





Shri N R Agarwal
(1932 - 2011)

NRAIL - Founder and Visionary

**“Leaders don’t create followers,
they create more Leaders”**

Corporate Overview

N R 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'. The twenty three year old Company is an integrated paper and board manufacturer with a total production capacity of 288,000 TPA. The Company produces a range of premium grade Duplex Board, Writing and Printing, and Newsprint Papers for domestic and export markets. Each of these products offer a differentiated proposition and is targeted to meet unique needs of discerning customers.

The Company employs over 1,400 people. The manufacturing facilities comprise of five mills at Vapi and Sarigam, both located in the Valsad District, in the State of Gujarat. It is our mission to become one of the best and most respected companies in the country – as measured by our employees, our customers, our communities and our share owners. To achieve this goal, the Company is focused on excellence on its three drivers – People, Customers and Operations, while maintaining high standards of integrity and safety in everything we do.

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 maintained for the community as a whole.



Chairman's Communique



Dear Shareholders,

It gives me immense pleasure to connect with you through this 23rd Annual Report of your Company. The year 2015-16 has been a year of growth for N R Agarwal Industries Limited (NRAIL) despite the volatile global economy and challenging Indian market conditions. The global economy remained subdued with growth in emerging and developing economies constituting about 70% of the global growth, continued to decline and the advanced economies witnessed only a very modest recovery. The Eurozone economy remained sluggish and revival continues to be slow. The economic outlook for the year 2016 globally is forecasted to see a marginal improvement from the 2015 levels. Notwithstanding the depressing global economy, India's economic growth continued during the year well supported by the Government's initiatives and reorientation programmes.



**“ I never dreamt of success,
I worked for it”**

PERFORMANCE

Against this backdrop, NRAIL's operational performance improved by 22% during 2015-16, with the turnover growing to ₹ 883 Cr from ₹ 724 Cr. This was achieved despite a reduction in end customer prices consequent to a drop in raw material prices. We, at NRAIL put our existing capabilities and capacities to optimal and efficient use and as required for the future, selectively create new capacities. Our EBIDTA for the year is 73.28 Cr which is an increase of 3.32% against the previous year. EBIDTA percentage was 4.98 in the previous year which we bettered to 8.30% during the year.

SUSTAINABILITY

We continue to focus on sustainability and consider Product Development, People, Customer Experience, Environment & Society as the key components of our material matrix. We continue to channelize our efforts for the all-round improvement of Sarigam where our new unit is located. Our social interventions include health, sanitation, drinking water and education.

DIRECTORS

The members of the Board are a great source of strength through their active support and encouragement to the

Company's management team and to me personally. I deeply value their wisdom and counsel and thank them for their involvement, commitment and participation.

HUMAN RESOURCES

We have always valued our human resources as one of our greatest sources of strength. Our employees have stood by us shoulder to shoulder unwaveringly all through the years, participating whole-heartedly and enthusiastically in the pursuit of NRAIL's business goals. The Management Committee have steered this resourceful and dedicated team of employees very competently. I thank the entire team for all their good work. I wish them greater success in the years to come.

Finally, I take this opportunity to express my gratitude to all of you, dear shareholders for your continued support and confidence in the Company

Yours Sincerely,

R N Agarwal
Chairman & Managing Director

Board of Directors



Shri R N Agarwal
(Chairman & Managing Director)



Smt. Reena Agarwal
(Whole Time Director)



Shri Raunak Agarwal
(Whole Time Director)



Shri Ashok Kumar Bansal
(Whole Time Director)



Shri P Kumar
(Independent Director)



Shri S N Chaturvedi
(Independent Director)



Shri C R Radhakrishnan
(Independent Director)



Shri Ajay Nair
(Independent Director)

Corporate Information

BOARD OF DIRECTORS

Shri R N Agarwal

Shri Raunak Agarwal

Smt. Reena Agarwal

Shri Ashok Kumar Bansal

Shri S N Chaturvedi

Shri P Kumar

Shri C R Radhakrishnan

Shri Ajay Nair

Chairman & Managing Director

Whole Time Director

Whole Time Director

Whole Time Director (w.e.f. 05.11.2015)

