



**“Nurturing
Today,
for a
Better
Tomorrow”**



Shri N R Agarwal
(1932-2011)

Our Inspiration and Beloved Founder



**“Whenever you see a successful business,
someone once made a courageous decision”**

– Peter Drucker

NRAIL AT A GLANCE



THE COMPANY

NR Agarwal Industries Ltd (NRAIL) is a pioneer in development, manufacturer of quality finished paper products by recycling of waste paper and marketing in domestic and international markets. Established in 1993, was promoted by NRAIL Group and founded by Late Shri N R Agarwal, is headquartered in Mumbai-India, we are committed to 'Serve Paper Products Worldwide'. NRAIL has been consistently providing high quality Papers to Packaging Industries, News Papers and Business Stationery segments in different parts of the world. NRAIL had 4 manufacturing facilities in Vapi, Gujarat, till June 2014, 3 facilities manufacture Coated Duplex Boards and 1 manufactures Newsprint.

The Company embarked on an Expansion Project to manufacture Writing and Printing papers with a capacity of 90,000 tonnes per annum at Sarigam, Gujarat India at a cost of Rs 3,300 millions. The said Expansion Project was completed in July, 2014. After successful trials, the Commercial Production of the new Paper Machine commenced on July 21, 2014.

The Company has vast resources in terms of assets, technical expertise and technology, Research and Development, plants and state of the art machinery, well equipped laboratories, excellent infrastructure and utilities including water, own power generation, steam generation, communication, D.M. Plants, Effluent Treatment Plants, transportation etc. at all manufacturing locations. The Group has excellent marketing network including highly effective sales team, end users, distributors, storage facility and fast delivery capabilities.

NRAIL, essentially a 'Customer Centric Organization', always puts its valued Customers in the centre of all the decisions. As a knowledge – driven organization, a lot of emphasis is laid on new product development, quality improvement and cost cutting methods, thus providing to its clients 'Quality Products with Brilliant Results'. At NRAIL, focus is also laid on creating stakeholder value. NRAIL has a dedicated Research and Innovation Team, working day and night to achieve the organization's objectives and take the organization to far reaching heights.

WASTE.REDEFINED.

At NRAIL, we work towards conserving our Environment. Our principal source of Raw material is not forest but waste paper. We remain mindful of the huge losses suffered by the environment through deforestation.

We believe in maintaining the equilibrium of the environment and so we strive to give back to it all that we can. We plant trees, maintain strict adherence to the pollution norms, recycle water and residue.

Throughout our products, activities and services, we endeavor to minimize any adverse impact on the environment by means of pollution prevention, energy and water conservation. In this way, cost savings, increased operational efficiency and improved quality of products and services are achieved as well as a safe environment is maintained for the community as a whole.

Hence we rightly claim, "Waste.Redefined"

SO NEXT TIME YOU WANT A PRINT OUT, TAKE IT WITHOUT ANY GUILT

TEAM NRAIL

Great companies are the result of the motivated employees who act as leaders in their own spheres of work to drive the company into the future. It is they, who with their passion, initiative and teamwork, anticipate changes and lead their company towards High Goals. Perhaps, that's why, despite being four decades in the business, and a mindset that cherishes human values, we remain young, vibrant and ever alive to the challenges of today.

Clearly, the effort of our people has fuelled the success of this organization.

Effective Leadership does not happen automatically. It has to be developed and nurtured by providing a conducive work environment, opportunities to grow and sufficient resources. This constantly motivates and energizes the Company's employees, generating a never ending passion towards their work.

At NRAIL, we believe professionalism is an equal measure of competence and commitment.

Growth and wealth are often valued through monetary terms or other intangible means such as our production capacity and infrastructure. We are not only proud of our infrastructure but also of our human resource power. TEAM NRAIL is made of professionals who are diligent and thorough in their work. It is their knowledge and experience which make the optimum use of our infrastructure, thus leading to growth.

As we march forward to take on the challenges of tomorrow, it is these self-motivated individuals of NRAIL, who are leading the journey of change from the forefront.

CUSTOMER DELIGHT-OUR OBSESSION

"QUALITY IS NOT AN ACT, IT IS A HABIT", is what NRAIL thrives on.

We believe in making a difference through the quality of our wide product portfolio of Paper & Paper Boards. We have consistently used best practices, backed by Strict Quality Control (QC) regimen to ensure quality of our products. We integrate QC as an integral part of our manufacturing process and use sophisticated testing equipments to ensure adherence to Standards.

We have always aimed to move beyond the production and profitability, driven by a single growth engine- Customers. We visit our Customers on regular basis, to understand what improvements can be implemented in order to respond to the changing needs of the market places.

To us, the customer is not at the end of the Value Chain. The customer is the origin of all that we are.

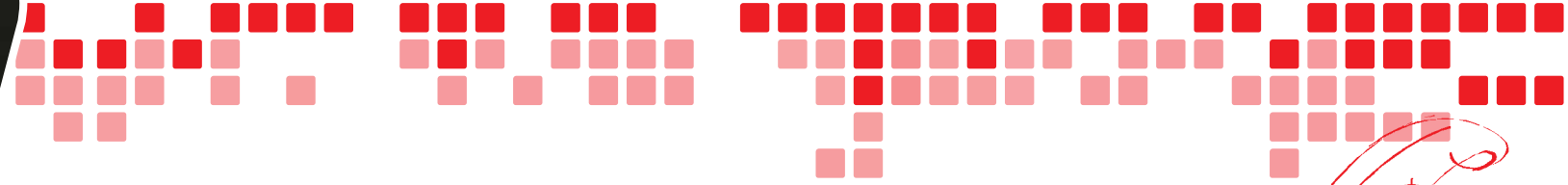
Customers today expect nothing, but the best, which is what drives us to give them, nothing, but only The Best. We believe that Excellence never comes from mere words or procedures but comes, only from an urge to strive and deliver the best every time.

At NRAIL, a Customer Centric Attitude is deeply ingrained in employees across all levels. Our people have a constant quest, of understanding our customers needs and commitment to satisfy them.

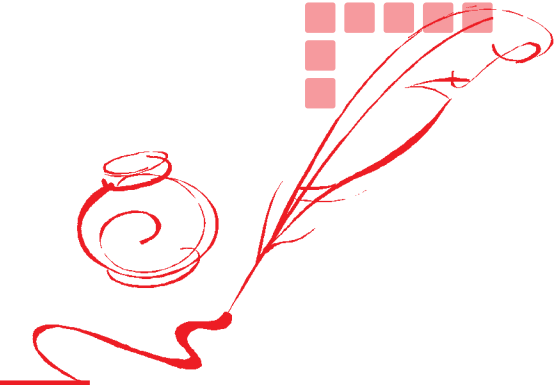
CSR IS A COMMITMENT,

NOT AN OBLIGATION





CHAIRMAN'S MESSAGE



**“EXPECT THE BEST. PREPARE FOR THE WORST. CAPITALIZE ON WHAT COMES.”
- ZIG ZIGLAR**

Dear Shareholders,

It's my privilege to present the 22nd Annual Report of the Company for the year ended on 31st March, 2015. During the year ended 31st March, 2015 the Company has suffered loss as a result of higher interest and depreciation burden arising from commissioning of Company's new project at Sarigam, Gujarat which commenced commercial production on July 21, 2014 and is now operating consistently and delivering superior quality paper.

Paper Market conditions were at the lowest ebb throughout the year under review. Lack of demand due to weak economic conditions that prevailed during the year, unabsorbed excess capacity present in the paper industry, weak demand in overseas markets restricting the export potential and undue competition from imported grades of paper taking advantage of the "zero" import duty concession

available under the Regional Free Trade Agreements vitiated the sentiments, off-take and prices of domestic products. Consequently inventories piled up forcing the manufacturers to drop prices, resulting in huge pressure on margins. Sentiments have not yet changed and the market is likely to remain weak and subdued for most part of the year.

Paper Industry, occupies a prestigious position, among the various manufacturing enterprises globally, in view of its significant contribution to the society. Role of paper in promotion of literacy, propagation of information and knowledge, packaging commodities and commercial items of value, makes it an indispensable product. Despite predictions that the digital revolution would make paper obsolete, paper remains central to our lives. Paper is interwoven with human life in innumerable ways. Think of the hundreds of times, we touch paper, in a day. Paper is a

bio-degradable product with a benign footprint at the end of its life cycle and this adds further strength to this product, promoting its growing usage.

The Indian paper and paperboards industry has potential and also capabilities to service the growing demand in domestic and international market and also to create huge employment avenues in the rural-India, provided the competitiveness of the value chain is encouraged by the government.

Your Company's new project for the manufacture of Writing and Printing papers with a capacity of 90,000 tonnes per annum at Sarigam, Gujarat India was commenced on July 21, 2014.

I would like to gratefully acknowledge the trust and confidence reposed in us by you and more importantly for your patience in seeing us through the recent turbulent times. The Management is conscious of your increasing expectations and is gearing to fulfill the same. The continuing support and co-operation of our loyal family circle of customers, dealers, suppliers, financial institutions and partners have been valuable to Your Company's success and well-being and is much appreciated.

Thank you,

Yours sincerely,

R N Agarwal
Chairman & Managing Director

BOARD OF DIRECTORS



1
Shri R N Agarwal
(Chairman & Managing Director)

2
Shri Raunak Agarwal
(Whole Time Director)

3
Smt Reena Agarwal
(Executive Director)

4
Shri S N Chaturvedi
(Independent Director)

5
Shri P Kumar
(Independent Director)

6
Shri C R Radhakrishnan
(Independent Director)



WE BUILD IT TOGETHER



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri R N Agarwal

Shri Raunak Agarwal

Smt Reena Agarwal (w.e.f. 8/8/14)

Shri S N Chaturvedi

Shri P Kumar

Shri C R Radhakrishnan

Chairman & Managing Director

Whole Time Director

Executive Director

Independent Director

Independent Director

Independent Director

CHIEF FINANCIAL OFFICER

Shri Gopal Uchil

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pooja Daftary

Contact Details: 022-67317547

Email id: investors@nrail.com

AUDITORS

Chaturvedi & Partners

Chartered Accountants, Mumbai

REGISTERED OFFICE

415-418, Janki Centre, 4th Floor,

29, Shah Industrial Estate,

Off Veera Desai Road,

Andheri (West), Mumbai - 400 053

Tel.: +91 22 6731 7500

Email Id: admin@nrail.com

Website: www.nrail.com

BANKERS

Bank of Baroda

Bank of India

IDBI Bank Limited

Standard Chartered Bank

The Saraswat Co-operative Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited

Unit No.1, Luthra Industrial Premises,

Safed Pool, Andheri Kurla Road,

Andheri (East), Mumbai - 400 072

Contact Details: 022-28515606

Email Id: investors@sharexindia.com

CIN

L22210MH1993PLC133365



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Proxy Form

NOTICE

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the members of N R AGARWAL INDUSTRIES LIMITED will be held at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D N Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai – 400 053 on Monday, September 28, 2015 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Reena Agarwal (DIN 00178743), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Messrs Chaturvedi & Partners, Chartered Accountants, (Registration No. 307068E), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force), and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Shri R N Agarwal (DIN 00176440) as the Managing Director of the Company for a period of three years with effect from August 1, 2015, liable to retire by rotation, upon the terms and conditions as detailed in the explanatory statement annexed to this notice and set out in the Agreement dated May 29, 2015 entered into between the Company and Shri R N Agarwal, which agreement, as placed before this meeting be and is hereby specifically approved with

liberty to the Board of Directors of the Company to alter, vary and modify the terms and conditions of the said appointment and/or the agreement so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendment thereto as may be agreed to between the Board and Shri R N Agarwal;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during Shri R N Agarwal's term of office as the Managing Director, the remuneration including all other benefits and perquisites excluding commission set out in the said agreement shall be payable to him as minimum remuneration subject to the limits prescribed in Schedule V of the Act;

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

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

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 70,000/- per annum plus service tax as applicable and re-imbursalment of out of pocket expenses payable to Messrs N. Ritesh & Associates, Cost Accountants, (Registration No. 100675), who were appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records of the Company's Paper & Paper Boards manufacturing Units at Vapi and Sarigam, for the financial year ending March 31, 2016.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. An Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Monday, September 21, 2015 to Monday, September 28, 2015, both days inclusive.
4. Members are requested to notify immediately any change of address:
 - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - (ii) to the Company's Registrar & Share Transfer Agents, Sharex Dynamic (India) Private Limited, Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400072, Maharashtra in respect of their physical share folios, if any, quoting their folio numbers.
5. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956 (which are still applicable as the relevant sections under Companies Act, 2013 are yet to be notified), the dividend remaining unclaimed/unpaid for a period of seven years from the date they became due for payment shall be credited to the Investors' and Protection Fund set up by the Central Government. Members who have so far not claimed the dividend are requested to make necessary claims with the Company as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund. The details of unpaid and unclaimed amounts lying with the Company as on September 20, 2014 has been displayed on the website of the Company (www.nrail.com).
6. Members/Proxies should bring the enclosed Attendance Slip duly filled for attending the Annual General Meeting along with their copy of Annual Report.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance. Recognizing the

spirit of the circular issued by the MCA, we propose to send documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories. We request you to register/ update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email address.

7. Voting through Electronic Means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members the facility of 'remote e-voting' i.e. voting by electronic means from a place other than the venue of AGM to exercise their right to vote at the Twenty-Second Annual General Meeting. The business may be transacted through the e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under:

- (i) The voting period begins on Friday, September 25, 2015 at 9:00 a.m. and ends on Sunday, September 27, 2015 at 5:00 p.m. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Monday, September 21, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company;
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged onto www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	<ul style="list-style-type: none"> In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <N R Agarwal Industries Limited> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat Account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same

(xix) Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 21, 2015 are requested to refer the notes and instructions to the E-Voting included in the notice which is uploaded on the website of CDSL and of the Company and can cast their votes accordingly.

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

Other General Information:

- a. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, September 21, 2015. A person who is not a member of the Company as on the cut-off date, should treat this notice for information only.
- b. Members who do not have access to e-voting facility and wish to send their assent or dissent in writing on a physical ballot, can avail the physical ballot form from the Company. Members using this mode of voting are requested to send the duly filled and signed form to the Scrutinizer appointed by the Board of Directors of the Company, Ms. Jigyasa Ved of Parikh & Associates, Practising Company Secretaries (Membership No. FCS 6488) at the registered office of the Company not later than Thursday, September 24, 2015 (6.00 p.m. IST). Ballot Form received after this date shall be treated invalid.
- c. Members can opt for only one mode of voting, i.e. either by e-voting or through ballot. In case of Member(s) who cast their votes by both modes, then the voting done through e-voting shall prevail.
- d. Facility for voting through poll paper shall also be available at the Meeting. Members who have not casted their vote through remote e-voting or ballot form, they shall be entitled to vote at the meeting.
- e. Members who have cast their vote by remote e-voting or through Ballot Form prior to the Meeting may also attend the meeting, but shall not be entitled to again vote at the AGM.
- f. Ms. Jigyasa Ved of Parikh & Associates, Practising Company Secretaries (Membership No. FCS 6488) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including

the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

- g. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
- h. The Chairman or the person authorized by him in writing shall on receipt of the consolidated Scrutinizer's Report, declare the result of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.nrail.com and on the website of CDSL immediately after their declaration, and communicated to the Stock Exchange where the Company is listed, viz. BSE Ltd.

By order of the Board of Directors

POOJA DAFTARY
Company Secretary

Registered Office:

N R Agarwal Industries Ltd.
415-418, Janki Centre, 4th Floor,
29, Shah Industrial Estate,
Off Veera Desai Road, Andheri (West),
Mumbai – 400 053
CIN: L22210MH1993PLC133365
Tel. No. +91 (22) 67317500
Fax No. +91 (22) 26730227 / 26736953
Email ID: investors@nrail.com
Website: www.nrail.com

Dated: August 4, 2015

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

ITEM NO. 2:

Smt. Reena Agarwal, Director of the Company in terms of Section 152 of the Act, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Smt. Reena Agarwal, aged 48 years, is one of the promoters of the Company. She is a Commerce Graduate and has over 17 years of experience in Human Resource and General Management.

She was appointed on the Board of the Company with effect from August 8, 2014. During the year 2014-15, Smt. Reena Agarwal attended two meetings of the Board of Directors of the Company.

Smt. Reena Agarwal does not hold any directorships or committee positions in any other company.

She holds 45,38,861 equity shares in the Company.

Smt. Reena Agarwal is interested in the said resolution at Item No. 2 of the accompanying notice as it relates to her own appointment. Shri R N Agarwal and Shri Raunak Agarwal may be deemed to be interested in the said resolution as they are relatives of Smt. Reena Agarwal.

