

# N R AGARWAL INDUSTRIES LIMITED

20<sup>th</sup>  
Annual Report  
2012-13



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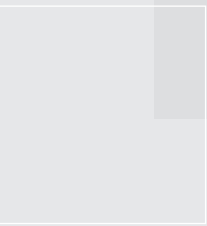
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Proxy Form

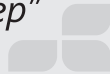
*CHANGE IS DYNAMIC.....SO ARE WE.*

*We do not sacrifice long-term stability for short term gains,  
however attractive they may seem.*

*This has kept us in good stead over the years and well poised to take  
advantage of the opportunities as and when the market revives...*



*"The journey of a thousand miles  
begins with a single step"*



**Shri R N Agarwal (left)**

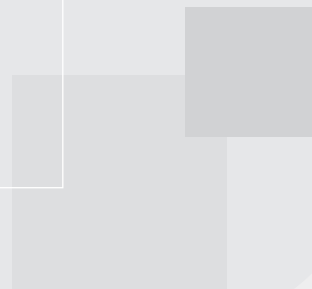
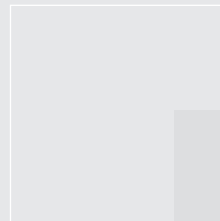
Chairman, Managing Director & CEO

**Shri Raunak Agarwal (right)**

Whole-Time Director



**Founder Chairman  
Late Shri N R Agarwal**



# Value Statement

By Managing Director & CEO

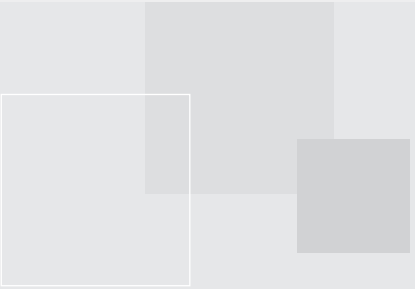


*"Winning is important to me,  
but what brings me real joy is the experience of being  
fully engaged in whatever I'm doing."*



## **Dear Shareholders,**

The Indian Paper Industry is among the top 12 global players today, accounts for about 1.6% of the world's production of paper and paperboard. The estimated turnover of the Industry is approximately (USD 7 billion). The Industry provides employment to more than 0.37 million people directly and 1.3 million people indirectly. Paper Industry in India is moving up with a strong demand push and is in expansion mode to meet the projected demand of 20 Million tonnes by 2020. Therefore, the growth of Industry will out span the present growth rate of 6.5%.



Many mills in India are in modernization and expansion spree. Many old mills are under revival or new green field projects are under consideration.

Major changes are taking place in various segments like writing & printing paper, paperboard, newsprint, etc. New technologies and modern management will have vital part in this process. Besides that many overseas players are entering India by acquiring or by setting up new plants in Indian soil with an aim to make India as a paper manufacturing hub which will bring huge investments to Indian Paper Industry.

India is now, the second largest waste paper importer after China. In the coming years, domestic waste paper is expected to play a greater role. Availability of waste paper within India may have been low in the past, but we are already seeing the collection rates going up in the last few years. This is of course largely on the back of improved prices and the trend is expected to continue. We find that the downturn since 2008 has actually led to lower generation of waste paper particularly in developed countries. This is in contrast to the increase in demand for waste paper in developing economies.

It is needless to say that import of raw materials, spares, plant and machinery, technical know how, will play a great role in the Indian Paper Industry. As we all know that due to US crises our INR is getting weaker and weaker everyday and we all have to digest this truth that the currency has weakened by 10 to 15% in a short span of 4 to 5 months. So we all have to be ready for the challenges and fight with the current economic scenario.

India is among the world's fastest growing paper markets. The future of newsprint is linked to the future of Indian economy. The turbulent period continues

although we foresee a better and brighter prospect in 2014 as favourable GDP growth will result in higher demand for newsprint. India's current newsprint consumption is approximately 2.6 million tons out of which almost 50% is imported. Over the last 25 years, production, import and consumption of newsprint have all shown rising trends with the average annual growth rate of production at 7.6%, imports at 5.4% and consumption at 6%. With a readership base of over 250 million, India is ranked the second largest Newsprint market in the world.

The path to relative economic, social and ecological sustainability is guaranteed to be littered with failures of every nature and scale. If we recognize them and learn from them, the transition will proceed faster and in more resource-efficient ways. If, on the other hand, we prefer the short-term comfort of burying our failures, or of blaming scapegoats, the transition will be significantly slowed, or could even be derailed completely.

At some level, NRAIL is stronger for having experienced the uncertainty and tumult of that period. These events ensured we continue to focus on the fundamentals and understand and swiftly act upon the velocity of the problems as they arise. As it is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.

I immensely value the faith that you have reposed in NRAIL and would like to thank you for your continued support.

**R N AGARWAL**  
CHAIRMAN, MANAGING DIRECTOR & CEO

# Corporate Information

## **Board of Directors**

Shri R N Agarwal	Chairman, Managing Director & CEO
Shri Raunak Agarwal	Whole Time Director
Shri Mangilal Suthar	Executive Director
Shri S N Chaturvedi	Independent Director
Shri P Kumar	Independent Director
Shri C R Radhakrishnan	Independent Director

## **Chief Financial Officer**

Shri Gopal Uchil

## **Company Secretary & Compliance Officer**

Ms. Riddhi Thakkar

## **Auditors**

Chaturvedi & Partners  
Chartered Accountants, Mumbai

## **Bankers**

Bank of Baroda  
Bank of India  
Standard Chartered Bank  
IDBI Bank Limited  
The Saraswat Co-operative Bank Limited

## **Registrar & Share Transfer Agents**

Sharex Dynamic (India) Private Limited  
Unit No.1, Luthra Industrial Premises,  
Safed Pool, AndheriKurla Road,  
Andheri (East), Mumbai - 400 072

## **Registered Office**

415-418, Janki Centre, 4<sup>th</sup> Floor,  
29, Shah Industrial Estate,  
Off Veera Desai Road,  
Andheri (West), Mumbai - 400 053

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of N R AGARWAL INDUSTRIES LIMITED will be held at GMS Community Centre Hall, Sittladevi Complex, 1<sup>st</sup> Floor, D N Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai – 400 053 on Tuesday, August 27, 2013 at 11.30 a.m. to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. P. Kumar, who retires by rotation and is eligible for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** M/s. Chaturvedi & Partners, Chartered Accountants, (Firm Registration No. 307068E) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

### SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and subject to the approval of the Central Government and subject to such other consents and approvals as may be necessary, the Company hereby ratifies and confirms the payment of excess remuneration made to Shri R. N. Agarwal, Chairman, Managing Director and CEO of the Company amounting to ₹ 5,276,035/-, over and above the limits prescribed under Section 309 of the Companies Act, 1956 read with Schedule XIII, for the financial year ended March 31, 2013 i.e. for a period from April 1, 2012 to March 31, 2013 or such amount as approved by the Central Government, resulting from inadequacy of profits for the above financial year;

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 309 (5A) and (5B) and other applicable provisions, if any, of the Companies Act, and subject to the approval of the Central Government, consent of the members be and is hereby accorded for waiver of recovery of excess

remuneration of ₹ 5,276,035/- paid during the financial year ended March 31, 2013 or such amount as approved by the Central Government from Shri R. N. Agarwal, Chairman, Managing Director and CEO;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and Company Secretary, be and are hereby severally authorized to do all the necessary acts, deeds, matters and things to effectuate the above resolution.”

### NOTES:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the business at Item No. 4 above is annexed hereto.
2. The relevant details of the director seeking re-appointment under Item No.2 above as required by Clause 49 of Listing Agreement entered into with the Stock Exchange, are also annexed.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** Proxies, in order to be effective, must be received at the Company’s Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of Companies, Societies, Partnership Firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of nominating organizations.
4. The Register of Members and Transfer Books of the Company will remain closed from Wednesday, August 21, 2013 to Tuesday, August 27, 2013 (both days inclusive).
5. Shareholders holding shares in physical form are requested to get their shares dematerialized.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank.
7. Members are requested to avail the facility of remittance of dividend through the National Electronic Clearing System (NECS). The NECS facility is available at locations identified by Reserve Bank of India from time to time. Members holding shares in physical form and desirous of availing this facility are requested to immediately write to the Company’s Registrar and Transfer Agent, with changes in their bank account/ accounts numbers, if any, alongwith a photocopy

of a blank cheque pertaining to the concerned account particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

8. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Share Registrars of the Company.
9. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrar and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrar and Transfer Agents.
10. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of any such claims by the IEPF.

Members who have not yet encashed their dividend warrant(s) from the financial year ended March 31, 2007,

onwards are requested to make their claims to the Company accordingly, without any delay.

11. To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Company's Share Registrar and Transfer Agents, if shares are held in physical mode or with their DP, if the holding is in electronic mode.
12. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

**By order of the Board of Directors**

**Riddhi Thakkar**  
Company Secretary

**Registered Office:**

415-418, Janki Centre, 4<sup>th</sup> Floor,  
29, Shah Industrial Estate,  
Off Veera Desai Road, Andheri (West),  
Mumbai – 400 053.

Mumbai  
May 30, 2013

## ANNEXURE TO NOTICE

### Explanatory Statement under Section 173(2) of the Companies Act, 1956

#### Item no.4

Shri R. N. Agarwal was re-appointed as the Managing Director of the Company for a period of five years w.e.f. August 1, 2010. Till the financial year ended March 31, 2012, the Company was having adequate profits on a year to year basis and the remuneration paid to Shri R. N. Agarwal was well within the applicable limits given under the Companies Act, 1956.

However, during the year 2012-13, due to various internal and external factors, the remuneration paid to Shri R. N. Agarwal, crossed the overall limit of the profits of the Company. As per the audited accounts, there was an excess payment of remuneration made to Shri R. N. Agarwal in the financial year 2012-13 of ₹ 5,276,035/- Therefore it was decided by the Board of Directors of the Company to move an application to the Central Government for obtaining its approval for waiver of recovery of excess remuneration paid to Shri R. N. Agarwal for the financial year 2012-13.

Further as recommended by the Remuneration Committee, the Board of Directors at its meeting held on May 30, 2013 have ratified, confirmed and approved, subject to the approval of the members and Central Government, the payment of excess remuneration.

Accordingly, a resolution at item no. 4 is proposed for the consent of members by way of special resolution. The Board recommends the approval of the members to the said resolution.

The necessary application to the Central Government for waiver of recovery of excess payment of remuneration to Shri R. N. Agarwal, Chairman, Managing Director and CEO of the company is being made.

Shri R. N. Agarwal is concerned or interested in the said Resolution at item no. 4 of the accompanying notice as it relates to payment of remuneration to him. Shri Raunak Agarwal is also interested in the said resolution.

