest delivery turnaround time in the industry. Our turnaround time ranges from as short as 3 days to 10 days. This is less than the standard industry turnaround time of around 4 weeks.

Well-established base in home market

Over the years, we have strengthened our presence in our home market such as Gujarat and Maharashtra. Our home market contributes the maximum share to our revenue and helps us to be one of the largest player in terms of assured sales of 70-75% in the domestic market.

Maintaining our Quality

Quality of our products has always differentiated us from our competitors. We aim to provide our customers with consistent quality by reducing variation in our products.

Strong Dealer Network

We have established a strong network of dealers and distributors that helps us reach the market and expand our customer base. With this we keep a constant check on the order book of our customers supported by our dealers.





Accelerating towards future
By being Agile

282bps

Increase in PAT margin
over FY 2017

By being agile or nimble footed one can easily adopt to the changes of tomorrow today. Thus a few recalibrations at different levels across the organisation helped NRAIL to be ready for the future growth.

We focused on creating a continuous cycle of investment which largely revolves around the focus areas of fostering product innovation that differentiates our brands, enhancing our operating excellence that optimises performance.

We focused on developing new product lines within the present eco-system and tried to move out of the ones which impacted profitability.

We partnered with professionals for maintenance and monitoring of our machineries, thus helping us eliminate machine idle-time owing to breakdown to a large extent.

We recalibrated the raw material composition for a number of our products, recalibrated the process and the machines and retrained our employees to the new system.

All this resulted into reduced waste generation, reduced power and water consumption and most importantly enhanced realisations from the same product line.

Accelerating towards future

By being Environmentally Responsible

In line with our strategy to transform from “Good” to “Great”, we not just focused on being a bigger and better organisation in terms of profitability, sustainability and employability, but also focused on means and ways to minimise our environmental footprint and help our mother nature achieve a greater future sustainability.

Why is this relevant?

Pressing climatic situations across the globe, depleting natural resources and increased global warming are impacting the nature in a number ways and jeopardising its sustainability over the long-term. This, coupled with increasingly stringent rules and regulations and the growing awareness of eco-friendliness, the survival of a business house in the near future would be increasingly dependent on how eco-friendly the business is.

Further, being eco-friendly can also help reduce cost by impacting positively on the bottom line and hence enhance profitability.

How NRAIL is doing so?

We are doing this by:

- Critically re-examining our product lifecycle from sourcing to disposal, creating products that reduce our overall environmental impact by reducing the use of resources at every stage.
- Allocating additional budget towards technological advancement and upgradation of equipments
- Investing in highly-efficient pumps which helped us reduce power consumption
- Commissioning RO project in our writing-printing plant which helped us reduce our water consumption as well as discharge

20%

Reduction in water consumption with the implementation of our RO project

50_{SPM}

Achieved discharging unit in case of smoke and boiler emission whereas the industry norm is 150 SPM

Our Strategy in Action

Through consistent evolution of our strategy we continue to grow NRAIL into a more profitable and cash generative organisation which not only delivers value for its different stakeholders but also helps in securing a sustainable long-term growth for the Company.

Achieve cost advantages: Continuously invest in various cost reducing projects across the organisation which would help us save energy, time, enhance quality, increase productivity and boost capacity utilisation. Implementing different cost saving techniques across multiple areas like procurement and logistics as well as to attain cost leadership and enhance profitability.	Look for growth opportunities: Achieve a suitable equilibrium in the three different business segments across the five manufacturing facilities in terms of improved process, enhanced productivity and optimum capacity utilisation yet leaving sufficient room to accommodate any new business opportunities.	Generate cash to strengthen balance sheet: To focus on generating a steady cash inflow through optimised working capital. To focus on regular repayment of debts, thus reducing the finance cost along with the creation of some free cash in the books. Continue to operate at optimum utilisation level.
--	--	---

How NRAIL is delivering value to its stakeholders?

By successfully executing our business model we aim to deliver maximum value for all our stakeholder groups.

01



Shareholders: We have been successful in creating a consistent earnings growth which benefits shareholders through growing dividend payments and increased per share value

02



Our people: Properly developing, timely recognising and rewarding our people secures a skilled and motivated workforce

03



Communities: Create positive social impacts through our social activities and with the creation of local jobs

Our Business Enablers

Business enabler - I

Manufacturing



In a capital intensive business like paper, manufacturing plays a pivotal role in determining the long-term sustainability of the Company. An efficient manufacturing process can lead to optimum capacity utilisation, enhanced productivity, cost saving and most importantly improved profitability. At NRAIL, we delved deep into each component of our manufacturing process and periodically invested in different processes to emerge as one of the best in the industry. In addition, we consistently pursue an optimal manufacturing footprint which ensures efficient and timely product deliveries to markets.

Talking points FY 2018

- We decided to set up one more deinking plant which will help us improve our quality as well as productivity and reduce cost of production.
- We developed our machine from open drawer to closed drawer with the help of installing the bionic press which will help us to further increase our productivity and enhance our quality.
- We also changed our headbox (which gives formation to the paper) from previous old design headbox to a latest and modernized headbox. This will help us give good formation to our products and improve our quality.

Road ahead

Moving forward, the Company expects to undertake periodical enhancement of equipment with two state-of-the-art alternatives without compromising productivity across all the manufacturing units. The Company plans to further enhance its captive power generation capacity so that in near future NRAIL can be zero percent externally dependent on its power requirement. The Company also plans to undertake technology upgradation across units to enhance in-sourcing, efficiency and labour productivity.

Marketing



The Indian paper market is highly fragmented and is marked by low entry barriers and regular price disturbances. In such a competitive scenario, it is imperative to efficiently market products around needs of our customers and then quickly distribute them across markets. At NRAIL, we feel that it is necessary to market a diverse product range addressing wide customer needs.

Over the years, NRAIL has differentiated itself from industry peers in a highly competitive market with continual changes in its marketing and branding strategies, and aligning its offerings to the customer's needs.

Talking points FY 2018

- There was an increase of 6-7% in our home market which helped us yield better realizations for our products and further allowed us to improve our pricing in the distance and exports market.
- We focused on strengthening our focus in local market with extensive field work and by adding new customers and distributors.
- We strengthened our marketing team, enabling us to reach a wider audience.

Road ahead

Moving forward, the Company plans to further strengthen its domestic presence by enhancing its brand equity through effective communications. It also plans to focus on strengthening relationship with key accounts with the help of our trained sales forces, and develop different marketing initiatives for different markets, taking into account the channel development as well as consumer trends and competitors' actions.

People

At NRAIL, we firmly believe that performance, knowledge and skills of our employees are integral to our success. At NRAIL, we are aware that our employees power the success of the Company and we are committed to empowering theirs. With more than 1400 employees as on

March 31, 2018, we continue to march ahead, backed by our employees. Only with such talent we are able to foster a healthy and productive environment and ensure excellence through a strong performance management system.

Road ahead

As we grow bigger and better in terms of an organisation, we would continue to focus all the more on the well-being of our people and would continue to invest in them to ensure we have and retain the right people, teams and skills to grow our business.

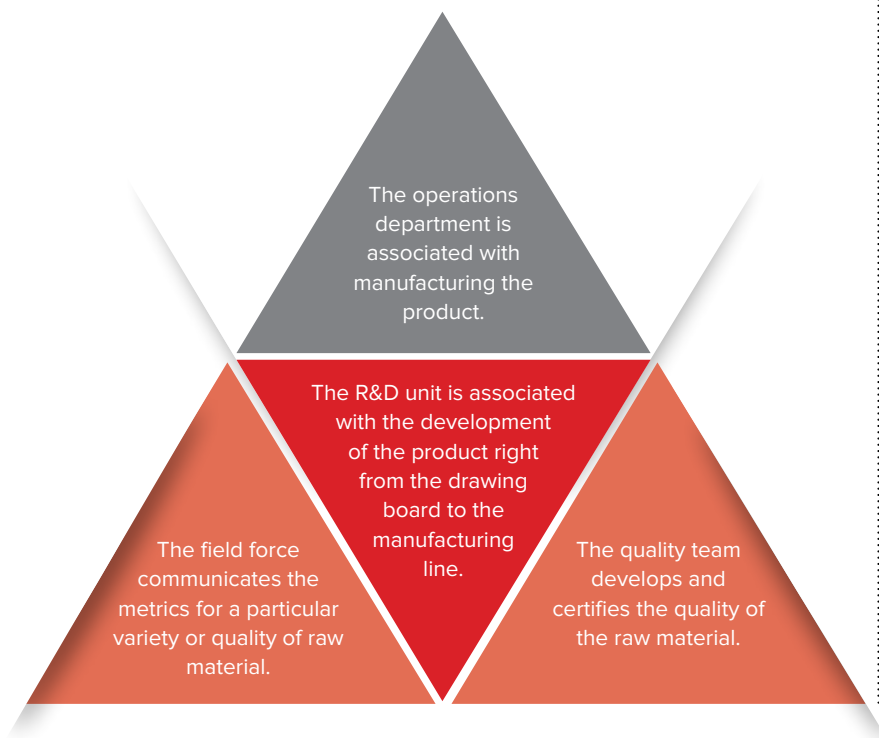
Business enabler - IV

Quality



At NRAIL, we believe that quality of our products is one of the key determinants of our business sustainability. Our persistent emphasis on enhancing the product quality helped us successfully meet the customers' expectations along with meeting the desired growth target. The inherent outcome of our quality products is evident in the fact that over the years NRAIL has gained the preferred supplier status.

NRAIL's quality pyramid



Talking points FY 2018

- Undertook various stringent quality control measures and quality check of all product lines to ensure products are released only when they meet the set parameters
- Reviewed and updated the quality policies, procedures and performance
- Invested towards modernizing our existing facilities

Road ahead

Across the organisation, product quality is of prime importance and in future we would continue to do so. We plan to further strengthen our quality checks to make our products more in line with the international benchmarks. We plan to deploy quality control specialists and operate strict policies within an organisational culture of hygiene and product quality to ensure that consistently high standards are maintained in our operations and in the sourcing and handling of raw materials.

Board of Directors



Mr. R N Agarwal
Chairman & Managing Director



Mr. Raunak Agarwal
Whole Time Director



Mrs. Reena Agarwal
Whole Time Director



Mr. Ashok Kumar Bansal
Whole Time Director



Mr. P Kumar
Independent Director



Mr. C R Radhakrishnan
Independent Director



Mr. R K Bakshi
Independent Director



Mr. Ajay Aravind Nair
Independent Director

Notice

Notice is hereby given that the Twenty-Fifth Annual General Meeting of the members of N R Agarwal Industries Ltd. will be held on Friday, September 28, 2018 at 11.30 a.m. at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D N Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai – 400 053 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Independent Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2018.
3. To appoint a Director in place of Shri Raunak Agarwal (DIN 02173330), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Shri Rajendra Agarwal (DIN: 00176440) as the Managing Director

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder and SEBI (Listing Obligations and Disclosures Requirement) (Amendment) Regulation, 2018 notified by SEBI by way of Notification No. SEBI/ LAD-NRO/ GN/ 2018/ 10 dated May 9, 2018, (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and subject to other consents required, if any, approval of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri R N Agarwal (DIN: 00176440) as the Managing Director of the Company for a period of 3 (three) years with effect from August 1, 2018 to July 31, 2021 on the terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the Notice convening this Meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the

said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri R N Agarwal, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 and rules made thereunder or any statutory modification(s) or re-enactment(s) thereof;

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

RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013 or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board be and is hereby authorized to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling and the Agreement between the Company and Shri R N Agarwal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company;

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

5. Appointment of Shri Rajiv Kumar Bakshi (DIN: 00264007) as an Independent Director

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

RESOLVED THAT Shri R K Bakshi (DIN 00264007) who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 7, 2018 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 shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri R K Bakshi (DIN 00264007), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from February 7, 2018 to January 31, 2023.

6. Continuation of holding the office of Directorship by Shri P Kumar (DIN: 00179074) as an Independent Director

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

RESOLVED THAT pursuant to the SEBI (Listing Obligations and Disclosures Requirement) (Amendment) Regulation, 2018 notified by SEBI by way of Notification No. SEBI/ LAD-NRO/ GN/ 2018/ 10 dated May 9, 2018 and all other applicable provisions of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015, ("Listing Regulations") the Companies Act, 2013 and Rules framed thereunder, and such other applicable laws, rules, regulations, guidelines ("other applicable laws") (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the Company do hereby approve continuation of Directorship of Shri P Kumar, (DIN 00179074) Non-Executive Independent Director of the Company, who has attained the age of seventy five years, till his original term upto September 19, 2019.

7. Approval of the limits for the Loans, Guarantees and Investments by the Company pursuant to Section 186 of the Companies Act, 2013

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

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and such other provisions as may be applicable, if any, and the Rules made thereunder, including any statutory modification or re-enactment

thereof for the time being in force, the Board of Directors of the Company be and is hereby authorised to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to and to make investments in shares, debentures, financial instruments and/ or any other securities of other body corporates or person as they may in their absolute discretion deem beneficial and in the interest of the Company up to a sum not exceeding ₹ 1500 Cr outstanding at any time, notwithstanding that such loans/ investments/ guarantees together with the loans / investments / guarantees already made/ provided may exceed the limits prescribed under Section 186 (amended from time to time) i.e. 60% of the paid up Share Capital and Free Reserves and Securities Premium of the Company or 100% of Free Reserves and Securities Premium of the Company whichever is higher;

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees and investment including the timing, amount and other terms and conditions of such loans, guarantees and investment and varying the same through transfer, sale, disinvestments or otherwise either in part or in full as it may deem appropriate, and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient in this regard and to exercise all the rights and powers which would vest in the Company in pursuance of such loans, guarantees and investment.

8. Ratification of Cost Auditors' remuneration

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

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. N. Ritesh & Associates, Cost Accountants, (Registration No. 100675) 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, 2019, 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. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered as invalid. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2.** The Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business under Item Nos. 4 to 8 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.
- 3.** The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 21, 2018 to Friday, September 28, 2018 (both days inclusive).
- 4.** Members holding shares in electronic form are advised to send their request for the change of address, bank particulars, residential status or request for transmission of shares etc to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent to the Company,

Sharex Dynamic (India) Private Limited, Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400072, Maharashtra.

- 5.** In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 (erstwhile Section 205A, 205C of the Companies Act 1956), the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Central Government. Accordingly, the unclaimed dividend in respect of financial year 2010-11 is due for transfer to the said Fund in October, 2018. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2010-11 onwards, are requested to lodge their claims with the RTA for the same.

Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which inter alia requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to Investor Education and Protection Fund Authority ('IEPF Authority'). The said shares, once transferred to IEPF can be claimed after following due procedure prescribed under the said IEPF rules. The Company has intimated individually all such shareholders, dividend on whose shares has remained unpaid for a continuous period of seven years and a notice in this regard has also been published in the newspapers. The Statement of Unclaimed Dividend amount for 7 consecutive years and shares due for transfer to IEPF is placed on the website of the Company at http://www.nrail.com/unpaid_dividend.html. Members are therefore requested to approach the Registrar and Share Transfer Agent of the Company to claim their unpaid dividend, if any.

- 6.** Members/Proxies should bring the enclosed Attendance Slip duly filled for attending the Annual General Meeting along with their copy of Annual Report.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA), Government of India, has allowed Companies to send official documents

to their shareholders electronically as a part of its green initiatives in Corporate Governance. The Listing Regulations permits the Companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email id with the Registrar and Share Transfer Agent of the Company.

7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to date of the Annual General Meeting.
8. The route map to the venue of AGM is provided in the Annual Report for easy location.

9. Voting through Electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time together with relevant clauses in Listing Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote at the 25th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

The e-voting instructions for members are as under:

- (i) The voting period begins on Tuesday, September 25, 2018 at 9:00 a.m. and ends on Thursday, September 27, 2018 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 (record date) i.e. Friday, September 21, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL 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) Shareholders who have already voted prior to the meeting date would be entitled to attend the Annual

General Meeting but shall not be entitled to vote at the meeting.

- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on “**Shareholders**” tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged onto www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

PAN	For Members holding shares in Demat Form and Physical Form
	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth as recorded in your demat account or in the Company records in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN to choose <N R AGARWAL INDUSTRIES LTD.> to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat Account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. September 21, 2018 (may obtain the login ID and password by sending a request at evoting@cdslindia.com) shall follow the procedure laid down above. However, if you are already registered with CDSL 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" option available on www.evotingindia.com.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

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. Friday, September 21, 2018.
- b. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
- c. The Company has appointed Ms. Jigyasa Ved (Membership No. FCS 6488) or failing her Ms. Sarvari Shah (Membership No. ACS 27572) 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.

- d. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same.
- e. 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 CDSL 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,
5th Floor, Opp. City Mall,
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 : July 24, 2018

Annexure to Notice

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

ITEM NO. 4

The Board of Directors of the Company at its meeting held on July 24, 2018 approved the re-appointment of Shri R N Agarwal as the Managing Director of the Company for a further period of three years with effect from August 1, 2018 on terms and conditions as approved by the Nomination and Remuneration Committee.

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

- 1) Term: August 1, 2018 to July 31, 2021
- 2) Remuneration:
 - a) **Salary:** ₹ 20,00,000/- (Rupees Twenty Lakhs only) per month with the power to the Board of Directors to increase from time to time within the ceiling limits laid down in Section 197 read with Schedule V of the Companies Act, 2013
 - b) **Commission:** Commission on net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 read with Schedule V of the Companies Act, 2013
 - c) **Perquisites:**
 - i) Rent free furnished accommodation or house rent allowance;
 - ii) Reimbursement of expenses on actuals pertaining to electricity, gas, water, and telephone;
 - iii) Chauffeur driven car for official use;
 - iv) Reimbursement of all medical expenses incurred for self and family at actuals;
 - v) The Company shall reimburse club membership fees for maximum two clubs and all reasonable expenses incurred for business use;
 - vi) Leave Travel Expenses for self and family in accordance with the policy of the Company
 - vii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the

Income tax Act, 1961.

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

- ix) Leave encashment as per Company policy

Where in any financial year during the currency of the tenure of Shri R N Agarwal, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above salary and perquisites excluding commission, within the ceiling limits prescribed in Schedule V of the Companies Act, 2013 as Minimum Remuneration.

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

A copy of the Agreement dated July 24, 2018 for the re-appointment of Shri R N Agarwal as the Managing Director of the Company is open for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. of the Company except Saturday and Sunday.

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 reappointment and payment of remuneration to Shri R N Agarwal is subject to the approval of shareholders.

Further the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) (Amendment) Regulation, 2018 to be made effective from April 1, 2019 issued by SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 requires the listed entities to avail approval of shareholders by way of Special Resolution for payment of annual remuneration to Promoter Executive Director which exceeds ₹ 5 Cr or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Accordingly, the necessary special resolution for reappointment of Shri R N Agarwal as Managing Director and payment of remuneration is set out at item no. 4 of the Notice.

Shri R N Agarwal is interested in resolutions at item No. 4 which pertains to his appointment and remuneration payable to him. Smt. Reena Agarwal, Whole Time Director and Shri Raunak Agarwal, Whole Time Director may be deemed to be interested in the said resolution as they are relatives of Shri R N Agarwal.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way,

concerned or interested, financially or otherwise, in this resolution.

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

Additional Information as required under Part II of Section II of Schedule V of the Companies Act, 2013.

1. GENERAL INFORMATION			
(1)	Nature of Industry	Paper & Paper Products	
(2)	Date or expected date of commencement of commercial production	Date of Incorporation: 08.12.1993 Date of Commencement of Business: 20.12.1993	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.	
(4)	Financial Performance	2015-16 (₹)	2016-17 (₹) 2017-18 (₹)
	Turnover	8,83,25,36,363	10,95,27,31,868 12,26,16,55,883
	Net profit (as computed under section 198)	4,52,47,555	75,86,30,928 97,08,25,132
	Net profit/ (Loss) as per profit and loss account	17,82,58,289	49,73,18,625 90,24,39,668
	Amount of Dividend paid	-	- 3,40,38,200
	Rate of Dividend declared	-	- 20%
	Earnings before interest, depreciation & taxes	73,28,66,690	1,44,25,11,859 1,61,28,08,331
	% of EBIDTA to turnover	8.30	13.17 13.15
(5)	Export performance and net foreign exchange collaborations	88,56,43,035	84,03,55,939 1,39,24,38,745
(6)	Foreign investments or collaborators, if any.	-	- -
II. INFORMATION ABOUT THE APPOINTEE:			
(1)	Background details	Name:	Shri R N Agarwal
		Designation:	Chairman & Managing Director
		Father's name:	Shri N R Agarwal
		Nationality:	Indian
		Date of Birth:	21/07/1960
		Qualifications:.	BE-Electrical, MBA
		Experience:	Over 30 years in Paper Industry
(2)	Past remuneration	The gross remuneration paid to him during the financial year 2017-2018 is ₹ 2,40,00,000 /- per annum.	
(3)	Recognition or awards	N.A.	
(4)	Job profile and his suitability	The Managing Director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. Considering the above and having regard to his age, qualifications, ability and experience and looking to the business requirement, the proposed remuneration is considered reasonable.	