The Board recommends this Ordinary Resolution set out at Item No. 2 of the Notice for approval by the members.

None of the other Directors and Key Managerial Personnel of the Company, including their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 4:

The Board of Directors of the Company at its meeting held on May 29, 2015 approved the re-appointment of Shri R N Agarwal as the Managing Director of the Company for a further period of three years with effect from August 1, 2015 on the remuneration and terms and conditions as contained in the Agreement dated May 29, 2015 entered into between the Company and Shri R N Agarwal. The material terms of his re-appointment as contained in the said Agreement dated May 29, 2015 for his re-appointment as the Managing Director are as under:

- 1) Term: August 1, 2015 to July 31, 2018
- 2) Remuneration:
 - a) Salary and Perquisites: ₹ 10,00,000/- (Rupees Ten Lacs only) per month with the power to the Board of Directors to increase the same from time to time within the ceiling limits of the Schedule V of the Companies Act, 2013 .
 - b) Commission: Commission on net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 and read with Schedule V of the Companies Act, 2013.
 - c) The Managing Director shall also be entitled to the following perquisites which shall not be included

in the computation of the ceiling on remuneration specified herein above:

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent that these either singly or put together are not taxable under the Income tax Act, 1961.
- ii) Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
- iii) Earned privilege leave at the rate of one month's leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as the Managing Director.
- iv) Provision of Car and Telephone at the residence of the Managing Director shall not be treated as perquisites.

Where in any financial year during the tenure of the Managing Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director, the above Salary and perquisites excluding commission not exceeding the ceiling limits prescribed in Schedule V of the Companies Act, 2013 as Minimum Remuneration.

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

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

Notwithstanding anything to the contrary contained in this Agreement, either party shall be entitled to determine this Agreement at any time by giving not less than 90 days prior notice in writing in that behalf to the other party without the necessity of showing any reason and on the expiry of the period of such notice, this Agreement shall stand terminated and Shri R N Agarwal shall cease to be Managing Director of the Company, provided, however, that the Company shall be entitled to determine this Agreement at any time by giving to Shri R N Agarwal three months' salary and other emoluments in lieu of notice as aforesaid.

A copy of the Agreement dated May 29, 2015 for the re-appointment of Shri R N Agarwal as the Managing Director of the Company is open for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. of the Company except Saturday and Sunday.

Statement showing the additional information as required to be given alongwith a Notice calling General Meeting as required under Section II, Part II of Schedule V to the Companies Act, 2013:

I. GENERAL INFORMATION			
(1) Nature of Industry	Paper & Paper Products		
(2) Date or expected date of commencement of commercial production	Date of Incorporation: 08.12.1993 Date of Commencement of Business: 20.12.1993		
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	NA		
(4) Financial Performance	2012-13	2013-14	2014-15
Turnover	512,28,83,602	540,53,01,655	724,95,63,514
Net profit (as computed under section 198)	6,55,90,766	1,73,43,115	76,08,115
Net profit/ (Loss) as per profit and loss account	4,59,18,818	45,21,335	(33,43,45,853)
Amount of Dividend paid	-	-	-
Rate of Dividend declared	-	-	-
Earnings before interest, depreciation & taxes	25,08,01,937	22,52,64,076	36,10,11,959
% of EBIDTA to turnover	4.90%	4.17%	4.98%
(5) Export performance and net foreign exchange collaborations	27,23,36,154	45,05,59,165	66,08,07,318
(6) Foreign investments or collaborators, if any.	-	-	-
II. INFORMATION ABOUT THE APPOINTEE			
(1) Background details	Name:	Shri R N Agarwal	
	Designation:	Managing Director	
	Father's name:	Shri N R Agarwal	
	Nationality:	Indian	
	Date of Birth:	21/07/1960	
	Qualifications:.	BE-Electrical, MBA	
	Experience:	Over 23 years in Paper Industry	
(2) Past remuneration	The gross remuneration paid to him is ₹ 1,19,99,600/- during the financial year 2014-15.		
(3) Recognition or awards	N.A.		
(4) Job profile and his suitability	The Managing Director shall be responsible for the management of the whole of the affairs of the Company and do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. Considering the above and having regard to his age, qualifications, ability and experience and looking to the business requirement, the proposed remuneration is in the interest of the Company.		
(5) Remuneration proposed	A gross remuneration of ₹ 1,20,00,000/- per annum plus incentives as may be decided by the Board of Directors.		
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin)	Compared to the industry average and the size of the Company, the remuneration proposed to be paid is reasonable.		
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	In addition to the remuneration payable to him as Managing Director, he is also the Promoter of the Company and a relative of Shri Raunak Agarwal and Smt. Reena Agarwal, Directors of the Company.		

III. OTHER INFORMATION

(1) Reasons of loss or inadequate profits	The loss after depreciation is on account of higher interest and depreciation burden arising from commissioning of Company's new project at Sarigam, Gujarat w.e.f July 21, 2014. The loss is also on account of forex fluctuations, resulting in increase in raw material cost.		
(2) Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> • Conversion of a part of INR Loan to Dollar Loan resulting in reduced interest cost. • The New Unit will be in operation for the entire financial year 2015-16 compared to eight months in the previous year, resulting in increase in production and sales and spreading the fixed cost over the increased production. • Reduction in dependency on imports, to be substituted by local raw material. • Technical upgradation which will improve the quality of production and hence result in increased realization. 		
(3) Expected increase in productivity and profits in measurable terms	Projected Turnover		
	Financial Year	Projected Net Turnover (₹ in Crores)	Projected Profit (PAT) (₹ in Crores)
	31/03/2016	928.59	26.24
	31/03/2017	975.84	27.67
	31/03/2018	983.47	31.09

IV. DISCLOSURES

Details such as remuneration, service contract, notice period etc. of the Directors have been disclosed in the Corporate Governance Report.

The Company has not granted any stock options to its Directors.

Shri R N Agarwal, aged 55 years is one of the promoters of the Company. He is an Electrical Engineer and has over two decades of experience in Paper Industry as an Industrialist.

He was appointed on the Board of the Company with effect from December 8, 1993. During the year 2014-15, Shri R N Agarwal attended four meetings of the Board of Directors of the Company.

Shri R N Agarwal does not hold any directorships or committee positions in any other company.

He holds 79,22,030 equity shares in the Company.

Shri R N Agarwal is interested in the said resolution at Item No. 4 of the accompanying notice as it relates to his own appointment. Shri Raunak Agarwal and Smt. Reena Agarwal may be deemed to be interested in the said resolution as they are relatives of Shri R N Agarwal.

Your Board recommends this special resolution to seek your approval for re-appointment of Managing Director and payment of remuneration to him.

None of the other Directors and Key Managerial Personnel of the Company, including their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 5:

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs N. Ritesh & Associates, Cost Accountants, to conduct the audit of the Cost Records of the Company's Paper and Paper Board units at Vapi and Sarigam for the financial year ending March 31, 2016.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016, as set out in the Resolution for the aforesaid services to be rendered by them.

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

None of the Directors and Key Managerial Personnel of the Company, including their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.

By order of the Board of Directors

POOJA DAFTARY
Company Secretary

Registered Office:

N R Agarwal Industries Ltd.
415-418, Janki Centre, 4th Floor,
29, Shah Industrial Estate, Off Veera Desai Road,
Andheri (West), Mumbai – 400 053
CIN: L22210MH1993PLC133365
Tel. No. +91 (22) 67317500
Fax No. +91 (22) 26730227 / 26736953
Email ID: investors@nrail.com
Website: www.nrail.com

Dated: August 4, 2015

DIRECTORS' REPORT

To the Members,

The Directors hereby present their Twenty Second Annual Report together with Audited Statement of Accounts for the year ended March 31, 2015.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from Operations and Other Income	73071.91	54434.25
Finance Costs	3561.32	1151.03
Gross Profit after Finance Costs but before Depreciation and Taxation	48.80	1101.61
Depreciation	1765.63	1031.07
Profit before Tax and Exceptional Items	(1716.83)	70.54
Exceptional Items	-	-
Profit before Tax and after Exceptional Items	(1716.83)	70.54
Provisions for Taxation	0.48	16.37
Deferred Tax	1626.15	8.96
Net Profit for the year	(3343.46)	45.21
Balance in Statement of Profit and Loss	8408.03	8362.82
Amount available for Appropriation	5064.58	8408.03
Depreciation on transition to Schedule II of the Companies Act, 2013 (net of deferred tax)	(90.33)	-
Balance carried to Balance Sheet	4974.25	8408.03

OVERVIEW OF THE ECONOMY

The industry growth was muted due to economic slowdown and decrease in spending across the board. With gradual improvement in the economy and growth drivers such as changing lifestyles, increasing organized retail and government spending on education in place, the paper and board consumption is bound to increase. However, increased supply in domestic market due to new capacities and cheaper imports from Asean countries at zero duty are likely to pose some challenges in the short term.

The Government envisages GDP growth to accelerate to 8% in FY 16 driven by strengthening macroeconomic fundamentals and implementation of policy reforms recently announced. Reforms currently underway such as GST implementation, Amendment to Land Acquisition Bill, Labour Reforms, etc. are expected to provide the requisite thrust for growth in the medium-term.

FINANCIAL PERFORMANCE

The Company's sales during the year increased to ₹ 724.96 Crore (up 34%) from ₹ 540.53 Crore in the previous year. The Operating Profit (PBIDT) stood at ₹ 36.10 Crore, however, the Company recorded a loss of ₹ 17.17 Crore as a result of higher interest and depreciation burden arising from commissioning of Company's new project (₹ 330 Crore) at Sarigam, Gujarat, slower ramp up of production and severe cost increase. Total production at 219,907 tonnes and Sales at 218,455 tonnes represented an increase of 29% and 28% respectively over the previous year. Overall capacity utilization (including new plant) was 87%.

The work on Sarigam Project is completed and Company has already commenced production in the previous year itself. As on March 31, 2015, the Company has incurred capital expenditure of approximately ₹ 330 Crore.

EXPORTS

The Company continued to fare well in export markets. During the year, the exports increased to ₹ 66.08 Crore (up 47%) from ₹ 45.06 Crore in the previous year.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of the report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

There were 4 (Four) meetings of the Board of Directors of the Company during the financial year 2014-15.

DIVIDEND

In view of the loss, the Directors of the Company have not recommended any dividend for the financial year 2014-15.

DIRECTORS & KEY MANGERIAL PERSONNEL

In accordance with provisions of Section 152 of the Companies Act, 2013, Smt. Reena Agarwal, Executive Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

During the financial year 2014-15, Smt. Reena Agarwal was appointed as an Additional Director of your Company at the meeting of the Board of Directors held on August 8, 2014 and her appointment as the Executive Director was approved by the shareholders at the Annual General Meeting held on September 20, 2014.

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, the Members approved the appointment of Shri S N Chaturvedi, Shri P Kumar and Shri C R Radhakrishnan as Independent Directors for a term of five years at the Annual General Meeting held on September 20, 2014.

Shri R N Agarwal has been re-appointed as the Managing Director of the Company with effect from August 1, 2015 for a further period of three years. The resolution seeking approval of the Members for re-appointment of Shri R N Agarwal has been incorporated in the notice of the forthcoming Annual General Meeting of the Company.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, which came into effect from April 1, 2014, the appointments of Shri R N Agarwal, Chairman & Managing Director, Shri Raunak Agarwal, Whole Time Director, Shri Gopal Uchil, Chief Financial Officer and Ms. Hemali Shah, Company Secretary & Compliance Officer were formalized as the "Key Managerial Personnel" of the Company.

During the year, the Company also appointed Shri R H K Sinha as the President & CEO, in the category of Key Managerial Personnel of the Company with effect from November 14, 2014.

Ms. Hemali Shah resigned as the Company Secretary & Compliance Officer of the Company, with effect from February 28, 2015. Shri R H K Sinha also resigned as the President & CEO of the Company with effect from May 31, 2015. The Board expresses its gratitude to Shri R H K Sinha and Ms. Hemali Shah for the services rendered by them during their tenure with the Company.

Ms. Pooja Daftary has been appointed as the Company Secretary & Compliance Officer with effect from March 1, 2015 and is designated as "Key Managerial Personnel" of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

Shri S N Chaturvedi, Shri P Kumar and Shri C R Radhakrishnan, Independent Directors, have submitted a declaration that each of them meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and that there has been no change in the circumstances which may affect their status as Independent Directors during the year. In the opinion of the Board, the Independent Directors possess appropriate balance of skills, experience and knowledge, as required.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Composition of the Audit Committee has been detailed in the Corporate Governance Report.

VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Act and Clause 49 of the Listing Agreement, the Company has adopted a Whistle Blower Policy ("Vigil Mechanism") to provide a mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy prescribes adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been so far, denied access to the Audit Committee.

PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS

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

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is envisaged. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies and meeting potential candidates prior to making recommendations for their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Clause 49 of the Listing Agreement.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Clause 49 of the Listing Agreement.

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

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

REMUNERATION POLICY

The Board of Directors has formulated a policy which lays down the framework in relation to remuneration of Directors, Key Managerial and Senior Managerial Personnel of the Company pursuant to the provisions of the Act and Clause 49 of the Listing Agreement.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company. The Remuneration Policy of the Company has been annexed as Annexure 1.

EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, etc.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and balances are in place to ensure that transactions are adequately authorized and reported correctly. The Internal Auditors of the Company conduct Audits of various departments to ensure that the necessary controls are in place. The Audit Committee of the Board reviews these and the Company takes corrective actions whenever needed.

DETAILS OF SUBSIDIARIES / JOINT VENTURES / ASSOCIATES

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

EXTRACT OF ANNUAL RETURN

As required under sub Section (3) of Section 92 of the Act, the extract of annual return is enclosed, which forms part of the Directors' Report as Annexure 2.

AUDITORS

(1) Statutory Auditors:

Messrs Chaturvedi & Partners, Chartered Accountants, the Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and

being eligible for re-appointment, they have furnished certificates of their eligibility for re-appointment as required under Companies Act, 2013. Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration.

The Auditors' Report for the financial year ended March 31, 2015 does not contain any qualification, reservation or adverse remark.

(2) Secretarial Auditors:

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Messrs Parikh & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended March 31, 2015. The Secretarial Audit Report is annexed as Annexure 3.

The Secretarial Audit Report for the financial year ended March 31, 2015 does not contain any qualification, reservation or adverse remark. The reasons for unspent amount of CSR expenditure is explained in the Report on Corporate Social Responsibility Activities forming part of this Directors' Report.

(3) Cost Auditors:

Pursuant to the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, Messrs N. Ritesh & Associates, Cost Accountants, Mumbai have been appointed to conduct Cost Audits for all the units of the Company for the year ending March 31, 2016

The due date for filing of the Cost Audit Report for the financial year 2013-14 was September 30, 2014. The Company has filed the Report with the Ministry of Corporate Affairs on the due date i.e. September 30, 2014.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as Annexure 4.

PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 5.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public. The Company has repaid all the deposits outstanding as on March 31, 2014 as stipulated under the provisions of Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORY/ JUDICIAL AUTHORITY

There are no significant or material orders passed by any regulator or court that would impact the going concern status of the Company and its future operations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any investments during the year. The Company has not given any loans or guarantees or provided any security during the year.

RELATED PARTY TRANSACTIONS

Particulars of transactions with related parties, pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report as Annexure 6.

All Related Party Transactions are placed before the Audit Committee and the Board for necessary approval.

The Company has adopted a Related Party Transactions Policy and the same is uploaded on the Company's website at the web link: http://www.nrail.com/company_policies.html.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Clause 49 of the Listing Agreement. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve this key objective, the policy provides for a structured and disciplined approach to Risk Management. In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: regulations, competition, business risk, technology obsolescence, investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk, etc.

As a matter of policy, these risks are regularly assessed and appropriate steps are taken to mitigate the same.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a Corporate Social Responsibility Committee which has formulated and recommended to the Board, a Corporate Social Responsibility Policy and the activities to be undertaken by the Company. The policy and the plan has been approved by the Board.

As part of CSR initiatives, your Company has during the financial year 2014-15 undertaken projects in areas of

promoting education, preventive health care and sanitation, environmental sustainability and measures for benefits of villagers in rural areas of Vapi.

These projects are in accordance with Schedule VII of the Companies Act, 2013. The Company has spent ₹ 10.89 lakhs towards the CSR projects during the financial year 2014-15.