### Additional information required to be given along with a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. General Information			
(1) Nature of industry	Paper and Paper Products		
(2) Date or expected date of commencement of commercial production	N.A		
(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 based on given indicators	2010-2011	2011-2012	2012-2013
Turnover	4,832,850,464	4,925,970,630	5,122,883,602
Net profit (as computed under Section 198)	380,045,207	192,143,245	65,590,766
Net profit/ (Loss) as per profit and loss account	277,487,763	140,949,945	45,918,818
Amount of Dividend paid	30,634,380	20,422,920	-
Rate of Dividend declared	18%	12%	-
Earning before interest, depreciation & taxes	518,626,467	369,058,320	250,801,937
% of EBIDT to turnover	10.73%	7.49%	4.90%
(5) Export performance and net foreign exchange collaborations	152,922,432	240,546,170	272,336,154
(6) Foreign investments or collaborators, if any.	N.A		

<b>II. Information about the appointee:</b>													
(1) Background details	Name: Shri R N Agarwal Designation: Chairman, Managing Director and CEO Father's Name: Late Shri Nagin Agarwal Nationality: Indian Date of Birth: 21/07/1960 Qualifications: BE – Electrical, MBA Experience: 23 years												
(2) Past remuneration	The gross remuneration paid to him is ₹ 9,000,000/- per annum.												
(3) Recognition or awards	N.A												
(4) Job profile and his suitability	Under the able management and guidance of Shri R. N. Agarwal the Company continues to progress. Under his leadership and excellent patronage the Company has been achieving a very high reputation and name in the international market and also continues to secure a sizeable export market for the products of the Company.												
(5) Remuneration proposed	Same as the current remuneration of ₹ 750,000/- per month, that is, Rs. 9,000,000/- per annum.												
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	The current remuneration being paid to the Managing Director is in line with the remuneration being paid by the Companies of comparable size in the industry in which the Company operates.												
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Shri R. N Agarwal is holding 7,922,030 shares, i.e 46.55% shares of the Company. Apart from this, he does not have any other pecuniary transactions with the Company except by way of his contract of employment with the Company												
<b>III. Other information:</b>													
(1) Reasons of loss or inadequate profits	Due to various internal and external factors such as plant shutdown for Power Plant Maintenance, forex fluctuation resulting in increase in raw materials cost, increase in finance cost, compliance of various environmental guidelines, etc., the remuneration paid to Shri R. N. Agarwal, crossed the overall limit of the profits of the Company. As per the audited accounts, there was an excess payment of remuneration made to Shri R. N. Agarwal in the financial year 2012-13 of ₹ 5,276,035/-												
(2) Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> <li>• Improvement in Quality and better sales realization</li> <li>• Power Plant maintenance</li> <li>• Improved inventory control</li> <li>• Reduction of the import cost by hedging forex, etc.</li> </ul>												
(3) Expected increase in productivity and profits in measurable terms.	<b>Projected Turnover and Projected Profit:</b>												
	<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Projected Turnover (Rs. in Crores)</th> <th>Projected Profit (Rs. in Crores)</th> </tr> </thead> <tbody> <tr> <td>31-03-2014</td> <td>491.52</td> <td>14.35</td> </tr> <tr> <td>31-03-2015</td> <td>692.17</td> <td>13.53</td> </tr> <tr> <td>31-03-2016</td> <td>727.14</td> <td>15.88</td> </tr> </tbody> </table>	Financial Year	Projected Turnover (Rs. in Crores)	Projected Profit (Rs. in Crores)	31-03-2014	491.52	14.35	31-03-2015	692.17	13.53	31-03-2016	727.14	15.88
	Financial Year	Projected Turnover (Rs. in Crores)	Projected Profit (Rs. in Crores)										
	31-03-2014	491.52	14.35										
31-03-2015	692.17	13.53											
31-03-2016	727.14	15.88											

**IV. Disclosures:**

The remuneration package of Shri R. N. Agarwal and other details such as remuneration, service contract, notice period etc. have been disclosed in the report on Corporate Governance in the Annual Report. The Company does not have any scheme for grant of stock options.

**By order of the Board of Directors**

**Riddhi Thakkar**  
Company Secretary

**Registered Office:**

415-418, Janki Centre, 4<sup>th</sup> Floor, 29, Shah Industrial Estate,  
Off Veera Desai Road, Andheri (West), Mumbai – 400 053.

Mumbai

May 30, 2013

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 20<sup>th</sup> Annual Report together with the audited statement of accounts for the financial year ended March 31, 2013.

### FINANCIAL RESULTS

(₹ in lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Net Sales/Income from Operations and Other Income	51,608.94	49,694.17
Finance Cost	1,035.60	1,027.74
Gross Profit after Finance Costs but before Depreciation and Taxation	1,472.42	2,662.85
Depreciation	945.77	903.35
Profit before Tax and Exceptional Items	526.65	1,759.50
Exceptional Item	-	-
Profit before Tax and after Exceptional Items	526.65	1,759.50
Provisions for Taxation	105.92	356.70
Deferred Tax	(38.45)	(6.70)
Net Profit for the year	459.19	1,409.50
Balance in Statement of Profit and Loss	7,903.63	6,775.49
Amount available for Appropriation	8,362.82	8,184.99
<b>Appropriation:</b>		
Transfer to General Reserve	-	44.00
Proposed Dividend on Equity Shares	-	204.23
Corporate Dividend Tax	-	33.13
Balance carried to Balance Sheet	8,362.82	7,903.63

### PERFORMANCE REVIEW AND OPERATIONS

Your Company has recorded a turnover of ₹ 51,228.84 lacs during the year 2012-13, registering a growth of 4% over the turnover of previous year.

However, profit before tax decreased from ₹ 1,759.50 lacs to ₹ 526.65 lacs registering a decline of 70.07 % whereas profit after tax decreased from ₹ 1,409.50 lacs to ₹ 459.19 lacs registering a decline of 67.42%. The Earning Per Share also reduced from ₹ 8.28 per share to ₹ 2.70 per share.

Inspite of recording a better sales number during the financial year 2012-13, the rising interest cost, rise in input cost and slowdown in global economies saw pressure on the Company's financials during this period.

### CORPORATE DEBT RESTRUCTURING

Due to delay in project implementation of the new plant situated at Sarigam, Dist. Umergaon, Gujarat on account of non receipt of approval from Government Authorities, it was necessary to restructure project debts of the Company to ensure that debt servicing can be sustained out of operational cash flows of the Company. To overcome these facilities, the Company embarked on debt restructuring under CDR mechanism. Your Board of Directors at their Board Meeting held on September 21, 2012, therefore took steps to initiate process for availing relief in terms of Restructuring of Advances by Banks / Corporate Debt Restructuring (CDR) Mechanism by making representation to the Lead Bank i.e. Bank of Baroda and got the approval of CDR on March 28, 2013. Under the CDR, certain term loans have been

restructured with moratorium in repayment of installments and certain relief has been provided in the interest.

#### DIVIDEND

As per the conditions mentioned in the Master Restructuring Agreement of CDR Package as well as constraints by the Consortium Bankers of the Company, your Directors regret their inability to propose any dividend for the year 2012-13.

During the year under review, the Company has credited ₹ 2.08 lacs, lying in the unpaid / unclaimed dividend to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

#### AUDITORS

M/s. Chaturvedi & Partners, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment as auditors to hold office until the conclusion of the next Annual General Meeting of the Company. The Directors recommend that they be re-appointed as Statutory Auditors of the Company for the current year.

#### COST AUDIT

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, the Board has appointed M/s. N Ritesh & Associates, Cost Accountants as the Cost Auditors of the Company for audit of cost accounting records of the Company in respect of paper products for the year ended March 31, 2013.

#### DEPOSITS

The Company did not accept any fixed deposits from the public and no fixed deposits were outstanding or unclaimed as on March 31, 2013.

#### PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011 as amended, the names and other particulars of the employees are given below:

Sr. No.	Name	Age	Designation	Gross Remuneration	Net Remuneration	Qualifications	Total Experience (in years)	Date of Commencement of Employment	Last Employment
1.	Shri R N Agarwal	53	Chairman, MD & CEO	9,748,960	4,947,960	BE-Electrical, MBA	23	Since Incorporation (08.12.1993)	-

- Nature of employment is contractual.
- Gross Remuneration includes Salary, Commission, Contribution to Provident Fund and Perquisites chargeable under the Income Tax Act, 1961.

#### DIRECTORS

In accordance with the provisions of Section 256 of the Companies Act, 1956, Shri P. Kumar retires by rotation at the Company's forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment. .

Brief resume of the above Director, nature of his experience in specific functional areas and names of the Companies in which he holds Directorships and Membership/Chairmanship of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are given in the section on Corporate Governance in the Annual Report.

The Remuneration paid to the Managing Director for the year ended March 31, 2013 crossed the overall limits of the profits due to various internal and external factors. The Board of Directors noted the foregoing and considering the comparative industry standards and significant role played by the Managing Director, the Board felt that the remuneration paid to him was in line with his long experience and expertise and accordingly ratified, confirmed and approved, subject to the approval of the Shareholders and of the Central Government, the payment of remuneration, in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 and decided to waive the recovery of the excess remuneration paid to him, subject to the approval of the Central Government in this regard.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'A' to the Directors' Report.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Reports on Corporate Governance, Management Discussion and Analysis, Managing Director's Certificate and Auditor's Certificate regarding the compliance of conditions of Corporate Governance form part of the Annual Report.

## DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from prescribed accounting standards;
- b) the accounting policies selected and applied are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;

## HUMAN RESOURCE

Your Company is of the firm opinion that efficiency of its employees plays a key role in achieving set goals and building a competitive work environment. Employee relations continued to be harmonious and cordial at all levels and in all the units of the Company.

## ACKNOWLEDGEMENT

Your Directors thank all the employees for the sincere efforts, active involvement and devoted services rendered.

Your Directors thank the shareholders of the Company for the confidence reposed in the Management of the Company.

Your Directors place on record their gratitude to the Customers, Suppliers, Company's Bankers, Financial Institutions and State and Central Government Authorities for their support and co-operation during the year under review.

**For and on behalf of the Board of Directors**

**R N Agarwal**

Chairman, Managing Director and CEO

Mumbai  
May 30, 2013

## ANNEXURE - I

**INFORMATION REQUIRED UNDER Section 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013.**

### CONSERVATION OF ENERGY

#### ENERGY CONSERVATION MEASURE TAKEN IN NEWSPRINT/KRAFT UNIT AND DUPLEX COATED PAPER BOARD UNITS DURING THE YEAR 2012-13.

##### Newsprint/Kraft Manufacturing Unit

1. Application of Hot Insulation in Turbine & Boiler areas of Power Plant at Newsprint Manufacturing Unit-2 to reduce heat loss to the atmosphere.

##### Duplex Coated Paperboard Units

1. Installation of 175 KVAR of Capacitor Banks at Paper Machine & Pulp Mill areas of Duplex Coated Paper Board Unit No.1 for improving the Power Factor to reduce electrical power losses.
2. Use of flash steam from Paper Machine Condensate tanks for cooking of starch at Duplex Coated Paper Board Unit No.1

3. Installation of Blow Down flash Steam Recovery System in Boiler of Duplex Coated Paper Board Unit No.1 and the recovered steam is being used in De aerator thus reduction in L.P. Steam consumption in Boiler De aerator and saving of coal.
4. Installation of Improved Better Efficiency Marko make Rotary Joints in Paper Machine dryers of Duplex Coated Paper Board Unit No. 1, thus improving the effectiveness of Dryers and better condensate Recovery.
5. Repair and application of better type Insulation at Boiler Main Bank area of Duplex Coated Paper Board Unit No.1, thus reducing the surface temperature and reduction in loss of heat.
6. Installation of Improved Type Marko make Rotary Joints with Siphon Units in Paper Machine Dryers of Duplex Coated Paper Board Unit Nos. 3 & 4, thus improving the effectiveness of Dryers and better condensate Recovery.

<b>I POWER &amp; FUEL CONSUMPTION</b>			
<b>A Electricity</b>	<b>Unit</b>	<b>Current Year</b>	<b>Previous Year</b>
(i) Purchased units	lacs/KWH	22,092,119	19,359,415
Total amount	₹ in lacs	1,575.50	1,296.17
Rate/Unit	₹	7.13	6.70
(ii) Own Generation			
1 Through Diesel Generator			
Units	KWH	N.A	N.A
Qty.	Kilo Ltrs.		
Total Cost	₹ in lacs		
Units per Ltr. of Furnace Oil & LDO			
Average Cost/Unit	₹ /KWH		
2 Through Steam Turbine			
Units	KWH	64,993,283	57,151,765
Units per tonne of coal	₹/KWH	1,439	1,280
Average Cost/Unit	₹	2.80	3.12
<b>B COAL AND LIGNITE:</b>			
Quantity	Tonnes	142,983	133,987
Total amount	₹ in lacs	5,741.43	5,407.45
Average Rate/Ton	₹	4,015	4,036
(The Company uses 'B' & 'C' grade coal in it's Boiler and Steam Turbine)			
<b>II CONSUMPTION PER TONNE OF PRODUCTION</b>			
Electricity	KWH	128	114
Coal	Kgs.	826	788
Furnace Oil	Ltr.	N.A	N.A
L.D.O.	Ltr.	N.A	N.A
<b>III TECHNOLOGY ABSORPTION:</b>			
The Company does not require any technology for its existing business.			
<b>IV FOREIGN EXCHANGE EARNINGS &amp; OUTGO</b>			
Foreign Exchange Outgo		₹ 8,409 lacs	
Foreign Exchange Earnings		₹ 2,723 lacs	

For and on behalf of the Board of Directors

**R N Agarwal**  
Chairman, Managing Director and CEO

Mumbai  
May 30, 2013

## REPORT ON CORPORATE GOVERNANCE

### THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance involves a code of behavior that defines guidelines for transparent management and control of the Company. The Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in the organization, such as the Board, Management, and Shareholders. The Company would continue to strengthen its principles of transparency, fairness, and accountability to generate long-term value for its shareholders on a continuous and sustainable basis in harmony with the interest of all the other stakeholders. Corporate Governance is concerned with having a balance between economic and social goals and between individual and community goals.