(5)	Remuneration proposed	A gross remuneration of ₹ 2,40,00,000/- per annum plus incentives as may be decided by the Board of Directors.		
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	Compared to the industry average and the size of the Company, the remuneration proposed to be paid is reasonable.		
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	In addition to the remuneration payable to him as Managing Director, he is also the Promoter of the Company and a relative of Shri Raunak Agarwal and Smt. Reena Agarwal, Whole Time Directors of the Company.		
III.	OTHER INFORMATION:			
(1)	Reasons of loss or inadequate profits.	The Company has reported profits from its operations in the current year and is expecting to earn profits in the future also. This disclosure under Section II, Part II of Schedule V to the Companies Act, 2013 is an enabling provision for payment of remuneration to the above mentioned Directors in the event of losses/inadequate profits.		
(2)	Steps taken or proposed to be taken for improvement	NOT APPLICABLE		
(3)	Expected increase in productivity and profits in measurable terms	Projected Turnover		
		Financial Year	Projected Net Turnover (₹ in Cr)	Projected Profit (PAT) (₹ in Cr)
		31/03/2019	1301.21	95.91
		31/03/2020	1303.21	96.25
		31/03/2021	1330.99	100.25
IV.	DISCLOSURES			
	Details such as remuneration, service contract, notice period etc. of the Directors have been disclosed in the Corporate Governance Report. The Company has not granted any stock options to its Directors.			

ITEM NO. 5

Shri R K Bakshi who has been appointed as an Additional Director in the category of Non-Executive Independent Director of the Company under Section 161 (1) of the Companies Act, 2013 with effect from February 7, 2018 holds office upto the date of this Annual General Meeting and is eligible for appointment as Director.

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 R K Bakshi for the office of Independent Director of the Company.

The Company has received a declaration from Shri R K Bakshi that he meets the criteria of Independence as prescribed under Listing Regulations and Section 149 (6) of the Companies Act, 2013. Further, he has also confirmed that he is not disqualified

from being appointed as Director under Section 164 of the said Act and has given his consent to act as a Director of the Company.

The Board of Directors are of the opinion that Shri R K Bakshi possesses relevant expertise and experience and is eligible for the position of an Independent Director of the Company and fulfills the conditions specified by the Companies Act, 2013 and the Listing Regulations and that he is independent of the management of the Company. The Board considers that his association as Director will be beneficial and in the best interest of the Company. A copy of letter of appointment of Shri R K Bakshi as Non-Executive Independent Director setting out the terms and conditions of his appointment is available for inspection by members at the registered office of the Company.

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.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Shri R K Bakshi himself is concerned or interested, financially or otherwise in this resolution at Item No. 5.

The Board recommends this Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the members.

ITEM NO. 6

SEBI has vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018 issued the SEBI (Listing Obligations and Disclosures Requirement) (Amendment) Regulation, 2018 ("the Amendment Regulations") which brought amendment in the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015 ("the Listing Regulations") to be made effective from April 1, 2019, save as otherwise specifically provided for in the Amendment Regulations. One of the said amendments requires the listed entities to avail approval of shareholders by way of Special Resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of seventy-five years. This amendment is going to be effective from April 1, 2019.

Shri P Kumar, Non-Executive Independent Director of the Company, has already attained the age of seventy five years. As per the original shareholders' approval, the appointment of Shri P Kumar is valid till September 19, 2019, ("Original Term") in terms of the provisions of the Companies Act, 2013.

The Board is of the opinion that the skills, expertise and vast experience of Shri P Kumar would continue to add value to the Company. The Board upon the recommendation of Nomination and Remuneration Committee decided to seek the approval of shareholders at the ensuing Annual General Meeting in terms of the provisions of the Amended Regulations for continuation of the directorship of above said Director post March 31, 2019 upto his respective original term of appointment.

Accordingly, the Board recommends the Special Resolution as set out at Item No. 6 of the accompanying Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Shri P Kumar is in any way concerned or interested (financially or otherwise), in the proposed respective Special Resolution set out at Item No. 6 of the Notice.

ITEM NO. 7

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required notwithstanding the aggregate of the loans, guarantees and investments made so far made along with the loans, guarantees and investments proposed to be made by the Board, may exceed sixty per cent of paid up capital, free reserves and securities premium account or one hundred per cent of free reserves and securities premium account whichever is higher..

Pursuant to the provisions of Section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account. Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of this annual general meeting for an amount not exceeding ₹ 1,500 Cr outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

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. 7.

The Board recommends this Special Resolution at Item No. 7 of this notice for approval by the shareholders.

ITEM NO. 8

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 has approved the appointment of N. Ritesh & Associates, Cost Accountants as the Cost Auditor of the Company for the FY 2018 at a remuneration of ₹ 1,00,000/- per annum and also the payment of GST as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit. 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. 8.

The Board recommends the Ordinary Resolution at Item No. 8 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,
5th Floor, Opp. City Mall,
New Link Road, Andheri (West),
Mumbai 400 053
CIN:L22210MH1993PLC133365
Tel. No. +91 (22) 67317500
Fax No. +91 (22) 26730227 / 26736953
Email ID: investors@nrail.com
Website: www.nrail.com

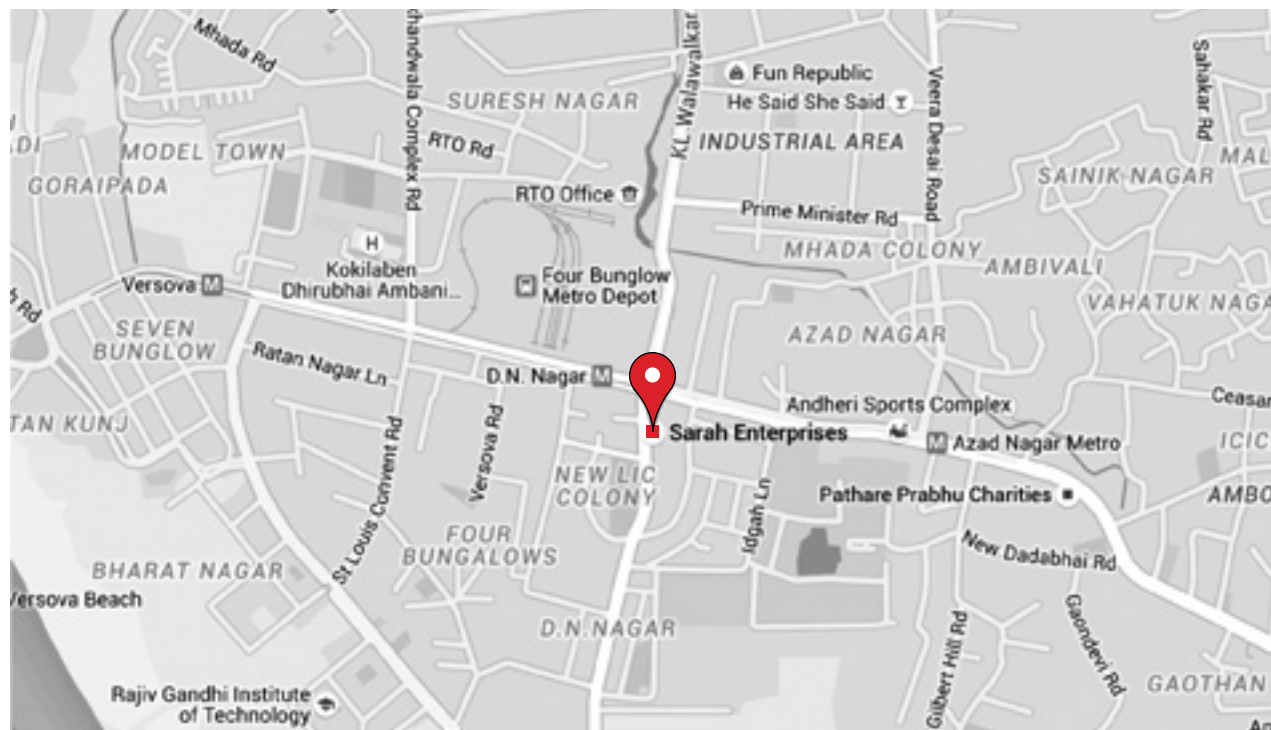
Place: Mumbai
Date : July 24, 2018

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	Shri Raunak Agarwal	Shri Rajendra Agarwal	Shri P Kumar	Shri R K Bakshi
Age	29 years	56 years	81 years	66 years
Date of Appointment	01.05.2008	08.12.1993	20.09.2014	07.02.2018
Qualification	Graduate in Business Administration	BE-Electrical, MBA	M.A. C.A.I.I.B	M.Sc., CAIIB, Diploma in Bank Management
Expertise/Experience in specific functional area	Over 10 years of experience in Paper Industry	Over 25 years of experience in Paper Industry as an industrialist	Over 45 years of experience in Banking and Management consultancy	Over 37 years of experience as a Professional Banker and Ex-ED of Bank of Baroda
Directorships in other companies	NIL	NIL	Banswara Syntex Ltd.	W.H. Brady & Co. Ltd. A. K. Capital Finance Pvt. Ltd. Regency Hospital Ltd.

Particulars	Shri Raunak Agarwal	Shri Rajendra Agarwal	Shri P Kumar	Shri R K Bakshi
Memberships of Committees in other companies (Includes only Audit & Stakeholders Relationship Committee)	NIL	NIL	Chairman of Audit Committee and Stakeholders' Relationship Committee of Banswara Syntex Ltd.	Member of Audit Committees of W.H. Brady & Co. Ltd., Regency Healthcare Ltd. and A.K. Capital Finance Ltd.
No. of shares held in the Company	32	7922030	NIL	NIL
Relationship between Directors inter-se and the KMPs	Shri Raunak Agarwal is related to Shri Rajendra Agarwal and Smt. Reena Agarwal, Whole Time Directors of the Company	Shri R N Agarwal is related to Smt. Reena Agarwal and Shri Raunak Agarwal, Whole Time Directors of the Company	Shri P Kumar is not related to any of the Directors or KMPs of the Company	Shri R K Bakshi is not related to any of the Directors or KMPs of the Company
Number of Board meetings attended during 2017-18	4	4	4	1

ROUTE MAP (Venue of AGM)



Director's Report

To the Members,

Your Directors are pleased to present the 25th Annual Report along with Audited Financial Statements of the Company for the year ended March 31, 2018.

Financial Results

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Operations and Other Income	123229.02	110133.81
Finance Costs	3794.82	4280.26
Gross Profit after Finance Costs but before Depreciation and Taxation	12333.26	10144.86
Depreciation	2625.93	2450.47
Profit before Tax and Exceptional Items	9707.33	7694.39
Exceptional Items	-	(120.88)
Profit before Tax and after Exceptional Items	9707.33	7815.27
Provisions for Taxation	62.48	-
Tax expense of previous year (net)	12.60	-
Deferred Tax	607.86	2842.08
Net Profit for the year	9024.40	4973.19
Other Comprehensive Income (Net of Tax)	7.10	(13.96)
Total Comprehensive Income	9031.49	4959.22

Industry Overview

Globally over 400 million tons of paper and paper products are consumed. The world's three largest paper producing countries are China, the US, and Japan (these three countries account for approximately half of the world's total paper production), while India accounts for a small but growing share of the global market. The global paper and pulp mills industry has contracted slightly over the past five years, primarily due to the shift to digital media and paperless communication across most developed economies. However, demand in emerging markets has partially offset the decline by driving increased demand for paper used in packaging materials.

In spite of the continual focus on digitization, India's requirement for paper is anticipated to rise 53 percent in the next six years, principally due to a sustained boost in the number of school-going children in rustic areas. Growing consumerism, modern retailing, rising literacy and the growing use of documentation will continue demand for writing and printing paper buoyant. The exponential enlargement of e-commerce in the nation has opened up the latest horizon and could donate significantly to the demand where the paper is being lengthily used for packaging.

State of Company's Affairs

Your Company delivered another round of commendable

performance this year. The Revenue of the Company in 2017-18 increased from ₹ 1101.34 Cr to ₹ 1232.29 Cr registering a growth of 11.89% over last year. The Profit after Tax for the current year also increased by 81.46% to 90.24 Cr as against the 49.73 Cr in the previous year. During the current year, Excise Duty till June 30, 2017 is included in Revenue, whereas in previous year the Excise duty for full year is included in the Revenue. Further after implementation of GST, the Revenue excludes GST.

First-time adoption of Indian Accounting Standards

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 1, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly,

the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 1, 2016, the date of transition to Ind AS.

Material Changes and Commitments affecting financial position of the Company occurred between March 31, 2018 and date of this report

There are no material changes and commitments which affected the financial position of the Company between March 31, 2018 and date of this report i.e. July 24, 2018.

Number of Meetings of the Board of Directors

There were four meetings of the Company's Board of Directors during the FY 2018.

Transfer to reserves

There was no transfer made to the General Reserve.

Dividend

The Directors are pleased to recommend a final dividend of ₹ 3/- per equity share of face value ₹ 10/- each on 4558177 equity shares for FY 2018 subject to the approval of members at the ensuing Annual General Meeting of the Company, resulting in an appropriation of ₹ 1,64,85,362/- (including Corporate Dividend Tax of ₹ 28,10,831/-) No dividend was recommended on 12460923 equity shares held by the promoters who have irrevocably waived their entitlement to dividend for the FY 2018.

Directors and Key Managerial Personnel

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

The re-appointment of Smt. Reena Agarwal & Shri Raunak Agarwal as the Whole Time Directors of the Company was approved by the shareholders at the Annual General Meeting held on September 20, 2017.

The term of office of Shri R N Agarwal as the Managing Director of the Company expires on July 31, 2018. The Board at its meeting held on July 24, 2018 has recommended his re-appointment for a further period of three years. The resolution seeking approval of the members for the re-appointment of Shri Rajendra Agarwal as Managing Director has been incorporated in the notice of the forthcoming Annual General Meeting of the Company.

Shri S N Chaturvedi has vacated his office of Independent Director with effect from November 10, 2017 owing to disqualification u/s Section 164 of the Companies Act, 2013.

With a view to strengthen the Board and also to meet the regulatory requirements, the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee appointed Shri R K Bakshi as an Additional Independent Director of the Company with effect from February 7, 2018 to hold office upto January 31, 2023. The said appointment is subject to the approval of the members of the Company in General Meeting.

Apart from the above, there has been no change with respect to the Directors and Key Managerial Personnel during the year 2017-18.

Independent Directors Declaration

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (LODR), 2015. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Directors of the Company.

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 incidences of non-acceptance of any recommendation of the Audit Committee.

The Committee members met four times during the year under review. The details of this meeting 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. A copy of this policy is available on the Company's website. The 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 have been denied access to the Audit Committee so far. 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, including 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 required 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 formulated the criteria for determining qualifications, 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: In accordance with the above criteria, 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.

Qualifications: 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 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 and communication skills and 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 including 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.

A separate exercise was carried out to evaluate individual Director's performance including that of the Chairman and the Managing Director, 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 explanation 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, 2018 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 in view of the provisions under 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.

Extract of Annual Return

The extracts of Annual Return as on March 31, 2018 as required under sub-section 3 of Section 92 of the Companies Act, 2013 in Form No. MGT 9 is attached as Annexure 2.

Auditors' and Auditors' Report

a. Statutory Auditors

M/s. GMJ & Co., Chartered Accountants, have been appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting ("AGM") of the Company held on September 20, 2017, to hold office till the conclusion of the 29th AGM of the Company to be held in the year 2022.

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, reservation or adverse remark.

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 Parikh & Associates, Company Secretaries in practice for the FY 2018 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure 3.

The Secretarial Audit Report for the financial year ended March 31, 2018 does not contain any qualification, reservation or adverse remark.

c. Cost Auditors

N. Ritesh & Associates, Cost Accountants have been appointed to conduct Cost Audits for all the units of the Company for the year ending March 31, 2018 in terms of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014 and as required Cost Audit Report for the FY 2017 was duly filed with Ministry of Corporate Affairs, Government of India on August 4, 2017.

The Cost Audit of the Company for the financial year ended March 31, 2018 was conducted by the said firm and the Report shall be submitted to the Ministry of Corporate Affairs, Government of India within the prescribed time.

Technology Absorption, Energy Conservation & Foreign Exchange Earning & 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 the Annexure 4 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 attached as Annexure 5.

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 public in terms of Section 73 and/or 74 of the Act.

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 under Section 186 of the Companies Act, 2013.

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

Related Party Transactions

The note for 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 6.

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 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 regulations 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 limits, it 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 FY 2018, the Company has spent a total amount of ₹ 38,50,000/- towards CSR initiatives.

The CSR Report, forming part of this Report, is furnished in Annexure 7.

Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules there under for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint on sexual harassment was received during the FY 2018.

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 2017-2018.

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 (http://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. We develop leaders at global platforms at regular intervals as a part of our commitment to engage and retain talent. We offer robust leadership development efforts to hone employee skills and help keep the Company ahead of the curve.

People are our real strength & while pursuing best-in-class performance, the Company is significantly increasing its 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.

Acknowledgements

Your Directors place on record their deep appreciation to 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.

On behalf of the Board of Directors

Mumbai,
July 24, 2018

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Annexure – 1

Remuneration Policy

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

1.01 Guiding Principles:

- (i) The terms of employment and remuneration of the Managing Director (MD), Wholetime 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-flier 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 shall be published on its website.

Annexure – 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

CIN	L22210MH1993PLC133365
Registration Date	08/12/1993
Name of the Company	N R Agarwal Industries Ltd.
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered Office and Contact Details	502-A/501-B, Fortune Terraces, 5th Floor, Opp. City Mall, New Link Road, Andheri (West), Mumbai 400 053 Tel: +91 (22) 67317500 Fax: +91 (22) 26730227 / 26736953 Email: admin@nrail.com Website : www.nrail.com
Whether listed Company	Yes
Name, address and contact details of Registrar & Transfer Agents (RTA), if any	Sharex Dynamic (India) Private Limited Unit I, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400072 Tel: 022-28515606/5644 Email : investors@sharexindia.com

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the Company is as stated:-

S. No.	Name and Description of main products / services	NIC Code of the products/services	% to total turnover of the Company
1	Duplex Boards	1701	46.30
2	News Print	1701	2.50
3	Writing & Printing	1701	51.19

III. Particulars of Holding, Subsidiary and Associate Companies:

None

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	12460923	0	12460923	73.217	12460923	0	12460923	73.217	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A)(1)	12460923	0	12460923	73.217	12460923	0	12460923	73.217	0
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) =(A) (1) + (A)(2)	12460923	0	12460923	73.217	12460923	0	12460923	73.217	0
B. Public Shareholding									
(1) Institutions									
(a). Mutual Funds	0	0	0	0	251887	0	251887	1.480	1.480
(b). Banks / FI	0	2000	2000	0.012	22944	2500	25444	0.150	0.138
(c). Central Govt.	0	0	0	0	0	0	0	0	0.000
(d). State Govt.	0	500	500	0.003	0	0	0	0	-0.003
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(f). Insurance Companies	0	0	0	0	0	0	0	0	0.000
(g). FIs	0	4300	4300	0.025	87345	0	87345	0.513	0.488
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(i). Others (specify)	0	0	0	0	0	0	0	0	0.000
Sub-total (B)(1):-	0	6800	6800	0.04	362176	2500	364676	2.142	2.103
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	875557	6200	881757	5.181	562916	1200	564116	3.315	-1.866
ii) Overseas	0	0	0	0	0	0	0	0	0.000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1944392	556724	2501116	14.696	1736812	398621	2135433	12.547	-2.149
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	911883	30000	941883	5.534	1021316	30000	1051316	6.177	0.643
c) Others (specify)									
Non Resident Indians	134686	0	134686	0.791	97238	0	97238	0.571	-0.220
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0.000
Foreign Nationals	0	0	0	0	0	0	0	0	0.000
Clearing Members	91935	0	91935	0.54	36543	0	36543	0.215	-0.325
Trusts	0	0	0	0	0	0	0	0	0.000
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0.000
IEPF	0	0	0	0	133370	0	133370	0.784	0.784
NBFCs registered with RBI	0	0	0	0	7310	0	7310	0.043	0.043
HUF	0	0	0	0	137375	30800	168175	0.988	0.988
Sub-total (B)(2):-	3958453	599724	4558177	26.742	3732880	460621	4193501	24.640	-2.102
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3958453	599724	4558177	26.782	4095056	463121	4558177	26.783	0.001
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	16419376	599724	17019100	100.00	16555979	463121	17019100	100.00	0

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017			Shareholding at the end of the year i.e. 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	Physical % of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Rajendra Agarwal	7922030	46.548	46.548	7922030	46.548	46.548	0
2	Reena Agarwal	4538861	26.669	26.669	4538861	26.669	26.669	0
3	Raunak Agarwal	32	0	0	32	0	0	0
	TOTAL	12460923	73.217	73.217	12460923	73.217	73.217	0

iii) Change in Promoters' Shareholding (please specify if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year	12460923	73.217	12460923	73.217
2.	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change during the year			
3.	At the end of the year	12460923	73.217	12460923	73.217