Independent Director

Independent Director

Independent Director

Independent Director (w.e.f. 01.08.2016)

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

Standard Chartered Bank

IDBI Bank Limited

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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Notice

Notice is hereby given that the Twenty-Third Annual General Meeting of the Members of **N R AGARWAL INDUSTRIES LIMITED** will be held on Wednesday, September 28, 2016 at GMS Community Centre Hall, Sitladevi Complex, 1st Floor, D N Road, Opp. Indian Oil Nagar on Link Road, Andheri West, Mumbai – 400 053 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Financial Statements of the Company for the year ended March 31, 2016 together with the Report of the Board of Directors and Independent Auditors report thereon.
2. To appoint a Director in place of Shri R N Agarwal (DIN 00176440), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Sections 139, 141 and other applicable provisions if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, Messrs Chaturvedi & Partners, Chartered Accountants, Mumbai, (Firm Registration No. 307068E), be and are hereby re-appointed as Statutory Auditors to hold office for the financial year 2016-17 from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting at such remuneration, including applicable taxes and out-of-pocket expenses to be finalized in consultation with the Board of Directors.”

SPECIAL BUSINESS:

4. Appointment of Shri Ashok Kumar Bansal (DIN: 07325904) as Director

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Ashok Kumar Bansal (DIN: 07325904), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from November 5, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification 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 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force) and subject to other consents, if any, approval of the Company be and is hereby accorded to the appointment and payment of remuneration to Shri Ashok Kumar Bansal (DIN: 07325904) as the Whole Time Director of the Company for a period of 3 (three) years with effect from November 5, 2015, on the terms and conditions including remuneration and other perquisites and benefits as set out in the Explanatory Statement annexed to this Notice convening this meeting as approved by the Nomination and Remuneration Committee be and is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Ashok Kumar Bansal within the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT pursuant to the provision of Section 197 of the Act, where in any financial year during the currency of his term of office, the Company has no profits or its profits are inadequate, it may pay remuneration to Shri Ashok Kumar Bansal by way of salary and perquisites as Minimum Remuneration which shall be within the limits of Schedule V to the Companies Act, 2013;

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 Ashok Kumar Bansal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company;

RESOLVED FURTHER THAT subject to the provisions of Section 152 of the Companies Act, 2013, Shri Ashok Kumar Bansal shall be liable to retire by rotation during his tenure as a Whole Time Director of the Company;

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

6. Appointment of Shri Ajay Nair (DIN: 07562602) as an Independent Director

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force), Shri Ajay Nair (DIN 07562602), who was appointed as an Additional Director of the Company with effect from August 1, 2016 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and hold office for a period of 5(five) consecutive years from August 1, 2016 to July 31, 2021.”

7. Ratification of Cost Auditors’ remuneration

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration payable to Messrs N. Ritesh & Associates, Cost Accountants, (Registration No. 100675), appointed by the Board of Directors of the Company as Cost Auditors 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 2016-17, being ₹ 70,000 (Rupees Seventy Thousand) per annum and also the payment of service tax as applicable and re-imburement of out-of-pocket expenses etc. incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered as invalid. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable. It is advisable that the proxy holder’s signature may also be furnished in the Proxy Form, for identification purposes.

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

2. The Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business under Item Nos. 4 to 7 of the accompanying Notice are annexed hereto. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (‘Listing Regulations’) and the Secretarial Standards on General Meetings in respect of the persons seeking appointment/re-appointment as Directors are also annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2016 to Wednesday, September 28, 2016 (both days inclusive).
4. Members holding shares in electronic form are advised to send their request for the change of address, bank particulars, residential status or request for transmission of shares etc to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form. Members holding shares in physical form are advised to send such request to Registrar and Share Transfer Agent of the Company, Messrs Sharex Dynamic (India) Private Limited, Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400 072, Maharashtra.
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 setup 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.
6. Members/Proxies should bring the enclosed Attendance Slip duly filled for attending the Annual General Meeting along with their copy of Annual Report.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA), Government of India, has allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in Corporate Governance. The SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (LODR) permits the companies to send soft copies of the Annual Report to all those shareholders who have registered

their email addresses for the said purpose. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

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

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time together with relevant clauses in Listing Regulations, the Company is pleased to provide to its Members the facility to exercise their right to vote at the 23rd Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