The Company is in compliance with all the regulations stipulated by the Companies Act, 1956, and Securities and Exchange Board of India (SEBI) with regard to Corporate Governance. The following together with information contained in Management Discussion and Analysis and other parts of Annual Report constitutes the Company's compliance with Corporate Governance.

### BOARD OF DIRECTORS

#### COMPOSITION OF THE BOARD

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The composition of the Board of Directors is governed by the Companies Act, 1956, Listing Agreement with Stock Exchange where the shares of the company are listed and Articles of Association of the Company. The Board consists of persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board of Directors have an optimum combination of executive and non-executive directors and presently comprises of 6 Directors, out of which 3 are non-executive/independent Directors. Shri. R. N. Agarwal is the Promoter and the Chairman and Managing Director of the Company.

#### CATEGORY AND ATTENDANCE OF DIRECTORS

Six (6) Board Meetings were held during the year ended March 31, 2013. The maximum time gap between any two consecutive meetings did not exceed four months. The dates are -

May 25, 2012, August 9, 2012, September 21, 2012, November 12, 2012, February 11, 2013 and March 29, 2013.

The composition of the Board, attendance at Board Meetings held during the financial year under review and the last AGM, number of directorships, memberships and committee positions are as follows:

Name of Director	Category	No. of Board Meetings attended during 2012-13	Attendance at the last AGM held on August 23, 2012	No of Directorship* (As on 31.03.2013)		No. of Committee positions in Mandatory Committees (As on 31.03.2013)	
				Chairman	Member	Chairman	Member
Shri R N Agarwal	Chairman, Managing Director and CEO	6	Yes	-	-	-	-
Shri Raunak Agarwal	Whole-Time Director	5	Yes	-	-	-	-
Shri S N Chaturvedi	Non-Executive Independent	6	Yes	-	4	-	2
Shri P Kumar	Non-Executive Independent	6	Yes	1	-	2	-
Shri C R Radhakrishnan	Non-Executive Independent	6	Yes	-	-	-	-
Shri Mangilal Suthar	Executive Independent	3	Yes	-	-	-	-

\*Excludes Directorship in Private Limited Companies, Foreign Companies and Government Bodies and Alternate Directorships. Only Audit Committee and Shareholders'/Investors' Grievance Committee have been considered for the Committee positions.

Shri Raunak Agarwal is the son of Shri R N Agarwal and hence they are related to each other.

None of the Non-Executive Directors of the Company hold any Equity Shares in the Company. The independent directors are not related to promoters or management at the Board level.

The Particulars of Director, who is proposed to be re-appointed at the forthcoming Annual General Meeting, are given below, as required pursuant to Clause 49 of the Listing Agreement:

Name of the Director	Shri.P. Kumar
Qualification	M.A., C.A.I.I.B.
Expertise	Management Consultant
Name of other Companies in which holds directorship	Banswara Syntex Limited
Name of other Companies in which holds membership of the Committees of the Board	Banswara Syntex Limited
No of shares held in the Company	Nil

#### BOARD PROCEDURE

Board Meetings are generally held at the Registered Office of the Company. The agenda along with the supporting notes are circulated in advance to the Board of Directors. The information as required under Annexure IA to Clause 49 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.

All the directors have made necessary disclosures about the committee positions, they occupy in other Companies, if any. None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees across all Companies in which he is a director.

The Company has not entered into any materially significant transactions during the year under report with promoters, directors, 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. All the Board Members and Senior Management Personnel have confirmed compliance with the said Code of Conduct. A declaration signed by Shri R. N. Agarwal, Chairman, Managing Director and CEO to this effect forms part of this Report.

#### AUDIT COMMITTEE

##### Terms of Reference

The Audit Committee functions according to its Charter that defines its powers, scope and role in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. 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 the statutory and internal auditors.
- To review the adequacy of the internal audit function and the adequacy 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 transaction submitted by the management.
- And, generally, all items listed in Clause 49 (II)(D) of the Listing Agreement.

##### COMPOSITION AND ATTENDANCE DURING THE YEAR:

The Audit Committee is constituted in accordance with Clause 49(II)(A) of the Listing Agreement read with Section 292A of the Companies Act, 1956. The members of the Committee have the relevant experience in the field of finance, taxation and accounting, Shri P. Kumar, being the Chairman of the Committee, have expert knowledge in the field of finance, taxation and Company audit.

During the financial year 2012-13, four (4) Audit Committee Meetings were held on the following dates, including before finalization of accounts and adoption of quarterly financial results by the Board:

May 25, 2012, August 9, 2012, November 12, 2012 and February 11, 2013.

Necessary quorum was present at the above Meetings.

The constitution of the audit committee and the attendance of each member of the committee are given below:

Name of Director	Category	No. of Meetings Attended
Shri P Kumar, Chairman	Non-Executive Independent	4
Shri S N Chaturvedi, Member	Non-Executive Independent	4
Shri C R Radhakrishnan, Member	Non-Executive Independent	4

The Committee meetings are attended by Statutory Auditors. The Company Secretary acts as Secretary of the Audit Committee. The Committee relies on the expertise and knowledge of management, internal auditors and the independent statutory auditors in carrying out its oversight responsibilities. 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 also procedures 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 Meeting forms part of the board papers circulated for Board Meetings.

The Chairman of the Audit Committee, Shri P. Kumar was present at the Annual General Meeting of the Company held on August 23, 2012.

#### REMUNERATION-CUM-SELECTION COMMITTEE

The Remuneration Committee comprises of three independent directors (including the chairman of the Committee).

The constitution of the Remuneration Committee is given below:

Shri P Kumar	Chairman - Non Executive/Independent
Shri S. N. Chaturvedi	Member - Non Executive/Independent
Shri C.R. Radhakrishnan	Member - Non Executive/Independent

The Remuneration Committee reviews the remuneration of the Executive Directors and compensation policy for senior management personnel. The remuneration policy for managerial personnel is primarily based on the following criteria:

- Performance of the Company and units.
- Track record, potential and performance of individual managers and
- External competitive environment.

No options under the ESOP were granted to the Executive Directors during the year under review.

No Remuneration Committee meeting held during the financial year.

#### REMUNERATION TO DIRECTORS:

The remuneration of Managing Director/ Wholetime Directors is recommended by the Remuneration Committee. The Company pays remuneration by way of salary and perquisites to its Managing and Wholetime Directors as approved by the shareholders.

Remuneration to Independent Directors comprises sitting fees only. Remuneration of the Managing and Wholetime Directors and sitting fees to the Independent Directors paid in respect of the financial year 2012-13 is given below:

Name of Director	Salary (₹)	Benefits (₹)	Commission* (₹)	Sitting fees (₹)	Total (₹)
Shri. R N Agarwal Chairman, Managing Director and CEO	9,000,000	9,360	5,000,000	-	14,009,360
Shri Raunak Agarwal Wholetime Director	1,800,000	9,360	500,000	-	2,309,360
Shri Mangilal Suthar Executive Director	960,000	9,360	-	-	969,360
Shri. S N Chaturvedi	-	-	-	100,000	100,000
Shri P. Kumar	-	-	-	100,000	100,000
Shri C R Radhakrishnan	-	-	-	80,000	80,000

\*Commission relates to financial year ended March 31, 2012 which was paid during the financial year under review.

**SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Shareholders' / Investors' Grievance Committee was constituted specifically to look into redressing of shareholders and investors complaints such as 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:**

During the year ended March 31, 2013, the Committee met two (2) times on May 25, 2012 and November 12, 2012. The Committee is headed by Shri P. Kumar and the constitution of the Committee and attendance of each member of the Committee is given below:

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

The Shareholders'/Investors' Grievance Committee has delegated the power of approving transfer/transmission of shares to share transfer committee which meets on fortnightly basis (depending upon share transfer received).

Based on the report received from the Company's Registrar and Share Transfer Agent, the Company had received five (5) request/complaints which were satisfactorily resolved/replied during the year. There was no complaints pending as on March 31, 2013.

**Name, Designation and Address of Compliance Officer:**

Ms. Riddhi Thakkar,  
Company Secretary & Compliance Officer  
415-418, Janki Centre, 29 Shah Industrial Estate,  
Off Veera Desai Raod, Andheri (West), Mumbai 400 053  
Tel: 6731 7500/ 6731 7547  
Fax: 2673 0227/ 2673 6953  
Email: riddhi.thakkar@nrail.com

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

**EXECUTIVE COMMITTEE OF THE BOARD****Composition and Terms of reference:**

The Executive Committee of Board was constituted to consider for the term loan, other facilities and various administrative matters and in the best interest of the Company.

The constitution of the Executive Committee of Board and the attendance of each member of the committee are given below:

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

The Executive Committee of Board met two (2) times during the year. The committee meetings were held on November 30, 2012 and January 14, 2013.

**SUBSIDIARY COMPANY**

The Company has no Subsidiary Company.

**GENERAL BODY MEETINGS FOR LAST THREE YEARS**

(a) The location, date and time of Annual General Meetings held during the last three (3) years and special resolution passed:

Financial Year	Day, Date & Time	Location	Special Resolution, if any
2009-10	Thursday, September 16, 2010 at 11.00 a.m	GMS Community Centre Hall, Sittladevi Complex, 1 <sup>st</sup> Floor, D.N. Nagar, Andheri (W), Mumbai-400053	1. Appointment of Shri. R N Agarwal as Managing Director
2010-11	Saturday, August 27, 2011 at 11.30 a.m	GMS Community Centre Hall, Sittladevi Complex, 1 <sup>st</sup> Floor, D.N. Nagar, Andheri (W), Mumbai-400053	1. Revision of Remuneration of Smt. Reena R Agarwal.
2011-12	Thursday, August 23, 2012 at 11.30 a.m	GMS Community Centre Hall, Sittladevi Complex, 1 <sup>st</sup> Floor, D.N. Nagar, Andheri (W), Mumbai-400053	NIL

All resolutions moved at the last Annual General Meeting were passed by show of hands by the requisite majority of shareholders present at the meeting.

- (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 resolution proposed for the forthcoming Annual General Meeting need to be passed by Postal Ballot.

## DISCLOSURES

### a) Related Party Transactions

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 placed before the Audit Committee periodically. There are no materially significant related party transactions of the Company having potential conflict with the interests of the Company at large.

### b) Risk Management

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

### c) Proceeds from Initial Public Offering (IPO)

The Company has not made any Initial Public Offering (IPO) during the year under review.

### d) Management

A separate report on Management Discussion & Analysis which forms part of the report is annexed.

- e) The Company has complied with the requirements of the Stock Exchange, 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.

- f) The Managing Director and CEO and the CFO have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2013.

- g) Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding the compliance of conditions of corporate governance stipulated in the Clause 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.

- h) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Further, the Company has adopted the following non-mandatory requirements of the Clause:

- i) The Company has set up the Remuneration-Cum-Selection Committee as per the provisions of Clause 49.
- ii) The financial statements of the Company are unqualified.
- iii) The Company has adopted the guidelines for the composition of the Board of Directors, which provides for the tenure and retirement age for the Directors.
- iv) Though the Company does not have a Whistle Blower Policy in place, the Company encourages the employees to freely express their views on various issues faced by them and the HR head follows up the same for necessary resolution. The employees have access to the Audit Committee.

Remaining non-mandatory requirements of Clause 49 are expected to be addressed in due course.

## CEO/CFO CERTIFICATION

The Chairman, Managing Director and CEO and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49.

## RECONCILIATION OF SHARE CAPITAL AUDIT

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.

## MEANS OF COMMUNICATION

During the year, un-audited quarterly and annual audited financial results of the Company were submitted to the Stock Exchange soon after the Board meeting approved these and un-audited quarterly and half-yearly and audited annual financial results were published in one English and one Marathi language newspaper having wide circulation. These were also promptly put on the company's website [www.nrail.com](http://www.nrail.com) and on the SEBI's Corp filing website [www.corpfiling.co.in](http://www.corpfiling.co.in).