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Ganpatraj Lalchand Chowdhary	0	0	01-04-2017				
				07-04-2017	60492	Buy	60492	0.355
				14-04-2017	102950	Buy	163442	0.96
				21-04-2017	111963	Buy	275405	1.618
				28-04-2017	8934	Buy	284339	1.671
				05-05-2017	21806	Buy	306145	1.799
				12-05-2017	32769	Buy	338914	1.991
				19-05-2017	30026	Buy	368940	2.168
				26-05-2017	20232	Buy	389172	2.287
	-Closing Balance	389172	2.287	31-03-2018				

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
2	Creelotex Engineers Pvt. Ltd	247273	1.453	01-04-2017				
	-Closing Balance	247273	1.453	31-03-2018		No Change		
3	BNP Paribas Dividend Yield Fund	120000	0.705	08-12-2017				
				15-12-2017	15016	Buy	135016	0.793
				22-12-2017	8984	Buy	144000	0.846
				29-12-2017	6000	Buy	150000	0.881
				05-01-2018	5000	Buy	155000	0.911
				26-01-2018	15000	Buy	170000	0.999
				02-02-2018	10000	Buy	180000	1.058
				16-02-2018	7000	Buy	187000	1.099
				23-02-2018	3000	Buy	190000	1.116
				09-03-2018	5000	Buy	195000	1.146
	-Closing Balance	195000	1.146	31-03-2018				
4	Investor Education and Protection Fund Authority	0	0	01-04-2017				
				08-12-2017	133370	Buy	133370	0.784
	-Closing Balance	133370	0.784	31-03-2018		No Change		
5	Dolly Khanna	0	0	01-04-2017				
				19-05-2017	2749	Buy	2749	0.016
				26-05-2017	2186	Buy	4935	0.029
				02-06-2017	4335	Buy	9270	0.054
				09-06-2017	1785	Buy	11055	0.065
				16-06-2017	2980	Buy	14035	0.082
				23-06-2017	7116	Buy	21151	0.124
				30-06-2017	10765	Buy	31916	0.188
				07-07-2017	29104	Buy	61020	0.359
				14-07-2017	9008	Buy	70028	0.411
				21-07-2017	7125	Buy	77153	0.453
				28-07-2017	2640	Buy	79793	0.469
				04-08-2017	5850	Buy	85643	0.503
				11-08-2017	-1000	Sold	84643	0.497
				01-09-2017	-1500	Sold	83143	0.489
				30-09-2017	-3000	Sold	80143	0.471
				13-10-2017	-2000	Sold	78143	0.459
				20-10-2017	-2000	Sold	76143	0.447
				27-10-2017	-3500	Sold	72643	0.427
				03-11-2017	-2000	Sold	70643	0.415
				10-11-2017	5300	Buy	75943	0.446
				24-11-2017	1500	Buy	77443	0.455
				01-12-2017	1410	Buy	78853	0.463
				08-12-2017	1950	Buy	80803	0.475

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2017)/ end of the year (31/03/2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
				12-01-2018	3711	Buy	84514	0.497
				23-03-2018	1640	Buy	86154	0.506
	-Closing Balance	86154	0.506	31-03-2018				
6	Publicity Society of India Ltd.	0	0	01-04-2017				
				08-12-2017	25000	Buy	25000	0.147
				12-01-2018	25000	Buy	50000	0.294
				19-01-2018	34000	Buy	84000	0.494
	-Closing Balance	84000	0.494	31-03-2018				
7	Sunil Madanlal Agrawal	67055	0.394	01-04-2017				
				16-06-2017	100	Buy	67155	0.395
				07-07-2017	200	Buy	67355	0.396
				30-09-2017	100	Buy	67455	0.396
				15-12-2017	100	Buy	67555	0.397
				29-12-2017	100	Buy	67655	0.398
				12-01-2018	200	Buy	67855	0.399
				19-01-2018	200	Buy	68055	0.4
				02-02-2018	200	Buy	68255	0.401
	-Closing Balance	68255	0.401	31-03-2018				
8	India Max Investment Fund Limited	0	0	01-04-2017				
				13-10-2017	75000	Buy	75000	0.441
				15-12-2017	-6500	Sold	68500	0.402
				12-01-2018	-3500	Sold	65000	0.382
				19-01-2018	-1500	Sold	63500	0.373
	-Closing Balance	67000	0.394	31-03-2018	3500	Buy	67000	0.394
9	Rajendra Purshottamdas Agrawal	62500	0.367	01-04-2017				
	-Closing Balance	62500	0.367	31-03-2018		No Change		
10	Bhupesh Kumar Lodha And Sons HUF	0	0	01-04-2017				
				10-11-2017	45000	Buy	450000	0.264
				01-12-2017	55015	Buy	100015	0.588
				08-12-2017	-15	Sold	100000	0.588
				15-12-2017	-15000	Sold	85000	0.499
				02-02-2018	-15000	Sold	70000	0.411
				02-03-2018	-5000	Sold	65000	0.382
				16-03-2018	-10000	Sold	55000	0.323
	-Closing Balance	55000	0.323	31-03-2018				

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Shri R N Agarwal, Managing Director				
At the beginning of the year	7922030	46.548	7922030	46.548
Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	7922030	46.548	7922030	46.548
Shri Raunak Agarwal, Whole Time Director				
At the beginning of the year	32	0.00	32	0.00
Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	32	0.00	32	0.00
Smt. Reena Agarwal, Executive Director				
At the beginning of the year	4538861	26.669	4538861	26.669
Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	4538861	26.669	4538861	26.669

Apart from these Directors, none of the other Directors hold any shares in the Company and nor have had any transaction in the shares of the Company during the year under concern.

For Each of the KMPs (apart from Directors)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	None of the KMPs hold shares in the Company			
Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the KMPs had any transaction in the shares of the Company during the year			
At the end of the year	None of the KMPs hold shares in the Company			

V. Indebtedness

(in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,64,67,64,381	1,45,26,35,227	-	4,09,93,99,608
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29,20,980	-	-	29,20,980
Total (i+ii+iii)	2,64,96,85,361	1,45,26,35,227	-	4,10,23,20,588
Change in Indebtedness during the financial year				
- Addition	49,59,50,479	27,44,37,158	-	77,03,87,637
- Reduction	54,11,97,888	41,38,46,093	-	95,50,43,981
Net Change	(4,52,47,409)	(13,94,08,935)	-	(18,46,56,344)
Indebtedness at the end of the financial year				
i) Principal Amount	2,60,15,16,972	1,31,32,26,292	-	3,91,47,43,264
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53,24,724	-	-	53,24,724
Total (i+ii+iii)	2,60,68,41,696	1,31,32,26,292	-	3,92,00,67,988

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/ Manager				Total Amount
		Shri R N Agarwal (Chairman & Managing Director)	Shri Raunak Agarwal (Whole Time Director)	Smt. Reena Agarwal (Whole Time Director)	Shri Ashok Kumar Bansal (Whole Time Director)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,40,00,000	68,00,000	68,00,000	47,00,000	4,23,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600	39,600	2,65,300	3,84,100
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify...	-	-	-	-	-
5.	Provident Fund	21,600	21,600	21,600	21,600	86,400
6.	Bonus	-	-	-	8,400	8,400
	Total(A)	2,40,61,200	68,61,200	68,61,200	49,95,300	4,27,78,900
	Ceiling as per Act the	Schedule V of the Act	Schedule V of the Act	Schedule V of the Act	Schedule V of the Act	-

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Shri S N Chaturvedi	Shri P Kumar	Shri C R Radhakrishnan	Shri Ajay Nair	Shri R K Bakshi	
1.	Fees for attending Board/ Committee meetings	1,20,000	2,40,000	1,30,000	1,00,000	20,000	6,10,000
2.	Commission	-	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-	-
	Total :	1,20,000	2,40,000	1,30,000	1,00,000	20,000	6,10,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WT D

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri Gopal Uchil (CFO)	Ms. Pooja Daftary (Company Secretary)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	36,53,953	792,984	35,26,734
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	-	28,800
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- Others	-	-	-
5.	Provident Fund	21,600	21,600	43,200
6.	Bonus	8,400	8,400	16,800
	Total(A)	37,12,753	8,22,984	45,35,737

VIII. Penalties/Punishments/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

On behalf of the Board of Directors

Mumbai,
July 24, 2018**R N AGARWAL**
CHAIRMAN & MANAGING DIRECTOR

Annexure – 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
N R AGARWAL INDUSTRIES LTD.

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 Ltd. (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 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, 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, 2018 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, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

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

Factories Act, 1948

Water (Prevention and Control of Pollution) Act, 1974

Environment (Protection) Act, 1986

Hazardous Wastes (Management, Handling & Transboundary movement) Rules, 2008

Indian Boiler Act, 1923 as amended and Regulations made thereunder

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:

- (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 complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

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

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

For **Parikh & Associates**
Company Secretaries

Shalini Bhat
Partner

Place: Mumbai
Date : May 14, 2018

FCS No: 6484 CP No: 6994

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 LTD.

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

Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Whereever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

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.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Place: Mumbai
Date : May 14, 2018

Shalini Bhat
Partner
FCS No: 6484 CP No: 6994

Annexure – 4

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

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

A. Conservation of Energy

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

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

a. 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:

- Recovery of maximum condensate of process steam and returned to power plant in order to increase feed water temperature and to reduce fuel consumption.
- Continuous checking and observation on condensing system for any leakage and same is arrested immediately to avoid loss of heat energy.
- Reduction in power plant frequency to 49 Hz from 50 Hz.
- Continuous checking in steam system and steam trap for any leakage and is attended immediately to reduce loss of heat energy.
- Steam and condensate system modified at paper machine plant and steam consumption per ton of paper reduced.
- Sludge burning started along with coal as fuel substitute resulting in saving of 10-12 tons /day.
- Installation of standby dump tower chest pump for avoiding idle running of Complete DI street, resulting in 3000 units/day saving.

- Installed RO Plant to treat the effluent water for reduction in fresh water intake resulting in saving around 500 m3/day.
- We are planning to install the scalban system to use treated water as cooling water in power plant condenser water. The system will be installed and commissioned by October, 2018.
- Installation of reel turn up system in Unit 1, 2 and 5 to reduce wastage from parent rolls which comes around 40-45 tons/months in all 3 units .
- Installation of boostek system in DIP of Unit 5 for fiber saving with contributes to saving of around 20 tons/month.

b. Other key initiatives for energy conservation:

With the view of reduction in specific energy consumption across the manufacturing units, following initiatives were driven by the plant teams:

- Monitoring and analysis of energy consumption on daily basis with respect to energy model.
- Implementing best practices across all plants.
- Make guidelines for purchase of energy efficient equipments like chillers, air compressors, motors, air conditioners, cooling tower, pumps, transformers etc.

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

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

- Replacement of conventional light fittings with LED fittings across the manufacturing units.
- VFD for pumps and blowers in utilities.
- VFD for chest pumps to control the level of chest.
- VFD for water pumps and operated as per pressure requirement

- Replacement of old vacuum pumps with energy efficient pumps.
- Replacement of reciprocating compressors with screw compressors.
- Replacement of old DDRs with energy efficient refiners.

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.

B. Technology Absorption:

(i) Efforts made towards technology absorption:

- Continuous value engineering through various means such as new and alternate RM use, vendor collaboration, import substitution and identification of new raw materials for development.
- Upgradation of existing product and processes to save cycle time, energy consumption and overall operational efficiency.
- Optimization of products and processes to minimize waste generation and address environmental and safety concerns.
- Fresh water consumption further reduced by recycling the machine back water at machine and pulp mill vacuum pumps.
- Development of in house domain expertise to support product development.

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

- Grid Power MD reduced from 2500 KVA to 1900 KVA.
- 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.
- Reduction in fresh water consumption.

(iii) 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	
	2017-18	2016-17
Foreign exchange earnings	13924.39	8403.56
Foreign exchange outgo	28771.83	26709.10

On behalf of the Board of Directors

Mumbai,
July 24, 2018

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Annexure – 5

[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 FY 2018	Shri R N Agarwal	100:1
		Chairman & Managing Director	
		Shri Raunak Agarwal	29:1
		Whole Time Director	
		Smt. Reena Agarwal	29:1
		Whole Time Director	
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, during the FY 2018	Shri Ashok Kumar Bansal	21:1
		Whole Time Director	
		Shri R N Agarwal	39.70%
		Chairman & Managing Director	
		Shri Raunak Agarwal	69.97%
		Whole Time Director	
(iii)	The percentage increase in remuneration of Chief Financial Officer is 18.12% and percentage increase in remuneration of the Company Secretary is 40.77%.	Smt. Reena Agarwal	69.97%
		Whole Time Director	
		Shri Ashok Kumar Bansal	44.62%
		Whole Time Director	
(iv)	The number of permanent employees on the rolls of Company:		1443
(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 16.86% (other than Managerial Personnel) as against an increase of 48.80% in the remuneration to managerial personnel.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Retention of talented technical and managerial personnel as per 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

Mumbai,
July 24, 2018

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Annexure – 6

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	Shri Rohan Agarwal a) Son of Shri R N Agarwal, Managing Director & Smt. Reena Agarwal, Executive Director b) Brother of Shri Raunak Agarwal, Executive Director	Smt. Natasha Agarwal a) Wife of Rauank Agarwal, Executive Director b) Daughter-in-law of Shri R N Agarwal, Managing Director and Smt. Reena Agarwal, Executive Director
b)	Nature of contracts/ arrangements/ transaction	Appointment of a relative of Director to office or place of profit under Section 188 (f) of the Act. Designation- GM Marketing	Appointment of a relative of Director to office or place of profit under Section 188 (f) of the Act. Designation – Manager Product Development
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 – ₹ 1.50 lakhs per month from April 2017 to July 2017 ₹ 2.50 lakhs per month from August 2017 to March 2018	Remuneration of ₹ 50,000/- per month w.e.f August 1, 2017
e)	Justification for entering into such contracts or arrangements or transactions	Shri Rohan Agarwal has completed his Bachelors in Business Administration from Kingston University (London) and his knowledge and services are beneficial to the Company.	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 5 years in the field of interior designing and styling. Her expertise and experience would add value to the business of the Company.
f)	Date of approval by the Board	29.05.2015	28.07.2017
g)	Amount paid as advances, if any	Nil	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable	Not Applicable

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

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

N I L

On behalf of the Board of Directors

Mumbai,
July 24, 2018

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Annexure – 7

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. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

NRAIL intends to make a positive difference to the society and contribute its share towards the betterment of the area in which the Company operates. NRAIL recognizes that its business activities have wide impact on the areas in which it operates and therefore, an effective practice is required giving 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 was approved by the Board of Directors at its Meeting held on August 8, 2014 and has been uploaded on the Company's website. The web link is: <http://www.nrail.com/companyolicies.html>

2. The Composition of the CSR Committee:

Shri P Kumar (Independent Director) - Chairman
Smt. Reena Agarwal (Whole Time Director) - Member
Shri R K Bakshi (Independent Director) - Member

3. Average net profit of the Company for last three Financial Years : ₹ 19,19,11,724

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 38,38,234

5. Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year : ₹ 38.50 lakhs
(b) Amount unspent, if any : Nil
(c) The manner in which the amount was spent is given below:

(in ₹)							
1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1.	Contribution to Hospitals	Healthcare	Sarigam, Gujarat Aurangabad, Maharashtra Mumbai, Maharashtra	22,70,000	22,70,000	22,70,000	Direct

							(in ₹)
1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
2.	Contribution to educational institutes	Education	Vapi, Gujarat Mumbai, Maharashtra	12,00,000	11,15,000	11,15,000	Direct
3.	Construction of Cremation Ground	Rural Infrastructure Development	Vapi, Gujarat	11,50,000	3,00,000	11,50,000	Muktidham Charitable Trust
4.	Contribution to Sanskrutik Vikas Mandal	Rural Talent Development	Vapi, Gujarat	1,65,000	1,65,000	1,65,000	Direct
Total:				47,85,000	38,50,000	47,00,000	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

R N Agarwal
Chairman & Managing Director

P Kumar
Chairman-CSR Committee

Mumbai, July 24, 2018

Management Discussion and Analysis

Global Economic Overview

In Calendar Year (CY) 2017, the global economy registered a growth of 3.8% (Refer Figure 1), the fastest since the financial crisis in 2008. During the year, the global trade grew at a rate of 4.9%, recovering significantly after two years of downfall. It was more pronounced in the emerging markets and developed economies, which grew from 2.2% in CY 2016 to 6.4% in CY 2017. The growth in economy and trade could be attributed to the recovery in investment in the advanced economies, strong economic growth in Asia and emerging Europe and recovery of commodity exporters.

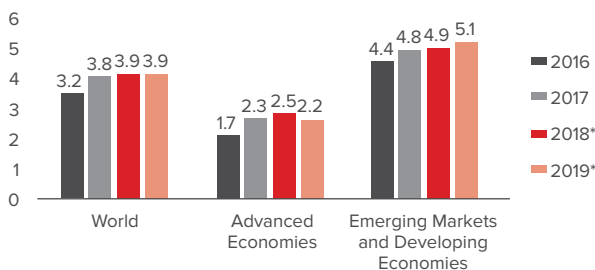
The growth was also backed by favourable financial conditions regardless of high volatility in the equity markets and rise in yield of bonds. The core inflation was on a rise in advanced economies due to improvement in the overall demand of goods and services and firm growth in the emerging economies due to stability in the value of the currency against US Dollars.

The global economy is expected to grow at 3.9% (Refer Figure 1) in CY 2018 and the following year, owing to faster growth in developed economies such as Japan and United States propelled by growth in trade, investment and recovery in commodity exporters. The emerging markets and developing economies are also expected to grow consistently due to rise in consumption and investment activities. (Source: IMF WEO)

Indian Economy Overview

India is the fastest growing economy in the world with an average GDP rate of 7.3% between FY 2014-18, owing to low rate of inflation, rebound in current account balance and significant fall in the fiscal deficit to GDP ratio.

Figure 1 : World Output Growth Rate (in %)



* Estimated
(Source: WEO)

The economy registered a growth of 6.7% (Refer Figure 2) in FY 2018, steadily recovering after hiccups in the early part of the year. During the year under review, the government introduced a series of reforms including the implementation of Goods and Services Tax (GST) as a substitute to majority of indirect taxes thereby simplifying the tax procedures. It is expected that a greater stability in the GST, recovery in investment and ongoing structural reforms would catapult economic growth, which is forecasted to rise at 7.5% in the coming year. (Source: Economic Survey 2017-18, United Nations WESP)

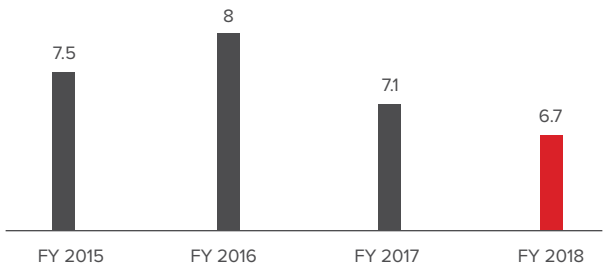
Global Paper Industry Overview

The global paper industry grew by 1.5% from 407.50 million tons in CY 2016 to 420 million tons in CY 2017. Estimated to be valued at \$1,200 billion, the industry is primarily driven by Asian countries especially China, which accounts for majority of the production and consumption of paper and its products, followed by United States and Japan (Refer Figure 3). The industry faces a competition from digital media and communication and use of plastics as an alternative to packaging. The growth of the industry is expected to be steady with rise in the operating revenues offset by rising production costs. Paper packaging and tissue segment would register a growth above 3% due to rise in prices of products, improvement in productivity and strategic acquisitions by corporates.

Sector-Wise

Newsprint and Printing papers: The newsprint and printing paper sector faces challenges from the increasing use of digital medium for media and communication.

Figure 2: Indian GDP Growth Rate (in %)



(Source: CSO, Economic Survey 2017-18)

Corrugated Paper (Board): There has been a marginal rise in the sector due to increasing need in the packaging industry driven by the growth of ecommerce and retail sector. (Source: RISI, CEPI, Euler Hermes)

Strengths and Weakness of the Industry

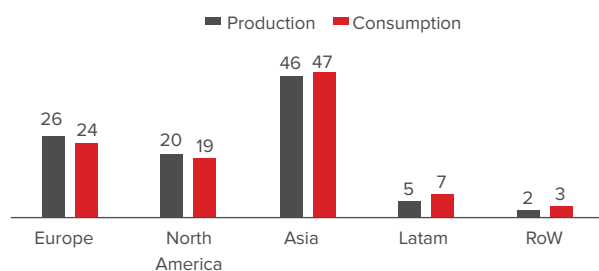
Strengths	Weakness
Growth in the demand of hygiene products	Potential to face need of high investments for growth in future
Growth corresponding with increase in the need of paper packaging for manufacturing and e-commerce industry	High sensitivity to inventory costs. Access to quality and cost competitive raw material
Emergence of new markets due to rise of middle class in the developing economies	Competition from imports

(Source: Euler Hermes)

Indian Paper Industry

Indian paper industry currently contributes around 4% (Refer Figure 5) to the global paper industry. The industry has experienced strong economic growth supported by equally robust demand for paper. The demand drivers and growth triggers have come from a combination of factors such as rising income levels, growing per capita expenditure, rapid urbanisation and a larger proportion of earning population which is expected to lead consumption and there is enormous potential for the paper industry in the country. The industry has stood out as huge employment with around 750 paper mills employing about 5 lakh people across the nation.