The average net profit of the Company computed as per Section 198 of the Act, for the immediately preceding three financial years was ₹ 789.38 lakhs. Hence, the Company was required to spend ₹ 15.78 lakhs on CSR activities during the Financial Year 2014-15, being 2% of the average net profits of the three immediately preceding financial years. The Company has an unspent amount of ₹ 4.88 lakhs in its CSR spend for the current year, which will be spent in the coming year.

The Report on CSR activities is annexed as Annexure 7.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaint Committee is set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under the policy. No complaint was received from any employee during the financial year 2014-15 and hence no such complaint was outstanding as on March 31, 2015 for redressal.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchange, the Corporate Governance Report,

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

HUMAN RESOURCE

The Company's human resources continue to be its biggest asset. The team has remained as committed as ever and produced results that are considered significant. Quality, quick delivery and focus on resolving customer issues are the hallmark of the team performance. There is a strong focus on TEAM spirit, during the year. Employee relations continue to be cordial.

APPRECIATION

Your Company is grateful to its valued customers for their continuous co-operation and patronizing its products. Sincere appreciation is also due to Financial Institutions and Banks for their continuous co-operation and assistance in meeting the financial requirements of the Company. Your Company would also like to thank its employees, vendors and other service providers for their confidence reposed and cooperation extended to the Company.

Last but not the least, your Directors wish to place on record their warm appreciation for your continuous support and encouragement.

On behalf of the Board of Directors

**R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR**

Mumbai, August 4, 2015

ANNEXURE – 1

REMUNERATION POLICY

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

1.1 Guiding Principles:

- (i) The terms of employment and remuneration of the Managing Director (MD), Wholetime Director (WTD), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) shall be competitive in order to ensure that the Company can attract and retain competent talent.
 - (ii) The remuneration Policy shall ensure that:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs of the quality required to run the Company successfully.
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (c) Remuneration to Directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
 - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
 - (iii) While determining the remuneration and incentives for the MD/ WTD and KMPs, the following shall be considered:
 - (a) pay and employment conditions with peers / elsewhere in the competitive market
 - (b) benchmarking with the industry practices
 - (c) performance of the individual
 - (d) company performance
 - (iv) For benchmarking with industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
 - (v) The pay structures shall be appropriately aligned across levels in the Company.
- environment and rewards achievement of the Company's objectives & goals over the short and long-terms.
- (b) attracts high-flier executives in a competitive global market and remunerates executives fairly and responsibly.
 - (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care insurance and hospitalization benefits, telephone reimbursement etc.
 - (iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and that of the Company. Industry practices/ trends shall also be given due consideration.
 - (iv) Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
 - (v) The remuneration to be paid to the KMPs viz. Chief Executive Officer (CEO), Chief Financial officer (CFO), Company Secretary (CS) or SMPs, shall be recommended by the Nomination and Remuneration Committee (NRC) considering relevant qualification and experience of the individual as well as the prevailing market condition.
 - (vi) The NRC may consider to grant Stock Options to KMPs & SMPs pursuant to any Stock Option Plan adopted by the Company, if any.

(2) MD/WTD:

- (i) Remuneration to the MD and WTD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.
- (ii) Remuneration shall be evaluated annually against performance and benchmarks of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (iii) Total remuneration for the MD and WTD shall comprise of the following:

1.2 Remuneration Policy:

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

- (i) Remuneration packages shall be designed in such manner that:
 - (a) motivates delivery of key business strategies, creates a strong performance-orientated

- (a) Salary (both fixed & variable)
- (b) Perquisites like house rent allowance, domiciliary medical expenses, club memberships, etc.
- (c) Retirals made in accordance with applicable laws and policies of the Company.
- (d) In addition, they shall also be entitled to a Performance Bonus linked to their individual performance and also the performance of the Company.
- (e) It shall be ensured that the total remuneration payable to MD and WTD's shall be within the permissible limits of Section 197 read with Schedule V of the Companies Act, 2013.

(3) NON-EXECUTIVE DIRECTORS (NEDS):

- i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meetings of the Board and of the Committees thereof.
- ii) NEDs shall also be entitled for payment of commission, if any, as upto the limits permitted in Section 197 of the Companies Act, 2013 and approved by the shareholders from time to time.

- iii) IDs shall not be eligible for Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- iv) The NEDs shall be eligible for remuneration for professional services rendered, if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

1.3 Applicability:

- i) This Remuneration Policy shall apply to all existing and future employment agreements with the Directors, KMPs & SMPs.
- ii) In all respects, the Remuneration Policy shall be subject to overall guidance of the Board of Directors. Any departure from the policy shall be approved by the Board.

1.4 Disclosures:

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

1.5 Dissemination:

The Company's Remuneration Policy shall be published on its website.

ANNEXURE – 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2015[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L22210MH1993PLC133365
Registration Date	08/12/1993
Name of the Company	N R Agarwal Industries Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered Office and Contact Details	415-418, Janki Centre, 4th Floor, 29, Shah Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai 400 053 Tel: +91 (22) 6731 7500 Fax: +91 (22) 26730227 / 26736953 Email: admin@nrail.com Website : www.nrail.com
Whether listed company	Yes
Name, address and contact details of Registrar & Transfer Agents (RTA), if any	Sharex Dynamic (India) Private Limited Unit I, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400072 Tel: 022-28515606/5644 Email : investors@sharexindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No.	Name and Description of main products / services	NIC Code of the products/services	% to total turnover of the Company
1	Duplex Boards	1701	64.38%
2	News Print	1701	15.70%
3	Writing & Printing	1701	19.92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

None

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	12460923	0	12460923	73.217	12460923	0	12460923	73.217	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	12460923	0	12460923	73.217	12460923	0	12460923	73.217	0
(2) Foreign									
a) NRIs -Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoters (A) = (A)(1) + (A)(2)	12460923	0	12460923	73.217	12460923	0	12460923	73.217	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	2000	2000	0.012	0	2000	2000	0.012	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	500	500	0.003	0	500	500	0.003	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	4300	4300	0.025	0	4300	4300	0.025	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	6800	6800	0.04	0	6800	6800	0.04	0
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1241739	6200	1247939	7.333	1235615	6200	1241815	7.297	-0.036
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1520568	603224	2123792	12.479	1453997	588424	2042421	12.001	-0.478
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1003276	30000	1033276	6.071	1088933	30000	1118933	6.575	0.504
c) Others (specify)									
Non Resident Indians	146269	0	146269	0.859	142114	0	142114	0.835	-0.024
Clearing Members	101	0	101	0.001	6094	0	6094	0.036	0.035
Sub-total (B)(2):-	3911953	639424	4551377	26.743	3926753	624624	4551377	26.744	0.001
Total Public Shareholding (B) = (B)(1) + (B)(2)	3911953	646224	4558177	26.783	3926753	631424	4558177	26.784	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	16372876	646224	17019100	100	16387676	631424	17019100	100	0

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

ii) Shareholding of Promoters

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

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

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

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

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total Shares of the company				No. of shares	% of total shares of the Company
1.	Delhi Iron & Steel Co. Pvt. Ltd.	701951	4.124	01.04.14				
				25.04.14	3383	Purchase	705334	4.144
		705334	4.144	31.03.15				
2.	JCP Shares & Securities Pvt. Ltd.	50000	0.294	01.04.14				
				24.10.14	-2460	Sale	47540	0.279
		47540	0.279	31.03.15				
3.	Ashari Agencies Ltd.	63000	0.37	01.04.14				
		63000	0.37	31.03.15			63000	0.37
4.	Param Capital Research Pvt. Ltd.	199271	1.171	01.04.14				
		199271	1.171	31.03.15			199271	1.171

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01.04.2014)/ end of the year (31.03.2015)	% of total Shares of the company				No. of shares	% of total shares of the Company
5.	Sunil Didwania	113814	0.669	01.04.14				
				04.04.14	1000	Purchase	114814	0.675
				09.05.14	2000	Purchase	116814	0.686
				30.05.14	-5798	Sale	111016	0.652
				11.07.14	-52100	Sale	58916	0.346
				16.01.15	4495	Purchase	63411	0.373
				20.02.15	600	Purchase	64011	0.376
		64011	0.376	31.03.15				
6.	Anuradha Didwania	105104	0.618	01.04.14				
				30.05.14	5296	Purchase	110400	0.649
				30.06.14	905	Purchase	111305	0.654
				11.07.14	-715	Sale	110590	0.650
				18.07.14	25035	Purchase	135625	0.797
				29.08.14	200	Purchase	135825	0.798
				20.02.15	500	Purchase	136325	0.801
				27.03.15	250	Purchase	136575	0.802
		136575	0.802	31.03.15				
7.	Kamal Kishor Parekh	27858	0.164	30.05.14				
				06.06.14	18701	Purchase	46559	0.274
				13.06.14	12251	Purchase	58810	0.346
				20.06.14	15068	Purchase	73878	0.434
				30.06.14	4560	Purchase	78438	0.461
				11.07.14	200	Purchase	78638	0.462
		78638	0.462	31.03.15				
8.	Sunil Madanlal Agarwal	67055	0.394	01.04.15				
		67055	0.394	31.03.15			67055	0.394
9.	Rajendra Purshottamdas	62500	0.367	01.04.15				
		62500	0.367	31.03.15			62500	0.367
10.	Prahaladbhai Shankerdas	36162	0.212	01.04.15				
				23.05.14	1000	Purchase	37162	0.218
				30.05.14	3338	Purchase	40500	0.238
				18.07.14	9500	Purchase	50000	0.294
		50000	0.294	31.03.15				

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Shri R N Agarwal, Managing Director				
At the beginning of the year	7922030	46.55	7922030	46.55
Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	7922030	46.55	7922030	46.55
Shri Raunak Agarwal, Whole Time Director				
At the beginning of the year	32	0.00	32	0.00
Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	32	0.00	32	0.00
Smt. Reena Agarwal, Executive Director				
At the beginning of the year	4538861	26.67	4538861	26.67
Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year	4538861	26.67	4538861	26.67

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

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

V. INDEBTEDNESS

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	287,43,14,913	33,17,13,588	-	320,60,28,501
ii)	Interest due but not paid	5,68,329	-	-	5,68,329
iii)	Interest accrued but not	-	-	-	-
	Total (i+ii+iii)	287,48,83,242	33,17,13,588	-	320,65,96,830
	Change in Indebtedness during the financial year				
	- Addition	75,07,39,806	20,77,00,000	-	95,84,39,806
	- Reduction	(13,45,37,845)	(10,30,00,000)	-	(23,75,37,845)
	Net Change	61,62,01,961	10,47,00,000	-	72,09,01,961
	Indebtedness at the end of the financial year				
i)	Principal Amount	349,05,16,874	43,64,13,588	-	392,69,30,462
ii)	Interest due but not paid	2,33,91,623	-	-	2,33,91,623
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	351,39,08,497	43,64,13,588	-	395,03,22,086

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/ Manager				Total
		Shri R N Agarwal (Chairman & Managing Director)	Shri Raunak Agarwal (Whole Time Director)	Smt. Reena Agarwal (Executive Director w.e.f 08.08.14)	Shri Mangilal Suthar (Executive Director upto 08.08.14)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,14,60,000	21,50,000	19,77,420	3,38,065	1,59,25,485
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,39,600	39,600	-	-	5,79,200
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- Others, specify...	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total	1,19,99,600	21,89,600	19,77,420	3,38,065	1,65,04,685
	Ceiling as per the Act	Schedule V of the Act	Schedule V of the Act	Schedule V of the Act	Schedule V of the Act	-

B. Remuneration to other Directors:

Independent Directors

Sr. No.	Particulars of Remuneration	Name of the Directors			Total
		Shri S N Chaturvedi	Shri P Kumar	Shri C R Radhakrishnan	
1.	Fees for attending Board/ Committee meetings	1,57,500	1,57,500	1,25,000	4,40,000
2.	Commission	-	-	-	-
3.	Others, please specify	-	-	-	-
	Total :	1,57,500	1,57,500	1,25,000	4,40,000

C. Remuneration to Key Managerial Personnel Other than MD / Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Shri Gopal Uchil (Chief Financial Officer)	Ms. Pooja Daftary (Company Secretary w.e.f 01.03.15)	Ms. Hemali Shah (Company Secretary from 10.4.14 to 28.2.15)	Shri R H K Sinha (President & CEO w.e.f 14.11.14)	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	23,71,800	37,500	4,36,505	9,13,333	37,59,138
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	-	-	1,31,500	1,53,100
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify...	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(A)	23,93,400	37,500	4,36,505	10,44,833	39,12,238

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
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A. COMPANY

Penalty					
Punishment			NONE		
Compounding					

B. DIRECTORS

Penalty					
Punishment			NONE		
Compounding					

C. OTHER OFFICERS IN DEFAULT

Penalty					
Punishment			NONE		
Compounding					

On behalf of the Board of Directors

**R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR**

Mumbai, August 4, 2015

ANNEXURE – 3**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****for the financial year ended March 31, 2015**

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

To,

The Members,

N R AGARWAL INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by N R Agarwal Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the N R Agarwal Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by N R Agarwal Industries Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- (vi) Other laws applicable to the Company as per the representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to Board and General Meetings are not in force as on the date of this report. .
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, the Company has an unspent amount during the year in the amount to be spent towards Corporate Social Responsibility.

We further report that

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

**For Parikh & Associates,
Company Secretaries**

**Shalini Bhat
Partner**

Place: Mumbai
Date: May 29, 2015

FCS No: 6484 CP No: 6994

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

'ANNEXURE A'

To,

The Members,

N R AGARWAL INDUSTRIES LIMITED

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates,
Company Secretaries**

**Shalini Bhat
Partner**

Place: Mumbai

Date: 29th May, 2015

FCS No: 6484 CP No: 6994

ANNEXURE – 4

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

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

A. CONSERVATION OF ENERGY**(i) Steps Taken or Impact on Conservation of Energy:**

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

a. Process optimization and automation:

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

- In the Power Plant, all major equipments like FD Fan, ID Fan, PA Fan and Cooling Tower Pump motor are installed with VFD to optimize power consumption.
- Recovery of maximum condensate of process steam and return to Power Plant to increase feed water temperature and to reduce fuel consumption.
- Using Auto Cad with stress relieving technology, low pressure steam for paper machine and DIP designed accordingly to reduce pressure drop to minimum to save energy.
- Proper steam trap provided in 450 meter long low pressure steam line to remove condensate and use maximum heat energy of steam for paper making so that steam consumption is reduced.
- Proper Thermal Insulation done in high pressure and low pressure steam line, Boiler, ESP, etc to reduce heat loss and save energy.
- To further improve steam and condensate system at paper machine plant, order has been placed to reduce steam consumption per ton of paper production.
- Under capacity water softening plant replaced by actual required in Power Plant for cooling tower water, make up to increase efficiency of condenser.
- One 100 M3/hrs, 15KW, 3000RPM pump installed for DM Plant and Water Softening Plant and stopped two nos. of 60 M3/hrs, 15KW, 3000RPM pumps.
- Installation of auto bed material feeding system at AFBC boiler at duplex plant to reduce heat loss to atmosphere during opening of furnace door.
- Installation of new VFD for electrical power conservation at paper machine for the equipments like chest no. 10 pump in pulp mill and size press service pump.
- Modification of boiler outlet to ESP ducting and its thermal insulation to reduce power consumption of ID fan and to reduce heat loss to atmosphere.
- Installation of new energy efficient designed centri screen VSM-05 to replace old model screen CS-5, to conserve electrical power.

b. Optimization of Electrical Equipment:

The modifications/additions to some of the electrical equipment being done are:

- Timer based operations for air conditioner units across the plant.
- In paper machine, plant energy efficient motor installed with VFD at required places to optimize power consumption.
- VFD provided for Effluent Treatment Plant (ETP) blowers.

c. Other key initiatives for Energy conservation:

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

- Monitoring and analysis of energy consumption on daily basis with respect to energy model.
- Share and implement best practices across all plants.
- Make guidelines for purchase of energy efficient equipments like chillers, air compressors, motors, air conditioners, cooling tower, pumps, transformers etc.
- Sharing of latest updates in field of Energy Conservation.

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

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

- Replacement of conventional light fittings with LED fittings across the manufacturing units.
- VFD for pumps and blowers in utilities.
- Replacement of reciprocating air compressor with VFD based screw compressor.

iii) Capital Investment on Energy Conservation Equipments:

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

B. TECHNOLOGY ABSORPTION:**(i) Efforts made towards Technology Absorption:**

Your Company is carrying out the following activities to fulfill short term and long term business goals of your Company:

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

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

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

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

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

(iv) Expenditure incurred on Research and Development: Nil**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(₹ in Lacs)

	2015	2014
Earnings on account of Exports	6608.07	4505.59
Outgo on account of Import & Expenditure	23418.46	13075.02

On behalf of the Board of Directors

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Mumbai, August 4, 2015

ANNEXURE – 5

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

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

(i) The ratio of remuneration of each Director to the median remuneration of the employees of the company for the financial year:	Shri R N Agarwal Chairman & Managing Director	73:1	
	Shri Raunak Agarwal Whole Time Director	13:1	
	Smt. Reena Agarwal Executive Director	*	
	Shri Mangilal Suthar Whole Time Director	**	

*Details not given as Smt. Reena Agarwal was a Director only for part of the financial year 2014-15 i.e. w.e.f. August 8, 2014.