The e-voting instructions for members are as under:

- (i) The voting period begins on Sunday, September 25, 2016 at 9:00 a.m. and ends on Tuesday, September 27, 2016 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. Wednesday, September 21, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID;
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and click on Login.
- (vii) If you are holding shares in demat form and had logged onto www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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. • 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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth as recorded in your demat account or in the Company records in order to login.</p> <p>If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN to choose <N R AGARWAL INDUSTRIES LIMITED> to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will

be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat Account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) are required to log on to <https://www.evotingindia.com> 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 e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same
- (xxi) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. September 21, 2016 (may obtain the login ID and password by sending a request at evoting@cdslindia.com) shall follow the procedure laid down above. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked

Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com

Other General Information:

- a. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 21, 2016.
- b. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
- c) Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting, but shall not be entitled to again vote at the AGM.
- d) The Company has appointed Ms. Jigyasa Ved (Membership No. FCS 6488) of M/s. Parikh & Associates, Practising Company Secretaries as the Scrutinizer for conducting the voting process (including remote e-voting) in a fair and transparent manner.
- e) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 3 (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.
- f) The Results declared along with the Scrutinizer's Report shall be displayed on the Notice Board of the Company at its Registered Office and placed on the Company's website www.nrail.com and on the website of CDSL and communicated to the BSE Limited where the shares of the Company are listed.

By order of the Board of Directors

POOJA DAFTARY
Company Secretary

N R Agarwal Industries Ltd.

415-418, Janki Centre, 4thFloor, 29, Shah Industrial Estate,
Off Veera Desai Road, Andheri (West), Mumbai – 400 053
CIN: L22210MH1993PLC133365
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Fax No. +91 (22) 26730227 / 26736953
E-mail ID: investors@nrail.com | Website: www.nrail.com

Mumbai, August 1, 2016

Annexure to Notice

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

ITEM NOS. 4 & 5

Pursuant to Section 161(1) of the Companies Act, 2013, Shri Ashok Kumar Bansal was appointed as an Additional Director at the Board Meeting held on November 5, 2015. The Board based on the experience/expertise declared by Shri Bansal is of the opinion that he has the requisite qualification to act as Whole Time Director. In terms of Section 161(1) of the Companies Act, 2013, Shri Ashok Kumar Bansal would hold office upto the date of the ensuing Annual General Meeting and is eligible for appointment as Director.

In terms of Section 149 read with Schedule V and all applicable provisions of the Companies Act, 2013, Shri Ashok Kumar Bansal is proposed to be appointed as a Whole Time Director for a term of three years with effect from November 5, 2015. The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1 lakh signifying his intention to propose the candidature of Shri Ashok Kumar Bansal for the office of Director of the Company.

The Company has received from Shri Ashok Kumar Bansal (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

His brief resume, the nature of his expertise in specific functional areas, names of companies in which he holds Directorship, Committee Memberships/Chairmanships, his shareholding etc., are separately annexed hereto.

The Nomination and Remuneration Committee has approved the appointment and terms and conditions including the terms of remuneration of Shri Ashok Kumar Bansal.

Brief terms of appointment and remuneration payable to Shri Ashok Kumar Bansal as Whole Time Director:

- 1) Term: November 5, 2015 to October 31, 2018
- 2) Remuneration:
 - a) Salary: Gross Salary of ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per month with the power to the Board of Directors to increase the same from time to time within the range of ₹ 2,50,000/- to ₹ 3,25,000/-.
 - b) Perquisites: In addition to the gross salary payable, Shri Ashok Kumar Bansal shall be entitled to perquisites and allowances as under:
 - i) Rent free furnished accommodation
 - ii) Provision for use of the Company's car with driver for official duties, reimbursement of mobile and electricity expenses.

- iii) Company's contribution to provident fund, gratuity and bonus as per the rules of the Company.
- iv) Encashment of unavailed leave as per the rules of the Company.

The aggregate of salary, perquisites and allowances in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act for the time being in force.

Where in any financial year during the tenure of the Whole-Time Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Whole Time Director, the above salary, perquisites and allowances 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 Whole Time Director's remuneration shall be calculated by the Company and deducted in accordance with the applicable provisions of the Income Tax law for the time being in force.