Figure 3 : Global Paper and Board Industry (% in volumes)



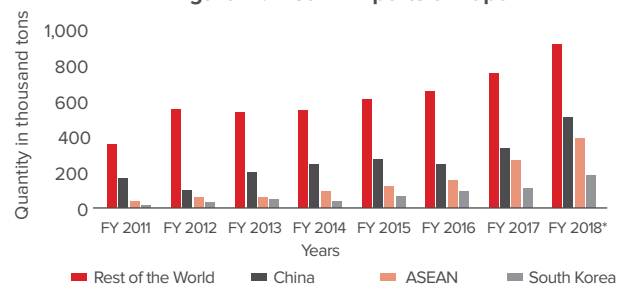
(Source: CEPI, RISI, Euler Hermes)

The annual consumption of Indian paper industry is expected to grow at a CAGR of 10% from 20.37 million tons in FY 2018 to 25 million tons in FY 2020. However, it could be disrupted by impending challenges such as high cost of production, power cost, the presence of highly fragmented market, the existence of foreign competitors and obsolescence in the current technology.

Imports of paper has reached around 4 million tons in FY 2018 against 3 million tons in FY 2017, increasing at a CAGR of 18% in last six years and touching ₹ 13,937 Cr in the last financial year (Refer Figure 4). The primary reason for rising imports is the cost of producing paper in India is higher than other countries due high cost of raw materials and other inputs and energy costs as well.

It is anticipated that the overall demand for paper to grow at a CAGR of 6.60%, which is likely to touch 18.50 million tons in FY 2019. Meanwhile, the demand of paper from Printing and Writing segment and Packaging Paper and Board segment is expected to grow at a CAGR of 4.20% and 8.90% respectively to reach 5.30 million tons and 9.7 million tons respectively in FY 2019. (Source: IPMA, CARE Ratings, ASSOCHAM)

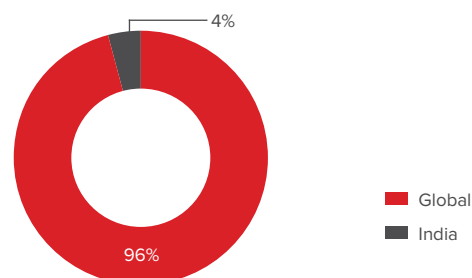
Figure 4 : Rise in imports of Paper



(Source: DGCI&S)

*Annualised based on nine months

Figure 5 : India's share in Global Paper Market



(Source:- CARE Ratings, IPMA)

Inputs used as Raw Materials to Manufacture Paper and its Products

Pulp	Over 40%
Wood	30-35%
Wastepaper	45-50%
Agro-Residues	20-22%

(Source: CARE Ratings)

Key Growth Drivers

The factors that accelerated the growth of the industry are:

- Rise in income levels: India's per capita GDP increased from ₹ 71,607 in FY 2012 to ₹ 1,12,835 in FY 2018. An increase in personal disposable income as well as per capita income led to a rise in consumption of various downstream paper related products.

- Increase in the proportion of earning population: The growth in Indian population especially age group 15-64 has resulted in increase in the earning population of the country. The median age of India is 26.7 years, one of the lowest across the world. The low median age of the population also outlines the potential for earnings growth as well as spending significantly.

- Rise in literacy rate: The increase in the number of schools and colleges reflects rising literacy which would lead to a rise in the paper demand and the expenditure on education, notebooks and other paper products. The rise in the literacy rate positively impacts the demand of newspapers as well.

- Growth in Urbanisation: Higher income generation and better infrastructural facilities has driven people from the rural areas to urban areas, leading to increase in urbanization, leading to increasing consumption for paper products.

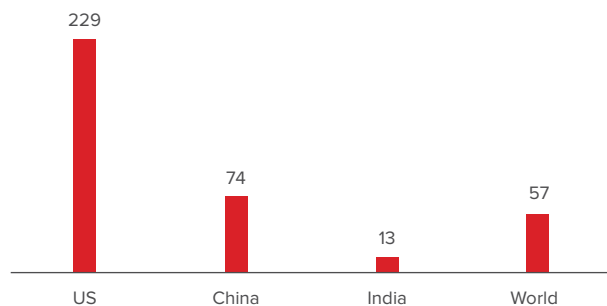
(Source: CARE Ratings)

Segment Wise Demand (million tons) (Refer Figure 7)

Segments	FY 2016	FY 2019P	CAGR (FY 2016-2019P)	% Share FY 2016	% Share FY 2019P
Creamwove	1.8	1.9	2.0%	12%	10%
Maplitho & Copier	2.1	2.4	5.0%	14%	13%
Coated Paper & Others	0.8	1.0	7.0%	5%	5%
P&W	4.7	5.3	4.2%	31%	29%
Recycled Duplex Board	2.5	3.2	8.0%	16%	17%
Virgin Boards	0.6	0.8	12.0%	4%	5%
Packaging Board	3.1	4.0	8.8%	20%	22%
Packaging Papers (Kraft)	4.4	5.7	9.0%	29%	31%
Packaging Paper & Board	7.5	9.7	8.9%	49%	52%
Specialty Papers & Others	0.6	0.8	12.0%	4%	5%
Newsprint	2.5	2.7	2.5%	16%	15%
Total Paper Demand	15.3	18.5	6.6%		

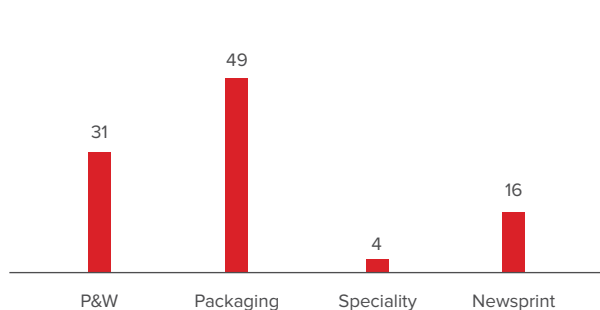
Source: IPMA, CARE Ratings

Figure 6 : Per Capita Consumption of Paper (in Kg)



(Source: CARE Ratings, IPMA)

Figure 7 : Segment wise Consumption : India (in %)



(Source: IPMA)

SWOT Analysis

Strengths

- Well-established player in paper industry
- One of the largest player in Duplex Board segment
- Using waste paper as raw material reduces manufacturing cost and drives profitability
- Strategic Company location close to the port
- The Company has established a wide distribution and dealer network that ensures effective delivery to customers

Weakness

- High dependency on the prices of raw material
- Capital intensive industry
- Low profitability margins

Opportunities

- China's ban on import of waste paper will give a boost to the Indian duplex board industry
- Low per capita consumption of paper in India indicates that there is scope of penetration in the Indian paper market (Refer Figure 6)
- The rise in price of wood pulp will give a boost to the recycled paper segment
- Increase in demand of FMCG and e-commerce is expected to drive the growth of recycled fibre packaging boards segment

Threat

- Decline in demand for paper and board in some of the advanced countries such as North America, Japan, and Western Europe
- Low growth in newsprint segment due to shift of consumers towards digital media

Financial Review

The Company registered an increase in revenues of 12% from ₹ 1095.27 Cr in FY 2017 to ₹ 1226.17 Cr in FY 2018. It grew on account of higher realizations and low raw material costs due to restrictions on import of waste paper in China. The Management had earlier decided to bid adieu to the newsprint segment only to turnabout due to unparalleled rise in realisations to ₹ 47000 per ton from ₹ 32000 per ton.

During the year under review, our EBITDA grew from ₹ 144.25 Cr in FY 2017 to ₹ 161.28 Cr helping us to maintain an EBITDA margin at 13.15% despite a rise in expenses such as cost of materials consumed and other expenses.

The Company also witnessed a rise in net profit after tax from ₹ 49.73 Cr in FY 2017 to ₹ 90.24 Cr in FY 2018. The PAT margin also grew to 7.36% during the year under review compared to that of 4.54% in the previous year.

The current assets rose by 11.48% mainly due to rise in the inventory holding and debtors' level owing to rise in revenue. The long term borrowings reduced by 17.65% from ₹ 187 Cr in FY 2017 to ₹ 154 Cr in FY 2018 (Refer Figure 8).

Particulars	(₹ In Cr)		
	FY 2018	FY 2017	Y-o-Y Growth (in %)
Revenue from Operations (gross)	1226.17	1095.27	12.0
Profit after Tax	90.24	49.73	81.5
EBITDA	161.28	144.25	11.8
Earnings Per Share (in ₹ per share)	53.03	29.22	81.5
Net Worth (as on March 31 of the respective year)	219.39	133.17	64.7

The Company is looking at the possibility of setting up a manufacturing plant with a capacity of 600 TPD of Kraft paper from 100% mixed waste paper. The rationale behind considering kraft as an option is the growing demand in the packaging sector, especially the brown-grade owing to the

booming e-Commerce business and other growth drivers. However, the Company is yet in its planning stage and is assessing the feasibility of the project. It is also planning to expand its presence into new markets and increase its revenue share of exports from the current 11% to 20%.

Risk Mitigation

Risk	Definition	Impact on Company
Volatility Risk	Volatility risk prevails due to uncertainty in the costs of inputs like raw materials and labour impacting the profitability levels of the Company.	High
Currency Risk	Currency risk involves the volatility in currencies of the countries where the Company deals.	Medium
Environmental Risk	A rise in deforestation to extract wood pulp and excessive water usage in manufacturing can lead to environmental risk.	Low
Interest Rate Risk	The risk of getting loans at high rates would further lead to increased fixed costs.	Medium

Figure 8 : Debt to Equity ratio (in times)

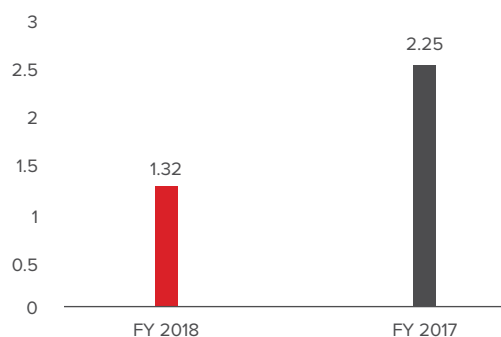
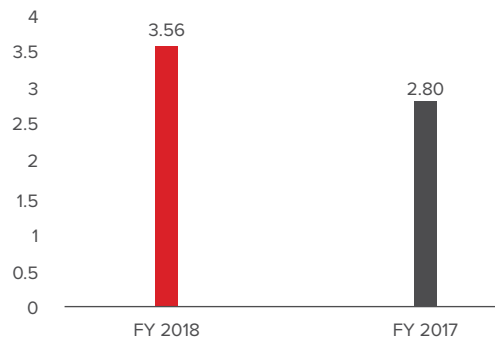


Figure 9 : Interest Coverage ratio (in times)



Volatility Risk

Raw material forms 66% of total operating cost for the Company. An upward volatility in raw material price can increase costs and drive down the profits of the Company. To deal with this risk the Company is focusing on manufacturing value-added products. This will reduce the margin's dependence on raw material price making it less sensitive to the risk.

Currency Risk

The Company faces a currency risk as it is dependent on imports for its raw materials. Foreign currency exchange rate exposure is partly balanced by export of goods and prudent hedging policy.

Environmental Risk

The Company is primarily dependent on waste paper that reduces the dependence on wood pulp. The Company uses a 3R system of reduce, reuse and recycle, and has a full-fledged effluent treatment plant. The Company has also installed a biological aerobic treatment system with jet ejector technology for oxygen transfer and mixing to remove organic pollutants.

Interest Rate Risk

Being a manufacturing entity, the Company requires significant amounts of borrowed funds, the cost of which might be affected by change in interest rates. However, the Company is not exposed to the risk of fluctuation in market interest rates as

the rates are fixed at the time of contract/agreement and does not change with market fluctuation (Refer Figure 9).

Human Resource

The Company believes that it is important for it to have right people at right time and in right place to capitalize the market opportunities and move ahead in the direction of growth. The Company has an unbiased system of performance appraisal and remuneration. It has always taken steps to recognize its best performing employees. The Company has a team of 1443 employees whom it provides with required training and development opportunities.

Internal Control

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and those transactions are authorised, recorded and reported correctly. The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in-house internal audit department. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and for maintaining accountability of persons.

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 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, 2018, 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 8 Directors, out of which 4 are Non-Executive Independent Directors.

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 2017-18	Attendance at the last AGM held on September 20, 2017	No. of other Directorships* (As on 31.03.2018)		No. of other Committee positions in other Committees** (As on 31.03.2018)	
				Chairman	Member	Chairman	Member
Shri R N Agarwal	Chairman & Managing Director	4	Yes	-	-	-	-
Shri Raunak Agarwal	Whole-time Director	4	Yes	-	-	-	-
Smt. Reena Agarwal	Whole-Time Director	4	Yes	-	-	-	-
Shri A K Bansal	Whole-Time Director	4	Yes	-	-	-	-
Shri P Kumar	Non-Executive Independent Director	4	No	-	1	2	-
Shri C R Radhakrishnan	Non-Executive Independent Director	3	Yes	-	-	-	-
Shri Ajay Nair	Non-Executive Independent Director	4	Yes	-	-	-	-
Shri R K Bakshi***	Non-Executive Independent Director	1	No	-	2	-	3
Shri S N Chaturvedi****	Non-Executive Independent Director	2	Yes	-	-	-	-

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

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

*** Shri R K Bakshi has been appointed as an Additional Independent Director with effect from February 7, 2018.

**** Shri S N Chaturvedi vacated his office with effect from November 10, 2017.

The Company held four Board Meetings during 2017-18 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were: May 19, 2017, July 28, 2017, November 10, 2017 and February 7, 2018. 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 and Smt. Reena Agarwal are related to each other. The other Directors are not related to promoters or management at the board level. 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, 2018 have been made by the Directors.

Independent Directors are Non - Executive Directors as defined under Regulation 16(b) of the Listing Regulations. 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. 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.

Board Procedure

The information as required under Schedule II Part A of the Listing Regulations is made available to the Board. The Board also reviews on a quarterly basis, the declaration made by the Managing Director regarding compliance with all applicable laws. The MD & CFO have certified to the Board inter alia the accuracy of financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) read with Part B of Schedule II of Listing Regulations pertaining to the CEO and CFO certification for the financial year ended March 31, 2018.

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

The Familiarisation Programmes imparted to Independent Directors are disclosed on the Company's website at the following web link http://www.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 December 30, 2017 as required under Schedule IV to the Companies Act, 2013 and Listing Regulations. At the meeting, the Independent Directors:

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

All the Independent Directors attended the Meeting.

Evaluation of Board Performance

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

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

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

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 Companies Act, 2013. All members of the Committee have the relevant experience in the field 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 Companies Act, 2013. The Terms of Reference of the Audit Committee are as follows:

- To overview the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- To review with the management, the quarterly and annual financial statements before submission to the Board for approval.

- To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, fixation of audit fees and to approve payment for any other services rendered by the Statutory Auditors.
- To review with the management, performance of Statutory and Internal Auditors.
- To review the adequacy of the internal audit function and efficacy of the internal control systems.
- To review the findings of any internal investigations by the Internal Auditors.
- To review the statement of significant related party transactions submitted by the management.
- And, generally, all items listed in Schedule II Part A of the Listing Regulations.

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

Composition and Attendance during the year

The composition of the Audit Committee and the details of Meetings attended by the members during the year 2017-18 are given below:

Name	Category	No. of Meetings attended during 2017-18
Shri P Kumar, Chairman	Non-Executive Independent	4
Shri C R Radhakrishnan, Member	Non-Executive Independent	3

Name	Category	No. of Meetings attended during 2017-18
Shri S N Chaturvedi, Member*	Non-Executive Independent	2
Shri Raunak Agarwal, Member**	Executive Director	1
Shri R K Bakshi, Member***	Non-Executive Independent	-

* Shri S N Chaturvedi vacated his office with effect from November 10, 2017

** Shri Raunak Agarwal was a member of the Audit Committee from November 10, 2017 to February 7, 2018.

***Shri R K Bakshi was appointed as the member of Audit Committee with effect from February 7, 2018

During the year, the Audit Committee met 4 (four) times on May 19, 2017, July 28, 2017, November 10, 2017 and February 7, 2018 and gap between two meetings did not exceed four months. Necessary quorum was present at the above Meetings.

The Chairman of the Audit Committee was not present at the Annual General Meeting of the Company held on September 20, 2017 and had nominated Shri S N Chaturvedi, Independent Director and member of Audit Committee to act on his behalf. The Committee meetings are attended by the Managing Director, Executive Directors, Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditors whenever required. The Company Secretary acts as the Secretary to the Audit 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 Companies Act, 2013.

Terms of Reference

The broad Terms of Reference of the Nomination and Remuneration Committee 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;
- Formulation of criteria for evaluation of performance of

Independent Directors and the Board of Directors;

- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- To decide the extension or continuation of the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

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 year are given below:

Name	Category	No. of Meetings attended during 2017-18
Shri P Kumar, Chairman	Non-Executive Independent	3
Shri S N Chaturvedi, Member*	Non-Executive Independent	2
Shri C R Radhakrishnan, Member	Non-Executive Independent	2
Shri Ajay Nair, Member**	Non-Executive Independent	1
Shri R K Bakshi, Member***	Non-Executive Independent	-

* Shri S N Chaturvedi vacated his office with effect from November 10, 2017

** Shri Ajay Nair was a member of the Nomination and Remuneration Committee from November 10, 2017 to February 7, 2018.

***Shri R K Bakshi was appointed as the member of Audit Committee with effect from February 7, 2018

During the year, the Nomination and Remuneration Committee met three times on May 19, 2017, July 28, 2017 and February 7, 2018. Necessary quorum was present at the above Meetings.

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 or 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 and 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 package of the Chairman and Managing Director and Executive Directors comprises of salary, perquisites and allowances, and 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, 2018:

(a) Non-Executive Directors

Name of the Directors	Sitting Fees (₹)
Shri S N Chaturvedi	1,20,000
Shri P Kumar	2,40,000
Shri C R Radhakrishnan	1,30,000
Shri Ajay Nair	1,00,000
Shri R K Bakshi	20,000
Total	6,10,000

(b) EXECUTIVE DIRECTORS

Particulars	(In ₹)			
	Shri R N Agarwal Chairman & MD	Shri Raunak Agarwal Whole Time Director	Smt. Reena Agarwal Whole Time Director	Shri Ashok Kumar Bansal Whole Time Director
Salary	2,40,00,000	68,00,000	68,00,000	47,00,000
Perquisites	39,600	39,600	39,600	2,65,300
Bonus	Nil	Nil	Nil	8,400
Commission	Nil	Nil	Nil	Nil
Provident Fund	21,600	21,600	21,600	21,600
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

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

Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has in place a "Stakeholders' Relationship Committee".

Terms of Reference

The Stakeholders' Relationship Committee has been constituted specifically to look into redressal of shareholders and investors complaints pertaining to transfer of shares, non-receipt of shares, non-receipt of dividends and to ensure expeditious share transfer process. The Company Secretary has been designated as the Compliance Officer.

Composition and Attendance during the year

The Stakeholders' Relationship Committee met four (4) times during the year on the following dates May 19, 2017, July 28, 2017, November 10, 2017 and February 7, 2018.

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

Name	Category	No. of Meetings attended during 2017-18
Shri P Kumar, Chairman	Non-Executive Independent	4
Shri R N Agarwal, Member	Executive- Non Independent	4
Shri S N Chaturvedi, Member*	Non-Executive Independent	2
Shri Raunak Agarwal, Member**	Executive Director	1
Shri R K Bakshi, Member***	Non-Executive Independent	-

*Shri S N Chaturvedi vacated his office with effect from November 10, 2017

**Shri Raunak Agarwal was a member of the Stakeholders' Relationship Committee from November 10, 2017 to February 7, 2018.

***Shri R K Bakshi was appointed as the member of Stakeholders' Relationship Committee with effect from February 7, 2018

Based on the report received from the Company's Registrar and Share Transfer Agent, the Company received 5 complaints / grievances during the year which were redressed timely and there were no complaints pending as on March 31, 2018.

Name, Designation and Address of Compliance Officer:

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

Shareholders may also correspond with the Company on its email address viz.: investors@nrail.com Website: www.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 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 periodically reporting to the Board.
- Meeting atleast once a year to review the CSR work in progress.
- To function under the overall supervision of the Board
- To do such other things as may be prescribed in the Act and the Rules thereunder

Composition and Attendance during the year

The CSR Committee met twice during the year on May 19, 2017 and November 10, 2017.