**Details not given as Shri Mangilal Suthar was a Director only for a part of the financial year 2014-15 i.e. upto August 8, 2014.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:	Shri R N Agarwal Chairman & Managing Director	60.07%	(₹ 119.99 Lacs in 2014-15 against ₹ 74.96 Lacs paid in 2013-14 for part of the year upto December, 2013)
	Shri Raunak Agarwal Whole Time Director	19.44%	(₹ 21.50 Lacs in 2014-15 against ₹ 18.00 Lacs in 2013-14)
	Smt. Reena Agarwal Executive Director	*	(₹ 19.77 Lacs in 2014-15 for part of the year)
	Shri Mangilal Suthar Whole Time Director	**	(₹ 3.38 Lacs in 2014-15 for part of the year)

*Details not given as Smt. Reena Agarwal was not a Director in the financial year 2013-14

**Details not given as Shri Mangilal Suthar was a Director only for part of the financial year 2014-15 i.e. upto August 8, 2014.

The percentage increase in remuneration of Chief Financial Officer is 10.14% and of the Company Secretary is 5.73%.

(iii) The percentage increase in the median remuneration of employees in the financial year:	8.18%			
(iv) The number of permanent employees on the rolls of company:	1319			
(v) The explanation on the relationship between average increase in remuneration and company performance:	The Company has incurred a loss before tax for the financial year ended March 31, 2015 whereas the increase in median remuneration was 8.18%. The average increase in median remuneration was in line with the performance of the Company.			
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:	The total remuneration of the Key Managerial Personnel has changed as mentioned above whereas the company has incurred a loss of ₹ 1716.83 lacs. There is no variable component of salary paid in 2014-15/2013-14 linked to performance of the company in the remuneration paid to the said Managerial Personnel.			
(vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:	Market Capitalization	31.03.2015	31.03.2014	Variation
		29.10	27.66	(+) 1.44
	Price earnings ratio	31.03.2015	31.03.2014	
		(-)0.87	60.19	

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	The average increase in salary/wages of the employees was 11.62% (other than Managerial Personnel) as against an increase of 25.60% in the remuneration to managerial personnel.
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:	There is no variable component of salary paid in 2014-15/2013-14 linked with performance of the company for the said managerial personnel.
(x) The key parameters for any variable component of remuneration availed by the Directors:	Not Applicable as mentioned in (ix) above.
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:	There is no such employee being paid higher than the highest paid Director.
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company:	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

B. Details of employees drawing remuneration exceeding ₹ 60 lakhs per annum:

S. No.	Particulars	Details
a.	Name of the employee	Shri R N Agarwal
b.	Remuneration received	₹ 1,19,99,600
b.	Designation	Chairman & Managing Director
c.	Nature of employment	Contractual
d.	Qualification of the employee	BE (Electrical) & MBA
e.	Experience of the employee	More than two decades of experience in Paper Industry as an Industrialist
f.	Date of commencement of employment	08.12.1993
g.	Age	55 years
h.	Last Employment held before joining	Nil
i.	Percentage of equity shares held	46.55%
j.	Whether he is a relative of Director/Manager	Yes he is relative of Shri Raunak Agarwal and Smt. Reena Agarwal, Whole Time Directors of the Company

There are no other employees who were in receipt of remuneration in the aggregate of rupees sixty lakh per annum or rupees five lakh per month.

On behalf of the Board of Directors

**R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR**

Mumbai, August 4, 2015

ANNEXURE – 6
FORM NO. AOC-2

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

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

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

Sl.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Shri Rohan Agarwal, a. Son of Shri R N Agarwal & Smt. Reena Agarwal b. Brother of Shri Raunak Agarwal
b)	Nature of contracts/ arrangements/ transaction	Appointment of a relative of Director to office or place of profit under Section 188 (f) of the Act.
c)	Duration of the contracts/ arrangements/ transaction	6 months
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Appointment as Management Trainee-Marketing for a period of 6 months w.e.f December 1, 2014 at a stipend of ₹ 30,000/- per month
e)	Justification for entering into such contracts or arrangements or transactions	Shri Rohan Agarwal has completed his Bachelors in Business Administration from Kingston University (London) and his knowledge and services as management trainee would be beneficial to the company and meets the criteria of his appointment as management trainee.
f)	Date of approval by the Board	10.11.2014
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

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

Nil

On behalf of the Board of Directors

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Mumbai, August 4, 2015

ANNEXURE – 7

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

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

NRAIL intends to make a positive difference to the society and contribute its share towards the betterment of the area in which the Company operates. NRAIL recognizes that its business activities have wide impact on the societies in which it operates and therefore, an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company endeavors to make CSR a key business process for sustainable development.

Our CSR initiatives focus on promoting education, preventive health care, sanitation, environmental sustainability and measures for benefit of villagers in rural areas of Vapi and Sarigam. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The CSR Policy was approved by the Board of Directors at its Meeting held on August 8, 2014 and has been uploaded on the Company's website. The web link is: http://www.nrail.com/company_policies.html

2. The Composition of the CSR Committee:

Shri S N Chaturvedi (Independent Director)	- Chairman
Shri P Kumar (Independent Director)	- Member
Smt. Reena Agarwal (Executive Director)	- Member

3. Average net profit of the Company for last three Financial Years is : ₹ 789.38 lacs.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 15.78 lacs
5. Details of CSR spent during the financial year:
 - (a) Total amount to be spent for the financial year : ₹ 15.78 lacs
 - (b) Amount unspent, if any : ₹ 4.88 lacs
 - (c) The manner in which the amount was spent is given below:

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1.	Construction of Hindu Cemetery in Sarigam, Gujarat	Rural Development	Sarigam, Gujarat	4,00,000	3,00,000	3,00,000	Direct
2.	Distribution of books to school children	Promoting Education; Rural Development	Sarigam, Gujarat	30,000	30,600	30,600	Direct
3.	Contribution for Purchase of Instrument for Eye Hospital	Promoting Health Care including preventive health care	Vapi, Gujarat	6,00,000	5,00,000	5,00,000	Agency: Lions Club of Vapi Udyognanagar Charitable Trust

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
4	Construction of RCC Bridge	Rural Development	Pagipada, Sarigam, Gujarat	5,00,000	2,09,232	2,09,232	Direct
5	National Level Sports Championship	Promoting Education	Gujarat	50,000	50,000	50,000	Direct
Total:				15,80,000	10,89,832	10,89,832	

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

Reasons: The Company had received a request letter from the District Rural Development Agency, Valsad for construction of 100 toilets under the Swachh Bharat Mission launched by the Hon'ble Prime Minister of India. Hence, the Company has allocated the unspent amount for the above project and the same will be spent in the current year i.e. 2015-16.

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

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

R N Agarwal
Chairman & Managing Director

S N Chaturvedi
Chairman-CSR Committee

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance involves a code of behavior that defines guidelines for transparent management 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, Shareholders and other Stakeholders which include suppliers, customers, creditors, bankers and the employees of the Company. 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 striking a balance between economic and social goals and between individual and community goals.

Your Company has complied with the guidelines on Corporate Governance stipulated in Clause 49 of the Listing Agreement executed with the Bombay Stock Exchange (BSE) Ltd., the disclosure requirements of which are given below:

BOARD OF DIRECTORS

Composition & Attendance

The Board of Directors has an optimum combination of Executive and Non-Executive Directors. Shri R N Agarwal is the Promoter and the Chairman & Managing Director of the Company. As on March 31, 2015, Board of Directors comprises of 6 Directors, out of which 3 are Non-Executive Independent Directors.

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

Name of Director	Category	No. of Board Meetings attended during 2014-15	Attendance at the last AGM held on September 20, 2014	No of Directorship* (As on 31.03.2015)		No. of Committee positions (As on 31.03.2015)	
				Chairman	Member	Chairman	Member
Shri R N Agarwal	Chairman & Managing Director	4	Yes	-	-	-	-
Shri Raunak Agarwal	Whole-time Director	4	Yes	-	-	-	-
Shri S N Chaturvedi	Non Executive Independent	4	Yes	-	4	4	2
Shri P Kumar	Non Executive Independent	4	Yes	-	1	2	-
Shri C R Radhakrishnan	Non Executive Independent	4	Yes	-	-	-	-
Smt Reena Agarwal**	Executive Director	2	Yes	-	-	-	-
Shri Mangilal Suthar***	Executive Director	2	Yes	NA	NA	NA	NA

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

**Smt. Reena Agarwal was appointed as the Executive Director with effect from 8.08.2014.

***Shri Mangilal Suthar resigned from the Board with effect from 8.08.2014.

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

The Company held Four (4) Board Meetings during 2014-15 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were: May 30, 2014, August 8, 2014, November 10, 2014, and February 5, 2015.

None of the Non-Executive Directors of the Company hold any Equity Shares in the Company. Shri R N Agarwal, Shri

Raunak Agarwal and Smt. Reena Agarwal are related to each other. The Independent Directors are not related to promoters or management at the Board level. Further none of them is a Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2015 have been made by the Directors.

Independent Directors are Non - Executive Directors as defined under Clause 49(II)(B)(1) of the Listing Agreement entered

into with the stock exchange. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("The Act"). None of the Independent Directors are Directors in more than seven listed companies and are not serving as a Whole Time Directors of more than three companies. All Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

BOARD PROCEDURE

The information as required under Annexure X to Clause 49 of the Listing Agreement is made available to the Board. The Board also reviews on a quarterly basis, the declaration made by the Managing Director regarding compliance with all applicable laws.

The Company has not entered into any materially significant transactions, during the year under report with any of the 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. The Code incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The said Code of Conduct is posted on Company's website at www.nrail.com. All the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by Shri R N Agarwal, Chairman & Managing Director forms part of this report.

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013. All the members of the Committee have the relevant experience in the field of finance, taxation and accounting. Shri P Kumar, Chairman of the Committee, has expert knowledge in the field of finance, management and Company audit.

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 177 of the Companies Act, 2013. The Terms of Reference of the Audit Committee are as follows:

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

appointment and, if required, the replacement or removal of Statutory Auditors, fixation of audit fees and to approve payment for any other services rendered by the Statutory Auditors.

- To review with the management, performance of Statutory and Internal Auditors.
- To review the adequacy of the internal audit function & efficacy of the internal control systems.
- To review the findings of any internal investigations by the Internal Auditors.
- To review the statement of significant related party transactions submitted by the management.
- And, generally, all items listed in Clause 49 (III)(D) of the Listing Agreement.

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

COMPOSITION AND ATTENDANCE DURING THE YEAR

The composition of the Audit Committee and the details of Meetings attended by the members during the year 2014-15 are given below:

Name of Director	Category	No. of Meetings attended during 2014-15
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 Audit Committee met four (4) times during the year and gap between two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held were: May 30, 2014; August 8, 2014; November 10, 2014 and February 5, 2015. Necessary quorum was present at the above Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 20, 2014. The Committee meetings are attended by the Managing Director, Executive Directors, Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditors

whenever required. The Company Secretary acts as the Secretary to the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee, is constituted in accordance with the provisions of Clause 49 of the Listing Agreement read with Section 178 of the Companies Act, 2013.

Terms of Reference

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

- To lay down criteria such as qualifications, positive attributes and independence for appointment of persons as Directors or in the Senior Management.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management positions, as per the criteria laid down.
- To recommend to the Board the appointment and removal of the Directors, including Independent Directors.
- To carry out evaluation of every Director’s performance.
- To devise a policy on Board diversity.
- To oversee the familiarisation programmes for Directors. The details of such familiarization programme have been displayed on the company’s website link: http://www.nrail.com/independent_directors.html.
- To recommend to the Board a policy relating to the remuneration for Directors, including Managing Director(s) and Whole-time Director(s), Key Managerial Personnel and other Senior Management employees. While formulating the policy, the committee shall ensure that:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- To recommend remuneration to be paid to a Director for any service rendered by him to the Company which are of a professional nature and provide an opinion as to whether such Director possess the requisite qualification for the practice of such profession.

COMPOSITION AND ATTENDANCE DURING THE YEAR

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

Name of Director	Category	No. of Meetings attended during 2014-15
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 met four (4) times during the year on the following dates: May 30, 2014; August 8, 2014; November 10, 2014 and February 5, 2015. Necessary quorum was present at the above Meetings.

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

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

A. REMUNERATION TO NON-EXECUTIVE DIRECTORS

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

B. REMUNERATION TO EXECUTIVE DIRECTORS

The appointment of Executive Directors including the Chairman and Managing Director and other Whole Time Directors is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. Payment of remuneration to the Managing Director and Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of the Chairman and Managing Director and Executive Directors comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meeting.

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

DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2015:

(a) NON EXECUTIVE DIRECTORS

Name of the Directors	Sitting Fees (Rs.)
Shri S N Chaturvedi	1,57,500
Shri P Kumar	1,57,500
Shri C R Radhakrishnan	1,25,000
Total	4,40,000

(b) EXECUTIVE DIRECTORS

Particulars	Shri R N Agarwal Chairman & Managing Director	Shri Raunak Agarwal Whole Time Director	Smt. Reena Agarwal Executive Director (w.e.f. 08.08.14)	Shri Mangilal Suthar Executive Director (upto 08.08.14)
Salary	1,14,60,000	21,50,000	19,77,420	3,38,065
Perquisites	5,39,600	39,600	Nil	Nil
Bonus	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil
Provident Fund	16,500	16,500	16,500	3,296
Notice Period & Severance Fees	Three months' notice or three month's salary in lieu thereof	Three months' notice or three month's salary in lieu thereof	Three months' notice or three month's salary in lieu thereof	NA

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

The application for waiver of excess remuneration paid to Chairman and Managing Director during the year 2013-14 has been approved by the Central Government vide its Order dated 17.06.2015.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

Terms of Reference

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

The Stakeholders' Relationship Committee has delegated the power of approving transfer/transmission of shares to the Share Transfer Committee which generally meets on fortnightly basis (depending upon the share transfers received).

COMPOSITION AND ATTENDANCE DURING THE YEAR

The Stakeholders' Relationship Committee met twice (2), during the year on May 30, 2014 and November 10, 2014.

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

Name of Director	Category	No. of Meetings attended during 2014-15
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

Based on the reports received from the Company's Registrar and Share Transfer Agents, the Company has not received any complaints from the investors during the year under review. Thus, there were no pending investor complaints as on March 31, 2015.

Name, Designation and Address of Compliance Officer:

Ms. Pooja Daftary

Company Secretary & Compliance Officer

415-418, Janki Centre, 29 Shah Industrial Estate,

Off Veera Desai Road, Andheri (West), Mumbai 400 053

Tel: 6731 7500/ 6731 7547

Fax: 2673 0227/ 2673 6953

Email: pooja.daftary@nrail.com

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

Website: www.nrail.com

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

In compliance with the provision of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee (CSR Committee) was constituted on May 30, 2014.

Terms of Reference

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

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

COMPOSITION AND ATTENDANCE DURING THE YEAR

The CSR Committee met once during the year, on June 16, 2014.

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

Name of Director	Category	No. of Meetings attended during 2014-15
Shri S N Chaturvedi, Chairman	Non-Executive-Independent	1
Shri R N Agarwal, Member	Executive-Non-Independent	1
Shri P Kumar, Member	Non-Executive-Independent	1

EXECUTIVE COMMITTEE OF THE BOARD

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

The Committee met thrice (3) during the year, on April 3, 2014, October 7, 2014 and February 21, 2015

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

Name of Director	Category	No. of Meetings attended during 2014-15
Shri R N Agarwal Chairman	Executive-Non-Independent	3
Shri P Kumar Member	Non-Executive-Independent	3
Shri S N Chaturvedi Member	Non-Executive-Independent	3

SHARE TRANSFER COMMITTEE

The Share Transfer Committee of the Board is responsible for approving transfers, transmission, issue of duplicate shares and other ancillary matters.