Shri Ashok Kumar Bansal shall not, as long as he functions as the Whole Time Director, be entitled to any fees for attending meetings of the Board or 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 Ashok Kumar Bansal shall cease to be Whole Time Director of the Company, provided, however, that the Company shall be entitled to determine this Agreement at any time by giving to Shri Ashok Kumar Bansal three months' salary and other emoluments in lieu of notice as aforesaid.

A copy of the Agreement dated November 5, 2015 for the appointment of Shri Ashok Kumar Bansal as the Whole Time Director of the Company is open for inspection by the members at the Registered Office of the Company on any working days between 11.00 a.m. and 1.00 p.m.

Shri Ashok Kumar Bansal is interested in resolutions at Item Nos. 4 & 5 which pertains to his appointment and remuneration payable to him.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 and the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

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	2013-14	2014-15	2015-16
	Turnover	5,405,301,655	7,249,563,514	8,832,536,363
	Net profit (as computed under Section 198)	7,608,115	(171,682,761)	45,247,555
	Net profit/(Loss) as per profit and loss account	4,521,335	(334,345,853)	178,258,289
	Amount of Dividend paid	-	-	-
	Rate of Dividend declared	-	-	-
	Earnings before interest, depreciation & taxes	22,52,64,076	36,10,11,959	73,28,66,690
	% of EBIDTA to turnover	4.17%	4.98%	8.30%
(5)	Export performance and net foreign exchange collaborations	45,05,59,165	66,08,07,318	88,56,43,035
(6)	Foreign investments or collaborators, if any.	-	-	-

II. INFORMATION ABOUT THE APPOINTEES:

(1)	Background details	Name:	Shri Ashok Kumar Bansal
		Designation:	Whole Time Director
		Father's name:	Shri Mahabir Prasad Bansal
		Nationality:	Indian
		Date of Birth:	14/11/1957
		Qualifications:.	Diploma in Pulp & Paper Technology
		Experience:	Over 35 years in Paper Industry
(2)	Past remuneration	The gross remuneration paid to Shri Ashok Kumar Bansal during the year 2015-16 was ₹ 13,24,342/-	
(3)	Recognition or awards	-	
(4)	Job profile and his suitability	Shri Ashok Kumar Bansal shall be responsible for the management of the whole of the technical 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 ₹ 30,00,000/- per annum	

(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	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.	Not Applicable

III. OTHER INFORMATION:

(1)	Reasons of loss or inadequate profits	The profits are inadequate due to high depreciation charge and the interest cost on borrowings of the new project. The decrease in PBT (Profit before Tax) is also due to forex fluctuation, resulting in increase in raw material cost.		
(2)	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> The Company is in active discussion with the Bankers for reduction in interest rates Conversion of a part of INR Loan to Dollar Loan resulting in reduced interest cost Technical upgradation which will improve the quality of production and hence result in increased realization More dependency on local raw material rather than imports to reduce raw material cost 		
(3)	Expected increase in productivity and profits in measurable terms	Projected Turnover		
		Financial Year	Projected Net Turnover (₹ in Crores)	Projected Profit (PAT) (₹ in Crores)
		31/03/2017	967.28	32.91
		31/03/2018	1,090.97	47.89
		31/03/2019	1,092.90	49.70

IV. DISCLOSURES:

Details such as remuneration, service contract, notice period etc. of the Directors have been disclosed in the Corporate Governance Report. The Company has not granted any stock options to its Directors.

ITEM NO. 6

Shri Ajay Arvind Nair who has been appointed as an Additional Director in the category of Non-Executive Independent Director of the Company under Section 161 (1) of the Companies Act, 2013 w.e.f. August 1, 2016 holds office upto the date of this Annual General Meeting and is eligible for appointment as Director.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1 lakh signifying his intention to propose the candidature of Shri Ajay Arvind Nair for the office of Independent Director of the Company.

The Company has received declaration from Shri Ajay Arvind Nair that he meets the criteria of Independence as prescribed under Section 149 (6) of the Companies Act, 2013. Further, he has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the said Act and has given his consent to act as a Director of the Company.