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

Name	Category	No. of Meetings attended during 2017-18
Shri P Kumar, Chairman	Non-Executive-Independent	2
Smt. Reena Agarwal, Member	Executive-Non-Independent	2

Name	Category	No. of Meetings attended during 2017-18
Shri S N Chaturvedi, Chairman*	Non-Executive-Independent	1
Shri Raunak Agarwal, Member**	Executive Director	0
Shri R K Bakshi, Member***	Non-Executive Independent	-

*Shri S N Chaturvedi vacated his office with effect from November 10, 2017

**Shri Raunak Agarwal was a member of Corporate Social Responsibility Committee from November 10, 2017 to February 7, 2018.

***Shri R K Bakshi was appointed as the member of Corporate Social Responsibility Committee with effect from February 7, 2018.

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 finance, delegation of authority for banking transactions, etc.

The Committee met once during the year on April 24, 2017.

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

Name of Director	Category	No. of Meetings attended during 2017-18
Shri R N Agarwal, Chairman	Executive-Non-Independent	1
Shri P Kumar, Member	Non-Executive-Independent	1
Shri S N Chaturvedi, Member*	Non-Executive-Independent	1
Shri Raunak Agarwal, Member**	Executive-Non-Independent	-

* Shri S N Chaturvedi vacated his office with effect from November 10, 2017

** Shri Raunak Agarwal has been appointed as the member of the Executive Committee Meeting with effect from November 10, 2017.

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, M/s. Sharex Dynamic (India) Private Ltd.

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

The Share Transfer Committee of the Board of Directors met 5 (five) times during the year 2017-18 on July 3, 2017, July 20, 2017, October 25, 2017, December 1, 2017 and March 26, 2018 .

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

Name of Director	Category	No. of Meetings attended during 2017-18
Shri R N Agarwal, Chairman	Executive-Non-Independent	5
Shri Raunak Agarwal , Member	Executive-Non-Independent	5

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 Resolution, if any
2016-17	Wednesday, September 20, 2017 at 11.30 a.m.	GMS Community Centre Hall, Sitladevi Complex, D.N. Nagar, Andheri (W), Mumbai - 400053	1. Re-appointment of Reena Agarwal as Whole Time Director 2. Re-appointment of Raunak Agarwal as Whole Time Director

Financial Year	Day, Date & Time	Location	Special Resolution, if any
2015-16	Wednesday, September 28, 2016 at 11.30 a.m.	GMS Community Centre Hall, Sittladevi Complex, D.N. Nagar, Andheri (W), Mumbai - 400053	1. Appointment of Shri Ashok Kumar Bansal as a Whole Time Director
2014-15	Monday, September 28, 2015 at 11.30 a.m.	GMS Community Centre Hall, Sittladevi Complex, D.N. Nagar, Andheri (W), Mumbai - 400053	1. Re-appointment of Shri R N Agarwal as the Managing Director

(b) Details of Extra-Ordinary General Meeting:

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

(c) No Postal Ballot was conducted during the year. None of the resolutions proposed for the forthcoming Annual General Meeting need to be passed by Postal Ballot.

Disclosures

- 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.
- 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.
- 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. No penalties or strictures were imposed on the Company by these authorities.

- 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.
- Schedule V of the Listing Regulations mandates the Company to obtain a Certificate from either the Auditors or Practicing Company Secretaries regarding the compliance of conditions of Corporate Governance stipulated in the Listing Regulations and annex the Certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a Certificate from the Auditors of the Company to this effect and the same is given as an Annexure to this Report.
- The Company has complied with all the mandatory requirements relating to Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the Listing Regulations. Further, the Company has adopted the following non-mandatory requirements of the Clause:
 - The financial statements of the Company are unqualified.
 - The Internal Auditor presents his report to the Audit Committee at the end of every quarter.
- The Company does not have any subsidiaries; hence the policy for material subsidiaries is not applicable to the Company.

Secretarial Audit

Parikh & Associates, Practising Company Secretaries, have conducted a Secretarial Audit of the Company for the year 2017-18. Their Audit 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 3 to the Board's Report.

Commodity Price Risks and Commodity Hedging Activities

During the year 2017-18, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. 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, 2018.

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 circulation. 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 is 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 "Unpaid Dividends".

General Shareholders Information

Annual General Meeting

Friday, September 28, 2018 at 11.30 a.m. at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D N Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai – 400 053.

Corporate Identification Number	: L22210MH1993PLC133365
Financial Year	: April to March
Date of Book Closure	: September 21, 2018 to September 28, 2018 (Both days inclusive)
Dividend Payment Date	: October 10, 2018 (onwards)
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 – 400 051
Script Code	: 516082

NSE Symbol	: NRAIL
Listing Fees	: The Company has paid the Listing Fees to both the exchanges on time.
Demat (ISIN)	: INE740D01017
Registrar and Share Transfer Agent	: Sharex Dynamic (India) Private Limited Unit I, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072 Tel: 022-28515606/5644 Email: investors@sharexindia.com

Share Transfer System:

In case of shares in physical form, request for share transfers can be lodged with Sharex Dynamic (India) Private Limited at the above mentioned address. The transfers are normally processed within a period of 15 days from the date of receipt, if the documents are complete in all respects. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository Participants..

- Pursuant to Regulation 40 (9) of the Listing Regulations, certificates have been issued on a half-yearly basis by a Company Secretary in Practice, certifying due compliance of the share transfer formalities by the Company.
- Pursuant to Regulation 7(3) of the Listing Regulations, certificates have been submitted to the Stock Exchange on half-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.
- A qualified Practicing Company Secretary carries out a Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (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.

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, 2018 are as under:

April'17- March'18	HIGH				LOW			
	NRAIL (BSE)	SENSEX	NRAIL (NSE)	NIFTY	NRAIL (BSE)	SENSEX	NRAIL (NSE)	NIFTY
April	304.80	30184.22	304.00	9367.15	223.05	29241.48	223.00	9075.15
May	348.90	31255.28	345.00	9649.60	267.90	29804.12	268.00	9269.90
June	313.15	31522.87	312.90	9709.30	263.00	30680.66	272.05	9448.75
July	314.70	32672.66	317.70	10114.85	278.30	31017.11	280.00	9543.55
August	303.85	32686.48	304.95	10137.85	245.20	31128.02	244.10	9685.55
September	290.00	32524.11	290.00	10178.95	251.15	31081.83	250.00	9687.55
October	305.00	33340.17	304.00	10384.50	261.05	31440.48	265.10	9831.05
November	398.50	33865.95	399.00	10490.55	275.15	32683.59	273.35	10094.00
December	495.90	34137.97	496.55	10552.40	389.90	32565.16	386.55	10033.35
January	598.60	36443.98	600.00	11171.55	418.00	33703.37	412.00	10404.65
February	502.00	36256.83	514.00	11117.35	412.50	33482.81	400.20	10276.30
March	485.00	34278.63	486.00	10525.50	381.15	32483.84	381.15	9951.90

Distribution of Shareholding as on March 31, 2018:

Sr. No.	Range No of Shares	No of Shareholders	% Total Holders	Total Amount	% of Capital
1	1 to 500	6765	89.78	8324830	4.89
2	501 to 1,000	342	4.54	2714350	1.59
3	1,001 to 2,000	173	2.30	2596050	1.53
4	2,001 to 3,000	62	0.82	1600740	.94
5	3,001 to 4,000	35	0.46	1244000	0.75
6	4,001 to 5,000	54	0.72	2562190	.73
7	5,001 to 10,000	56	0.74	3908490	2.30
8	10,001 & above	48	0.64	147240350	86.51
TOTAL		7535	100	170191000	100

Categories of Shareholders as on March 31, 2018:

Category	No. of shares held	Percentage to total share capital
Promoters	12460923	73.217
Mutual Funds	251887	1.480
Banks / FI	25444	0.150
FII's	87345	0.513
Body corporates	564116	3.315
Individuals	3186749	18.725
Non Resident Indians/ Overseas Corporate Bodies	97238	0.571
Clearing Members	36543	0.215
IEPF	133370	0.784
NBFC Registered with RBI	7310	0.043
HUF	168175	0.988
Total	17019100	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, 2018:

Mode	No of Shares	% of Share Capital
Electronic form with CDSL	13717082	80.60
Electronic form with NSDL	2868897	16.86
Physical Form	433121	2.54
Total	17019100	100.00

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

Address for Correspondence:

Registered Office:

502-A/501-B, Fortune Terraces,
5th Floor, Opp. City Mall,
New Link Road, Andheri (West),
Mumbai-400053
Tel: 67317500/Fax: 2673 0227/2673 6953
Email: admin@nrail.com Website: www.nrail.com

Plant Locations:

Unit I	Unit II	Unit III	Unit IV	Unit V
Plot No.169, Phase II, GIDC, Vapi – 396 195, Dist. Valsad, Gujarat State, Tele-Fax: 0260 – 2401634/2401706	Plot No.1, Phase I, GIDC, Vapi –396 195, Dist. Valsad, Gujarat State, Tele-Fax: 0260- 2400979/2401841	Plot No. 901, Phase III, GIDC, Vapi – 396 195, Dist. Valsad, Gujarat State, Tele-Fax:0260 2400052/2401836	Plot No.901/P, Phase III, GIDC, Vapi – 396 195, Dist. Valsad, Gujarat State, Tele-Fax: 0260 2400052/2401836	S. Nos.69/1/P3, 69/ 1/P/3/ P1,72/P3-P4, At Village Sarigam & Angam, Taluka - Umbergaon, Valsad 396 155, Gujarat Tele : 0260 2784082/83

Registrar and Share Transfer Agent

Sharex Dynamic (India) Private Limited,
Unit I, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai – 400072
Tel: 022-28515606/5644
Email: investors@sharexindia.com

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 Ltd. 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, 2018.

R N Agarwal

Chairman & Managing Director

Mumbai, May 14, 2018

Practising Company Secretaries' Certificate on Corporate Governance

To The Members of
N R AGARWAL INDUSTRIES LTD.

We have examined the compliance of the conditions of Corporate Governance by N R Agarwal Industries Ltd. ('the Company') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

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

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018

Mumbai, July 24, 2018



Financial Statements

Independent Auditor's Report

To
The Members of
N R Agarwal Industries Ltd.

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of **"N R Agarwal Industries Ltd."** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein referred to as "the financial statements").

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements in terms of the requirements of Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We have conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2018, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Ind AS financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements have been kept so far as it appears from our examination of those books;
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of financial statements;
 - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder;

- On the basis of written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a Director in terms of section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to Note 34 to the financial statements.
 - 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.
 - There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **GMJ & Co**
Chartered Accountants
Firm No. 103429W

Place: Mumbai
Date : May 14, 2018

(CA Sanjeev Maheshwari)
M. No. 038755

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(b) Property, Plant and Equipment have been physically verified by the management at regular intervals, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. 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 are held in the name of the Company.
- ii. As explained to us, management has conducted physical verification of inventory at regular intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Companies Act, 2013. In respect of loan has been given in the previous years, the provision of Section 186 of the Companies Act, 2013 have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- 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 our records of the Company, in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth 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, 2018 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, 2018, 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	Excise Duty*	475.70	Appellate Authority – CESTAT	2003-04 to 2016-17
Central Excise Act , 1944	Custom Duty	34.90	Appellate Authority – CESTAT	2013-14 to 2014-15
Income Tax Act, 1961	Income Tax**	454.00	Appellate Authority – ITAT, Ahmedabad	2006-07 to 2012-13

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Forum where dispute is pending	Financial year to which the amount relates
Income Tax Act, 1961	Income Tax**	88.99	Appellate Authority – ITAT, Ahmedabad	2012-13
Income Tax Act, 1961	Income Tax**	26.23	Appellate Authority – ITAT, Ahmedabad	2013-14
Income Tax Act, 1961	Penalty Demand Income Tax	133.55	CIT(A)	2006-07 to 2009-10
Income Tax Act, 1961	Penalty Demand Income Tax	145.00	CIT(A)	2010-11 to 2011-12

* Out of the demand, a sum of ₹ 14.48/- Lakhs was paid under protest.

**These amount have already been paid by the Company.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year under audit. There are no dues to Financial Institution, Government and the Company has not issued any debentures.
- ix. 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 and the term loans have been applied for the purposes for which they were obtained.
- x. To the best of our knowledge and belief and according to the information given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the records and documents produced before us, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of clause (xii) of paragraph 3 of the Order are 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 Companies Act, 2013. 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.
- xiv. According to the information and explanations given to us and based on the records and documents produced before us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him under the provisions of section 192 of Companies Act, 2013.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **GMJ & Co**
Chartered Accountants
Firm No. 103429W

Place: Mumbai
Date : May 14, 2018

(CA Sanjeev Maheshwari)
M. No. 038755

Annexure ‘B’ to the Independent Auditors’ Report

(Report on the Internal Financial Controls under Clause (f) 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 Ltd.**” (“the Company”) as of March 31, 2018 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, 2018, 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
Firm No. 103429W

Place: Mumbai
Date : May 14, 2018

(CA Sanjeev Maheshwari)
M. No. 038755

Balance Sheet

as at March 31, 2018

(₹ in lakhs)				
Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	46,337.81	43,616.97	44,729.86
Capital Work-in-progress	2	2,098.04	2,512.61	2,429.60
Intangible assets	3	57.23	24.80	12.07
Financial Assets				
Investments	4	45.40	55.42	46.71
Loans	5	4.20	0.85	3.56
Other financial assets	6	153.61	114.54	61.23
Other non-current Assets	7	702.69	773.75	326.38
Total non-current assets		49,398.98	47,098.95	47,609.42
CURRENT ASSETS				
Inventories	8	6,934.80	6,297.12	6,603.86
Financial Assets				
Trade receivables	9	11,073.97	9,444.53	7,867.15
Cash and cash equivalents	10A	10.49	14.14	56.60
Other bank balances	10B	775.63	490.76	541.18
Loans	11	92.69	85.33	18.79
Other financial assets	12	452.97	375.29	262.01
Other current assets	13	1,141.98	2,014.51	2,475.43
Current tax assets(Net)	14	457.95	61.56	1,286.75
Total Current assets		20,940.47	18,783.24	19,111.77
TOTAL ASSETS		70,339.45	65,882.19	66,721.19
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	15	1,701.91	1,701.91	1,701.91
Other equity	16	20,236.86	11,615.05	6,655.82
Total equity		21,938.77	13,316.96	8,357.73
NON-CURRENT LIABILITIES				
Financial liabilities				
Borrowings	17	15,377.13	18,711.47	22,271.55
Other financial liabilities	18	10,199.67	10,986.88	10,247.00
Provisions	19	275.02	342.56	229.98
Deferred tax liabilities (net)	20	2,106.07	3,511.36	2,228.68
Total non-current liabilities		27,957.89	33,552.27	34,977.21
CURRENT LIABILITIES				
Financial liabilities				
Borrowings	21	8,739.10	7,845.99	11,178.33
Trade payables	22	4,489.12	5,561.49	6,227.56
Other financial liabilities	23	6,856.43	4,980.56	5,309.23
Provisions	24	93.13	73.18	34.84
Other current liabilities	25	265.00	551.74	636.28
Total current liabilities		20,442.78	19,012.96	23,386.24
TOTAL EQUITY AND LIABILITIES		70,339.45	65,882.19	66,721.19
Significant Accounting Policies and Notes form an integral part of the Financial Statements.	1 to 48			

As per our attached report of even date

For **GMJ & CO**

Chartered Accountants

Firm's Registration No 103429W

SANJEEV MAHESHWARI

Partner

Membership No. 038755

Mumbai, May 14, 2018

For and on behalf of the Board of Directors

R N AGARWAL

Chairman and Managing Director

DIN 00176440

POOJA DAFTARY

Company Secretary

RAUNAK AGARWAL

Whole Time Director

DIN 02173330

GOPAL UCHIL

Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2018

		(₹ in lakhs)	
Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from Operations	26	122,616.56	109,527.32
Other income	27	612.46	606.49
Total		123,229.02	110,133.81
EXPENSES			
Cost of materials consumed	28	70,735.88	61,131.82
Changes in inventories of finished goods, work -in-progress and goods-in-trade	29	(85.51)	215.39
Excise duty on sale of goods		1,306.37	5,084.57
Employee benefits expense	30	5,684.12	5,034.26
Finance costs	31	3,794.82	4,280.26
Depreciation and amortisation expense	2, 3	2,625.93	2,450.47
Other expenses	32	29,460.08	24,242.64
Total		113,521.69	102,439.43
Profit before exceptional items and tax		9,707.33	7,694.39
Exceptional items	33	-	(120.88)
Profit before tax		9,707.33	7,815.27
Tax expense	20		
Current tax		2,084.67	1,547.40
Less: Mat Credit Entitlement		(2,022.19)	(1,547.40)
Tax expense related to earlier years (Net)		12.60	-
Deferred tax		607.86	2,842.08
Profit after tax		9,024.40	4,973.19
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plan		26.12	(34.68)
Income tax effect on above		(9.04)	12.00
Equity Instruments through Other Comprehensive Income		(9.98)	8.71
Other Comprehensive Income for the year [Net of tax]		7.10	(13.96)
Total Comprehensive Income for the year		9,031.49	4,959.22
Basic and diluted earning per equity share [EPS] (₹)	35		
Basic		53.03	29.22
Diluted		53.03	29.22
(Face value of ₹ 10 each)			
Significant Accounting Policies and Notes form an integral part of the Financial Statements.	1 to 48		

As per our attached report of even date

For **GMJ & CO**
Chartered Accountants
Firm's Registration No 103429W

SANJEEV MAHESHWARI
Partner
Membership No. 038755

Mumbai, May 14, 2018

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director
DIN 00176440

POOJA DAFTARY
Company Secretary

RAUNAK AGARWAL
Whole Time Director
DIN 02173330

GOPAL UCHIL
Chief Financial Officer

Statement of Changes in Equity for the year ended March 31, 2018

A. Equity share capital

(₹ in lakhs)		
Particulars	Nos.	Amount
As at April 1, 2016	170.19	1,701.91
As at March 31, 2017	170.19	1,701.91
As at March 31, 2018	170.19	1,701.91

B. Other equity

(₹ in lakhs)							
Particulars	Reserves and surplus						Total
	Share Warrants Forfeiture Account	Capital reserve	Capital Redemption Reserve	General Reserve	FVOCI - equity investments	Surplus in the Statement of Profit and Loss	
As at April 1, 2016	146.25	-	85.00	717.53	40.15	5,666.90	6,655.82
Transferred ((from)/to)	(146.25)	146.25	(85.00)	85.00	-	-	-
Profit for the year	-	-	-	-	-	4,973.19	4,973.19
Other comprehensive income for the year							
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	(34.68)	(34.68)
Equity Instruments	-	-	-	-	8.71	-	8.71
Tax on Other Comprehensive Income	-	-	-	-	-	12.00	12.00
As at March 31, 2017	-	146.25	-	802.53	48.86	10,617.41	11,615.05
Profit for the year	-	-	-	-	-	9,024.40	9,024.40
Other comprehensive income for the year							
Remeasurements gain/(loss) on defined benefit plans.	-	-	-	-	-	26.12	26.12
Equity Instruments	-	-	-	-	(9.98)	-	(9.98)
Tax on Other Comprehensive Income	-	-	-	-	-	(9.04)	(9.04)
Dividends							-
Final dividend	-	-	-	-	-	(340.38)	(340.38)
Corporate dividend tax	-	-	-	-	-	(69.29)	(69.29)
As at March 31, 2018	-	146.25	-	802.53	38.88	19,249.21	20,236.86

Significant Accounting Policies and Notes form an integral part of the Financial Statements. 1 to 48

As per our attached report of even date

For **GMJ & CO**

Chartered Accountants

Firm's Registration No 103429W

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Whole Time Director

DIN 02173330

GOPAL UCHIL

Chief Financial Officer

Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before Income tax	9,707.33	7,815.27
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,625.93	2,450.47
Loss/ (profit) on sale of property, plant & equipment	0.92	(228.96)
Dividend Received	(0.08)	(0.04)
Interest Received	(220.19)	(213.60)
Interest on Income tax refund	(68.92)	(25.61)
Bad debt	58.72	19.48
Provision for doubtful debts	66.59	-
Finance costs	3,794.82	4,280.26
Operating Profit before working capital changes	15,965.13	14,097.27
Add: Adjustments For:		
Change in Working Capital		
(Increase)/decrease in inventories	(637.68)	306.75
(Increase)/decrease in trade receivables	(1,754.75)	(1,596.86)
(Increase)/decrease in loans (non-current and current)	(10.71)	(63.83)
(Increase)/decrease in other assets (non-current and current)	872.53	460.92
(Increase)/decrease in other financial assets (non-current and current)	(122.52)	(208.26)
Increase/(decrease) in trade payables	(179.26)	(3,998.41)
Increase/(decrease) in other financial liabilities (non-current and current)	(316.47)	324.98
Increase/(decrease) in ther liabilities (non-current and current)	(286.75)	(84.54)
Increase/(decrease) in provisions (non-current and current)	(577.06)	6.96
Cash generated from/(used) in operations	12,952.47	9,244.97
Less: Income tax paid (net of refunds)	1,869.15	187.31
Net Cash flow from/(used) in Operating Activities (A)	11,083.32	9,057.66

Statement of Cash Flows for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets, including capital advances	(4,920.46)	(3,102.76)
Proceeds from sale of property, plant and equipment	31.79	1,492.70
Dividends received	0.08	0.04
Interest received	220.19	213.60
Net Cash flow from/(used) in Investing Activities (B)	(4,668.40)	(1,396.42)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	4,959.50	531.21
Repayment of borrowings	(4,684.30)	(4,617.33)
Finance Cost	(3,839.23)	(4,867.93)
Unsecured Borrowings (Net)	(2,160.00)	1,199.94
Dividends paid	(340.38)	-
Dividend distribution tax paid	(69.29)	-
Net Cash Flow from/(used) in Financing Activities (C)	(6,133.70)	(7,754.12)
Net increase (decrease) in cash and cash equivalents	281.22	(92.88)
Cash and Cash Equivalents at the beginning of the financial year	504.90	597.78
Cash and Cash Equivalents at end of the year	786.13	504.90
The above Standalone Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows		
Significant Accounting Policies and Notes form an integral part of the Financial Statements.	1 to 48	

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

POOJA DAFTARY

Company Secretary

GOPAL UCHIL

Chief Financial Officer

Mumbai, May 14, 2018

Notes to the Financial Statements for the year ended March 31, 2018

NOTE 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

N R Agarwal Industries Ltd. ('the Company') is a public limited Company incorporated in India with its registered office at 502-A/501-B, Fortune Terraces, 5th Floor, Opp Citi Mall, New Link Road, Andheri (West), Mumbai -400053 Maharashtra. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is among the first and leading manufacturers of recycled paper in India and the largest manufacturer of grey back and white back Duplex Boards for over 25 years now and forayed into Writing & Print (W&P) paper in July 2014. The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 14, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

The Company has prepared its financial statements to comply in all material respects with the provisions of the Companies Act, 2013 (the Act) and rules framed thereunder. In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Till March 31, 2017, the Company used to prepare its financial statements as per Companies (Accounting Standards) Rules, 2014 (Previous GAAP) read with rule 7 and other relevant provisions of the Act. These are the first Ind AS Financial Statements of the Company. As per Ind AS 101 "First Time Adoption of Indian Accounting Standards" the transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101, with April 1, 2016 being the transition date and balance for the comparative period have been restated accordingly. AS per Ind AS 101, the Company has presented a reconciliation of its transition from Previous GAAP to Ind AS of its total equity as at April 1, 2016 and March 31, 2017 and reconciliation of total comprehensive income and cash flow for the year ended March 31, 2017. Please refer note 42 for detailed information on the transition.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that are measured at fair value.