**GENERAL SHAREHOLDER INFORMATION**

**Annual General Meeting - Date, Time and Venue:**

Tuesday, August 27, 2013 at 11.30 a.m. at GMS Community Centre Hall, Sitaladevi Complex, 1<sup>st</sup> 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 : Wednesday, August 21, 2013 to Tuesday, August 27, 2013 (both days inclusive)

Listing of equity shares on Stock Exchange : Bombay Stock Exchange Limited (BSE)

Script Code : 516082

Demat (ISIN) : INE740D01017

Registrar and Share : Sharex Dynamic (India) Private Limited  
Transfer Agent Unit I, Luthra Industrial Premises, 1<sup>st</sup> Floor, 44-E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai -400072

**SHARE TRANSFER SYSTEM:**

Share Transfer in physical form can be lodged with Sharex Dynamic (India) Private Limited at the above mentioned address. The transfers are normally processed within a period of 30 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. In compliance with the Listing Agreement with the Stock Exchange, a Practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued. The Share Transfer Committee meets on fortnightly basis (depending upon share transfers received).

**MARKET PRICE DATA:**

High / Low of daily closing market price of the Company's shares traded at BSE during each month during the financial year ended March 31, 2013 due as under:

Months	High		Low	
	NRAIL	BSE SENSEX	NRAIL	BSE SENSEX
April 2012	37.60	17,664.10	30.25	17,010.16
May 2012	36.75	17,432.33	28.00	15,809.71
June 2012	34.00	17,448.48	28.00	15,748.98
July 2012	33.20	17,631.19	28.10	16,598.48
August 2012	31.80	17,972.54	23.05	17,026.97
September 2012	29.00	18,869.94	22.10	17,250.80
October 2012	31.00	19,137.29	25.10	18,393.42
November 2012	28.85	19,372.70	24.10	18,255.69
December 2012	28.90	19,612.18	23.65	19,149.03
January 2013	29.00	20,203.66	22.30	19,508.93
February 2013	27.05	19,966.69	18.10	18,793.97
March 2013	21.50	19,754.66	17.50	18,568.43

**Distribution of shareholding as on March 31, 2013**

Sr. No.	Range	No. of shareholders	% to total holders	No. of Shares held	% of Capital
1	1 to 500	5872	87.81	875050	5.14
2	501 to 1,000	368	5.50	303930	1.79
3	1,001 to 2,000	197	2.95	309328	1.82
4	2,001 to 3,000	65	0.97	172873	1.02
5	3,001 to 4,000	25	0.37	89137	0.52
6	4,001 to 5,000	58	0.87	276545	1.62
7	5,001 to 10,000	49	0.73	341400	2.01
8	10,001 & above	53	0.79	14650837	86.08
	<b>Total</b>	<b>6687</b>	<b>100.00</b>	<b>17019100</b>	<b>100.00</b>

**Categories of Shareholders as on March 31, 2013:**

Category	No. of shares held	% to total share capital
Foreign holding (FII, OCBs and NRIs)	151,281	0.889
Financial Institutions/Banks/ Insurance Companies	2,000	0.012
Centre / State Government	500	0.003
Mutual Funds and UTI	-	-
Corporate Bodies	1,178,297	6.923
Directors and their relatives	12,460,923	73.217
Public	3,226,099	18.956
<b>Total</b>	<b>17,019,100</b>	<b>100.00</b>

**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. As on March 31, 2013, 16,367,876 equity shares of the Company, forming 96.18% of the share capital of the Company, stand dematerialized.

**ADDRESS FOR CORRESPONDENCE:****N R Agarwal Industries Limited**

415-418, Janki Centre, 29, Shah Industrial Estate,  
Off. Veera Desai Road, Andheri (West),  
Mumbai 400 053

**Shares held in Physical Form and Dematerialized Form as on March 31, 2013:**

Mode	No of Shares	% of Share Capital
Physical Form	651,224	3.82
Electronic form with NSDL	15,177,659	89.18
Electronic form with CDSL	1,190,217	7.00
<b>Total</b>	<b>17,019,100</b>	<b>100</b>

**Outstanding Warrants or any convertible instruments conversion date and likely impact on equity:**

Company do not have any outstanding Warrants or Convertible Securities. Company had issued and allotted on September 8, 2010, 1,250,000 zero percent convertible warrants on preferential basis with a right exercisable by the Warrant holder to subscribe for equal number of Equity Shares at a premium of ₹ 36.80/- within eighteen months of its allotment. Since the Warrant holders have not exercised the option to convert the aforesaid 1,250,000 warrants on or before March 7, 2012 the amount of ₹ 14,625,000/- being initial 25% of the total consideration of ₹ 58,500,000/- received by the Company has been forfeited.

**Registrar and Share Transfer Agent**

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

**PLANT LOCATIONS:**

Unit – I	Unit – II	Unit – III	Unit - IV	Unit - V
Plot No.169, GIDC, Vapi – 396 195, Dist. Valsad, Gujarat State, Tele-Fax: 0260-2401634/2401706	Plot No.1, Phase 1, GIDC, Vapi –396 195, Dist. Valsad, Gujarat State, Tele-Fax: 0260-2400979/2401841	Plot No. 901, Phase 3, GIDC, Vapi – 396 195, Dist. Valsad, Gujarat State, Tele-Fax: 0260 2400052/2401836	Plot No.901/P, Phase 3, GIDC, Vapi – 396 195, Dist. Valsad, Gujarat State, Tele-Fax: 0260 2400052/2401836	Sarigam, Taluka, Umbergaon, District Valsad, Gujarat

## DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board of Directors and the Senior Management personnel have affirmed compliance with the code of conduct for the financial year ended March 31, 2013.

For **N R AGARWAL INDUSTRIES LIMITED**

**R N Agarwal**  
Chairman, Managing Director and CEO

Mumbai  
May 30, 2013

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The members of **N. R. AGARWAL INDUSTRIES LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by N.R. AGARWAL INDUSTRIES LIMITED, for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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 management, in our opinion the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
4. On the basis of the certificate issued by the registrars of the Company and the minutes of meetings of the 'Shareholders'/ Investors' Grievance Committee' of the Company, we state that there were no investor grievances pending as at March 31, 2013 against the Company for a period exceeding one month.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Chaturvedi & Partners**  
Chartered Accountants  
Firm's Registration No. 307068E

**G.Venkatakrishnan**  
Partner  
Membership Number: 11255

Mumbai  
May 30, 2013

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Paper companies saw significant erosion in their profitability margins on account of increase in prices of raw materials, partly driven by INR depreciation, as imports account for a considerable proportion of their cost structures. This coupled with pricing pressures due to low demand and excess capacity further worsened the situation as sale realizations remained stagnant. High debt levels due to capex and low profitability led to weak credit metrics in 2012 for most of the paper companies, thus led to the revision in the outlook for the sector to negative.

The Indian paper industry has been in existence for more than a decade. Today there are more than 850 mills functioning all over the country. These industries manufacture various types of paper materials required for different purpose. This industry is known to be one of the leading industries in India as it provides employment to more than 1.5 million people. The widespread demand for different types of paper products such as books, magazines, newspapers, bags, plates, cups, envelopes and so forth has further escalated the growth of this industry. But the lack of proper raw materials has affected the future of this thriving industry in India. According to the type of raw materials used for production purposes, the paper industry in India is classified into three categories which include the wood based, waste paper based and the agro based industries. Most of the mills in India are based on raw materials which are non-conventional such as waste paper. Today the paper industry in India is in search of technologically advanced methods to reduce the cost of production and augment the existing technologies to meet the international standard levels. The Government of India has introduced various rules and regulations to encourage joint ventures and investments in this field.

## OPPORTUNITIES AND OUTLOOK

The strong demand of paper products has pushed the Indian paper industry to a new level. It is expanding to meet the growing demands of the people. Vast changes have taken place in the field of printing paper, tissues, newsprint and so forth. Modern management alongwith latest technological machines is used for the completion of various projects. Nowadays, foreign investors are interested in setting up new plants for manufacturing paper to bring forth huge revenue to the paper industry. The paper industry is planning to widen its horizons with the help of joint ventures and new investors. However, the paper industry is facing many challenges due to the shortage of raw materials and the rise in population. The demand for industrial wood, fire wood and timber is continuing to grow due to the ever increasing population.

Some of the challenges faced by this industry are the location of paper units. Most of the paper units in the country are located

in remote areas. The industry is quite unattractive to the young generation as it is located away from the city and modern facilities. Today the country uses alternative raw materials to produce high quality paper. Most of the industries have become environmentally responsible by adopting eco-friendly manufacturing processes. The future of the Indian economy is indirectly linked to the future of the paper industry in India. The industry is expected to witness a better future in the coming years.

## SEGMENT-WISE PERFORMANCE:

As the entire operation of Company relate to products categorized under "Consumer Products" as a primary reportable segment, no separate reporting is required under Accounting Standards 17 issued by the Institute of Chartered Accountants of India.

## CORPORATE DEBT RESTRUCTURING

Your Company's performance and financial position was adversely affected due to slow down in paper industry, high level of working capital requirement, high interest cost and delay in implementation of new project due to delay in getting approvals from Central and State Government. The Company has availed project loans for Sarigam Project and the shorter moratorium period of these loans has resulted stress on the cash flows of the Company. The Company's operations were just adequate to service its interest obligations.

In view of the above it was necessary to restructure debts of the company to ensure that debt servicing can be sustained out of operational cash flows of the company. To overcome these difficulties, the Company embarked on debt restructuring under CDR mechanism. Your Board of Directors at their Board meeting held on September 21, 2012, therefore took steps to initiate process for availing relief in terms of Corporate Debt Restructuring (CDR) Mechanism by making representation to the Lead Bank i.e. Bank of Baroda and got the approval of CDR on March 28, 2013. Under the CDR certain term loans have been restructured with moratorium in repayment of installments and certain relief has been provided in the interest.

The debt restructuring will provide NRAIL with breathing space to work on improving operational margins over a period and start implementing the new project. The Company is also raising the own funds by liquidating some of the non-core assets. It is expected that the restructured debt, certain amount of own funds, tightened cost management and increase in turnover will enable the company to weather the situation in the medium term.

## EXPANSION:

The Company has set up a 300 TPD Newsprint/Writing/Printing/Kraft paper project at Sarigam, Gujarat. The Company has

received the consents from the Ministry of Environment and Forests for Environment Clearance and from the State Pollution Board. The Company is confident of commencing the production in the year 2013-14.

### **RISK, CONCERNS AND THREATS**

On the sustainability aspect, the days have gone by when we were able to manage the local administration. But, today the society and the environment around us will not permit us to operate in the condition where minimum requirements are not being complied.

India generates approximately 0.1 million tonnes of municipal solid waste everyday, or about 36.5 million tonnes annually! Of this waste, 40% is just paper. In other words, we produce 14.6 million tonnes of waste paper every year. For producing good quality newsprint, availability of the waste paper is the challenge. Waste paper collection system in our country is not good. Because of some cultural problems in our country, we are not able to increase the specific collection systems. That's why we have to partly depend on imports. Overall paper is growing at 6-7%, in which packaging sector is growing in double digits 10-14%, which is much better than other countries.

In India, mills depending upon waste paper for recycling are facing a shortage of raw material while the demand is growing as the mills are expanding. This is driving up the cost of waste paper which has gone up to around ₹ 10 a kg, almost double of what it used to cost a year ago.

Paper production is a highly capital and labour intensive activity. Lack of funds is a major hindrance for technological up-gradation. The industry requires large scale investments to match up with the global standards of quality and scale. Another major challenge in India is the cost of funds, and that is the reason we are not able to invest in technology and compete with china. Today our cost of funds is high, so how do you justify an investment where cost of capital is high and return is low. This is where our suppliers have to play a pivotal role and understand how the cost of equipment's can be brought down.

The cut in import duty for waste paper will benefit the non integrated manufacturers but the industry's demand for imposing custom duty on coated varieties of paper has not been considered favorable. The dumping from China and other countries is hurting domestic manufacturers. Also, the retention of import duty on paper imports is a positive step. But the industry is disappointed that import duty exemption has not been extended to key raw materials. If these had been exempted as has been done for waste paper imports, the competitiveness of the industry would have been enhanced.

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

The Company is having an efficient and well-established

internal control system commensurate with the size and level of operations of the Company so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of business to ensure timely decision-making. Internal audit is conducted by professionally qualified financial personnel, which conducts periodic audits/review to maintain a proper system of checks and control. The observations of the auditors are reviewed periodically by the audit committee and the appropriate actions are taken by the management.