The Share Transfer Committee of the Board of Directors met twenty (20) times during the year on May 30, 2014, June 6, 2014, June 30, 2014, July 9, 2014, July 28, 2014, August 4, 2014, September 20, 2014, September 30, 2014, October 20, 2014, October 27, 2014, November 25, 2014, December 15, 2014, December 19, 2014, December 23, 2014, December 30, 2014, December 31, 2014, January 12, 2015, February 12, 2015, March 10, 2015 and March 31, 2015.

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

Name of Director	Category	No. of Meetings attended during 2014-15
Shri R N Agarwal Chairman	Executive-Non-Independent	20
Shri Raunak Agarwal Member	Executive-Non-Independent	20

SUBSIDIARY COMPANIES

The Company has no Subsidiary Company.

GENERAL BODY MEETINGS FOR LAST THREE YEARS

Meetings held during the last three (3) years and special resolutions passed are as follows:

(a) The details of location, date and time of Annual General

Financial Year	Day, Date & Time	Location	Special Resolution, if any
2013-14	Saturday, September 20, 2014 at 11.30 a.m.	GMS Community Centre Hall, Sittladevi Complex, D.N. Nagar, Andheri (W), Mumbai-400053	<ol style="list-style-type: none"> 1. Consent of the Company under Section 180(1)(c) of the Act to the Board of Directors to borrow upto ₹ 1,000 Crore. 2. Consent of the Company under Section 180(1) (a) of the Act to the Board of Directors to create charges on the movable and immovable properties of the Company upto ₹ 1,000 Crores. 3. Consent of the Company for appointment of Smt. Reena Agarwal as Executive Director and payment of remuneration to her. 4. Re-appointment of Shri Raunak Agarwal as the Whole-time Director of the Company and payment of remuneration to him. 5. Waiver of refund of excess remuneration paid to Shri R N Agarwal, Managing Director pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013. 6. Revision in remuneration to Shri R N Agarwal, Managing Director for residual period of his tenure pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
2012-13	Tuesday, August 27, 2013 at 11.30 a.m	GMS Community Centre Hall, Sittladevi Complex, D.N. Nagar, Andheri (W), Mumbai-400053	Waiver of excess remuneration paid to Shri R N Agarwal, Managing Director
2011-12	Thursday, August 23, 2012 at 11.30 a.m	GMS Community Centre Hall, Sittladevi Complex, D.N. Nagar, Andheri (W), Mumbai-400053	NIL

(b) Details of Extra-Ordinary General Meeting:

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

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

DISCLOSURES**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 approved by the Audit Committee. There are no materially significant related party transactions of the Company having potential conflict with the interests of the Company at large. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link: http://www.nrail.com/company_policies.html

b) Risk Management

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

c) Proceeds from Initial Public Offerings (IPO)

The Company has not made any Initial Public Offerings (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 Company has a Whistle Blower Policy in place and none of the employees have been denied access to the Audit Committee. The said policy has been also put up on the website of the Company at the following link: http://www.nrail.com/company_policies.html

- g) Clause 49 of the Listing Agreement mandates the Company to obtain a Certificate from either the Auditors or Practising Company Secretaries regarding the compliance of conditions of Corporate Governance stipulated in the 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 financial statements of the Company are unqualified.
 - ii) The Internal Auditor presents his report to the Audit Committee at the end of every quarter.

CEO/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

SECRETARIAL AUDIT

- Messrs Parikh & Associates, Practising Company Secretaries, have conducted a Secretarial Audit of the Company for the year 2014-15. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, Listing Agreement, SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report is given as an Annexure 3 to the Board's Report.
- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchange, certificates have been issued, on a half-yearly basis, by a Company Secretary in Practice, certifying due compliance of the share transfer formalities by the Company.
- A qualified Practising Company Secretary carries out a Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) 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

- The quarterly and the half yearly results as per the proforma prescribed by the Listing Agreement are approved and taken on record by the Board of Directors of the Company. The approved results are forthwith sent to the Stock Exchanges where the Company's shares are listed. The results are also published within 48 hours in

English and Marathi newspapers having wide circulation. The results are displayed on the Company's website, www.nrail.com and also filed with BSE Ltd. through BSE Online Portal.

- The Company publishes the audited annual results within the stipulated period of two months from the close of the financial year as required by the Listing Agreement. The annual audited results are also communicated to the Stock Exchanges where the Company is listed, published in the newspapers and displayed on the Company's website and on BSE Online Portal.
- Comprehensive information about the Company, its business and operations can be viewed on the Company's website. The "Investor Relations" section on the website gives information relating to financial results, annual reports, shareholding pattern, corporate governance report and policies of the Company. Information about unclaimed dividends is also available in this section, under the head "Unpaid Dividends".

GENERAL SHAREHOLDERS INFORMATION

ANNUAL GENERAL MEETING

Monday, September 28, 2015 at 11.30 a.m. at GMS Community Centre Hall, Sitaladevi Complex, D. N. Road, Opp. Indian Oil Nagar, On Link Road, Andheri (West), Mumbai 400 053

CIN : L22210MH1993PLC133365

Financial Year : April to March

Date of Book Closure : September 21, 2015 to
September 28, 2015
(both days inclusive)

Listing of equity shares : BSE Limited
on Stock Exchange

Script Code : 516082

Demat (ISIN) : INE740D01017

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

SHARE TRANSFER SYSTEM

In case of shares in physical form, request for share transfers can be lodged with Sharex Dynamic (India) Private Limited at the above mentioned address. The transfers are normally processed within a period of 15 days from the date of receipt, if the documents are complete in all respects. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchange, a Practising Company Secretary audits the System of Transfer and a Certificate to that effect is issued. The Share Transfer Committee generally 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, 2015 due as under:

Months	High		Low	
	NRAIL	BSE SENSEX	NRAIL	BSE SENSEX
April 2014	26.90	22,939.31	15.90	22,197.51
May 2014	32.40	25,375.63	20.55	22,277.04
June 2014	33.60	25,735.87	27.50	24,270.20
July 2014	30.10	26,300.17	23.10	24,892.00
August 2014	31.80	26,674.38	23.75	25,232.82
September 2014	28.00	27,354.99	23.05	26,220.49
October 2014	28.00	27,894.32	21.00	25,910.77
November 2014	26.50	28,822.37	20.80	27,739.56
December 2014	24.45	28,809.64	18.60	26,469.42
January 2015	23.90	29,844.16	16.15	26,776.12
February 2015	24.50	29,560.32	19.00	28,044.49
March 2015	23.90	30,024.74	16.05	27,248.45

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015:

Sr. No.	Range	No of Shareholders	% Total Holders	No. of Shares Held	% of Capital
1	1 to 500	5449	87.99	795031	4.67
2	501 to 1,000	323	5.22	266093	1.56
3	1,001 to 2,000	181	2.92	275696	1.62
4	2,001 to 3,000	63	1.02	165949	0.98
5	3,001 to 4,000	26	0.42	93251	0.55
6	4,001 to 5,000	55	0.89	262220	1.54
7	5,001 to 10,000	41	0.66	287236	1.69
8	10,001 & above	55	0.89	14873624	87.39
	Total	6193	100.00	17019100	100.00

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2015:

Category	No. of shares held	% to total share capital
Foreign holding (FII, OCBs and NRIs)	146414	0.860
Financial Institutions/Banks/Insurance Companies	2000	0.012
Centre/State Government	500	0.003
Mutual Funds and UTI	0	0.00
Corporate Bodies	1241815	7.297
Directors and their relatives	12460923	73.217
Public	3167448	18.611
Total	17019100	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

DETAILS OF SHARES HELD IN PHYSICAL FORM AND DEMATERIALIZED FORM AS ON MARCH 31, 2015

Mode	No of Shares	% of Share Capital
Electronic form with CDSL	13624523	80.05%
Electronic form with NSDL	2763153	16.24%
Physical Form	631424	3.71%
Total	17019100	100.00

ADDRESS FOR CORRESPONDENCE**N R Agarwal industries Limited**

415-418, Janki Centre, 4th Floor,
29, Shah Industrial Estate,
Off. Veera Desai Road,
Andheri (West), Mumbai 400 053
Tel: 67317500/Fax: 2673 0227/2673 6953
Email: admin@nrail.com Website: www.nrail.com

Registrar and Share Transfer Agent

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

Plant Locations:

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

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, 2015.

For **N R AGARWAL INDUSTRIES LIMITED**

R N AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Mumbai, May 29, 2015

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 March 31, 2015 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 as stipulated in the said Clause. 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 the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. On the basis of the certificate issued by the registrars of the Company and the minutes of meetings of the 'Stakeholders' Relationship Committee' of the Company, we state that there were no investor grievances pending as at March 31, 2015 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)

(Khyati M. Shah)
Partner
Membership No. 117510

Mumbai, August 4, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Despite the continued focus on digitization, India's demand for paper is expected to rise 53 per cent in the next six years, primarily due to a sustained increase in the number of school-going children in rural areas.

Growing consumerism, modern retailing, rising literacy (continued government spending on education through the Sarva Shiksha Abhiyan) and the increasing use of documentation is expected to keep the demand for writing and printing paper buoyant. Though India's per capita consumption is quite low compared to global peers, things are looking up and demand is set to rise from the current 13 million tonnes (mt) to an estimated 20 mt by 2020.

The India Ratings Report estimates India's per capita paper consumption at 9 kgs, against 22 kgs in Indonesia, 25 kgs in Malaysia and 42 kgs in China. The global average stands at 58 kgs. This indicates that there is a lot of headroom for growth in India. From the demand point of view, every one kg incremental per capita consumption of paper results in additional demand of more than one mt a year. Besides, policy factors also have a key role to play in the growth of the domestic Paper Industry in India. The Government's sustained focus on literacy, increased consumerism and expansion in organized retail are expected to positively affect paper consumption and demand in India. Digital media has a lot of ground to cover, at least as far as penetration is concerned, primarily in rural areas. Paper is an established business and its consumption is being encouraged. It is heartening that though there were challenges, the packaging side of the segment continued to grow. In the last five years, the Indian paper sector has invested about ₹ 20,000 crore on capacity enhancement, technology upgradation and acquisitions. Now, companies in this sector are seeking to improve their balance sheets. While the sector is eager to expand its capacity further, decisions in this regard will depend on how soon Companies can improve their financials.

The India Ratings Report has stated that the paper companies would achieve higher profitability and free cash flows due to lower capital expenditure, and that this would help in deleveraging. This is because the debt levels of these companies have peaked and cost benefits will accrue from backward integration and a larger scale of operations.

The capacity expansion that took place in the industry through the last few years, is now being absorbed due to the rising demand for paper in India.

The Paper Industry is one of the rapidly growing industries in India though it accounts for only about 2.6% of the global production of paper. The estimated turnover of the industry is INR 50,000 crore approximately. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly. Owing to the strong domestic consumer base, share of India's paper consumption to the

world's total has been rising consistently. The increasing demand for paper brings with it new challenges of economies of scale, efficient usage of resources, need to develop and expand sustainable use of fibre, value chain management, etc. Despite the fact that the Indian Paper Industry holds its importance to the national economy, unfortunately it stands fragmented.

Paper sector is dominated by small and medium size units; number of mills with capacity of 50000 tonnes per annum or more is not more than 25. Less than half a dozen mills account for almost 90% of production of newsprint in the country. There is a growing need to modernize the Indian mills, improve their productivity and build new capacities.

OPPORTUNITIES AND OUTLOOK

Presently, the per capita paper consumption in India stands at around 9 kgs, as compared to world's average of 58 kgs and Asian average at 38 kgs. Though, India is self-sufficient in most paper segments, except for newsprint and higher grades of Printing & Writing (P&W) papers, on account of non-availability of superior quality of pulp, the statistics clearly show the magnitude and scale are due for advancement.

The Indian Paper and Paperboards Industry has potential and also capabilities to service the growing demand in domestic and international market and also to create huge employment avenues in the rural-India, provided the competitiveness of the value chain is encouraged by the Government.

The major deterrents of subdued growth of Paper Industry in India are: fiber deficiency; shortage of bagasse/straw and waste paper; energy cost & certifications.

Some of the developmental challenges facing the industry are as follows:

- Enhancing Industry's competitiveness to face global competition
- Economies of scale
- De-fragmentation of industry
- Modernization of mills
- Building new capacities
- Meeting incremental demand of paper
- Productivity/quality improvement
- Creation of robust raw material base
- Environmental upgradation and green technologies
- Setting mechanism for collection, sorting, grading and utilisation of recyclable waste paper

SEGMENT-WISE PERFORMANCE

As the entire operation of the Company relates 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.

RISKS AND CONCERNS

The present risks and anticipated future risks are reviewed by the management of the Company at regular intervals. Based on its past experiences, the management tries to remain vigilant about all prospective risks and takes suitable preventive measures to adequately safeguard its resources like men, machine & money, so that the business continues as usual even during difficult situations. Risks are integral to any business. In Paper Industry, risk management encompasses an organized and coherent process of identifying, assessing and managing the existing and potential risks in a planned manner. The management strives hard to balance business risks and opportunities and analyse potentially negative or positive outcomes.

Poor market conditions, obsolete technology, inability to achieve economies of scale and lack of skilled labour remain the main hurdles ahead for the Indian paper manufacturers. Adding to above limitations, resource usage efficiency, industry competitiveness enhancements and value chain management are other key challenges that need to be addressed. Moreover, paper recovery rates in India stand at the very poor level of 20% compared to 65% or better recovery rates achieved by majority of the developed countries. As the industry is quite fragmented, handling these issues would definitely be a challenging task among the small and medium sized manufacturers.

Competitive threats

- Unprepared mills for international competition (WTO entry) both on price and quality
- Decline in capacity due to environmental pressures
- Decline in capacity utilisation as some of the segments/group of mills are unable to compete at national and international levels with respect to quality and cost of products.
- Weakening competitiveness of domestic industry due to shortage and cost of basic inputs

Human Resource Risk

A talented and hardworking human pool is the key to success of Paper Industry. The Company evaluates the competence of its personnel through surveys and regular assessments. Structured programmes are conducted to train employees and an annual succession planning process hedges against attrition.

Market Risks

Risks related to demand, price, competition, customers, suppliers and raw materials are regularly monitored and evaluated to get a perspective of the Company's profit-making potential. Cyclical product prices are affected by changes in capacity and production in the industry. Customer demand for products, which also determine prices, is influenced by economic conditions and inventory levels.

THE THREATS

Globalization has leveled the competitive playing fields between the industrial and emerging market countries where competitors have an equal opportunity to sell their products in a free market without restrictions and the same applies in Indian context as well. The Indian paper manufacturers are now at liberty to source their requirements of paper machine directly from abroad and to that extent, the level of competition for your company now extends beyond Indian borders. Further, the threats that the Indian Paper Industry currently faces also apply to the Company as well. In this context, ever increasing costs of inputs, including that of coal, electricity, other fuel and waste paper, can be considered to be major areas of concern. These increased costs cannot be fully passed on to consumers due to ever increasing competition which makes the present business environment 'financially challenging'.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems commensurate with its size. The Audit Committee of the Board of Directors, comprising of Independent Directors, also reviews the systems at regular intervals. Moreover, the Company has an Internal Audit Department and they periodically test the efficacy of the prevailing internal control systems.

PERFORMANCE HIGHLIGHTS

The Company's sales during the year increased to ₹ 724.96 Crore (up 34%) from ₹ 540.53 Crore in the previous year. The Operating Profit (PBIDT) stood at ₹ 36.10 Crore, however the Company recorded a loss amounting to ₹ 17.17 Crore as a result of higher interest and depreciation burden arising from commissioning of Company's new project (₹ 330 Crore) at Sarigam, Gujarat, slower ramp up of production and severe cost increase.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

There can be no substitute for the work-force of the Company, which has been the main reason for achieving the performance of these levels. The company expects to continue to get their unflinching support in future also. During the year under review, industrial relations have generally remained healthy, cordial and harmonious.

CAUTIONARY STATEMENT

Statements in foregoing paragraphs of this report describing the current industry structure, outlook, opportunities, etc, may be construed as "forward looking statements", based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, domestic & international economic conditions affecting demand, supply & price conditions, changes in Government regulations, tax regimes and other statutes.