- ii) Defined benefit plans-plan assets measured at fair value.

2.02 Use of estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment recognised in the financial statements are as under:

- measurement of useful life, residual values and impairment of property, plant and equipment,
- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used,
- measurement of defined benefit obligations and planned assets: key actuarial assumptions,
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources,
- impairment of financial assets and non-financial assets

2.03 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation and impairment losses, 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

Notes to the Financial Statements for the year ended March 31, 2018

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.

Depreciation is provided on the straight line method over the estimated useful lives of assets and is in line with the requirements of Part C of Schedule II of the Companies Act, 2013. The estimated useful lives are as follows:

Building	30-60 Years
Plant & Machinery	15 Years
Furniture & Fixture	10 Years
Office Equipment	3-5 Years
Vehicles	8 Years

Freehold land is not depreciated. Lease hold land is amortised over the period of lease.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date is classified as Capital Advances under other Non-Current Assets and the cost of assets not put to use before such date are disclosed under 'Capital Work-in-Progress'. The cost and related accumulated depreciation are eliminated from the Financial Statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. The method of depreciation, useful lives and residual values are reviewed at each financial year end.

2.04 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

2.05 Impairment of Non-Financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely

Notes to the Financial Statements for the year ended March 31, 2018

independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit and loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

2.06 Cash and Cash equivalents

Cash and Cash equivalents comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.07 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss.

Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the

asset, are recognized in profit or loss when the asset is derecognized.

Amortisation methods and periods

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life of three years. The residual values, useful lives and method of depreciation of intangible assets are reviewed at each financial year and adjusted prospectively, if appropriate.

2.08 Financial Instruments

Financial assets - Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised 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 recognised 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 amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss on the basis of following:

(i) Measured at amortised cost:

A financial asset is measured at amortised 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. Amortised 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 recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised 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

Notes to the Financial Statements for the year ended March 31, 2018

with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognized in the OCI, except for interest income which recognized using EIR method. The losses arising from impairment are recognized in the Statement of Profit and Loss. On derecognition, 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 amortised 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, recognised 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 recognises 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 derecognises 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 amortised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

Notes to the Financial Statements for the year ended March 31, 2018

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.09 Inventories

Inventories includes Raw Material, Work-in-Progress, Finished goods, Coal, Stores & spares, Consumables and Packing materials are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, and other materials are determined on moving average basis.

Finished / Semi-Finished Goods: cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Stock of scrap is valued at realizable value.

2.10 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income

Dividend income is recognised when the right to receive the payment is established.

2.11 Foreign currency transactions and translations

The financial statements of the Company are presented in Indian rupees (₹), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Notes to the Financial Statements for the year ended March 31, 2018

Exchange differences arising on translation of long term foreign currency monetary items recognized in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognize such exchange differences as part of cost of assets as allowed under Ind AS 101-“First time adoption of Indian Accounting Standard” are recognized directly added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognized as part of cost of assets is recognized in the statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

2.12 Employee Benefits

Defined contribution plans

Provident Fund: Contribution towards provident fund for all employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans

Gratuity liability is a defined benefit obligation and is provided on the basis of its actuarial valuation based on the projected unit credit method made at each Balance Sheet date. The Company funds gratuity benefits for its employees within the limits prescribed under The Payment of Gratuity Act, 1972 through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC'). 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: The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since, the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which

the employee renders the services that increase their entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method on the Balance Sheet date.

Changes in actuarial gains or losses are charged or credited to profit or loss in the period in which they arise.

2.13 Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.14 Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax item are recognised in correlation to the underlying transaction either in OCI or directly in Equity Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which

Notes to the Financial Statements for the year ended March 31, 2018

those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

2.15 Provisions, Contingent liabilities and Contingent assets:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events 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, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.16 Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.17 Earnings per Share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Notes to the Financial Statements for the year ended March 31, 2018

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

(₹ in lakhs)										
Particulars	Freehold Land	Leasehold Land	Road & Pathway	Factory Buildings	Other - Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computers	Total
Gross block										
Deemed cost as at April 1, 2016	464.31	466.68	73.72	7,554.85	1,562.85	34,218.69	83.16	250.08	55.53	44,729.86
Additions	-	-	40.69	140.21	121.66	2,164.33	2.94	101.62	17.93	2,589.39
Disposals	-	-	-	-	1,161.03	107.51	-	11.80	-	1,280.35
At March 31, 2017	464.31	466.68	114.41	7,695.06	523.48	36,275.52	86.10	339.89	73.46	46,038.90
Additions	-	-	134.01	24.41	1,375.59	3,242.01	381.67	185.53	21.16	5,364.38
Disposals	-	-	-	-	10.05	8.29	2.10	17.44	-	37.87
At March 31, 2018	464.31	466.68	248.42	7,719.47	1,889.02	39,509.23	465.68	507.99	94.62	51,365.42
Accumulated Depreciation										
At April 1, 2016	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	9.37	307.52	86.93	1,961.13	14.26	38.26	21.08	2,438.55
Disposals	-	-	-	-	7.75	7.55	-	1.31	-	16.61
At March 31, 2017	-	-	9.37	307.52	79.18	1,953.58	14.26	36.95	21.08	2,421.94
Charge for the year	-	7.68	19.64	310.13	109.15	2,047.62	30.48	60.36	25.80	2,610.87
Disposals	-	-	-	-	0.44	0.61	0.29	3.87	-	5.20
At March 31, 2018	-	7.68	29.01	617.65	187.89	4,000.59	44.46	93.44	46.88	5,027.60
Net carrying amount										
At April 1, 2016	464.31	466.68	73.72	7,554.85	1,562.85	34,218.69	83.16	250.08	55.53	44,729.86
At March 31, 2017	464.31	466.68	105.04	7,387.54	444.30	34,321.94	71.84	302.94	52.38	43,616.97
At March 31, 2018	464.31	459.00	219.41	7,101.82	1,701.12	35,508.64	421.22	414.54	47.74	46,337.81

Capital Work-In-Progress

(₹ in lakhs)			
Particulars	As at April 1, 2016	As at March 31, 2017	As at March 31, 2018
Compound Wall & Road	65.26	72.33	16.26
Factory Building	309.50	649.56	41.42
Plant and Machinery	1,945.41	1,518.24	1,773.58
Pre operative expenses	88.33	171.97	244.28
Others	21.10	100.52	22.50
Total	2,429.60	2,512.61	2,098.04

Note: "Leasehold Land" represents land obtained on long term lease from Government authorities for "99 Years" and considered as finance lease.

Notes to the Financial Statements for the year ended March 31, 2018

Note 3 : Intangible Assets

(₹ in lakhs)			
Particulars	Computer Software	Others	Total
Gross block			
Deemed cost as at April 01, 2016	8.94	3.14	12.07
Additions	-	24.65	24.65
Disposals	-	-	-
At March 31, 2017	8.94	27.79	36.72
Additions	-	47.49	47.49
Disposals	-	-	-
At March 31, 2018	8.94	75.28	84.22
Amortization			
At April 01, 2016	-	-	-
Amortisation for the year	5.59	6.34	11.92
Disposals	-	-	-
At March 31, 2017	5.59	6.34	11.92
Amortisation for the year	2.47	12.59	15.06
Disposals	-	-	-
At March 31, 2018	8.06	18.93	26.99
Net carrying value			
At April 1, 2016	8.94	3.14	12.07
At March 31, 2017	3.35	21.45	24.80
At March 31, 2018	0.88	56.35	57.23

Note 4 : Non-Current Investments

(₹ in lakhs)					
Particulars	Face Value / Share	No. of Shares	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Quoted, Equity shares fully paid up					
Investment Carried at Fair Value through OCI					
Bank of Baroda	2	30,000	42.69	51.89	44.10
Bank of India	10	2,200	2.28	3.06	2.14
Unquoted, Equity shares fully paid up					
Investments Carried at Fair value through					
Profit or loss					
Laxmi Co-Operative Society Ltd.	10	275	-	0.03	0.03
Mahalaxmi Co-Operative Housing Society Ltd.	10	375	0.04	0.04	0.04
Kherana Paper Mills Pvt. Ltd.	100	95	0.10	0.10	0.10
Shamrao Vitthal Co-Op Bank Ltd.	100	25	0.03	0.03	0.03
Mogaveera Co-Op. Bank Ltd.	100	10	-	0.01	0.01
Saraswat Co-Operative Bank Ltd.	10	2500	0.25	0.25	0.25
Kalupur Co-operative Bank Ltd.	10	250	0.03	0.03	0.03
Fortune Terrace Co-operative Society Ltd.	50	5	-	-	0.00
Total			45.40	55.42	46.71
Aggregate book value of unquoted investments			0.43	0.47	0.47
Aggregate market value of quoted investments			44.97	54.95	46.24

Notes to the Financial Statements for the year ended March 31, 2018

Note 5 : Non-Current Financial Assets - Loans

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured considered good)			
Loans to employees	4.20	0.85	3.56
Total	4.20	0.85	3.56

Note 6 : Non-Current Financial Assets - Others

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Rent and Other security deposits	153.61	114.54	61.23
Total	153.61	114.54	61.23

Note 7 : Non-Current Assets - Others

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances	655.24	732.09	326.38
Advances to employees	2.19	1.42	-
Deferred lease expenses	45.25	40.25	-
Total	702.69	773.75	326.38

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

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials - Stock	2,573.22	2,551.69	2,226.69
Raw Materials - In Transit	205.75	227.46	153.48
Stock-in-process	369.66	170.43	358.76
Finished Goods	1,204.61	1,318.32	1,345.39
Stores and Spares	2,078.86	1,663.34	1,666.79
Coal - In Stock	307.75	250.60	621.22
Coal - In Transit	68.91	-	131.35
Packing Materials	126.05	115.28	100.19
Total	6,934.80	6,297.12	6,603.86

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

Notes to the Financial Statements for the year ended March 31, 2018

Note 9 : Trade Receivables

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured considered Good	11,073.97	9,444.53	7,867.15
Unsecured considered Doubtful	66.59	-	-
Less: Allowance for doubtful debts	66.59	-	-
Total	11,073.97	9,444.53	7,867.15

Notes:

- a) The credit period ranges from 15 to 90 days
- b) No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any Director is a partner, a director or a member.

Note 10(A) : Cash and Cash Equivalents

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Banks in current accounts	9.34	12.81	49.64
Cash on hand	1.15	1.33	6.96
Total	10.49	14.14	56.60

Note 10(B) : Other Bank Balances

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In other deposit accounts - Original maturity more than 3 months and less than 12 months	760.82	478.46	525.98
Unclaimed Dividend Account	14.81	12.31	15.20
Total	775.63	490.76	541.18

Note 11 : Current Financial Assets - Loans

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured considered good)			
Loans to employees	17.69	10.33	18.79
Loans to others	75.00	75.00	-
Total	92.69	85.33	18.79

Notes to the Financial Statements for the year ended March 31, 2018

Note 12 : Current Financial Assets - Others

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Rent and Other Security deposits	63.97	267.79	99.06
Interest on bill discounting recoverable	-	-	123.85
Insurance Claim receivable	229.43	70.43	0.25
Interest on deposit	35.74	37.07	31.69
Claim and other receivable	123.83	-	7.15
Total	452.97	375.29	262.01

Note 13 : Other Current Assets

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to employees	2.43	7.88	46.00
Commercial Advances	387.50	355.04	197.01
Prepaid expenses	135.48	93.08	76.48
Balances with Government authorities	601.27	1,557.48	2,127.34
Export benefits receivable	15.04	-	26.07
Others	0.25	1.03	2.53
Total	1,141.98	2,014.51	2,475.43

Note 14 : Current Tax Assets (Net)

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Income Tax/ Tax deducted at source (net of provisions)	457.95	61.56	1,286.75
Total	457.95	61.56	1,286.75

Notes to the Financial Statements for the year ended March 31, 2018

Note 15 : Equity Share Capital

(A) Equity share capital

Particulars	(₹ in lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Authorized			
225,00,000 Equity Shares ₹10 each (March 31, 2017: 225,00,000 Equity Shares of ₹10/- each) (April 1, 2016 :			
225,00,000 Equity Shares of ₹10/- each)	2,250.00	2,250.00	2,250.00
25,00,000 Preference Shares ₹10 each (March 31, 2017: 25,00,000 Preference Shares of ₹10/- each) (April 1, 2016 :			
25,00,000 Preference Shares of ₹10/- each)	250.00	250.00	250.00
Issued, subscribed and fully paid-up			
1,70,19,100 Equity Shares ₹10 each (March 31, 2017: 1,70,19,100 Equity Shares of ₹10/- each) (April 1, 2016 :			
1,70,19,100 Equity Shares of ₹10/- each)	1,701.91	1,701.91	1,701.91

(b) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	No. of shares		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At the beginning of the year	17,019,100	17,019,100	17,019,100
Add: Equity shares issued	-	-	-
At the end of the year	17,019,100	17,019,100	17,019,100

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

Name of Shareholders	March 31, 2018		March 31, 2017		April 1, 2016	
	Nos	% holding	Nos	% holding	Nos	% holding
Shri R N Agarwal	7922030	46.55	7922030	46.55	7922030	46.55
Smt. Reena R. Agarwal	4538861	26.67	4538861	26.67	4538861	26.67

Notes to the Financial Statements for the year ended March 31, 2018

Note 16 : Other Equity

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share Warrants Forfeiture Account	-	-	146.25
Capital Reserve	146.25	146.25	-
Capital Redemption Reserve	-	-	85.00
General reserve	802.53	802.53	717.53
Retained earnings	19,249.21	10,617.41	5,666.90
Equity instruments through other comprehensive income	38.88	48.86	40.15
Total	20,236.86	11,615.05	6,655.82

(₹ in lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
a) Capital Reserve	146.25	146.25
b) General Reserve	802.53	802.53
c) Retained Earnings		
Opening balance	10,617.41	5,666.90
Net profit for the year	9,024.40	4,973.19
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	17.08	(22.68)
Dividend	(340.38)	-
Tax on dividend	(69.29)	-
Closing balance	19,249.21	10,617.41
d) Equity instruments through other comprehensive income		
Opening balance	48.86	40.15
Add: Changes for the year	(9.98)	8.71
Closing balance	38.88	48.86

Note 17 : Borrowings

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Term and Corporate loans from Banks	19,068.59	18,861.06	23,515.93
	19,068.59	18,861.06	23,515.93
Unsecured			
Loan from related parties	1,040.07	2,800.07	1,600.14
Deposits from others	100.00	500.00	500.00
	1,140.07	3,300.07	2,100.14
Less:- Current maturities disclosed under other current financials liabilities (Refer note 23)	4,831.53	3,449.66	3,344.52
Total	15,377.13	18,711.47	22,271.55

Notes to the Financial Statements for the year ended March 31, 2018

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, 2018	As at March 31, 2017	As at April 1, 2016
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 II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 @ 11.05% p.a., March 31, 2017 @ 12.30% p.a. and March 31, 2016 @ 16.90% p.a. Terms of repayment - 32 quarterly installments of ₹ 125.78 Lakhs.	2,415.00	2,918.13	3,421.25
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 II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 @ 11.05% p.a., March 31, 2017 @ 12.30% p.a. and March 31, 2016 @ 14.90% p.a. Terms of repayment - 32 quarterly installments of ₹ 66.41 Lakhs.	1,275.00	1,540.62	1,806.25

Notes to the Financial Statements for the year ended March 31, 2018

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, 2018	As at March 31, 2017	As at April 1, 2016
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 excluise first charge on movable assets including plant and machinery and immovable assets at Unit II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 @ 11.05% p.a., March 31, 2017 @ 12.30% p.a. and March 31, 2016 @ 12.40% p.a. Terms of repayment - 32 quarterly installments of ₹ 218.75 Lakhs.	3,937.50	4,812.50	5,687.50
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 excluise first charge on movable assets including plant and machinery and immovable assets at Unit II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 @ 11.05% p.a., March 31, 2017 @ 12.30% p.a. and March 31, 2016 @ 12.40% p.a.	1,106.25	1,331.25	1,260.52

Notes to the Financial Statements for the year ended March 31, 2018

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, 2018	As at March 31, 2017	As at April 1, 2016
	Terms of repayment - 26 quarterly installments of ₹ 56.25 Lakhs.			
Bank of Baroda	Secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 @ Nil, March 31, 2017 @ Nil and March 31, 2016 @ 9.85% p.a. Terms of repayment - 16 quarterly installments of ₹ 158.25 Lakhs.	-	-	1,556.38
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 II, 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 R. Agarwal.	-	-	5,886.23

Notes to the Financial Statements for the year ended March 31, 2018

Note 17 : Borrowings (contd..)

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

Bank	Terms of repayment & security	(₹ in lakhs)		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Effective rate of interest - March 31, 2018 @ Nil, March 31, 2017 @ Nil and March 31, 2016 @ 7.22% p.a. Terms of repayment - 32 quarterly installments of ₹ 200.81 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 II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 11.05% p.a., March 31, 2017 @ 12.30% p.a and March 31, 2016 @ Nil. Terms of repayment - 16 quarterly installments of ₹ 109.06 Lakhs.	981.56	1,417.81	-
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 II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 11.05% p.a., March 31, 2017 @ 12.30% p.a and March 31, 2016 @ Nil.	3,900.00	4,984.75	-

Notes to the Financial Statements for the year ended March 31, 2018

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, 2018	As at March 31, 2017	As at April 1, 2016
	Terms of repayment - 32 quarterly installments of ₹ 203.12 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 II, 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 R. Agarwal. Effective rate of interest - March 31, 2018 11.05% p.a., March 31, 2017 @ Nil and March 31, 2016 @ Nil. Terms of repayment - 24 quarterly installments of ₹ 312.50 Lakhs.	3,869.00	-	-
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 and Smt. Reena R. Agarwal . Effective rate of interest - March 31, 2018 11.05% p.a., March 31, 2017 @ 12.30% p.a. and March 31, 2016 @ 13.90% p.a. Terms of repayment - 32 quarterly installments of ₹ 72.34 Lakhs.	1,389.00	1,678.38	1,967.75

Notes to the Financial Statements for the year ended March 31, 2018

Note 17 : Borrowings (contd..)