The Management Information System (MIS) forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled. Any material change in business outlook is reported to Board.

### **PERFORMANCE HIGHLIGHTS:**

During the financial year ended March 31, 2013 the Company recorded production of 140,494 MT of Duplex Board and 32,578 MT of Newsprint as against 131,426 MT of Duplex Board, 7,680 MT of Newsprint and 31,031 MT of Kraft Paper in previous financial year.

Your Company has recorded a turnover of ₹ 51,228.84 lacs during the year 2012-13, registering a growth of 4% over the turnover of previous year.

However, profit before tax decreased from ₹ 1,759.50 lacs to ₹ 526.65 lacs whereas profit after tax decreased from Rs. 1,409.50 lacs to ₹ 459.19 lacs.

During the year, the Company exported Duplex Board and realized ₹ 2,723 lacs, as compared to ₹ 2,405 lacs, during the previous year.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Industrial Relations were cordial at all locations. In changing environment and business conditions, the support from the workforce was positive throughout.

### **CAUTIONARY STATEMENT:**

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

# INDEPENDENT AUDITORS' REPORT

To the Members of  
N R Agarwal Industries Limited.

## Report on the Financial Statements

We have audited the accompanying financial statements of N R Agarwal Industries Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

We draw attention to:-

1. Note No. 32 (g) under contingent liabilities regarding Income Tax demand of ₹108,445,192/- which has been disputed by the Company. The Company has filed an appeal before the appropriate authorities. The ultimate outcome of the matter cannot be determined and no provision for liability that may result has been made in the financial statement. Accordingly we are unable to comment on the impact of the same.
2. Note No. 34 under contingent liabilities regarding the forfeiture of deposit given to one of the party amounting to ₹ 12,000,000/- against which the company has initiated legal action.
3. Note No.10.2 regarding the non provision of outgoing charge amounting to ₹1,730,600/- payable against the new office premises. Had the said amount referred in 2 & 3 been provided in the accounts, the profit would have been lower by ₹13,730,600/-
4. Note No. 39 to the financial statement relating to managerial remuneration charged to profit & loss account statement of the current year. The excess of ₹ 5,276,035/- is subject to approval of the Central Government and Shareholders of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2013.
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by

law have been kept by the Company so far as appears from our examination of those books.

- (c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Act; and
- (e) on the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors

are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Act.

For **Chaturvedi & Partners**  
Firm Registration No. 307068E  
Chartered Accountants

**G.Venkatakrishnan**  
Partner

Membership Number: 11255

Mumbai  
May 30, 2013

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT.

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for the assets under installation.
- b) All the assets have not been physically verified by the management during the year but there is a regular program of verification 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 verification.
- c) The Company has not disposed off substantial part of its fixed assets, which affect the going concern status of the Company.
- 2) a) As explained to us, the management, at reasonable intervals during the year, has physically verified the inventories.
- b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. As explained to us, no material discrepancies have been noticed on physical verification of stocks as compared to book records.
- 3) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii) (b) to (g) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any major weaknesses in internal controls.
- 5) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of Section 301 of the Act have been properly entered.
- b) All the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and the nature of services rendered by such parties.
- 6) In our opinion and according to the information and explanation given to us, the Company has complied with the provision of Sections 58A & 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public. We have been informed that no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance

of cost records under Section 209(1)(d) of the Companies Act, 1956. We 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 said records.

- 9) a) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practice in India, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees

State Insurance, Income Tax, Sales Tax, Custom Duty, Service Tax, Excise duty, Cess and other material statutory dues as applicable with the appropriate authorities

- 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, there are no dues of Income Tax, Wealth Tax, Customs Duty and Cess except Excise Duty which have not been deposited on account of any dispute. The particulars of dues of Income Tax as at March 31, 2013 which have not been deposited on account of dispute is as follows:

Name of the statute	Name of the dues	Amount (Rs)	Forum where dispute is pending	Financial year to which the amount relates
Central Excise Act, 1944	Excise duty	1,705,071*	Appellate Authority up to Commissioner level	2003-04 to 2009-10
Income Tax Act, 1961	Income Tax	108,445,192	ITAT Appeal	2006-07 to 2009-10

\*paid under protest

- 10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in immediately preceding financial year.
- 11) In our opinion and according to the information and explanation given to us, there have been defaults in repayment of dues to financial institution and banks during the year, which have been subsequently rescheduled by way of Corporate Debt Restructuring (CDR) Scheme, and accordingly, the Company could be said to have not defaulted in repayment of principal and interest to CDR lenders as on the balance sheet date.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) In our opinion, and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) In our opinion, on the basis of information and explanations given to us, the term loans were applied

for the purpose for which they were raised.

- 17) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- 18) During the year, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act.
- 19) According to the information and explanations given to us, during the year the Company has not issued any debentures.
- 20) The Company has not raised any money through a public issue during the year.
- 21) During the course of our examination of the books & records of the Company carried out in accordance with the generally accepted accounting practices in India & according to the information & explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Chaturvedi & Partners**  
Firm Registration No. 307068E  
Chartered Accountants

**G.Venkatakrishnan**  
Partner

Membership Number: 11255

Mumbai  
May 30, 2013

**BALANCE SHEET** AS AT MARCH 31, 2013

	Note No.	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	170,191,000	170,191,000
Reserves and surplus	2	931,159,972	885,241,154
Money received against share warrants	3	-	-
		1,101,350,972	1,055,432,154
<b>Non-current liabilities</b>			
Long-term borrowings	4	1,681,407,659	1,470,494,999
Deferred tax liabilities (net)	5	156,853,186	160,698,564
		1,838,260,844	1,631,193,563
<b>Current liabilities</b>			
Short-term borrowings	6	497,475,295	518,286,297
Trade payables	7	987,804,030	804,632,208
Other current liabilities	8	188,099,260	330,151,501
Short-term provisions	9	12,265,007	42,608,921
		1,685,643,593	1,695,678,927
	<b>TOTAL</b>	<b>4,625,255,409</b>	<b>4,382,304,643</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	1,241,340,518	1,167,923,163
Intangible assets	10	1,311,144	2,075,484
Capital work-in-progress	10	2,033,932,038	1,984,223,901
		3,276,583,700	3,154,222,549
Non-current investments	11	1,871,860	1,869,360
Long-term loans and advances	12	141,672,640	141,297,920
		3,420,128,200	3,297,389,829
<b>Current assets</b>			
Inventories	13	306,864,599	328,093,123
Trade receivables	14	572,538,315	553,546,841
Cash and cash equivalents	15	71,703,730	77,581,472
Short-term loans and advances	16	254,020,564	125,693,378
		1,205,127,208	1,084,914,815
	<b>TOTAL</b>	<b>4,625,255,409</b>	<b>4,382,304,643</b>

## Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements 1 to 39

As per our attached report of even date

For **CHATURVEDI & PARTNERS**

Chartered Accountants

Firm's Registration No. 307068E

**G. VENKATAKRISHNAN**

Partner

Membership No. 11255

Mumbai, May 30, 2013

For and on behalf of the Board of Directors

**R N AGARWAL**

Chairman, Managing Director and CEO

**RAUNAK AGARWAL**

Whole Time Director

**RIDDHI THAKKAR**

Company Secretary

**STATEMENT OF PROFIT AND LOSS** FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
<b>INCOME</b>			
Revenue from operations (Gross)		5,374,170,131	5,165,904,958
Less: Excise Duty		251,286,529	239,934,329
Revenue from operations (Net)	17	5,122,883,602	4,925,970,630
Other income	18	38,010,648	43,446,795
<b>Total revenue</b>		<b>5,160,894,250</b>	<b>4,969,417,425</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	3,190,291,686	3,118,585,088
Purchases of stock-in-trade	-	-	-
Changes in inventories of finished goods and work-in-progress	20	(7,240,090)	(14,916,615)
Employee benefits expense	21	207,843,313	190,554,390
Finance costs	22	103,559,724	102,773,800
Depreciation	23	94,576,773	90,334,575
Other expenses	24	1,519,197,403	1,306,136,242
<b>Total expenses</b>		<b>5,108,228,810</b>	<b>4,793,467,479</b>
<b>Profit Before Tax and Before prior year adjustments</b>		<b>52,665,440</b>	<b>175,949,945</b>
Prior year Adjustments + / (-)		-	-
<b>Profit Before Tax and After prior year adjustments</b>		<b>52,665,440</b>	<b>175,949,945</b>
<b>Tax expenses:</b>			
Current Tax		10,592,000	35,670,111
Deferred Tax		(3,845,378)	(670,111)
<b>Profit for the year</b>		<b>45,918,818</b>	<b>140,949,945</b>
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic		2.70	8.28
Diluted		2.70	8.28
Significant accounting policies			
The accompanying notes are an integral part of the financial statements 1 to 39			

As per our attached report of even date

For **CHATURVEDI & PARTNERS**

Chartered Accountants

Firm's Registration No. 307068E

**G. VENKATAKRISHNAN**

Partner

Membership No. 11255

Mumbai, May 30, 2013

For and on behalf of the Board of Directors

**R N AGARWAL**

Chairman, Managing Director and CEO

**RAUNAK AGARWAL**

Whole Time Director

**RIDDHI THAKKAR**

Company Secretary

**CASH FLOW STATEMENT** FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013		Year ended March 31, 2012	
	₹	₹	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax		52,665,440		175,949,945
<b>Adjustments for:</b>				
Depreciation	94,576,773		90,334,575	
Finance cost	103,559,724		102,773,800	
Loss/(Profit) on Sale of Assets/Investment	106,126		486,940	
Dividend received	(137,460)		(130,650)	
Interest Received	(19,913,052)		(23,879,010)	
Bad Debts written off	9,636	178,201,747	251,257	169,836,912
		230,867,186		345,786,857
<b>Operating Profit Before Working Capital Changes</b>				
<b>Adjustments for:</b>				
Trade and Other Receivables	(19,001,110)		(89,567,747)	
Inventories	21,228,524		(15,508,794)	
Current liabilities	109,875,581		189,757,451	
Loans & Advances (long term & short term)	(128,701,907)	(16,598,912)	252,255,155	336,936,065
Cash Generated from Operations		214,268,275		682,722,922
Direct Taxes Paid	(11,000,000)	(11,000,000)	(25,000,000)	(25,000,000)
Cash Flow Before Extra Ordinary Items		203,268,275		657,722,922
Previous Year Adjustments	-	-	-	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<u>203,268,275</u>		<u>657,722,922</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(217,144,049)		(773,309,573)	
Sale of Fixed Assets	100,000		835,840	
Purchase of Investments	(2,500)		-	
Dividend received	137,460		130,650	
Interest Received	19,913,052	(196,996,037)	23,879,010	(748,464,073)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(196,996,037)</u>		<u>(748,464,073)</u>

**CASH FLOW STATEMENT (CONT.)** FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013		Year ended March 31, 2012	
	₹	₹	₹	₹
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Share Capital	-		-	
Finance cost	(116,076,996)		(99,464,909)	
Proceeds from Long Term Borrowings	96,989,115		222,242,973	
Repayment of Long Term Borrowings	(76,069,292)		(116,217,966)	
Unsecured Loans	83,007,192		69,895,740	
Equity share Dividend including tax thereon	-	(12,149,981)	(23,736,028)	52,719,810
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		(12,149,981)		52,719,810
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<u>(5,877,742)</u>		<u>(38,021,341)</u>
CASH AND CASH EQUIVALENTS - OPENING BALANCE		77,581,472		115,602,813
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		71,703,730		77,581,472
		<u>(5,877,742)</u>		<u>(38,021,341)</u>

As per our attached report of even date

For **CHATURVEDI & PARTNERS**

Chartered Accountants

Firm's Registration No. 307068E

**G. VENKATAKRISHNAN**

Partner

Membership No. 11255

Mumbai, May 30, 2013

For and on behalf of the Board of Directors

**R N AGARWAL**

Chairman, Managing Director and CEO

**RAUNAK AGARWAL**

Whole Time Director

**RIDDHI THAKKAR**

Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES

### (a) Accounting Convention:

The financial statements are prepared under the historical cost convention on an accrual basis of accounting with the generally accepted accounting principles in India, Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and the relevant provisions of the Companies Act, 1956.

### (b) Fixed Assets:

All fixed Assets are stated at cost, net of Cenvat/Service Tax/VAT, less accumulated depreciation. Expenditure related to and incurred during implementation of project is included under Capital Work-in-Progress and the same is capitalized by allocating to various fixed assets on completion of the project.