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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, the financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2015, its "loss" and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No. 34(g) regarding Income Tax demand of ₹ 18,67,30,693/- 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 arise has been made in the financial statements. Accordingly, we are unable to comment on the impact on the financial statements resulting on such outcome.
- b) Note No. 36 regarding the forfeiture of deposit given to a party amounting to ₹ 12,000,000/- against which the Company has initiated legal proceedings and for which no provision has been made in the accounts.
- c) Note No. 40 relating to managerial remuneration amounting to ₹ 19,50,000/- which was paid in excess of the prescribed limits during the FY 2013-14 and for which an application for waiver is pending clearance of the Central Government.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, (hereinafter referred to as the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books of accounts and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure hereto, a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
 2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet and the Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigation on its financial position in its financial statements as referred to in Notes 34(g) and 36 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Khyati M. Shah)
(Partner)
[Membership Number: 117510]

Mumbai, 29th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of N R Agarwal Industries Limited ("the Company") for the year ended March 31, 2015, we report that:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for assets under installation.
- b) All the fixed 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 nature of its assets. No material discrepancies were noticed on such verification.
- 2) In respect of Inventories:
 - a) As explained to us the inventories of the company have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to information and explanations given to us, the physical verification of inventories followed by management is reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) According to the information and explanations given to us, the Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
- 3) The Company has neither granted any loans to, nor taken any loans from, companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of the foregoing, the question of reporting on Clause 3 (iii) of the said order does not arise.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither come across, nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5) During the year, the Company has not accepted any fresh deposits from the public within the meaning of section 73 and 74 of the Act and the rules framed thereunder to the extent notified. The Company has complied with the applicable statutory provisions during the year under review, and has repaid all its existing depositors. There are no deposits outstanding as at the year end.
- 6) Although the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products manufactured by the Company, the management has prepared cost records. These records were broadly reviewed by us and we are of the opinion that, prima facie, proper records have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- 7) In respect of statutory dues:
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, cess, customs duty, excise duty, value added tax & other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of six months from the date they became payable.
 - b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at March 31, 2015, the following are the particulars of dues that have not been deposited on account of any dispute.

Name of the Statute	Name of dues	Amount (₹ in lacs)	Forum where dispute is pending	Financial year to which the amount relates
Central Excise Act, 1944	Excise Duty*	2,21,16,306	Appellate Authority - CESTAT	2003-04 to 2013-14
Central Excise Act, 1944	Custom Duty	34,90,152	Appellate Authority - CESTAT	2013-14 to 2014-15
Income Tax Act, 1961	Income Tax	18,67,30,693	Appellate Authority - Commissioner of Income Tax	2006-07 to 2011-12

*Out of the demand, a sum of ₹ 17,05,071 was paid under protest.

- c) According to the information and explanation given to us, the amounts required to be transferred to investor education and protection fund had been transferred within the stipulated time in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- 8) The company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 9) According to the records of the Company examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions and banks. The Company did not have any Debentures outstanding during the year.
- 10) In our opinion, according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Hence, in our opinion, clause (x) of paragraph 3 of the Companies (Auditors Report) Order, 2015 is not applicable to the Company.
- 11) According to the information and explanations given to us and based on the records and documents
- 12) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
- produced before us, in our opinion, the terms loans have been applied for the purposes for which they were obtained.

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

(Khyati M. Shah)
(Partner)
[Membership Number: 117510]

Mumbai, May 29, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	170,191,000	170,191,000
Reserves and Surplus	2	592,302,923	935,681,306
		762,493,923	1,105,872,306
Non-Current Liabilities			
Long-Term Borrowings	3	2,293,855,383	2,231,443,713
Other Long Term Liabilities	4	276,400,000	184,800,000
Long Term Provisions	5	17,587,310	6,212,068
Deferred Tax Liability (net)	6	316,325,180	157,749,237
		2,904,167,873	2,580,205,018
Current Liabilities			
Short-Term Borrowings	7	998,648,559	659,726,217
Trade Payables	8	1,375,324,703	960,189,510
Other Current Liabilities	9	586,913,338	291,933,113
Short-Term Provisions	10	2,081,645	2,033,645
		2,962,968,245	1,913,882,485
		6,629,630,042	5,599,959,809
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	4,578,161,411	1,269,178,388
Intangible Assets	11	1,777,550	575,063
Capital Work-in-Progress	11	43,458,727	2,898,255,879
		4,623,397,687	4,168,009,330
Non-Current Investments	12	1,773,610	1,871,860
Long-Term Loans and Advances	13	102,947,525	173,640,030
		4,728,118,822	4,343,521,220
Current Assets			
Inventories	14	608,250,062	327,651,360
Trade receivables	15	835,329,095	569,500,740
Cash and Cash Equivalents	16	107,824,869	41,421,478
Short-Term Loans and Advances	17	350,107,193	317,865,010
		1,901,511,219	1,256,438,589
		6,629,630,042	5,599,959,809
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1 to 41		

As per our attached report of even date

For **CHATURVEDI & PARTNERS**

Chartered Accountants

Firm's Registration No.307068E

KHYATI M. SHAH

Partner

Membership No.117510

Mumbai, May 29, 2015

For and on behalf of the Board of Directors

R N AGARWAL

Chairman & Managing Director

RAUNAK AGARWAL

Whole Time Director

POOJA DAFTARY

Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
INCOME			
Revenue from Operations (Gross)		7,600,533,716	5,652,291,481
Less: Excise Duty		350,970,202	246,989,827
Revenue from Operations (Net)	18	7,249,563,514	5,405,301,655
Other Income	19	57,627,294	38,123,157
Total Revenue		7,307,190,807	5,443,424,811
EXPENSES			
Cost of Materials Consumed	20	4,650,771,198	3,439,211,344
Purchases of Stock-in-Trade	-	-	-
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade.	21	(87,800,339)	(7,574,622)
Employee Benefits Expense	22	346,312,132	216,199,302
Finance Costs	23	356,131,741	115,102,814
Depreciation	24	176,562,979	103,106,876
Other Expenses	25	2,036,895,857	1,570,324,712
Total Expenses		7,478,873,568	5,436,370,426
Profit Before Tax and Before Prior Year Adjustments		(171,682,761)	7,054,386
Prior Year Adjustments + / (-)		-	-
Profit Before Tax and After Prior Year Adjustments		(171,682,761)	7,054,386
Tax Expenses:			
Current Tax		48,000	1,637,000
Deferred Tax		162,615,092	896,051
Profit for the year		(334,345,853)	4,521,335
Earnings per equity share of face value of ₹ 10 each			
Basic		(19.65)	0.27
Diluted		(19.65)	0.27
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1 to 41		

As per our attached report of even date

For **CHATURVEDI & PARTNERS**
Chartered Accountants
Firm's Registration No.307068E

KHYATI M. SHAH
Partner
Membership No.117510

Mumbai, May 29, 2015

For and on behalf of the Board of Directors

R N AGARWAL
Chairman & Managing Director

RAUNAK AGARWAL
Whole Time Director

POOJA DAFTARY
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015		Year ended March 31, 2014	
	(₹)	(₹)	(₹)	(₹)
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax and extra ordinary items		(171,682,761)		7,054,386
Adjustments for:				
Depreciation	176,562,979		103,106,876	
Finance Costs	356,131,741		115,102,814	
Loss/(Profit) on Sale of Assets/Investments	-		553,729	
Dividend Received	65,950		(230,725)	
Interest Received	(18,871,127)		(17,197,179)	
Bad Debts written off	315,091	514,204,635	-	201,335,514
		342,521,874		208,389,900
Operating Profit Before Working Capital Changes				
Adjustments for:				
Trade and Other Receivables	(264,179,258)		5,443,402	
Inventories	(280,598,703)		(20,786,760)	
Current Liabilities	795,882,328		294,387,309	
Loans & Advances (long term & short term)	41,950,322	293,054,690	(95,811,836)	183,232,115
Cash Generated from Operations		635,576,563		391,622,015
Direct Taxes Paid	(3,500,000)	(3,500,000)	(12,000,000)	(12,000,000)
Cash Flow Before Extra Ordinary Items		632,076,563		379,622,015
Previous Year Adjustments	-	-	-	-
Net Cash Generated from Operating Activities		632,076,563		379,622,015
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(645,023,014)		(995,436,236)	
Sale of Fixed Assets	-		350,000	
(Purchase)/Sale of Investments	98,250		-	
Dividend received	(65,950)		230,725	
Interest Received	18,871,127	(626,119,587)	17,197,179	(977,658,332)
Net Cash used in Investing Activities		(626,119,587)		(977,658,332)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015		Year ended March 31, 2014	
	(₹)	(₹)	(₹)	(₹)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	-		-	
Finance Costs	(333,308,446)		(117,094,380)	
Proceeds from Long Term Borrowings	1,061,817,464		936,547,006	
Repayment of Long Term Borrowings	(784,537,845)		(211,005,723)	
Proceeds from Other Borrowings (Net)	116,475,242		(40,692,838)	
Equity Share Dividend including tax thereon	-	60,446,415	-	567,754,065
Net Cash used in Financing Activities		60,446,415		567,754,065
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		66,403,391		(30,282,252)
CASH AND CASH EQUIVALENTS-OPENING BALANCE		41,421,478		71,703,730
CASH AND CASH EQUIVALENTS-CLOSING BALANCE		107,824,869		41,421,478
		66,403,391		(30,282,252)

As per our attached report of even date

For **CHATURVEDI & PARTNERS**
Chartered Accountants
Firm's Registration No.307068E

KHYATI M. SHAH
Partner
Membership No.117510

Mumbai, May 29, 2015

For and on behalf of the Board of Directors

R N AGARWAL
Chairman & Managing Director

RAUNAK AGARWAL
Whole Time Director

POOJA DAFTARY
Company Secretary

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally Accepted Accounting Principles in India. The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

(c) Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

(d) 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.

(e) Depreciation

Depreciation on Fixed Assets is provided based on the useful life of the asset in the manner prescribed in Schedule II to the Companies Act, 2013.

(f) Investments

Long-term Investments made by the Company are stated at cost and provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

(g) Foreign Currency Transactions

- (i) Transactions denominated in foreign currency are recorded at the rate of exchange prevailing on the date of 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.

(h) Valuation of 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.

(i) 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).

(j) 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.

(k) Borrowing Cost

Borrowing Costs directly attributable to the acquisition, construction and production of qualifying assets are capitalized as part of the Cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

(l) Treatment of expenditure during construction period

Expenditure incurred during construction period of Company's new projects are carried forward under Capital Work-in-Progress and the same is allocated to respective Fixed Assets on its completion.

(m) Revenue Recognition

Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods. Sales include amounts recovered towards Excise Duty but are net of Sales Tax.

(n) Segment Reporting

The company is presently engaged in the business of manufacturing and selling of paper products. Disclosure relating to primary and secondary business segments under the Accounting Standard on Segment Reporting—AS17 have been made for a single product and for two geographical segments—local and exports.

(o) Taxes on Income

Provision for taxation is made for both current and deferred taxes. Current tax is provided on the basis of estimated taxable income in accordance with the Income Tax Act, 1961 using the applicable tax rates and tax laws.

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

(p) Cenvat Credit

Excise Cenvat credit in respect of capital assets is adjusted against excise duty liability arising subsequent to such credit. Service tax input credit is accounted in the books of accounts in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

(q) Impairment

The carrying amount of an asset is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(r) Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed in the Notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
1 SHARE CAPITAL		
Authorised		
22,500,000 Equity Shares ₹ 10 each	225,000,000	225,000,000
2,500,000 Preference Shares of ₹ 10 each	25,000,000	25,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paid Up Shares		
17,019,100 Equity Shares of ₹ 10 each fully paid up	170,191,000	170,191,000
Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares at the beginning of the year	17,019,100	17,019,100
Add: Shares issued	-	-
Less: Shares bought back	-	-
TOTAL	17,019,100	17,019,100
Terms/rights attached to equity shares		
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, 2015		March 31, 2014	
	Nos	% holding	Nos	% holding
Shri. R N Agarwal	7,922,030	46.548	7,922,030	46.55
Smt. Reena R. Agarwal	4,538,861	26.669	4,538,861	26.67

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
2 RESERVES AND SURPLUS		
Share Warrants Forfeiture Account		
As per last account	14,625,000	14625000
	14,625,000	14625000
Capital Redemption Reserve		
As per last account	8,500,000	8,500,000
	8,500,000	8,500,000
General Reserve		
As per last account	71,752,943	71,752,943
	71,752,943	71,752,943
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	840,803,364	836,282,028
Add/(less) Profit/(less) for the year	(334,345,853)	4,521,335
TOTAL	506,457,511	840,803,363
Appropriation		
Less: Transitional impact on depreciation on account of change in Companies Act, 2013	(13,071,679)	-
Add: Deferred tax on transitional impact of change in depreciation as per Companies Act, 2013	4,039,149	-
	497,424,980	840,803,363
TOTAL	592,302,923	935,681,306
3 NON CURRENT LIABILITIES		
LONG-TERM BORROWINGS		
Secured		
Term and Corporate loans from Banks	1,939,641,378	1,894,569,576
Funded interest term loans from Banks	194,200,417	190,360,549
	2,133,841,795	2,084,930,125
Unsecured		
Deposits from Others	10,000,000	-
Deposits from directors	150,013,588	146,513,588
	160,013,588	146,513,588
TOTAL	2,293,855,383	2,231,443,713