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

Bank	Terms of repayment & security	(₹ in lakhs)		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
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 and Smt. Reena R. Agarwal. Effective rate of interest - March 31, 2018 Nil, March 31, 2017 @ Nil and March 31, 2016 @ 10.15% p.a. Terms of repayment - 16 quarterly installments of ₹ 38.56 Lakhs.	-	-	385.63
India Infoline Finance Ltd.	Secured by exclusive charge on office premises situated at Office No. 1101, 11th Floor, Fortune Terraces, Mahashree Compound, New Link Road, Oshiwara, Andheri - West, Mumbai - 400 053 and personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal. Effective rate of interest - March 31, 2018 Nil, March 31, 2017 @ Nil and March 31, 2016 @ 14.00% p.a. Terms of repayment - 120 monthly installments of ₹ 13.97 Lakhs.	-	-	855.31
B - Vehical Loans from Banks:-				
HDFC Bank Ltd.	Secured by hypothecation of Motor Car.	-	-	1.36
Bank of Baroda	Various Car Loans secured by hypothecation of Motor Car. Terms of repayment - each repayable in 60 monthly installments.	108.57	139.90	119.00
The Saraswat Co-operative Bank Ltd.	Various Car Loans secured by hypothecation of Motor Car. Terms of repayment - each repayable in 36 monthly installments.	25.63	37.73	-
Kotak Mahindra Prime Ltd.	Secured by hypothecation of Motor Car. Terms of repayment - repayable in 60 monthly installments.	128.75	-	-

Notes to the Financial Statements for the year ended March 31, 2018

Note 18 : Other Financial Liabilities

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retention money	9,500.00	9,500.00	9,500.00
Deferred rent	59.66	38.38	-
Dealers deposits	640.01	1,448.50	747.00
Total	10,199.67	10,986.88	10,247.00

Note 19 : Non-Current Provisions

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits:- Gratuity and compensated absences	275.02	342.56	229.98
Total	275.02	342.56	229.98

Note 20 : Income tax

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

(₹ in lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Current income tax	2,084.67	1,547.40
Less:-Mat Credit entitlement	(2,022.19)	(1,547.40)
Adjustment of tax relating to earlier years	12.60	-
Deferred Tax	607.86	2,842.08
Total	682.94	2,842.08

b) Reconciliation of tax expense and the accounting profit

(₹ in lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Profit before income taxes	9,707.33	7,815.27
Enacted tax rate in India	34.608%	34.608%
Computed expected tax expenses	3,359.51	2,704.71
Difference in Tax Rate	(0.31)	263.10
Effect of concessions	(1,188.81)	-
Adjustment of tax relating to earlier years	12.60	-
Expenses/Income not consider for tax purpose	(70.43)	(124.24)
Others Adjustments	(1,429.63)	(1.49)
Income tax expense Net	682.94	2,842.08

Notes to the Financial Statements for the year ended March 31, 2018

Note 20 : Income tax (contd..)

c) Movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018

(₹ in lakhs)				
Particulars	As at April 1, 2016	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2017
Deferred income tax assets				
Expenditure deductible for tax purposes in future period	30.30	6.75	-	37.05
Tax losses/benefit carryforwards (Net)	1,707.41	(1,707.41)	-	-
MAT credit entitlement	-	1,547.40	-	1,547.40
Provisions for employee benefits	23.25	16.98	12.00	52.23
Temporary difference in the carrying amount of Financials instruments at amortised cost	188.03	(188.03)	-	-
Others	-	13.28	-	13.28
	1,948.99	(311.03)	12.00	1,649.96
Deferred income tax liabilities				
Temporary difference in the carrying amount of property, plant and equipment	4,177.67	983.65	-	5,161.32
	4,177.67	983.65	-	5,161.32
Net deferred tax assets / (liabilities)	(2,228.68)	(1,294.69)	12.00	(3,511.36)

(₹ in lakhs)				
Particulars	As at April 1, 2017	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2018
Deferred income tax assets				
Expenditure deductible for tax purposes in future period	37.05	0.40	-	37.45
MAT credit entitlement	1,547.40	2,022.19	-	3,569.59
Provisions for employee benefits	52.23	84.22	(9.04)	127.41
Loss allowance on Trade Receivables	-	23.05	-	23.05
Others	13.28	7.36	-	20.65
	1,649.96	2,137.22	(9.04)	3,778.15
Deferred income tax liabilities				
Temporary difference in the carrying amount of property, plant and equipment	5,161.32	722.89	-	5,884.21
	5,161.32	722.89	-	5,884.21
Net deferred tax assets / (liabilities)	(3,511.36)	1,414.33	(9.04)	(2,106.07)

Notes to the Financial Statements for the year ended March 31, 2018

Note 21 : Current Borrowings

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
Working Capital loan from Banks	6,946.58	7,606.59	9,657.83
Unsecured			
Vendor Bill discounting	1,792.52	239.40	1,520.49
Total	8,739.10	7,845.99	11,178.33

Note:- Working capital loan from Banks are secured by first pari passu charge by way of hypothecation of all the stocks, book debts and all other movable current assets of the Company and second pari passu charge by way of mortgage of the immovable properties of the Company and hypothecation of plant and machinery of the Company.

Note 22 : Trade Payables

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables			
-Acceptances	2,292.83	3,229.83	3,208.25
-total outstanding dues of creditors other than micro and small enterprises	2,005.36	2,321.10	3,018.59
-total outstanding dues of micro and small enterprises	190.92	10.56	0.72
Total	4,489.12	5,561.49	6,227.56

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

a) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:			
Principal	190.92	10.56	0.72
Interest	-	-	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-	-

Notes to the Financial Statements for the year ended March 31, 2018

Note 22 : Trade Payables (contd..)

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
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

Note 23 : Other Current Financial Liabilities

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term borrowings	4,831.53	3,449.66	3,344.52
Interest accrued but not due on borrowings	53.25	29.98	48.90
Unclaimed Dividends*	14.81	12.31	15.20
Salary and wages payable	444.56	414.35	347.37
Other payables for expenses	1,042.67	647.19	1,176.41
Creditors for Capital Expenditure	469.61	427.07	376.85
Total	6,856.43	4,980.56	5,309.23

*Investor Education and Protection Fund is being credited by the amount of unclaimed dividend after seven years from the due date. The Company has transferred ₹ 4.36 lakhs (March 31, 2017: ₹ 2.56 lakhs)(April 01, 2016: ₹ 3.06 lakhs) out of unclaimed dividend pertaining to the financial year 2009-10, 2008-09 and 2007-08 to Investor Education and Protection Fund of Central Government in accordance with the provisions of section 124 & 125 of the Companies Act, 2013.

Note 24 : Current Provisions

(₹ in lakhs)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Wealth Tax	-	5.32	5.32
Provision for Fringe Benefit Tax	-	15.50	15.50
Provision for employee benefits - Gratuity and compensated absences	93.13	52.37	14.03
Total	93.13	73.18	34.84

Notes to the Financial Statements for the year ended March 31, 2018

Note 25 : Other Current Liabilities

Particulars	(₹ in lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory dues	140.42	311.95	238.01
Trade advances	124.58	167.91	324.63
Excise duty on closing stock	-	71.89	73.64
Total	265.00	551.74	636.28

The Company has made a provision of excise duty payable amounting to ₹ Nil (March 31, 2017 : ₹ 71.89 lakhs) (April 1, 2016 : ₹ 73.64 lakhs) on stocks of finished goods at the end of the year. Excise duty is considered as an element of cost at the time of manufacture of goods.

Note 26 : Revenue from operations

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products(including excise duty)	121,936.48	109,138.47
Other operating revenue:		
Sale of Scrap/Fly Ash	137.31	4.98
Insurance claim	-	46.19
Export incentives	542.77	337.67
Total	122,616.56	109,527.32

Note: Excise duty collected from customers included in sale of products inclusive of Sale of Scrap/Fly ash amounted to ₹ 1306.37 lakhs (March 31, 2017: ₹ 5084.57 lakhs)

Note 27 : Other income

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income		
On deposits	38.97	38.97
On Others	181.23	174.63
On Income Tax refund	68.92	25.61
Dividend Income	0.08	0.04
Other Non-operating income		
Net Gain on foreign currency transactions and translation	247.73	278.03
Other non operating income	75.54	89.21
Total	612.46	606.49

Notes to the Financial Statements for the year ended March 31, 2018

Note 28 : Cost of materials consumed

(₹ in lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Waste paper	58,568.95	50,195.21
Chemical	12,166.92	10,996.19
Less: Sale of raw material	-	(59.58)
Total	70,735.88	61,131.82

Note 29 : Changes in inventories of finished goods, work-in-progress and goods-in-trade

(₹ in lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the end of the year		
Finished goods/ goods in trade	1,204.61	1,318.32
Work-in-progress	369.66	170.43
	1,574.26	1,488.75
Inventory at the beginning of the year		
Finished goods/ goods in trade	1,318.32	1,345.39
Work-in-progress	170.43	358.76
	1,488.75	1,704.15
Total	(85.51)	215.39

Note 30 : Employee Benefits Expense

(₹ in lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	5,199.06	4,527.97
Contribution to provident and other funds	264.70	270.51
Staff welfare expenses	220.36	235.79
Total	5,684.12	5,034.26

Note 31 : Finance Cost

(₹ in lakhs)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses[*]	3,715.74	4,180.85
Other borrowings cost	79.09	99.42
Total	3,794.82	4,280.26
[*] The break up of interest expense into major heads is given below:		
On term loans	2,023.24	2,479.75
On working capital loans	934.69	1,034.50
Others	757.81	666.60
	3,715.74	4,180.85

Notes to the Financial Statements for the year ended March 31, 2018

Note 32 : Other Expenses

	(₹ in lakhs)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores, spares and tools	2,511.46	2,185.07
Increase / (decrease) in excise duty on inventory of finished goods	(67.19)	5.36
Power, fuel and water	15,398.43	12,235.94
Material handling charges	1,584.20	914.60
Repairs and maintenance:		
Plant and machinery	557.22	795.97
Buildings	84.11	86.79
Others	104.11	119.47
Selling and distribution expenses	6,106.92	5,195.24
General Expenses	1,368.48	1,430.94
Expenditure on corporate social responsibility	38.70	21.54
Provisions for doubtful debts	66.59	-
Rent	922.81	590.85
Insurance	31.46	35.03
Rates and taxes	67.76	55.37
Payment to auditors	15.09	12.07
Legal and professional Fees	600.90	423.42
Loss on sale /discard of fixed assets	-	92.75
Miscellaneous expenses	69.00	42.24
Total	29,460.08	24,242.64

Note 33 : Exceptional Items

	(₹ in lakhs)	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Recompense amount in respect of interest cost paid under CDR guideline for the period 01.09.2012 to 28.10.2016	-	183.87
Commission and Brokerage on sale of Office.	-	16.96
Gain on sale of assets(office)	-	(321.71)
Total	-	(120.88)

Notes to the Financial Statements for the year ended March 31, 2018

Note 34 : Contingent Liabilities and Commitments

Particulars	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
i) Contingent Liabilities		
a) Claims against the Company not acknowledged as debts (Net of Advances):		
(i) Excise Duty/Cusom Duty liability in respect of matter in appeals	510.60	296.53
(ii) Income Tax liability in respect of matter in appeals	278.55	832.34
(iii) Other matters under dispute	103.60	77.99
b) Other money for which the Company is contingently liable		
(i) Guarantees and counter guarantees given	659.90	45.93
(ii) Letters of Credit outstanding	1,027.20	914.06
(ii) Commitments:		
(i) Contracts remaining to be executed on capital account (Net of Advances)	3,379.12	1,123.73
(ii) Export commitments against import of capital goods under EPCG scheme	1,523.42	292.57

Notes:

- (i) The Deputy Commissioner of Income Tax, Surat has raised a demand for ₹ 1084.45 lakhs while completing the assessment for the A. Y. 2007-08 to 2010-11. The Company had appealed against these orders before the CIT (A) and obtained partial relief reducing the demand to ₹ 359.45 lakhs. The demand has been paid by the Company. The Company and the department are in appeal before the Income Tax Appellate Tribunal, Ahmedabad.
- (ii) The Asst. Commissioner of Income Tax, Surat had raised a demand of ₹ 782.86 lakhs while completing the assessment for the A.Y. 2011-12 and 2012-13. The Company had appealed against these orders before the CIT (A) and obtained partial relief reducing the demand to ₹ 94.55 lakhs. The Company has paid the Demand. The Company and the department are in appeal before the Income Tax Appellate Tribunal, Ahmedabad
- (iii) The Income tax officer, Vapi had raised a demand of ₹ 88.99 lakhs while completing the assessment for the year 2013-14. The Company had appealed against this order before the CIT (A) and obtained partial relief reducing the demand to ₹ Nil. The Company and the department are in appeal before the Income Tax Appellate Tribunal, Ahmedabad.
- (iv) The Income Tax Officer, Vapi had raised a demand of ₹ 26.23 lakhs while completing the assessment for the year assessment year 2014-15. However the Company had filed application u/s 154 for rectification of order which has resulted in "NIL" demand.". The Company had appealed against assessment order before the CIT (A) and the same is pending disposal.
- (v) The Asst. Commissioner of Income Tax, Vapi had raised a demand of ₹ 352.11 lakhs as penalty u/s 271(1) (C) for the assessment years 2007-08 to 2010-11. In order to stay this demand the Company offered to adjust refund of earlier years amounting to ₹ 168.56 lakhs and also paid ₹ 50 lakhs . Net outstanding demand is ₹ 133.55 lakhs The Company had appealed against these orders before the CIT (A) and the same is pending disposal.
- (vi) The Income Tax department is in appeal before the Hon'ble High Court, Gujarat for the assessment years 2007-08 and 2008-2009 on various grounds decided by the Income Tax Appellate Tribunal.
- (vii) The Asst. Commissioner of Income Tax, Vapi had raised a demand of ₹ 154.64 lakhs as penalty u/s 271(1) (C) for the assessment years 2011-12 and 2012-13. Refund of ₹ 9.64 lakhs for the previous assessment year has been adjusted reducing demand to ₹ 145 lakhs/-.The Company had appealed against these orders before the CIT (A) and the same is pending disposal.
- (viii) The Assessment for the assessment year 2016-17 is in progress.

Notes to the Financial Statements for the year ended March 31, 2018

Note 35 : Earnings Per Share [EPS] computed in accordance with Ind As 33

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax (A)	9,024.40	4,973.19
Weighted average number of equity shares of ₹ 10 each outstanding during the year (B)	170.19	170.19
Earnings per share		
Basic and diluted (in ₹) [A/B]	53.03	29.22

Note 36 : Related Party Disclosures

(a) Details of Related Parties

i) Key Management Personnel

Shri R N Agarwal	Chairman and Managing Director
Smt. Reena R Agarwal	Whole Time Director
Shri Raunak Agarwal	Whole Time Director
Shri A.K. Bansal	Whole Time Director
Shri Gopal Uchil	Chief Financial Officer
Ms. Pooja Daftary	Company Secretary

ii) Non-Executive/Independent Directors on the Board

Shri S N Chaturvedi	Independent Directors
Shri P Kumar	Independent Directors
Shri C R Radhakrishnan	Independent Directors
Shri Ajay Nair	Independent Directors
Shri R K Bakshi	Additional Independent Director

iii) Relatives of Key Management Personnel

Shri Rohan R Agarwal	General Manager - Marketing
Smt. Natasha Agarwal	Manager-Product Development

(b) Transactions during the year

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
1) Remuneration paid to Key Management Personnel and Relatives	503.59	348.10
2) Sitting Fees paid to Independent Directors on the Board	6.10	7.50
3) Car Lease Rent paid to Key Management Personnel	3.00	18.00
4) Dividend Paid to Key Management Personnel	249.22	-
5) Unsecured Deposit Received from Key Management Personnel	350.00	2,035.00
(c) Balances at the year end		
6) Unsecured Deposit from Key Management Personnel	1,040.07	2,800.07

Note: 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.

Notes to the Financial Statements for the year ended March 31, 2018

(d) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no financial guarantees provided to a Related Party. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amount owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

Note 37: 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)	
	Year ended March 31, 2018 Gratuity	Year ended March 31, 2017 Gratuity
I. Change in present value of obligation during the year		
Present value of obligation at the beginning of the year	520.75	399.87
Included in profit and loss:		
Current Service Cost	86.82	81.98
Interest Cost	38.62	31.59
Past Service Cost	14.43	-
Actuarial Gain/(Loss)	-	-
Included in OCI:		
Actuarial losses/(gains) arising from:		
Experience adjustments	(18.78)	6.27
Financial assumption	(6.72)	30.46
Others		
Benefits Paid	(29.84)	(29.42)
Present Value of obligation as at year-end	605.29	520.75

Notes to the Financial Statements for the year ended March 31, 2018

Note 37: Employee benefits plan (contd..)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018 Gratuity	Year ended March 31, 2017 Gratuity
II. Change in Fair Value of Plan Assets during the year		
Plan assets at the beginning of the year	407.60	353.56
Included in profit and loss:		
Expected return on plan assets	30.16	27.93
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	0.62	2.05
Others:		
Employer's contribution	131.40	53.48
Benefits paid	(29.84)	(29.42)
Plan assets at the end of the year	539.94	407.60

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

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018 Gratuity	Year ended March 31, 2017 Gratuity
III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets		
1. Present Value of obligation as at year-end	(605.29)	(520.75)
2. Fair value of plan assets at year -end	539.94	407.60
3. Funded status {Surplus/(Deficit)}	(65.35)	(113.15)
Net Asset/(Liability)	(65.35)	(113.15)
IV. Expenses recognised in the Statement of Profit and Loss		
1. Current Service Cost	86.82	81.98
2. Interest Cost	38.62	31.59
3. Past service Cost	14.43	-
4. Expected return on plan assets	(30.16)	(27.93)
Total Expense	109.71	85.64
V. Expenses recognised in the Statement of Other Comprehensive Income		
1. Net Actuarial (Gain)/Loss	(25.50)	36.73
2. Expected return on plan assets excluding interest income	(0.62)	(2.05)
Total Expense/(Income)	(26.12)	34.68

Notes to the Financial Statements for the year ended March 31, 2018

Note 37: Employee benefits plan (contd..)

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
	Gratuity	Gratuity
VI. Constitution of Plan Assets		
1. Insurance	539.94	407.60
VII. Bifurcation of PBO at the end of the year		
1. Current Liability	93.69	55.47
2. Non-Current Liability	511.60	465.28
VIII. Actuarial Assumptions		
1. Discount Rate	7.70%	7.40%
2. Expected rate of return on plan assets	7.70%	7.40%
3. Salary Escalation	7.25%	
4. Mortality table	IALM (2006-08)	
5. Withdrawal Rate	2.00%	

IX. The expected contribution for Defined Benefit Plan for the next financial year will be ₹93.69 lakhs

X. Experience Adjustment:

Gratuity	(₹ in lakhs)		
	2017-18	2016-17	2015-16
Present Value of obligation	(605.29)	(520.75)	(399.87)
Fair value of Plan assets	539.94	407.60	353.56
Net Asset/(Liability)	(65.35)	(113.15)	(46.31)
Actuarial (Gain)/Loss on plan obligation	(18.78)	6.27	(9.39)
Actuarial Gain/(Loss) on plan assets	0.62	2.05	5.91

XI. Sensitivity Analysis

Gratuity	(₹ in lakhs)			
	Year ended March 31, 2018		Year ended March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(82.88)	68.94	(73.00)	60.43
Future salary growth (1% movement)	79.96	(68.08)	69.12	(59.17)
Withdrawal Rate (1% movement)**	-	-	-	-

** 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, 2018

Note 37: Employee benefits plan (contd..)

XIII. Maturity Profile of Defined benefit obligation

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
i) Duration of defined benefit obligation		
Within the next 12 months (next annual reporting period)	18.22	17.27
Between 2 and 5 years	95.31	82.80
Beyond 5 years	491.76	420.69
ii) Duration of defined benefit payments		
Within the next 12 months (next annual reporting period)	18.91	17.90
Between 2 and 5 years	120.76	103.66
Beyond 5 years	1,897.45	1,592.98

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 ₹ 184.44 lakhs (Previous Year: ₹ 206.45 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to the funds.

Note 38: 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	(₹ in lakhs)	
	March 31, 2018	March 31, 2017
India	108,012.09	100,734.92
Outside India	13,924.39	8,403.55
Total	121,936.48	109,138.47

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, 2018

Note 39: 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.

(a) Gross amount required to be spent by the Company during the year ₹ 38.38 lakhs

(b) Amount spent during the year on:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
	Paid	Yet to be paid
(i) Healthcare	22.70	-
(ii) Education	11.15	-
(iii) Infrastructure / Cultural	4.65	-
Total	38.50	-

Note 40:

Management expects that it would earn sufficient taxable income in future and therefore will be in a position to pay normal tax within the period specified under the Income Tax Act, 1961 and accordingly MAT credit entitlement of ₹ 3569.59 lakhs (Current Year ₹ 2022.19 lakhs – Previous year ₹ 1547.40 lakhs) has been recognized.