### (c) Depreciation:

- i) Depreciation is provided on the Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal. Buildings erected on land taken on a short lease (i.e. up to 10 years) are written off equally over the lease period of the land.
- ii) Intangible Assets are amortized over their useful life not exceeding three years.

### (d) Investments:

Investments are stated at cost. Provision of diminution in value of long-term investment is made only if such a decline is other than temporary in the opinion of the management.

### (e) Foreign Currency Transactions:

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at year end and not covered by forward exchange contracts are translated at year end exchange rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of the contract.
- (iii) Any income or expenses on account of exchange difference on translation is recognized in the Statement of Profit and Loss except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

### (f) Inventories:

- i) Inventories are valued at the lower of cost, computed on moving average basis and estimated net realizable value, after providing due allowance for defective and obsolete items, wherever necessary, based on the past experience of the Company.
- ii) Goods in Transit are stated at cost.
- iii) Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### (g) Inter-Unit Transfers

Inter-unit transfer of goods, as independent marketable products produced by separate units for captive consumption, is transferred at approximate prevailing market price. The same is shown as a contra item to reflect the true working of the respective units in the Statement of Profit and Loss. Any unrealized profit on unsold stocks is eliminated while valuing the inventories. The value of such inter-unit transfer is netted off from sales and operational expenses under manufacturing and other expenses (packing materials).

**(h) Employee Benefits:**

- i. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii. The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and the Company make monthly contributions at a specified percentage of the covered employee's salary (currently 12% of employee's salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme. The Company recognizes such contributions as expenses of the year in which the liability is incurred.
- iii. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to gratuity fund and the Company recognizes the liability for gratuity benefits payable in future based on an independent actuarial valuation.
- iv. The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long defined benefit. The liability is provided for based on the number of days of unutilized leave at the Balance Sheet date on the basis of an independent actuarial valuation.

**(i) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

**(j) Treatment of expenditure during construction period:**

Expenditure during construction period is included under Capital Work-in-Progress and the same is allocated to respective Fixed Assets on the completion of its construction.

**(k) Revenue Recognition:**

Sale of goods is recognized at the point of dispatch of finished goods to customers. Sales include amounts recovered towards Excise Duty but are net of Sales Tax.

**(l) Taxes on Income.**

Provision for current Income Tax is made on the basis of estimated taxable income for the year, in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method at the current rate of tax, to the extent that the timing differences are expected to crystallize. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

**(m) Cenvat Credit**

Excise Cenvat credit in respect of capital assets is adjusted against excise duty liability arising subsequent to such credit.

**(n) Contingent Liabilities**

Contingent Liabilities are not provided for in the accounts but are disclosed separately.

**NOTES** FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>NOTE 1 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
225,00,000 Equity Shares ₹10 each	225,000,000	225,000,000
25,00,000 Preference Shares of ₹10 each	25,000,000	25,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>Issued, Subscribed and paid up Shares</b>		
1,70,19,100 Equity Shares of ₹ 10 each fully paid up	170,191,000	170,191,000
<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
Equity Shares at the beginning of the year	17,019,100	17,019,100
Add: Shares issued	-	-
Less: Shares bought back	-	-
<b>TOTAL</b>	<b><u>17,019,100</u></b>	<b><u>17,019,100</u></b>
<b>Terms/rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of ₹10 per share. Each equity shareholder is entitled to one vote per share.		

**Details of shareholders holding more than 5% shares in the Company Equity shares of ₹ 10 each fully paid**

Name	March 31, 2013		March 31, 2012	
	Nos	% holding	Nos	% holding
Shri. R N Agarwal	7922030	46.548	7922030	46.548
Smt. Reena R. Agarwal	4538861	26.669	4538861	26.669

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>NOTE 2 RESERVES AND SURPLUS</b>		
<b>Share Warrants Forfeiture Account</b>		
As per last Balance sheet	14,625,000	-
Add: Transferred from Money received against share warrants	-	14,625,000
	<u>14,625,000</u>	<u>14,625,000</u>
<b>Capital Redemption Reserve</b>		
As per last Balance sheet	8,500,000	8,500,000
Add: Transferred from Statement of Profit and Loss	-	-
	<u>8,500,000</u>	<u>8,500,000</u>
<b>General Reserve</b>		
As per last Balance sheet	71,752,943	67,352,943
Add: Transferred from surplus in Statement of Profit and Loss	-	4,400,000
	<u>71,752,943</u>	<u>71,752,943</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last Balance sheet	790,363,211	677,549,293
Add: Profit for the year	45,918,818	140,949,945
	<u>836,282,029</u>	<u>818,499,239</u>
<b>Less: Appropriations</b>		
Proposed dividend (₹ NIL per share, previous year ₹1.20 per share)	-	20,422,920
Corporate Tax on Dividend	-	3,313,108
Transferred to General Reserve	-	4,400,000
<b>Total Appropriations</b>	<u>836,282,029</u>	<u>790,363,211</u>
<b>TOTAL</b>	<u>931,159,972</u>	<u>885,241,154</u>
<b>NOTE 3 MONEY RECEIVED AGAINST SHARE WARRANTS</b>		
As per last Balance Sheet	-	14,625,000
Add: Addition during the year	-	-
Less: Amount forfeited and transferred to share warrants forfeiture account.	-	14,625,000
(12,50,000 share warrants allotted in the year 2010-11 have been forfeited upon non exercise of option of conversion by the allottees)		
<b>TOTAL</b>	<u>-</u>	<u>-</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>Borrowings</b>		
<b>Non Current Liabilities</b>		
<b>NOTE 4 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Term and Corporate Loans from Banks	1,278,589,357	1,153,032,672
Buyers Credit from Banks	183,761,875	182,563,093
	<u>1,462,351,233</u>	<u>1,335,595,765</u>
<b>Unsecured</b>		
Deposits from Others	82,450,000	8,142,808
Deposits from Directors	136,606,426	126,756,426
	<u>219,056,426</u>	<u>134,899,234</u>
<b>TOTAL</b>	<u>1,681,407,659</u>	<u>1,470,494,999</u>

**Notes:**

The Corporate Loan of Saraswat Co-operative Bank Ltd. is secured by first pari passu charge on the plant and machinery situated at Unit I at Vapi and further secured by extension of existing security on immovable properties at Unit I, Vapi. It is also further secured by exclusive charge by way of equitable mortgage of Directors residential bungalow at Lokhandwala, Andheri (W), Mumbai 400053 and also an exclusive charge by way of legal mortgage on vacant land non agricultural land admeasuring 37.61 acres at Sarigam, Gujarat. The loan is further secured by personal guarantee of Shri R. N. Agarwal.

The Term loan from Kotak Mahindra Bank Ltd., is secured by exclusive charge on Unit 415-418, sited at Janki Centre, 4<sup>th</sup> Floor, 29 Shah Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai 400053. The loan is further secured by personal guarantee of Shri R. N. Agarwal

The Project Loan from Bank of Baroda is secured by first pari passu charge by hypothecation of plant and machinery situated at Vapi and at Sarigam and first pari passu charge on immovable properties (Unit I, II, III, IV and V) situated at Vapi and Sarigam, together with buildings and other structures thereon excluding vacant land admeasuring 37.61 acres at Sarigam and second pari passu charge on current assets of the Company and further secured by the personal guarantee of Shri. R N Agarwal.

The new office Loan of Bank of India is exclusively secured by equitable mortgage on the said property and further secured by the personal guarantee of Shri. R N Agarwal.

Term loan includes the loan availed from HDFC bank hypothecation of Forklift, Loader and Terex.

<b>NOTE 5 DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liability</b>		
Difference between book and tax written down values of fixed assets	160,698,564	161,873,897
<b>Gross Deferred Tax Liability</b>	160,698,564	161,873,897
<b>Deferred Tax Asset</b>		
Disallowances under the Income Tax Act, 1961	3,845,378	1,175,333
<b>Gross Deferred Tax Asset</b>	3,845,378	1,175,333
<b>TOTAL</b>	<u>156,853,186</u>	<u>160,698,564</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>NOTE 6 SHORT-TERM LIABILITIES</b>		
<b>Secured</b>		
Cash Credit from Banks	497,475,295	518,286,297
<b>TOTAL</b>	<b>497,475,295</b>	<b>518,286,297</b>
<p>The Cash credit from Banks are secured by hypothecation of present and future stock of raw materials, steam coal, goods in process, finished goods and books debts etc. ranking pari passu inter-se and second charge on Company's movable and immovable fixed assets excluding vacant land admeasuring 37.61 acres situated at Sarigam and office premises situated at Mumbai which are exclusively charged to other lenders. The same is further secured by personal guarantee of Shri. R N Agarwal.</p>		
<b>NOTE 7 TRADE PAYABLES</b>		
Trade payables	987,804,030	804,632,208
<b>TOTAL</b>	<b>987,804,030</b>	<b>804,632,208</b>
<p>Out of the said amount, ₹ 6,678,921 (March 31, 2012 : ₹ 4,228,228 ) pertains to micro, small and medium enterprises as defined under Micro, Small, and Medium Enterprises Development Act, 2006 based on the information available with the Company. There is no interest payable to such parties as at March 31, 2013 (March 31, 2012: ₹ Nil).</p>		
<b>NOTE 8 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debts	26,696,180	132,531,824
Current liabilities of deposits from others	3,350,000	4,500,000
Interest accrued but not due on borrowings	2,559,896	15,077,167
Unclaimed Dividend	2,523,405	2,374,001
Other payables for expenses (including new project Unit-5 liabilities ₹ 5,141,109/-)	88,888,717	103,557,456
Creditors for Capital Expenditure	64,081,063	72,111,054
<b>TOTAL</b>	<b>188,099,260</b>	<b>330,151,501</b>
<b>NOTE 9 SHORT TERM PROVISIONS</b>		
Provisions for Gratuity/ Leave Encashment	10,268,362	7,137,199
Proposed Dividend	-	20,422,920
Tax on Dividend	-	3,313,108
Provision for Wealth Tax	447,030	405,030
Provision for Income Tax (Net of Advance tax)	-	9,781,049
Provision for Fringe Benefit Tax	1,549,615	1,549,615
<b>TOTAL</b>	<b>12,265,007</b>	<b>42,608,921</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****NOTE 10 FIXED ASSETS**

Description	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 01.04.2012	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2013	As at 01.04.2012	For the year	Deductions/ Adjustments	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A. TANGIBLE ASSETS</b>										
Land	42,728,426	-	-	42,728,426	-	-	-	-	42,728,426	42,728,426
Leasehold Land	47,488,963	-	-	47,488,963	820,727	-	-	820,727	46,668,236	46,668,236
Factory Building	223,791,753	7,907,188	-	231,698,941	69,375,502	7,517,335	-	76,892,836	154,806,104	154,416,251
Plant & Machinery	1,543,382,485	149,326,774	-	1,692,709,259	659,070,335	81,734,975	-	740,805,310	951,903,950	884,312,151
Furniture & Fixtures	18,996,012	3,378,508	-	22,374,520	10,848,722	941,745	-	11,790,467	10,584,053	8,147,290
Vehicles	29,008,549	6,743,469	556,500	35,195,518	10,502,779	2,890,326	350,374	13,042,731	22,152,787	18,505,770
Other - building	15,125,415	-	-	15,125,415	3,728,224	246,544	-	3,974,768	11,150,647	11,397,191
Computers	12,672,966	79,973	-	12,752,939	10,925,118	481,506	-	11,406,624	1,346,315	1,747,848
<b>Total (A)</b>	<b>1,933,194,570</b>	<b>167,435,912</b>	<b>556,500</b>	<b>2,100,073,981</b>	<b>765,271,406</b>	<b>93,812,431</b>	<b>350,374</b>	<b>858,733,463</b>	<b>1,241,340,518</b>	<b>1,167,923,163</b>
<b>B. INTANGIBLE ASSETS</b>										
Software - SAP	5,678,211	-	-	5,678,211	5,678,186	-	-	5,678,186	25	23
Others	2,340,750	-	-	2,340,750	265,290	764,342	-	1,029,631	1,311,119	2,075,461
<b>Total (B)</b>	<b>8,018,961</b>	<b>-</b>	<b>-</b>	<b>8,018,961</b>	<b>5,943,476</b>	<b>764,342</b>	<b>-</b>	<b>6,707,817</b>	<b>1,311,144</b>	<b>2,075,484</b>
<b>TOTAL - A + B</b>	<b>1,941,213,531</b>	<b>167,435,912</b>	<b>556,500</b>	<b>2,108,092,942</b>	<b>771,214,882</b>	<b>94,576,773</b>	<b>350,374</b>	<b>865,441,280</b>	<b>1,242,651,662</b>	<b>1,169,998,648</b>
Previous Year	1,821,301,559	121,578,218	1,666,248	1,941,213,531	681,227,278	90,334,575	346,968	771,214,882		
Capital work in Progress									2,033,932,038	1,984,223,901

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
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**NOTE 10.1 CAPITAL WORK IN PROGRESS**

Land	3,682,202	3,682,202
Building and Office	499,697,593	493,452,130
Plant & Machinery	972,325,519	1,116,269,972
Pre operative expenses	558,226,728	370,819,597
<b>TOTAL</b>	<b>2,033,932,038</b>	<b>1,984,223,901</b>

**NOTE 10.2**

Capital work in progress includes ₹ 1,914,728,026/- pertaining to Unit V. The Company has received approval from the Ministry of Environment & Forest, New Delhi and from the state government for the co generation plant and the project is under implementation.