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

His brief resume, the nature of his expertise in specific functional areas, names of companies in which he holds Directorship, Committee Memberships/Chairmanships, his shareholding etc., are separately annexed hereto.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Shri Ajay Arvind Nair himself is concerned or interested, financially or otherwise, in this resolution at Item No. 6.

The Board recommends this Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the members.

ITEM NO. 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules"), the Company is required to appoint a Cost Auditor to audit the cost records of the Company's Paper and Paper Board Units at Vapi and Sarigam.

On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of Messrs N. Ritesh & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2016-17 at a remuneration of ₹ 70,000/- per annum plus reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The appointment and remuneration of the Cost

Auditor is required to be ratified subsequently in accordance to the provisions of the Act and Rule 14 of the Rules.

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.

Accordingly, the Directors recommend Ordinary Resolution at Item No. 7 of this notice for your approval.

By order of the Board of Directors

POOJA DAFTARY
Company Secretary

N R Agarwal Industries Ltd.

415-418, Janki Centre, 4thFloor,
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
E-mail ID: investors@nrail.com
Website: www.nrail.com

Mumbai, August 1, 2016

Information as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India with respect to General Meetings

Particulars	Shri R N Agarwal	Shri Ashok Kumar Bansal	Shri Ajay Nair
Age	56 years	59 years	46 years
Date of Appointment	08.12.1993	05.11.2015	01.08.2016
Qualification	BE-Electrical, MBA	Diploma in Pulp and Paper Technology	LLB and Diploma in Central Excise and Customs Law
Expertise/Experience in specific functional area	Over two decades of experience in Paper Industry as an industrialist	Over three decades of experience in Paper Industry as a Technical Expert	Over two decades of experience in the legal field in areas of civil, criminal, corporate and commercial laws
Directorships in other listed companies	NIL	NIL	NIL
Memberships of Committees in other listed companies (Includes only Audit & Stakeholders Relationship Committee)	NIL	NIL	NIL
No. of shares held in the Company	7,922,030	NIL	NIL
Relationship between Directors inter-se and the KMPs	Shri R N Agarwal is related to Smt. Reena Agarwal and Shri Raunak Agarwal, Whole Time Directors of the Company	Shri Ashok Kumar Bansal is not related to any of the Directors or KMPs of the Company	Shri Ajay Nair is not related to any of the Directors or KMPs of the Company
Number of Board meetings attended during 2015-16	4	2	NIL

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report of the Company and the Audited Accounts for the year ended March 31, 2016.

Performance of the Company

Despite difficult market conditions throughout the year, the Company recorded a significant improvement in business performance through strong operational performance, better revenue management and generating better cash flow. During the financial year ended March 31, 2016, the Company continued to execute initiatives for reducing the cost of production, improving customer satisfaction, continued focus on safety environment and productivity. These efforts have helped the Company improve profitability substantially registering an increase in profitability over the last financial year. The summary of financial performance for the year is encapsulated below:

Financial Results

PARTICULARS	(₹ In Lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Operations and Other Income	89,126.58	73,071.91
Finance Costs	4,570.43	3,561.32
Gross Profit after Finance Costs but before Depreciation and Taxation	2,758.23	48.80
Depreciation	2,347.91	1,765.63
Profit before Tax and Exceptional Items	410.32	(1,716.83)
Exceptional Items	-	-
Profit before Tax and after Exceptional Items	410.32	(1,716.83)
Provisions for Taxation	83.50	0.48
Deferred Tax	(1,455.75)	1,626.15
Net Profit for the year	1,782.58	(3,343.46)
Balance in Statement of Profit and Loss	4,974.25	8,408.03
Amount available for Appropriation	6,756.83	5,064.58
Depreciation on transition to Schedule II of the Companies Act, 2013 (net of deferred tax)	-	(90.33)
Balance carried to Balance Sheet	6,756.83	4,974.25

Overview of the Economy

Global demand for Paper & Paperboard in 2015 remained at appx. 400 million MT for the third year in a row. During the period 2010 to 2015, global Paperboard demand has grown at 1% CAGR primarily driven by Asian and Middle East markets. Over the next 5 years, growth is expected to slow down further to 0.6%-0.8% CAGR mainly due to deceleration of the Chinese economy. The Newsprint and Writing & Printing categories are expected to witness decline in demand going forward primarily on account of increasing adoption of digital media and proliferation of smartphones usage. The overall pricing scenario is expected to remain weak in view of muted demand conditions and surplus capacity in China consequent to declining economic growth rate and significant capacity additions since 2012.