Note 41: Financial Instruments by category

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

a) Financials Assets

Particulars	Level	(₹ in lakhs)					
		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
1) Financial assets at fair value through profit and loss							
Non-current assets - a) Investments	3	0.43	0.43	0.47	0.47	0.47	0.47
2) Financial assets designated at fair value through other comprehensive income							
Investment In Equity shares	1	44.97	44.97	54.95	54.95	46.24	46.24
3) Financial assets at amortised cost							
a) Other Bank Balances*	3	775.63	775.63	490.76	490.76	541.18	541.18
b) Cash & Cash Equivalents*	3	10.49	10.49	14.14	14.14	56.60	56.60
c) Trade receivables*	3	11,073.97	11,073.97	9,444.53	9,444.53	7,867.15	7,867.15
d) Other receivables*	3	157.81	157.81	115.39	115.39	64.79	64.79
e) Other financial assets	3	545.66	545.66	460.62	460.62	280.79	280.79
		12,608.96	12,608.96	10,580.86	10,580.86	8,857.23	8,857.23

Notes to the Financial Statements for the year ended March 31, 2018

Note 41: Financial Instruments by category (contd..)

b) Financial Liabilities

(₹ in lakhs)

Particulars	Level	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liability at amortised cost							
a) Borrowings	3	24,116.23	24,116.23	26,557.46	26,557.46	33,449.88	33,449.88
b) Trade payables*	3	4,489.12	4,489.12	5,561.49	5,561.49	6,227.56	6,227.56
c) Other financial liability*	3	17,056.10	17,056.10	15,967.44	15,967.44	15,556.23	15,556.23
		45,661.45	45,661.45	48,086.38	48,086.38	55,233.67	55,233.67

*The carrying amounts of trade receivables, cash and cash equivalents, current loans, other current financial assets, current borrowings, trade payables and other financial liabilities are considered to be approximately equal to the fair value.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1: 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 42: FIRST TIME ADOPTION of Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017 with a transition date of April 01, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended March 31, 2018 be applied retrospectively and

Notes to the Financial Statements for the year ended March 31, 2018

consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Disclosures as required by indian Accounting standard (Ind AS 101) first time adoption of indian accounting standards exemption and exceptions availed

Below mentioned are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(A) Ind AS Optional Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

The Company has applied the following exemptions

i) Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

(B) Ind AS mandatory exceptions

i) Estimates:-

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP except where Ind AS required a different basis for estimates as compared to the previous GAAP.

ii) Derecognition of financial assets and financial liabilities:-

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

iii) Classification of financial assets and liabilities:-

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Notes to the Financial Statements for the year ended March 31, 2018

Note 42: FIRST TIME ADOPTION of Ind AS (contd..)

A. Reconciliations of Balance Sheet as at March 31, 2017 and April 1, 2016

(₹ in lakhs)

Particulars	Notes	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP	GAAP Adjustment	As per IND AS	Previous GAAP	GAAP Adjustment	As per IND AS
ASSETS							
NON-CURRENT ASSETS							
Property, Plant and Equipment		43,616.97	-	43,616.97	44,729.86	-	44,729.86
Capital Work-in-progress		2,512.61	-	2,512.61	2,429.60	-	2,429.60
Intangible assets		24.80	-	24.80	12.07	-	12.07
Financial Assets							-
Investments	1	6.56	48.86	55.42	6.56	40.15	46.71
Loans		0.85	-	0.85	3.56	-	3.56
Other financial assets	2	51.72	62.82	114.54	61.23	-	61.23
Other non-current Assets	2	733.50	40.25	773.75	326.38	-	326.38
Total non-current assets		46,947.02	151.93	47,098.95	47,569.27	40.15	47,609.42
CURRENT ASSETS							
Inventories		6,297.12	-	6,297.12	6,603.86	-	6,603.86
Financial Assets			-	-		-	-
Trade receivables		9,444.53	-	9,444.53	7,867.15	-	7,867.15
Cash and cash equivalents		14.14	-	14.14	56.60	-	56.60
Other bank balances		490.76	-	490.76	541.18	-	541.18
Loans		85.33	-	85.33	18.79	-	18.79
Other financial assets	2	489.29	(114.00)	375.29	262.01	-	262.01
Other current assets	2	2,004.03	10.48	2,014.51	2,475.43	-	2,475.43
Current tax assets(Net)	6	1,608.96	(1,547.40)	61.56	1,286.75	-	1,286.75
Total Current assets		20,434.16	(1,650.92)	18,783.24	19,111.77	-	19,111.77
TOTAL ASSETS		67,381.17	(1,498.99)	65,882.19	66,681.04	40.15	66,721.19
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		1,701.91	-	1,701.91	1,701.91	-	1,701.91
Other equity		14,728.78	(3,113.73)	11,615.05	7,705.61	(1,049.79)	6,655.82
Total equity		16,430.69	(3,113.73)	13,316.96	9,407.52	(1,049.79)	8,357.73
NON-CURRENT LIABILITIES							
Financial liabilities							
Borrowings	3	18,711.47	-	18,711.47	21,702.80	568.75	22,271.55
Other financial liabilities	2	10,948.50	38.38	10,986.88	10,247.00	-	10,247.00
Provisions		342.56	-	342.56	229.98	-	229.98
Deferred tax liabilities (net)	6	1,935.00	1,576.36	3,511.36	1,707.50	521.18	2,228.68
Total non-current liabilities		31,937.53	1,614.74	33,552.27	33,887.28	1,089.93	34,977.21
CURRENT LIABILITIES							
Financial liabilities							
Borrowings		7,845.99	-	7,845.99	11,178.33	-	11,178.33
Trade payables		5,561.49	-	5,561.49	6,227.56	-	6,227.56
Other financial liabilities		4,980.56	-	4,980.56	5,309.23	-	5,309.23
Provisions		73.18	-	73.18	34.84	-	34.84
Other current liabilities		551.74	-	551.74	636.28	-	636.28
Total current liabilities		19,012.96	-	19,012.96	23,386.24	-	23,386.24
TOTAL EQUITY AND LIABILITIES		67,381.17	(1,498.99)	65,882.19	66,681.04	40.15	66,721.19

Notes to the Financial Statements for the year ended March 31, 2018

Note 42: FIRST TIME ADOPTION of Ind AS (contd..)

B. Reconciliation of Total Comprehensive Income for the year ended March, 31, 2017

(₹ in lakhs)				
Particulars		Previous GAAP	GAAP Adjustment	As per IND AS
INCOME				
Revenue from Operations	4	104,442.75	5,084.57	109,527.32
Other income	2	605.28	1.22	606.49
Total		105,048.02	5,085.79	110,133.81
EXPENSES				
Cost of materials consumed		61,131.82	-	61,131.82
Changes in inventories of finished goods and work -in-progress		215.39	-	215.39
Excise duty on sale of goods	4	-	5,084.57	5,084.57
Employee benefits expense	5	5,068.94	(34.68)	5,034.26
Finance costs	3	4,314.38	(34.12)	4,280.26
Depreciation and amortisation expense		2,450.47	-	2,450.47
Other expenses	2	24,202.60	40.05	24,242.64
Total		97,383.61	5,055.82	102,439.43
Profit before exceptional items and tax		7,664.41	29.97	7,694.39
Exceptional items	3	413.75	(534.63)	(120.88)
Profit before tax		7,250.66	564.61	7,815.27
Tax expense				
Current tax		1,547.40	-	1,547.40
Less:Mat Credit Entitlement		(1,547.40)	-	(1,547.40)
Tax expense related to earlier years(Net)				
Deferred tax	6	227.50	2,614.58	2,842.08
Profit after tax		7,023.17	(2,049.98)	4,973.19
Other Comprehensive Income				
Items that will not be reclassified to profit or loss:				
Re-measurement gains/(losses) on defined benefit plan	5	-	(34.68)	(34.68)
Income tax effect on above	6	-	12.00	12.00
Equity Instruments through Other Comprehensive Income		-	8.71	8.71
Other Comprehensive Income for the year [Net of tax]		-	(13.96)	(13.96)
Total Comprehensive Income for the year		7,023.17	(2,063.94)	4,959.22

C. Reconciliation of equity as at March 31, 2017 and April, 2016 between previous GAAP and Ind AS:

(₹ in lakhs)			
Particulars	Refer note below	As at March 31, 2017	As at April 1, 2016
Other Equity as Per Previous GAAP		14,728.78	7,705.61
Add/(Less):			
Impact due to Fair Valuation of non current Investment	1	48.86	40.15
Impact of EIR Method on Loans and Borrowings	3	-	(568.75)
Other Adjustments	2	(38.83)	-
Tax adjustments as per IND AS	6	(3,123.76)	(521.18)
Equity Attributable to Owners of the Company as per Ind AS		11,615.05	6,655.82

Notes to the Financial Statements for the year ended March 31, 2018

Note 42: FIRST TIME ADOPTION of Ind AS (contd..)

D. Reconciliation of profit for the year ended March 31, 2017 between previous GAAP and Ind AS:

Particulars	Refer note below	(₹ in lakhs) As at March 31, 2017
Net Profit after tax reported under previous GAAP		7,023.17
Borrowings measured at amortised cost	3	568.75
Reclassification of Actuarial gains/losses to Other Comprehensive Income (OCI)	5	34.68
Others	2	(38.83)
Tax adjustments as per IND AS	6	(2,614.58)
Net Profit after tax reported under Ind AS		4,973.19
Other Comprehensive Income/(Loss) (net of tax)	7	(13.96)
Total Comprehensive Income for the period as reported under Ind AS		4,959.22

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements

D. There is no significant reconciliation items between cash flow prepared under Previous GAAP and prepared under Ind AS.

NOTES TO FIRST TIME ADOPTION

Note 1: Fair Valuation of Investments

Under previous GAAP, investment in equity instruments were classified into long term and current investments. Long term investments were carried at cost less provision other than temporary in nature. Current investments were carried at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value either through OCI (FVTOCI) or through Profit & loss (FVTPL). For investment in Unquoted Instrument, Company has elected to fair value through Profit and Loss Account(FVTPL) & For investment in Quoted Instrument, Company has elected to fair value through OCI.(FVTOCI)

Note 2: Fair valuation of Financial Asset

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of lease term) are recorded at transaction price. Under Ind AS All financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits and the difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent which is amortised over the period of security as rental expenses and consequently Notional interest income is to be booked in Profit and Loss Account.

Rent free periods are considered as a part of the lease term and accounted for as lease incentives. Hence lease rentals are straight lined over entire lease period, including the rent-free period as well.

Note 3: Borrowings

Ind AS 109 requires transaction costs incurred towards borrowings to be deducted from the transaction value on initial recognition. These cost are recognised in profit and loss over the tenure of borrowings as a part of the interest expense by applying effective interest rate method.

Note 4: Excise duty

Under previous GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of statement of profit and loss account as a part of expense. This change has resulted in increase in total revenue and total expense. There is no impact on total equity and profit.

Notes to the Financial Statements for the year ended March 31, 2018

Note 42: FIRST TIME ADOPTION of Ind AS (contd..)

Note 5 : Remeasurements of post employment benefit obligations

Under previous GAAP, cost relating to post employment benefit obligations including actuarial gain/losses were recognised in Profit & Loss. Under Ind AS, actuarial gain/losses on the net defined benefit liability are recognised in other comprehensive income instead of profit & loss.

Note 6: Deferred taxes

Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base.

Note 7: Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of expenses, incomes, losses and gains are required to be presented in other comprehensive income.

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.

(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.

Notes to the Financial Statements for the year ended March 31, 2018

Note 43: Financial risk management objectives and policies (contd..)

Foreign Currency Exposure

Name of the Instrument	March 31, 2018		March 31, 2017	
	In Million US\$	₹ in lakhs	In Million US\$	₹ in lakhs
Open Foreign Exchange Exposures - Receivable	\$2.17	1390.58	\$0.71	465
Open Foreign Exchange Exposures - Payable	\$0.11	73.44	\$1.41	886

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	2017-18		2016-17	
	1% appreciation	1% depreciation	1% appreciation	1% depreciation
	In US\$	In US\$	In US\$	In US\$
Increase / (decrease) in profit or loss (₹ in lakhs)	13.17	(13.17)	(4.21)	4.21

(ii) Interest rate risk:

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of interest bearing loans, vehicle loans and advances and security deposits; however these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of paper and paper boards and therefore require a continuous supply of raw materials i.e. waste paper, chemicals, coal etc. being the major input used in the manufacturing. Due to the significantly increased volatility of the price of waste paper and coal the Company had entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i) Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional dealers

Notes to the Financial Statements for the year ended March 31, 2018

Note 43: Financial risk management objectives and policies (contd..)

or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, has assess the credit risk for trade receivables as low. 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.

ii) Financial Instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation, financial strength/rating and service standards to select the banks with which balances and deposits are maintained. Generally the balances are maintained with the institutions with which the Company has also availed borrowings.

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

					(₹ in lakhs)
Particulars	Neither Due nor impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at March 31, 2018					
Unsecured	8,585.70	2,331.27	149.58	74.01	11,140.56
Loss allowance	-	-	-	(66.59)	(66.59)
Total	8,585.70	2,331.27	149.58	7.42	11,073.97
As at March 31, 2017					
Unsecured	7,637.12	1,298.47	350.11	158.83	9,444.53
Total	7,637.12	1,298.47	350.11	158.83	9,444.53
As at April 1, 2016					
Unsecured	5,927.84	1,444.02	249.84	245.45	7,867.16
Total	5,927.84	1,444.02	249.84	245.45	7,867.16

(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, 2018

Note 43: Financial risk management objectives and policies (contd..)

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

(₹ in lakhs)					
Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	8,739.10	8,739.10	-	-	8,739.10
Borrowings - Non-Current	20,208.66	4,831.53	15,377.13	-	20,208.66
Trade payables	4,489.12	4,489.12	-	-	4,489.12
Other financial liabilities - Current	2,024.90	2,024.90	-	-	2,024.90
Other financial liabilities - Non-Current					
Dealer deposits	640.01	-	640.01	-	640.01
Retention money	9,500.00	-	9,500.00	-	9,500.00

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

(₹ in lakhs)					
Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	7,845.99	7,845.99	-	-	7,845.99
Borrowings - Non-Current	22,161.13	3,949.66	18,211.47	-	22,161.13
Trade payables	5,561.49	5,561.49	-	-	5,561.49
Other financial liabilities - Current	1,530.90	1,530.90	-	-	1,530.90
Other financial liabilities - Non-Current					
Dealer deposits	1,448.50	-	1,448.50	-	1,448.50
Retention money	9,500.00	-	9,500.00	-	9,500.00

The table below provides details regarding the contractual maturities of significant financial liabilities as of April 1, 2016:

(₹ in lakhs)					
Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	11,178.33	11,178.33	-	-	11,178.33
Borrowings - Non-Current	25,616.07	3,844.52	19,602.11	2,169.44	25,616.07
Trade payables	6,227.56	6,227.56	-	-	6,227.56
Other financial liabilities - Current	1,964.71	1,964.71	-	-	1,964.71
Other financial liabilities - Non-Current					
Dealer deposits	747.00	-	747.00	-	747.00
Retention money	9,500.00	-	9,500.00	-	9,500.00

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, 2018

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	(₹ in lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt (A)	24,116.23	26,557.46	33,449.88
Less : Cash and Bank Balance (B)	786.12	504.90	597.78
Net Debt (A-B)	23,330.11	26,052.56	32,852.10
Total Equity	21,938.77	13,316.96	8,357.73
Total Capital	45,268.88	39,369.52	41,209.83
Gearing Ratio	52%	66%	80%
Net Debt to Equity Ratio	1.06	1.96	3.93

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.

(b) 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	(₹ in lakhs)	
	March 31, 2018	March 31, 2017
A) Declared and paid during the year:		
Final Dividend the FY 2016-17: ₹ 2 per share (FY 2015-16: Nil)	340.38	-
Dividend distribution tax	69.29	-
	409.67	-
B) Proposed for approval at the annual general meeting (not recognised as a liability)*		
Final Dividend the FY 2018: ₹ 3 per share (FY 2017: ₹ 2 per share)	136.75	340.38
Dividend distribution tax	28.11	69.29
	164.86	409.67

*No dividend was recommended on 1,24,60,923 equity shares held by the promoters who have irrevocably waived their entitlement to dividend for the FY 2018.

Notes to the Financial Statements for the year ended March 31, 2018

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, 2018	March 31, 2017	April 1, 2016
Spytech Buildcon Pvt.Ltd	Inter Corporate Deposit	9%	75.00	75.00	-

Note 47 : Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date.

Note 48 :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 48

As per our attached report of even date

For **GMJ & CO**
Chartered Accountants
Firm's Registration No 103429W

SANJEEV MAHESHWARI
Partner
Membership No. 038755

Mumbai, May 14, 2018

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director
DIN 00176440

POOJA DAFTARY
Company Secretary

RAUNAK AGARWAL
Whole Time Director
DIN 02173330

GOPAL UCHIL
Chief Financial Officer

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

N R Agarwal Industries Ltd.

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

CIN: L22210MH1993PLC133365

Tel: 67317500 | Fax: 2673 0227/2673 6953 | Email: admin@nrail.com | Website: www.nrail.com

Name of the Member (s) : _____

Registered address: _____

E-mail Id: _____

Folio No./ Client ID: _____ DP ID No. _____

I / We, being the member(s) of _____ equity shares of the above named Company, hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____ Signature : _____ or failing him / her:

2. Name: _____

Address: _____

E-mail Id: _____ Signature : _____ or failing him / her:

3. Name: _____

Address: _____

E-mail Id: _____ Signature : _____ or failing him / her:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty-Fifth Annual General Meeting of the Company to be held on the Friday, September 28, 2018 at 11.30 a.m. at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D. N. Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai - 400 053 and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolutions
1.	Adoption of Audited Financial Statements for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2.	Declaration of dividend for FY 2018.
3.	Appointment of Director in place of Shri Raunak Agarwal who retires by rotation and, being eligible, offers himself for re-appointment.
4.	Re-Appointment of Shri Rajendra Agarwal as the Managing Director.
5.	Appointment of Shri R K Bakshi as Independent Director.
6.	Continuation of Directorship by Shri P Kumar.
7.	Approval of the limits for the Loans, Guarantees and Investments by the Company pursuant to Section 186 of the Companies Act, 2013.
8.	Ratification of payment of remuneration to the Cost Auditors for the financial year ended March 31, 2018.

Signed this _____ day of _____, 2018

Signature of Shareholder _____

Signature of Proxy Holder (s) _____

Affix
Revenue
Stamp of
₹1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) in above box before submission.

Corporate Information

L22210MH1993PLC133365

Board of Directors

Shri R N Agarwal

Chairman & Managing Director

Shri Raunak Agarwal

Whole Time Director

Smt. Reena Agarwal

Whole Time Director

Shri Ashok Kumar Bansal

Whole Time Director

Shri P Kumar

Independent Director

Shri C R Radhakrishnan

Independent Director

Shri Ajay Nair

Independent Director

Shri R K Bakshi

Independent Director

Chief Financial Officer

Shri Gopal Uchil

Company Secretary & Compliance Officer

Ms. Pooja Daftary

Contact Details: 022-67317547

Email id: investors@nrail.com

Auditors

GMJ & Co., Chartered Accountants

Bankers

Bank of Baroda

Bank of India

IDBI Bank Limited

The Saraswat Co-operative Bank Limited

Registered Office

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

Tel.: +91 22 6731 7500

Email Id: admin@nrail.com

Website: www.nrail.com

Registrar & Share Transfer Agent

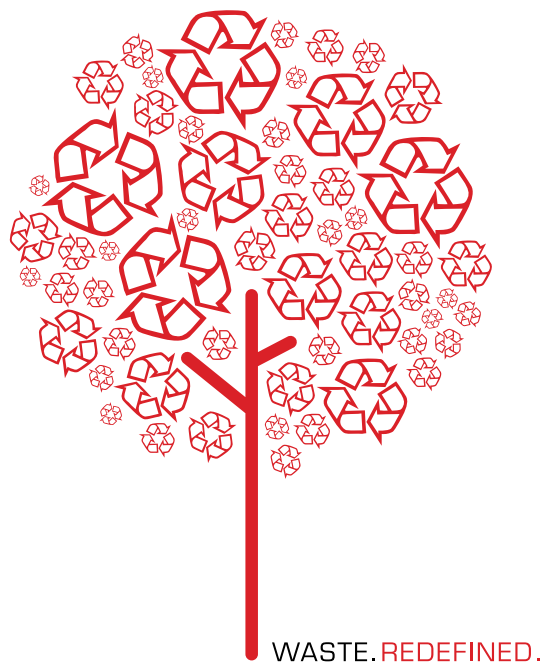
Sharex Dynamic (India) Private Limited

Unit No.1, Luthra Industrial Premises, Safed Pool,

Andheri Kurla Road, Andheri (East), Mumbai - 400 072

Contact: 022-28515606

E: investors@sharexindia.com



N R Agarwal Industries Ltd.

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