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Sr. No.	Nature of Security	Terms of Repayment
1	Term loan from Bank of Baroda, balance outstanding amounting to ₹ 3924.38 Lacs (March : 2014 ₹ 9025.00 Lac) is secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit II, III and IV at Vapi and Unit V at Sarigam (excluding vacant non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, (iii) pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal.	Repayable in 32 quarterly installments starting from 30.11.2014. Last installment due on 31.08.2022. Rate of interest 14.00% p.a. as at year end. (Previous year 11.50% p.a.)
2	Term loan from Bank of Baroda, balance outstanding amounting to ₹ 2071.87 Lacs (March : 2014 ₹ 3516.39 Lac) is secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit II, III and IV at Vapi and Unit V at Sarigam (excluding vacant non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, (iii) pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal.	Repayable in 32 quarterly installments starting from 30.11.2014. Last installment due on 31.08.2022. Rate of interest 11.00% p.a. as at year end. (Previous year 11.00% p.a.)
3	Term loan from Bank of Baroda, balance outstanding amounting to ₹ 6562.50 Lacs (March : 2014 ₹ 4838.61 Lac) is secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit II, III and IV at Vapi and Unit V at Sarigam (excluding vacant non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, (iii) pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal.	Repayable in 32 quarterly installments starting from 30.11.2014. Last installment due on 31.08.2022. Rate of interest 13.00% p.a. as at year end. (Previous year 13.00% p.a.)
4	Funded Interest Term Loan (FITL) from Bank of Baroda, balance outstanding amounting to ₹ 2189.38 Lacs (March : 2014 ₹ 1809.88 Lac) is secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit II, III and IV at Vapi and Unit V at Sarigam (excluding vacant non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, (iii) pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal.	Repayable in 16 quarterly installments starting from 30.11.2014. Last installment due on 31.08.2018. Rate of interest 10.50% p.a. as at year end. (Previous year 10.50% p.a.)
5	Foreign Currency Non-Resident (FCNR-B-Loan) from Bank of Baroda, as part conversion of term loans, balance outstanding amounting to ₹ 6337.50 Lacs (March : 2014 ₹ 0.00 Lac) is secured by way of first pari passu charge (i) on movable assets including plant and machinery and immovable assets at Unit I at Vapi and exclusive first charge on movable assets including plant and machinery and immovable assets at Unit II, III and IV at Vapi and Unit V at Sarigam (excluding vacant non-agricultural land of 37.61 acres at Sarigam, Gujarat) (ii) second pari passu charge on current assets of the Company, (iii) pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal.	Repayable in 32 quarterly installments starting from 30.11.2014. Last installment due on 31.08.2022. Rate of interest 6.328% p.a. as at year end. (Previous year 0.00% p.a.)
6	Corporate Loan from The Saraswat Co-Operative Bank Ltd., balance outstanding amounting to ₹ 2257.13 Lacs (March : 2014 ₹ 2315.00 Lac) is secured by way of first pari passu charge on movable assets including plant and machinery and immovable assets at Unit I at Vapi. The loan is further secured on exclusive basis (i) Directors residential bungalow at Lokhandwala, Andheri (W), Mumbai 400053, (ii) the non agricultural land admeasuring 37.61 acres at Sarigam, Gujarat (iii) pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal .	Repayable in 32 quarterly installments starting from 30.11.2014. Last installment due on 31.08.2022. Rate of interest 13.50% p.a. as at year end. (Previous year 13.50% p.a.)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Sr. No.	Nature of Security	Terms of Repayment
7	Funded Interest Term Loan(FITL) from The Saraswat Co-Operative Bank Ltd., balance outstanding amounting to ₹ 539.87 Lacs (March : 2014 ₹ 487.34 Lac) is secured by way of first pari passu charge on movable assets including plant and machinery and immovable assets at Unit I at Vapi. The loan is further secured on exclusive basis (i) Directors residential bungalow at Lokhandwala, Andheri (W), Mumbai 400053, (ii) the non agricultural land admeasuring 37.61 acres at Sarigam, Gujarat (iii) pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal .	Repayable in 16 quarterly installments starting from 30.11.2014. Last installment due on 31.08.2018. Rate of interest 10.50% p.a. as at year end. (Previous year 10.50% p.a.)
8	Mortgage Loan from India Infoline Finance Ltd., balance outstanding amounting to ₹ 900.00 Lacs (March : 2014 ₹ 0.00 Lac) is secured by exclusive charge on office premises situated at Office No. 1101, 11th Floor, Fortune Terraces, Mahashree Compound, New Link Road, Oshiwara, Andheri - West, Mumbai - 400 053 and personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal .	Repayable in 120 monthly installments starting from 05.04.2015. Last installment due on 05.03.2025. Rate of interest 14.00% p.a. as at year end. (Previous year 0.00% p.a.)
9	Vehical Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 9.05 Lacs (March : 2014 ₹ 16.02 Lacs) is secured by hypothecation of Motor Car.	Repayable in 36 monthly installments starting from 07.06.2013. Last installment due on 07.05.2016. Rate of interest 10.00% p.a. as at year end. (Previous year 10.00% p.a.)
10	Vehical Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.53 Lacs (March : 2014 ₹ 3.51 Lacs) is secured by hypothecation of Forklift.	Repayable in 35 monthly installments starting from 20.07.2012. Last installment due on 20.05.2015. Rate of interest 11.00% p.a. as at year end. (Previous year 11.00% p.a.)
11	Vehical Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.53 Lacs (March : 2014 ₹ 3.51 Lacs) is secured by hypothecation of Forklift.	Repayable in 35 monthly installments starting from 20.07.2012. Last installment due on 20.05.2015. Rate of interest 11.00% p.a. as at year end. (Previous year 11.00% p.a.)
12	Vehical Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.53 Lacs (March : 2014 ₹ 3.51 Lacs) is secured by hypothecation of Forklift.	Repayable in 35 monthly installments starting from 20.07.2012. Last installment due on 20.05.2015. Rate of interest 11.00% p.a. as at year end. (Previous year 11.00% p.a.)
13	Vehical Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 1.03 Lacs (March : 2014 ₹ 6.85 Lacs) is secured by hypothecation of Forklift.	Repayable in 35 monthly installments starting from 20.07.2012. Last installment due on 20.05.2015. Rate of interest 11.00% p.a. as at year end. (Previous year 11.00% p.a.)
14	Vehical Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.82 Lacs (March : 2014 ₹ 5.43 Lacs) is secured by hypothecation of JCB.	Repayable in 35 monthly installments starting from 20.07.2012. Last installment due on 20.05.2015. Rate of interest 11.00% p.a. as at year end. (Previous year 11.00% p.a.)
15	Vehical Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 1.03 Lacs (March : 2014 ₹ 6.85 Lacs) is secured by hypothecation of Bolero.	Repayable in 35 monthly installments starting from 20.07.2012. Last installment due on 20.05.2015. Rate of interest 11.00% p.a. as at year end. (Previous year 11.00% p.a.)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
4 OTHER LONG TERM LIABILITIES		
Unsecured		
Trade Payables	200,000,000	150,000,000
Deposits from Dealers	76,400,000	34,800,000
TOTAL	276,400,000	184,800,000
5 LONG-TERM PROVISIONS		
Provision for employee benefits	17,587,310	6,212,068
TOTAL	17,587,310	6,212,068
6 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Difference between book and tax written down values of fixed assets	157,749,237	156,853,186
Add: Deferred Tax Liability for the current period (Gross)	162,615,092	896,051
Less: Transitional Impact on asset as per companies act 2013	4,039,149	-
Gross Deferred Tax Liability	316,325,180	157,749,237
Deferred Tax Liability/(Asset)		
Disallowances under the Income Tax Act, 1961	-	-
Gross Deferred Tax Asset	-	-
TOTAL	316,325,180	157,749,237
7 SHORT-TERM BORROWINGS		
Secured		
Cash Credit from Banks	998,648,559	659,726,217
TOTAL	998,648,559	659,726,217
<p>The Cash credit loans from Banks are secured by hypothecation of present and future stock of raw materials, stock-in-process, finished goods, stores and spares (not relating to plant and machinery), book debts ranking pari passu inter-se and second charge on Company's movable and immovable fixed assets excluding (i) non-agricultural land admeasuring 37.61 acres situated at Sarigam, Gujarat and (ii) office premises in Mumbai. It is further secured by pledge of entire unencumbered shares of the company held by Shri R.N. Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal on pari passu basis and personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal.</p>		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
8 TRADE PAYABLES		
Trade Payables	1,375,324,703	960,189,510
TOTAL	1,375,324,703	960,189,510
<p>Out of the said amount, ₹ 12,51,196 (March 31, 2014 : ₹ 44,36,416) 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, 2015 (March 31, 2014: ₹ Nil).</p>		
9 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debts	358,026,520	129,658,571
Current Liabilities of Deposits from Others	-	400,000
Interest accrued but not due on Borrowings	23,391,623	568,329
Unclaimed Dividends*	1,828,328	2,513,894
Statutory dues	17,503,255	8,219,407
Advance from Customers	4,370,016	2,405,827
Salary and wages payable	25,035,802	19,894,950
Other payables for expenses	98,993,685	33,334,849
Creditors for Capital Expenditure	57,764,109	94,937,285
TOTAL	586,913,338	291,933,113
<p>*There are no amounts remaining to be transferred due for payment to the Investment Education and Protection Fund u/s 205C of the Companies Act, 1956 as at the year end. Section 125 of the Companies Act, 2013 which corresponds to section 205C of Companies Act, 1956 has not yet been enforced.</p>		
10 SHORT TERM PROVISIONS		
Provision for Wealth Tax	532,030	484,030
Provision for Fringe Benefit Tax	1,549,615	1,549,615
TOTAL	2,081,645	2,033,645

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

11 FIXED ASSETS

	GROSS BLOCK			DEPRECIATION/ AMORTISATION				NET BLOCK		
	As at April 1, 2014	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2015	As at April 1, 2014	Retained Earnings / Transitional	For the Year	Deductions/ Adjustments	As at March 31, 2015	As at March 31, 2014
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
TANGIBLE ASSETS										
Freehold Land	42,728,426	3,702,202	-	46,430,628	-	-	-	-	46,430,628	42,728,426
Leasehold Land	47,488,963	-	-	47,488,963	820,727	-	-	-	820,727	46,668,236
Factory Buildings	231,698,941	654,340,647	-	886,039,589	84,631,581	-	15,375,995	-	100,007,576	786,032,013
Other - Buildings	15,125,414	156,518,915	-	171,644,329	4,221,312	-	5,327,464	-	9,548,776	162,095,553
Plant and Machinery	1,817,904,138	2,676,052,236	-	4,493,956,374	830,314,426	11,143,349	148,842,742	-	990,300,518	3,503,655,857
Furniture and Fixtures	22,463,069	2,192,018	-	24,655,087	12,882,607	1,459,064	1,204,368	-	15,546,039	9,109,048
Vehicles	35,953,118	1,757,146	-	37,710,265	15,596,406	219,373	4,172,463	-	19,988,263	17,722,001
Computers	16,003,570	3,218,813	-	19,222,383	11,720,492	249,893	803,923	-	12,774,308	6,448,075
Total (A)	2,229,365,640	3,497,781,977	-	5,727,147,617	960,187,552	13,071,679	175,726,975	-	1,148,986,206	4,578,161,411
INTANGIBLE ASSETS										
Computer software	5,678,209	1,764,048	-	7,442,257	5,678,186	-	311,666	-	5,989,852	1,452,405
Others	2,358,469	274,445	-	2,632,914	1,783,431	-	524,338	-	2,307,769	325,145
Total (B)	8,036,678	2,038,493	-	10,075,171	7,461,617	-	836,004	-	8,297,621	1,777,550
TOTAL - A + B	2,237,402,318	3,499,820,470	-	5,737,222,788	967,649,169	13,071,679	176,562,979	-	1,157,283,827	4,579,938,961
Previous Year	2,108,092,942	131,112,395	1,802,716	2,237,402,621	865,441,280	-	103,106,876	898,987	967,649,169	43,458,727
Capital Work-in-Progress										2,898,255,879

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
11.1 CAPITAL WORK-IN-PROGRESS		
Freehold Land	-	4,782,202
Factory Building	10,229,099	563,176,566
Plant and Machinery	33,229,628	1,576,408,800
Pre operative expenses	-	753,888,310
TOTAL	43,458,727	2,898,255,879

- (a) In accordance with the provisions of Schedule II of the Companies Act, 2013 in case of fixed assets which have completed their useful life as at April 1, 2014, the carrying value (net of residual value) amounting to ₹ 90.33 lacs (net of deferred tax of ₹ 40.39 lacs) as a transitional provision has been recognised in the Retained Earnings.
- (b) Further in case of assets acquired prior to 1st April, 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014
- (c) Depreciation expenses for the year would have been higher by ₹197.35 lacs had the Company continued with the previous assessment of useful life of such assets.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
12 NON CURRENT INVESTMENTS		
In Equity Shares - Un-quoted, fully paid up		
Laxmi Co-Operative Society Ltd.	2,750	2,750
Mahalaxmi Co-Operative Housing Society Ltd.	3,750	3,750
The Greater Bombay Co-Operative Bank Limited, (4000 Equity Shares of ₹ 25/- each fully paid up)	100,000	201,000
Kherani Paper Mills Pvt. Ltd. (95 Equity Shares of ₹ 100/- each fully paid up)	9,500	9,500
Shamrao Vitthal Co-Op Bank Ltd. (25 Equity Shares of ₹100/- each fully paid up)	2,500	2,500
Bombay Mercantile Co-Operative Bank Ltd. (33912 Equity Shares of ₹ 30/- each fully paid up)	1,017,360	1,017,360
Mogaveera Co-Op. Bank Ltd. (10 Equity Shares of ₹ 100/- each fully paid up)	1,000	1,000
Saraswat Co-Operative Bank Ltd. (2500 Equity Shares of @ ₹ 10/- each fully paid up)	25,000	25,000
Kalupur Co-operative Bank Ltd. (250 Equity Shares of @ ₹ 10/- each fully paid up)	2,500	-
Fortune Terrace Co-operative Society Ltd. (5 Equity Shares of @ ₹ 50/- each fully paid up)	250	-
In Equity Shares - Quoted, fully paid up		
30,000 fully paid up Equity Shares of Bank of Baroda of ₹ 2/- 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 : ₹ 6,09,000 (Previous year ₹ 6,09,000)		
Unquoted investment : ₹11,64,610 (Previous year ₹ 12,62,860)		
Aggregate market value of quoted investment ₹ 53,29,650 (Previous Year ₹ 48,31,680)		
TOTAL	1,773,610	1,871,860
13 LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Capital Advances	41,737,099	108,436,754
Deposits with Government authorities	54,138,286	58,694,836
Loans to employees	7,072,140	6,508,440
TOTAL	102,947,525	173,640,030

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
14 INVENTORIES		
Raw Materials - Stock	202,526,583	94,331,307
Raw Materials - In Transit	1,784,682	6,262,809
Stock-in-process	44,121,930	18,103,211
Finished Goods	137,723,706	75,942,086
Stores and Spares	131,772,939	104,756,441
Coal - In Stock	54,392,981	17,805,202
Coal - In Transit	22,617,563	-
Packing Materials	13,309,678	10,450,304
TOTAL	608,250,062	327,651,360
For mode of valuation, refer Significant Accounting Policies		
15 TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment unsecured, considered good (A)	25,131,576	19,397,396
Other receivables unsecured, considered good (B)	810,197,520	550,103,344
TOTAL	835,329,095	569,500,740
16 CASH AND CASH EQUIVALENTS		
Balance with Banks in current accounts	54,752,934	503,125
Cash on hand	630,701	1,285,604
Margin money Deposit*	42,229,248	16,129,936
Fixed deposits with banks**	8,383,658	20,988,919
Unclaimed Dividend Account	1,828,328	2,513,894
TOTAL	107,824,869	41,421,478
*Margin money deposits are held to secure the Company's Non Fund based limits availed from Banks		
**Fixed Deposit includes deposits of ₹ 76,67,000/-under lien and maturing beyond twelve months.		
**Fixed Deposit with banks includes ₹ 7 lacs are free from any lien, (previous year NIL)		
17 SHORT TERM LOANS AND ADVANCES (Unsecured, Considered good)		
Balance with Customs, Central Excise Authorities	320,634	379,720
Advance Income Tax (Net of provisions)	119,380,994	76,558,581
Deposits	6,904,082	5,611,269
Others	223,501,483	235,315,441
TOTAL	350,107,193	317,865,010

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
18 REVENUE FROM OPERATIONS		
Sale of Products	7,600,533,716	5,652,296,701
Less: Inter unit Sales	-	5,220
	7,600,533,716	5,652,291,481
Less: Excise Duty	350,970,202	246,989,827
TOTAL	7,249,563,514	5,405,301,655
Excise duty deducted from turnover represents excise duty collected on sale of goods.		
PARTICULARS OF SALE OF PRODUCTS		
Duplex Board	4,667,028,244	4,345,074,921
News Print	1,138,289,596	1,060,226,733
Writing & printing	1,444,245,674	-
TOTAL	7,249,563,514	5,405,301,655
19 OTHER INCOME		
Interest Income on Term and Fixed Deposit and Margin Money	3,003,453	4,244,439
Interest Others	15,867,673	12,952,739
Dividend Income	65,950	230,725
Net Gain on Foreign Currency Translation and Transaction	12,583,164	-
Other income	26,107,053	20,695,254
TOTAL	57,627,294	38,123,157
20 COST OF MATERIALS CONSUMED		
Waste Papers	3,845,671,796	2,758,836,238
Chemicals	806,102,782	681,388,806
Less: Sale of Raw Materials	1,003,380	1,013,700
TOTAL	4,650,771,198	3,439,211,344
21 CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories (at close)		
Finished Goods/ Stock in Trade	137,723,706	75,942,086
Stock in Process	44,121,930	18,103,211
	181,845,636	94,045,297
Inventories (at commencement)		
Finished Goods/ Stock in Trade	75,942,086	68,309,871
Stock in Process	18,103,211	18,160,804
	94,045,297	86,470,675
TOTAL	(87,800,339)	(7,574,622)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 (₹)	As at March 31, 2014 (₹)
22 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	303,506,277	195,726,303
Contribution to Provident and Other Funds	19,739,100	13,629,002
Staff Welfare Expenses	23,066,755	6,843,997
TOTAL	346,312,132	216,199,302
As per Accounting Standard 15 "Employee benefits" the disclosures as defined in the Accounting Standard are given below:		
Components of Employer Expenses	Gratuity Benefits	
Current service cost	4,403,554	2,935,626
Interest cost	2,077,258	1,849,999
Expected return on plan assets	(2,322,029)	(2,118,533)
Actuarial losses / (gains)	6,567,425	(2,263,584)
Total expenses / (income) recognized in the Statement of Profit and Loss	10,726,208	403,508
Actual contribution and benefits paid during the year		
Actual benefits paid	3,702,392	2,591,756
Actual contribution	2,166,076	3,800,087
Net asset / (liability) recognized in Balance Sheet as at March 31, 2015		
Present Value of Defined Benefit Obligation	(32,197,338)	(22,827,012)
Fair value of plan assets	27,347,663	26,537,469
Net asset/(liability) recognized in Balance Sheet	(4,849,675)	3,710,457
Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2015		
Present value of DBO at beginning of year	22,827,012	22,839,493
Current Service cost	4,403,554	2,935,626
Interest cost	2,077,258	1,849,999
Actuarial (gain)/ losses	6,591,906	(2,206,350)
Benefits paid	(3,702,392)	(2,591,756)
Present Value of DBO at the end of year	32,197,338	22,827,012
Change in Fair Value of Assets during the year ended March 31, 2015		
Plan Assets at beginning of year	26,537,469	23,153,371
Expected return on plan assets	2,322,029	2,118,533
Actual Company contributions	2,166,076	3,800,087
Benefits paid	(3,702,392)	(2,591,756)
Actuarial Gain /(loss) on Plan Assets	24,481	57,234
Plan assets at the end of year	27,347,663	26,537,469
Actuarial Assumptions		
Discount Rate	7.80%	9.10%
Expected Return on plan assets	8.75%	8.75%
Salary escalation	7.25%	7.25%