Capital work in progress includes ₹ 115,717,826/- under construction of new office premises at Fortune Terraces. According to the sale agreement dated January 20, 2010 the possession of the said premises were agreed to be given on March 31, 2011. However, due to delay in obtaining of the occupation certificate by the developer, possession of the said premises further delayed. As per the Sale Agreement, Company has to pay 18 months outgoing charges of ₹ 1,730,600/- alongwith other charges on taking the possession for which Company has not made provision in the accounts.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
<b>NOTE 11 NON CURRENT INVESTMENTS</b>		
<b>In Equity Shares - Un-quoted, fully paid up</b>		
Shares of Laxmi Co. operative Society Ltd.	2,750	2,750
Shares of Mahalaxmi Co-operative Housing Society Ltd.	3,750	3,750
Shares of The Greater Bombay Co-operative Bank Limited, (8040 Equity Shares of ₹ 25/- each fully paid up)	201,000	201,000
Shares of Kherani Paper Mills Pvt. Ltd. (95 Equity Shares of ₹ 100/- each fully paid up)	9,500	9,500
Shares of Shamrao Vitthal Co-op Bank Ltd. (25 Equity Shares of ₹100/- each fully paid up)	2,500	
Shares of Bombay Mercantile Co-operative Bank Ltd. (33912 Equity Shares of ₹ 30/- each fully paid up)	1,017,360	1,017,360
Shares of Mogaveera Co-op. Bank Ltd. (10 Equity Shares of ₹ 100/- each fully paid up)	1,000	1,000
Shares - Saraswat Co-operative Bank Ltd. (2500 Equity Shares of @ ₹ 10/- each fully paid up)	25,000	25,000
<b>In Equity Shares - Quoted, fully paid up</b>		
6000 fully paid up Equity Shares of Bank of Baroda of ₹10/- each	510,000	510,000
2200 fully paid up Equity Shares of Bank of India of ₹10/- each	99,000	99,000
Aggregate Book Value:		
Quoted investment : ₹ 609,000 (Previous year ₹ 609,000)		
Unquoted investment : ₹1,262,860 (Previous year ₹ 1,260,360)		
Aggregate market value of quoted investment ₹4,718,670 (Previous Year ₹5,508,294 )		
<b>TOTAL</b>	<b>1,871,860</b>	<b>1,869,360</b>
<b>NOTE 12 LONG TERM LOAN AND ADVANCES</b>		
(Unsecured and Considered Good)		
Capital Advances	89,028,948	96,098,961
Deposits	52,643,692	45,198,959
<b>TOTAL</b>	<b>141,672,640</b>	<b>141,297,920</b>

**NOTES** FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
<b>NOTE 13 INVENTORIES</b>		
Raw Materials	77,003,621	108,069,612
Raw Materials in Transit	4,128,500	13,921,921
Stock in process	18,160,804	15,072,580
Packing Materials	6,910,710	7,628,152
Finished Goods	68,309,871	64,158,004
Stores, Spares & Tools	132,351,094	119,242,854
<b>TOTAL</b>	<b>306,864,599</b>	<b>328,093,123</b>
<b>NOTE 14 TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
Over six months	14,788,828	7,042,310
Others	557,749,487	546,504,531
<b>TOTAL</b>	<b>572,538,315</b>	<b>553,546,841</b>
<b>NOTE 15 CASH AND BANK BALANCES</b>		
Balance with Banks	4,183,308	18,442,336
Cash on hand	2,203,226	1,240,063
Fixed deposits with banks*	65,317,196	57,899,073
<b>TOTAL</b>	<b>71,703,730</b>	<b>77,581,472</b>
*Includes ₹ 7,667,000/-under lien and maturing beyond twelve months.		
<b>NOTE 16 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered good)		
Balance with Customs, Central Excise Authorities	379,720	379,720
Advance Income Tax (Net of provisions)	46,521,727	-
Deposits	4,730,269	4,681,269
Others	202,388,849	120,632,389
<b>TOTAL</b>	<b>254,020,564</b>	<b>125,693,378</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
<b>NOTE 17 REVENUE FROM OPERATIONS</b>		
Sale of Products	5,374,170,131	5,193,859,658
Less: Inter unit Sales	-	27,954,699
	5,374,170,131	5,165,904,958
Less: Excise Duty	251,286,529	239,934,329
	5,122,883,602	4,925,970,630
Add: Sale Traded goods	-	-
<b>TOTAL</b>	<b>5,122,883,602</b>	<b>4,925,970,630</b>
Excise duty deducted from turnover represents excise duty collected on sale of goods.		
<b>PARTICULARS OF SALE OF PRODUCTS</b>		
Duplex Board	4,423,197,868	4,224,240,608
Kraft Paper	-	739,685,969
Newsprint, Writing and Printing	950,972,262	201,978,382
<b>TOTAL</b>	<b>5,374,170,131</b>	<b>5,165,904,958</b>
<b>NOTE 18 OTHER INCOME</b>		
Interest on Fixed Deposit & Margin Money	4,563,801	4,330,380
Interest Others	15,349,250	19,548,630
Dividend Income	137,460	130,650
Net Gain/Loss on Foreign Currency Translation and Transaction	27,332	11,298,224
Other income	17,932,805	8,138,911
<b>TOTAL</b>	<b>38,010,648</b>	<b>43,446,795</b>
<b>NOTE 19 COST OF MATERIALS CONSUMED</b>		
Waste Papers	2,523,511,841	2,526,105,886
Chemicals	666,779,846	592,479,202
Add: Purchase of Raw Materials	-	26,324,097
Less: Sale of Raw Materials	-	-26,324,097
<b>TOTAL</b>	<b>3,190,291,686</b>	<b>3,118,585,086</b>
<b>NOTE 20 CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>STOCK IN PROCESS AND STOCK IN TRADE</b>		
<b>Inventories (at close)</b>		
Finished goods/ Stock in trade	68,309,871	64,158,004
Stock in process.	18,160,804	15,072,580
	86,470,675	79,230,584
<b>Inventories (at Commencement)</b>		
Finished Goods/Stock in Trade	64,158,004	56,053,914
Stock in Process	15,072,580	8,260,055
	79,230,584	64,313,969
<b>TOTAL</b>	<b>(7,240,090)</b>	<b>(14,916,615)</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
<b>NOTE 21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	181,522,073	170,936,269
Contribution to Provident and Other Funds	12,749,215	11,644,666
Staff Welfare Expenses	13,572,026	7,973,455
<b>TOTAL</b>	<b>207,843,313</b>	<b>190,554,390</b>
As per Accounting Standard 15 (Employee benefits), the disclosure as defined in the accounting standing standards are as below;		
<b>Components of Employer Expenses</b>		
	<b>Gratuity Benefits</b>	
Current service cost	3,256,422	2,535,408
Interest cost	1,469,496	1,303,730
Expected return on plan assets	(1,681,733)	(874,601)
Actuarial losses / (gains)	(569,493)	1,852,633
Total expenses / (income) recognized in the Statement of Profit and Loss	3,613,678	1,111,904
<b>Actual contribution and benefits paid during the year</b>		
Actual benefits paid	1,764,648	1,269,215
Actual contribution	1,958,814	7,777,337
<b>Net asset / (liability) recognized in Balance Sheet as at March 31, 2013</b>		
Present Value of Defined Benefit Obligation	(22,839,493)	(16,890,760)
Fair value of plan assets	23,153,371	18,685,922
Net asset/(liability) recognized in Balance Sheet	313,878	1,795,162
<b>Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2013.</b>		
Present value of DBO at beginning of year	16,890,760	15,802,788
Current Service cost	3,256,422	2,535,408
Interest cost	1,469,496	1,303,730
Actuarial (gain)/ losses	2,987,463	(1,481,951)
Benefits paid	(1,764,648)	(1,269,215)
Present Value of DBO at the end of year	22,839,493	16,890,760
<b>Change in Fair Value of Assets during the year ended March 31, 2013</b>		
Plan Assets at beginning of year	18,685,922	10,932,477
Expected return on plan assets	1,681,733	874,601
Actual Company contributions	1,958,814	7,777,337
Benefits paid	(1,591,068)	(1,269,215)
<b>Plan assets at the end of year</b>	<b>23,153,371</b>	<b>18,685,922</b>
<b>Actuarial Assumptions</b>		
Discount Rate	8.10%	8.70%
Expected Return on plan assets	9.15%	9.00%
Salary escalation	7.25%	7.25%

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
<b>Components of Employer Expenses</b>	<b>Compensated absences</b>	
Current service cost	1,521,082	2,141,020
Interest cost	777,115	536,859
Expected return on plan assets	NA	NA
Actuarial losses / (gains)	790,107	1,090,761
Total expenses / (income) recognized in the Statement of Profit and Loss	3,088,304	3,768,640
<b>Actual contribution and benefits paid during the year</b>		
Actual benefits paid	1,438,425	1,343,664
Actual contribution	NA	NA
<b>Net asset / (liability) recognized in Balance Sheet as at March 31, 2013</b>		
Present Value of Defined Benefit Obligation	(10,582,240)	(8,932,361)
Fair value of plan assets	NIL	NIL
Net asset/(liability) recognized in Balance Sheet	(10,582,240)	(8,932,361)
<b>Change in Defined Benefit Obligations (DBO)</b>		
during the year ended March 31, 2013.		
Present value of DBO at beginning of year	8,932,361	-6,507,385
Current Service cost	1,521,082	2,141,020
Interest cost	777,115	536,859
Actuarial (gain)/ losses	790,107	1,090,761
Benefits paid	(1,438,425)	(1,343,664)
<b>Present Value of DBO at the end of year</b>	10,582,240	8,932,361
Change in Fair Value of Assets during the year ended March 31, 2013		
Plan Assets at beginning of year	NA	NA
Expected return on plan assets	NA	NA
Actual Company contributions	NA	NA
Benefits paid	NA	NA
<b>Plan assets at the end of year</b>	NA	NA
Actuarial Assumptions		
Discount Rate	8.10%	8.70%
Expected Return on plan assets	NA	NA
Salary escalation	7.25%	7.25%
The planned asset is represented by investment made under the Group Gratuity Scheme operated by Life Insurance Corporation of India		
<b>NOTE 22 FINANCE COST</b>		
Interest Expenses	100,425,580	99,079,707
Other Borrowing Cost	3,134,144	3,694,093
<b>TOTAL</b>	<b>103559724</b>	<b>102,773,800</b>