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
Components of Employer Expenses	Compensated Absences	
Current service cost	2,316,979	2,140,793
Interest cost	902,950	857,161
Expected return on plan assets	NA	NA
Actuarial losses / (gains)	1,278,386	(1,791,340)
Total expenses / (income) recognized in the Statement of Profit and Loss	4,498,315	1,206,614
Actual contribution and benefits paid during the year		
Actual benefits paid	1,683,205	1,866,329
Actual contribution	NA	NA
Net asset / (liability) recognized in Balance Sheet as at March 31, 2015		
Present Value of Defined Benefit Obligation	(12,737,635)	(9,922,525)
Fair value of plan assets	NIL	NIL
Net asset/(liability) recognized in Balance Sheet	(12,737,635)	(9,922,525)
Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2015		
Present value of DBO at beginning of year	9,922,525	10,582,240
Current Service cost	2,316,979	2,140,793
Interest cost	902,950	857,161
Actuarial (gain)/ losses	1,278,386	(1,791,340)
Benefits paid	(1,683,205)	(1,866,329)
Present Value of DBO at the end of year	12,737,635	9,922,525
Change in Fair Value of Assets during the year ended March 31, 2015		
Plan Assets at beginning of year	NA	NA
Expected return on plan assets	NA	NA
Actual Company contributions	NA	NA
Benefits paid	NA	NA
Plan assets at the end of year	NA	NA
Actuarial Assumptions		
Discount Rate	7.80%	9.10%
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		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
23 FINANCE COST		
Interest Expenses	352,892,692	112,612,137
Other Borrowing Costs	3,239,048	2,490,676
TOTAL	356,131,741	115,102,814
24 DEPRECIATION		
Depreciation	176,562,979	103,106,876
TOTAL	176,562,979	103,106,876
25 OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores, Spares and Tools	153,570,588	110,851,573
Excise Duty Paid	4,748,695	1,711,637
Power, Fuel and Water	1,200,283,336	889,742,048
Material Handling Charges	50,459,411	32,400,225
Repairs to Building	2,374,262	2,646,371
Repairs to Machinery	30,034,521	26,544,052
	1,441,470,813	1,063,895,905
Selling and Distribution Expenses		
Selling and distribution expenses	475,525,647	412,671,008
Less: Inter unit sales	-	(5,220)
	475,525,647	412,665,788
Establishment Expenses		
General Expenses	66,243,582	62,587,216
Expenditure towards Corporate Social Responsibility (CSR) activities	1,089,833	-
Rent	36,435,688	17,877,113
Insurance	6,835,999	2,205,095
Rates & Taxes	1,073,803	2,447,562
Other Repairs	5,692,870	6,498,848
Payment to Auditors	1,200,000	900,000
Loss on Sale /Discard of Fixed Assets	-	553,729
Other expenditures	1,184,320	541,620
Charity and Donations	143,302	151,836
	119,899,397	93,763,019
TOTAL	2,036,895,857	1,570,324,712
Excise duty shown above represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock.		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
26 EARNINGS PER SHARE (EPS)		
The Computation of EPS is set out below:		
(i) Net Profit after tax as per Statement of Profit and Loss	(334,345,853)	4,521,335
(ii) Weighted Average number of equity shares used	17,019,100	17,019,100
(iii) Basic Earnings per share	(19.65)	0.27
(iv) Diluted Earnings per share	(19.65)	0.27
(v) Face Value per equity share (₹)	10	10

	March 31, 2015		March 31, 2014	
	₹	% of total consumption	₹	% of total consumption
27 VALUE OF IMPORTED AND INDIGENEOUS RAW MATERIALS, STORES AND SPARES CONSUMED				
Raw Materials				
Imported	1,892,807,795	41%	991,628,147	29%
Indigeneous	2,757,963,403	59%	2,447,583,197	71%
TOTAL	4,650,771,198	100%	3,439,211,344	100%
Stores and Spares Consumed				
Imported	15,746,378	10%	4,812,791	4%
Indigeneous	137,824,210	90%	106,038,781	96%
TOTAL	153,570,588	100%	110,851,573	100%

28 DIVIDEND REMITTANCE IN FOREIGN CURRENCY

Year to which the dividend relates	2013-14	2012-13
Number of Non Resident Shareholders	28	35
Number of Shares held by them	146,269	151,332
Amount of Dividend ₹	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
29 VALUE OF IMPORTS ON C.I.F BASIS		
Raw Materials	1,652,596,897	818,064,567
Stores, components and parts	22,838,796	21,295,699
Capital goods	31,739,883	27,852,243
Coal	580,697,075	417,804,520
TOTAL	2,287,872,651	1,285,017,029
30 EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF		
Interest Expenses	18,503,576	5,074,370
Legal and Professional Fees	19,756,304	2,023,510
Commission	13,043,383	10,953,754
Travelling Expenses	2,669,979	4,433,403
TOTAL	53,973,242	22,485,037
31 EARNINGS IN FOREIGN EXCHANGE		
Export of Goods on F.O.B Basis	660,807,318	450,559,165
32 PAYMENTS TO AUDITORS		
(a) Auditors		
Statutory Audit Fees	900,000	650,000
Tax Audit Fees	150,000	100,000
(b) Certification	300,000	300,000
Service Tax	166,860	103,824
TOTAL	1,516,860	1,153,824
* Eligible for cenvat Credit		
33 RELATED PARTY DISCLOSURES		
Key Management Personnel & Relatives		
1 Shri. R N Agarwal		
2 Shri. Raunak Agarwal		
3 Shri Mangilal Suthar		
4 Smt. Reena R Agarwal		
5 Shri Gopal Uchil		
6 Smt. Hemali Shah		
7 Shri RHK Sinha		
8 Ms Pooja Daftary		

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 (₹)	Year ended March 31, 2014 (₹)
33 RELATED PARTY DISCLOSURES (CONT.)		
Relatives of Key Management Personnel		
1 Shri Rohan R Agarwal		
2 Smt. Padma Chhabra		
(a) Details of Transactions that were carried out with the related parties in the ordinary course of business.		
(i) Unsecured Deposits received from		
Key Management Personnel	150,013,588	14,500,000
(ii) Unsecured Deposits received from		
Relatives	-	-
(iii) Remuneration paid to		
Key Management Personnel & Relatives	19,803,585	10,314,940
Sitting Fees paid to		
Key Management Personnel & Relatives	-	-
(iv) Car Lease Rent		
Key Management Personnel	2,450,000	3,480,000
(v) Unsecured Deposits Outstanding		
Key Management Personnel	150,013,588	148,013,588
(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

Notes:

- 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, 2015**34 CONTINGENT LIABILITIES AND PROVISIONS**

- (a) Guarantees and counter guarantees ₹ 32,00,000/- (Previous Year ₹ 1,200,000/-)
- (b) Excise duty demands and penalties ₹ 2,21,16,306/- (Previous Year ₹ 17,05,071/-)
- (c) Custom duty demands and penalties ₹ 34,90,152/- (Previous Year ₹ NIL)
- (d) Claims against the Company not acknowledged as debts - ₹ 9,03,286/- (Previous year ₹ 7,79,936/-)
- (e) Letters of Credit outstanding ₹ 22,90,88,107/- (Previous Year ₹ 9,16,79,769/-)
- (f) The Company has imported capital goods under "Export Promotion Capital Goods" scheme for which the company has an given export obligation of ₹ 42,00,26,154/- (Previous Year ₹ 2,60,38,382 /-)
- (g) Income tax matters disputed in appeal ₹ 18,67,30,693/- (previous year ₹ 15,36,77,003/-)

The Income tax assessments of the Company have been completed upto Assessment Year 2012-13

The total demand outstanding as on 31.03.2015 on account of income tax dues for Assessment Year 2007-08 to Assessment Year 2012-13 is ₹ 18,67,30,693/- (previous year ₹ 15,36,77,003). The Income Tax Appellate Tribunal, Ahmedabad disposed off the appeals filed by the Company for the disputed tax demand of ₹ 108,445,192 for the Assessment Years 2007-08 to 2010-11 by remitting back the matter to CIT(A) for disposal on merits and law. The proceedings are under progress.

The income tax department is in appeal before the Hon'ble High Court of Ahmedabad on various grounds decided by the Income Tax Appellate Tribunal

The Company has preferred an appeal to the Commissioner of Income Tax (Appeals), Ahmedabad for the demand notice of ₹ 4,52,31,811/- received from the Income Tax Department for the Assessment Year 2011-12. The matter 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.

The Company has preferred an appeal to the Commissioner of Income Tax (Appeals), Ahmedabad for the demand notice of ₹ 3,30,53,690/- received from the Income Tax Department for the Assessment Year 2012-13. The matter 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.

- 35** Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,35,47,265/- (Previous year ₹6,83,44,674/-).
- 36** 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 ₹ 1,20,00,000 as interest free deposit adjustable against the tipping bills. However, the said project has not materialized and the amount of ₹ 1,20,00,000 paid by the Company as Deposit has been forfeited by DRR. Consequently, the Company has initiated legal proceedings. The management is confident that the outcome would be decided in the Company's favour and hence, no provision for the said amount has been made in the books of accounts.
- 37** Sundry Debtors, Sundry Creditors, Unsecured Loans and Loans and Advances balances are subject to confirmation and reconciliation.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**38 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.

39 Bank of Baroda has issued a counter guarantee (DPG) to Deutsche Bank AG, amounting to ₹ Nil 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 ₹ 1,27,61,925/-).

40 Remuneration to the Chairman and Managing Director (CMD)

- (a) For the year 2012-13 the Central Government vide approval dated July 22, 2014 has approved waiver of excess remuneration paid to the Chairman and Managing Director over the limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956.
- (b) In view of the inadequacy of profit for the year 2013-14 remuneration paid to the Chairman and Managing Director was in excess of the limit prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956. Pending approval by the Central Government, the Chairman and Managing Director holds the excess remuneration paid amounting to ₹ 19,50,000/- in trust for the Company.

41 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

As per our attached report of even date

For **CHATURVEDI & PARTNERS**

Chartered Accountants

Firm's Registration No.307068E

KHYATI M. SHAH

Partner

Membership No.117510

Mumbai, May 29, 2015

For and on behalf of the Board of Directors

R N AGARWAL

Chairman & Managing Director

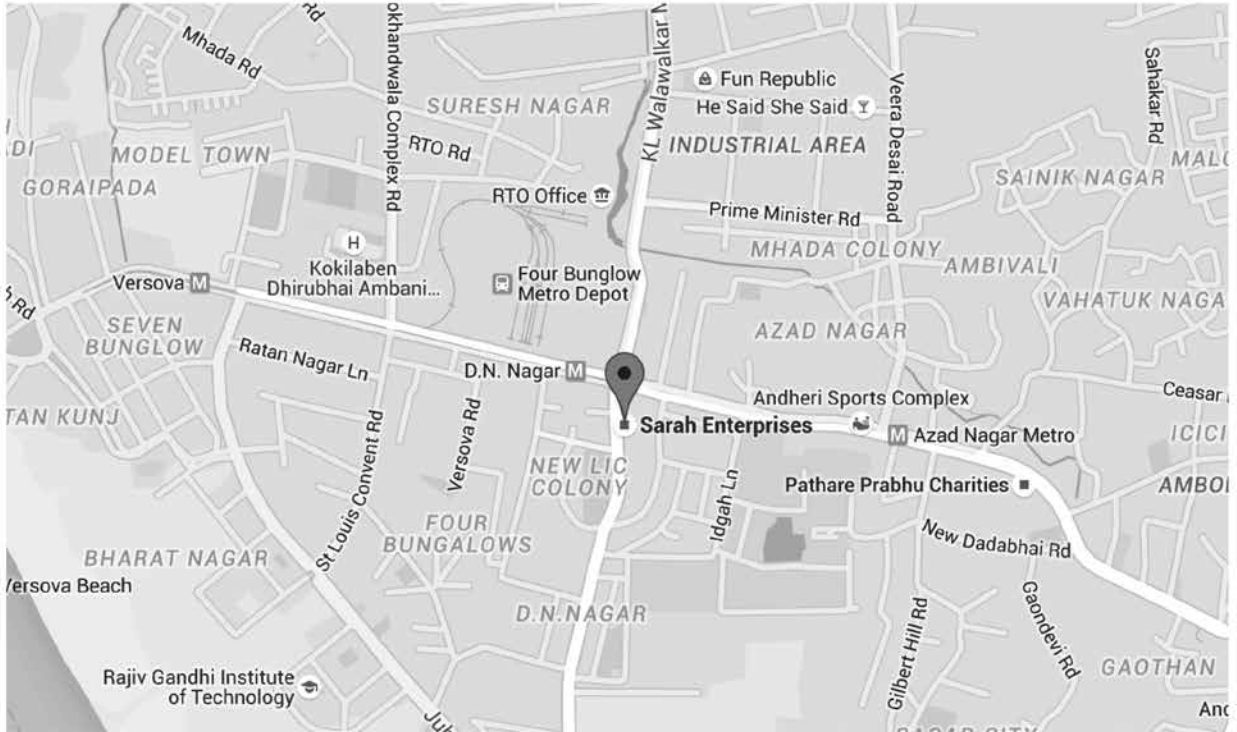
RAUNAK AGARWAL

Whole Time Director

POOJA DAFTARY

Company Secretary

ROUTE MAP



This Annual Report has been printed on
NR Excel SS Maplitho

Form No. MGT-11**PROXY FORM**

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

N R AGARWAL INDUSTRIES LIMITED

Regd. Office: 415-418, Janki Centre, 4th Floor, 29, Shah Industrial Estate, Off: Veera Desai Rd, Andheri (W), Mumbai-53.
CIN : L22210MH1993PLC133365

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

Name of the Member (s) : _____

Registered address : _____

: _____

E-mail Id: _____ Folio No./ Client ID: _____ DP ID No. _____

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

1. Name : _____

Address : _____

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

2. Name : _____

Address : _____

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

3. Name : _____

Address : _____

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty-Second Annual General Meeting of the Company, to be held on the Monday, September 28, 2015 at 11.30 a.m. at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D. N. Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai - 400 053 and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolution
1.	Adoption of Audited Financial Statements for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon.
2.	Appointment of Director in place of Smt. Reena Agarwal (DIN 00178743), who retires by rotation and being eligible, offers herself for re-appointment.
3.	Appointment of Auditors and to fix their remuneration.
4.	Re-appointment of Shri R N Agarwal (DIN 00176440) as the Managing Director for a period of three years and payment of remuneration to him.
5.	Ratification of payment of remuneration to the Cost Auditors for the financial year ended March 31, 2016

Signed this _____ day of _____, 2015.

Affix Revenue Stamp of Re. 1/-

Signature of Shareholder _____

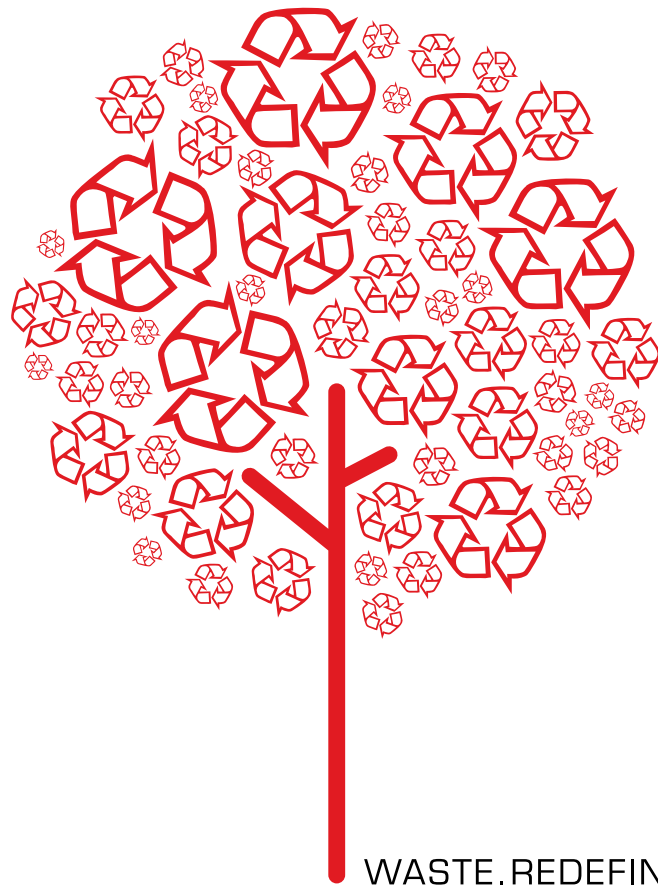
Signature of Proxy Holder (s) _____

Notes:

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

“ _____
We don't Waste WASTE
_____ ”





If undelivered, please return to :

N R AGARWAL INDUSTRIES LIMITED

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