**NOTES** FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
<b>NOTE 23 DEPRECIATION</b>		
Depreciation	94,576,773	90,334,575
<b>TOTAL</b>	<b>94,576,773</b>	<b>90,334,575</b>
<b>NOTE 24 OTHER EXPENSES</b>		
<b>Manufacturing expenses</b>		
Consumption of Stores, Spares and Tools	128,741,607	99,916,472
Excise Duty Paid	1,856,075	833,614
Power, Fuel and Water	834,227,822	744,014,962
Material Handling Charges	29,565,994	23,746,283
Repairs to Building	5,180,770	3,716,312
Repairs to Machinery	25,481,156	22,865,276
	1,025,053,424	895,092,919
<b>Selling and distribution expenses</b>		
Selling and distribution expenses	422,828,274	358,724,131
Less: Inter unit sales	0	(27,954,699)
	422,828,274	330,769,432
<b>Establishment expenses</b>		
General Expenses	40,960,568	50,346,957
Rent	22,448,645	13,775,267
Insurance	1,481,565	3,348,472
Rates & Taxes	1,065,989	3,201,336
Other Repairs	3,460,419	6,243,443
Payment to Auditors	900,000	900,000
Loss on Sale /Discard of Assets	106,126	486,940
Other expenditures	853,439	1,552,372
Charity and Donations	38,954	419,105
	71,315,705	80,273,891
<b>TOTAL</b>	<b>1,519,197,403</b>	<b>1,306,136,242</b>
Excise duty shown above represents the aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock.		
<b>NOTE 25 EARNING PER SHARE (EPS)</b>		
<b>The Computation of EPS is set out below:</b>		
Net Profit after tax (as per statement of Profit and Loss)	45,918,818	140,949,945
Weighted Average number of equity shares used	17,019,100	17,019,100
Basic Earnings per share	2.70	8.28
Diluted Earnings per share	2.70	8.28
Face Value per equity share (₹)	10	10

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

	Year ended March 31, 2013		Year ended March 31, 2012	
	₹	% of total consumption	₹	% of total consumption
<b>NOTE 26 DETAILS OF IMPORTED AND INDIGENEOUS RAW MATERIALS, STORES AND SPARES CONSUMED:</b>				
<b>Raw Materials</b>				
Imported	983,744,989	31%	940,437,688	30%
Idigeneous	2,206,546,697	69%	2,178,147,400	70%
	<u>3,190,291,686</u>	<u>100%</u>	<u>3,118,585,088</u>	<u>100%</u>
<b>Stores and Spares Consumed</b>				
Imported	15,746,193	12%	10,968,216	11%
Idigeneous	112,995,414	88%	88,948,256	89%
<b>TOTAL</b>	<u>128,741,607</u>	<u>100%</u>	<u>99,916,472</u>	<u>100%</u>

<b>NOTE 27 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:</b>	2011-12	2010-11
The company has paid dividend in respect of shares held by Non-Resident Shareholders on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non Resident External (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. Total amount remittable in this respect is given below:		
Year to which the dividend relates		
Number of Non Resident Shareholders	36	39
Number of Shares held by them	147,165	123,184
Amount of Dividend (₹)	176,598	221,731

<b>NOTE 28 CIF VALUE OF IMPORTS</b>	March 31, 2013	March 31, 2012
Raw Materials	726,285,713	788,676,554
Stores, components and parts	21,214,596	18,516,057
Capital goods		123,762,149
Coal	414,801,183	
<b>TOTAL</b>	<u>1,162,301,492</u>	<u>930,954,760</u>

<b>NOTE 29 EARNINGS IN FOREIGN EXCHANGE</b>		
FOB Value of Goods Exported	272,336,154	240,546,170

<b>NOTE 30 PAYMENTS TO AUDITORS</b>		
(a) Auditors		
Statutory Audit Fees	650,000	650,000
Tax Audit Fees	100,000	100,000
(b) Certification	150,000	150,000
Service Tax	109,592	109,592
<b>TOTAL</b>	<u>1,009,592</u>	<u>1,009,592</u>

**NOTES** FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
<b>NOTE 31 DISCLOSURE IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD AS-18</b>		
<b>Key Management Personnel &amp; Relatives</b>		
1 Shri R N Agarwal		
2 Shri Raunak Agarwal		
3 Shri Mangilal Suthar		
<b>Name of the Related Party</b>		
1 Smt Reena R Agarwal		
2 Smt Padma Chhabra		
a) During the year the following transactions were carried out with the related parties in the ordinary course of business		
i Purchase of Fixed Assets		
Associates	-	-
ii Unsecured Advances Given		
Associates	-	-
iii Unsecured Deposits Received from		
Key Management Personnel	25,350,000	70,727,000
iv Unsecured Deposits Received from		
Relatives	-	-
v Remuneration Paid		
Key Management Personnel	12,572,880	16,225,560
vi Sitting Fees Paid		
Key Management Personnel	-	-
vii Car Lease Rent		
	4,081,392	3,431,392
viii Unsecured Deposits Outstanding Credit Balance		
Key Management Personnel & Relatives Deposits	138,106,426	128,506,426
b) Loans and Advances in the nature of Loans given to Associates		
Loans and Advances in the nature of Loans	Nil	Nil
Maximum Balance	N.A	N.A
<b>Notes:</b>		
1. Loans to Employees as per Company's policy are not considered		
2. Related party relationship is as identified by the Company and relied upon by the auditors.		

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****NOTE 32 CONTINGENT LIABILITIES AND PROVISIONS**

- (a) Guarantees and counter guarantees given by the Company ₹ 1,200,000/- (Previous Year ₹NIL)
- (b) Excise duty demands and penalties ₹ 1,705,071/- (Previous Year ₹ 1,705,071/-)
- (c) Claims against the Company not acknowledged as debts - ₹ 642,524/- (Previous year ₹ 538,758/-)
- (d) Letter of Credit outstanding ₹152,371,620/- (Previous Year ₹ 139,665,667/-)
- (e) Custom penalties on Imports - ₹ NIL (Previous year ₹ NIL)
- (f) The Company has imported capital goods under "Export Promotion Capital Goods" scheme for which the Company has given export obligation of ₹ 537,114,937 /- (Previous Year ₹ 698,177,456/-)
- (g) Income tax matters disputed in appeal amount ₹ 108,445,192/- (previous year ₹ 119,756,754)

The Company has received a demand from Income Tax Department for ₹ 189,448,031 reduced subsequently by rectification order to ₹ 119,756,754/- in respect of Assessment Years 2007-08 to 2010-11 mainly on account of 80-IA(4)(iv) of Income Tax Act, 1961. The Commissioner of Income Tax (Appeals) vide their order dated June 12, 2012 further reduced the demand to ₹108,445,192/-.

The Company preferred an appeal with the Income Tax Appellate Tribunal, Ahmedabad for stay of demand and the other reliefs. The tribunal while disposing of the stay application of the Company, had ordered to make payment by installment of ₹15,00,000/- per month. The Company has remitted ₹ 47,712,514/- so far. The other matter of reliefs is pending for disposal. The Management is of the opinion that the Company is entitled to deduction under Section 80-IA(4)(iv) of the Income Tax Act, 1961 and hence, no provision for aforesaid demand/notices has been made in the books of accounts.

**NOTE 33**

Estimated amount of Contract remaining to be executed on capital account and not provided for (net of advances) ₹ 445,464,403/- (Previous year ₹395,907,291/-).

**NOTE 34**

The Company had entered into an MOU dated February 3, 2011 with Damanganga Recycling Resources LLP (DRR) for availing the services of conversion of waste to energy. In terms of the MOU, the Company has paid ₹ 12,000,000 as interest free deposit adjustable against the tipping bills. However, the said project has not materialized and the amount of ₹ 12,000,000 paid by the Company as deposit has been forfeited by DRR. Consequently the Company has initiated legal proceedings.

**NOTE 35**

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

**NOTE 36 SEGMENT REPORTING:**

The Company operates in Single Business Segment of 'Manufacturing of Paper Boards & Newsprint'. Therefore, the Company is of the view that the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****NOTE 37**

Bank of Baroda has issued a counter guarantee (DPG) to Deutsche Bank AG, amounting to ₹ 21,712,165/- to fulfill certain contractual payment obligations for the import of certain capital goods. However, the Company has provided the full liability of the said contract and same is included under Sundry Creditors (Previous Year ₹ 32,304,759/-).

**NOTE 38**

During the financial year under consideration, due to factors affecting economies at macro-economic level and industry downturn and delay in implementing the project at Sarigam, the Company was facing liquidity crunch and to fulfill its repayment obligations. In order to overcome debt repayment obligations, Bank of Baroda has made a reference to the Corporate Debt Restructuring (CDR) cell for restructuring of the debts of the Company through CDR Mechanism. The final restructuring package was approved by CDR Empowered Group on March 28, 2013. The Master Restructuring Agreement has also been signed with the lenders participating in the CDR package ('CDR Lenders') on March 30, 2013.

The approved CDR package, inter-alia envisages the following;

- (a) The restructuring of principal outstanding in respect of Term Loan of Bank of Baroda and Saraswat Bank as on cut-off date September 1, 2012 and rephasing of said Loan (₹ 149.65 Crs) to be repaid in 32 quarterly installments commencing from November 30, 2014.
- (b) Funding of interest on the above loans from cut-off date September 1, 2012 to August 31, 2014 and the said Funded Interest of ₹ 31.50 Crs to be repaid over 16 quarterly installments commencing from November 30, 2014, bearing interest 10.50% per annum.
- (c) Re-fixing the interest on the above Term Loan on step-up basis ranging from 11% per annum to 20% per annum.
- (d) Sanctioning of additional Term Loan of ₹70 Crs by Bank of Baroda bearing interest at 13% per annum for completion of the ongoing project at Sarigam and need based additional working capital of ₹ 37.50 Crs. by working capital lenders.
- (e) Infusion of ₹ 1.60 crs by the Promoters to support the packages over and above the margin for fresh term loan and additional Working Capital limits.
- (f) Apart from the existing securities, furnishing of personal guarantee by Shri. Raunak Agarwal, Director and Smt. Reena Agarwal and pledging of shares held by Shri. R N Agarwal, CMD, Smt. Reena Agarwal and Shri. Raunak Agarwal.

**NOTE 39**

Remuneration of ₹ 9,000,000/- paid to the Managing Director and debited to the Statement of Profit and Loss for the financial year 2012-13 includes ₹ 5,276,035/- in excess of the limits specified in Section 309 of the Companies Act, 1956. The excess payment is as a result of lower profits in the wake of adverse market conditions. The Company is in the process of making application to Central Government u/s 309(5B) of the Companies Act, 1956 to waive the recovery of the said excess remuneration. Pending such approval the Managing Director holds the excess remuneration paid in trust for the Company.

As per our attached report of even date

For **CHATURVEDI & PARTNERS**

Chartered Accountants

Firm's Registration No. 307068E

**G. VENKATAKRISHNAN**

Partner

Membership No. 11255

Mumbai, May 30, 2013

For and on behalf of the Board of Directors

**R N AGARWAL**

Chairman, Managing Director and CEO

**RAUNAK AGARWAL**

Whole Time Director

**RIDDHI THAKKAR**

Company Secretary

**N R AGARWAL INDUSTRIES LIMITED**Regd. Office: 415-418, Janki Centre, 4<sup>th</sup> Floor, 29, Shah Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai – 400 053.**FORM OF PROXY**

I/We \_\_\_\_\_  
 of \_\_\_\_\_  
 being members) of the above named Company, hereby appoint \_\_\_\_\_  
 of \_\_\_\_\_ or failing him \_\_\_\_\_ of

\_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the  
 TWENTIETH ANNUAL GENERAL MEETING of the Company to be held at GMS Community Centre Hall, Sittladevi Complex, 1<sup>st</sup> Floor,  
 D. N. Nagar, Opp. Indian Oil Nagar on Link Road, Andheri (West), Mumbai - 400 053, at 11.30 a.m. on Tuesday, August 27, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

DP Id\*

--	--

Client Id\*

--	--

Reg. Folio No.

--	--

Affix Re. 1

Revenue

Stamp

Signature .....

\*Applicable if shares are held in Electronic Form.

**Note:** This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office  
 of the Company, not less than 48 hours before the meeting.

**N R AGARWAL INDUSTRIES LIMITED**Regd. Office: 415-418, Janki Centre, 4<sup>th</sup> Floor, 29, Shah Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai – 400 053**ATTENDANCE SLIP**

DP Id\*

--	--

Client Id\*

--	--

Reg. Folio No.

--	--

Name &amp; Address of the Registered Shareholder

--

Name of the Member \_\_\_\_\_

Signature \_\_\_\_\_

Name of the Proxy Holder \_\_\_\_\_

Signature \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

- Notes:**
1. Please fill this attendance slip and hand it over at the entrance of the hall.
  2. Member/Proxy Holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

TEAR HERE





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Regd. Off.: 415-418, Janki Centre, 4<sup>th</sup> Floor,  
29, Shah Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai 400 053.  
Tel.: +91 22 6731 7500