While India sustained its position as one of the fastest growing Paper and Paperboards markets in the world, overall industry

demand during the year remained adversely impacted due to slowdown in the FMCG industry. Pricing power of the domestic paper industry was also impacted with additional capacity going on stream during the year. Over the next 5 years, overall demand is expected to grow at 6% CAGR with Paperboard (46% of the market) and Writing & Printing Paper (31% of the market) estimated to grow at 6% CAGR and 4% CAGR respectively.

Financial and Operational Performance

Your Company's total income (including other income) was placed at ₹ 89,126.58 lakhs in year 2015-16 (Year 2014-15 ₹ 73,071.91 lakhs) representing a growth of 21.97%. Profit before tax was placed at ₹ 410.32 lakhs (Year 2014-15 ₹ 1,716.83) lakhs) representing a growth of 123.90%. Reasonable growth in domestic and export markets together with improvement in operational efficiency led to favourable impact on bottom line. Your Company has been consistently practising prudent finance

and working capital management. The strong focus on working capital and liquidity management has helped timely generation of sufficient internal cash flows to invest in long-term strategic objectives of the Company. The Directors consider your Company's performance as satisfactory.

Material Changes and Commitments after the end of the Financial Year

There are no material changes and commitments in the business operations of the Company since the close of the financial year on March 31, 2016 to the date of this 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 2015-16.

Dividend

The Company wishes to retain its profits for future growth and expansion activities and hence, your Directors decided not to recommend payment of dividend for the financial year under review.

Directors & Key Managerial Personnel

Directors:

In accordance with provisions of Section 152 of the Companies Act, 2013, Shri R N Agarwal, Chairman and Managing Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Shri Ashok Kumar Bansal as an Additional Director of the Company with effect from November 5, 2015. The Board also appointed Shri Ashok Kumar Bansal as the Whole Time Director of the Company for a period of three years with effect from November 5, 2015. The said appointment is subject to the approval of the Members of the Company in General Meeting.

With a view to strengthen the Board and also to meet the regulatory requirements, the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee appointed Shri Ajay Arvind Nair as an Additional Director with effect from August 1, 2016 and as an Independent Non-Executive Director of the Company under Section 149 of the Companies Act, 2013 read with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') to hold office upto July 31, 2021. The said appointment is subject to the approval of the Members of the Company in General Meeting.

The resolutions seeking approval of the Members for the appointment of Shri Ashok Kumar Bansal and Shri Ajay Nair have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them. The Company has received notices under Section 160 of the Act along with the requisite deposits proposing their appointment.

Shri Naresh Kumar Garg who was appointed as an Additional and Independent Director with effect from November 5, 2015, resigned with effect from May 25, 2016. The Board expresses its gratitude to Shri Garg for the services rendered by him during his association with the Company.

Key Managerial Personnel

During the year, Shri R H K Sinha, President & CEO, in the category of Key Managerial Personnel of the Company resigned with effect from May 31, 2015. The Board expresses its gratitude to Shri R H K Sinha for the services rendered by him during his association with the Company.

Declaration from Independent Directors

Shri S N Chaturvedi, Shri P Kumar, Shri C R Radhakrishnan and Shri Ajay Nair, Independent Directors, have submitted declarations 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.

Composition of Audit Committee

The composition of Audit Committee of the Company is mentioned in the Corporate Governance Report attached to this report.

Vigil Mechanism

The Company has adopted a Whistle Blower Policy to deal with any instance of fraud or any unethical or improper practices. A copy of this policy is placed on the Company's website. 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 & 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. The 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 & Independence of a Director

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 (1) (b) of the Listing Regulations.

Qualifications: A transparent Board nomination process is in place that encourages 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 behaviour, strong inter-personal and communication skills and soundness of judgement. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

Remuneration Policy

Pursuant to Section 178(4) of the Companies Act, 2013, the Company has adopted a remuneration policy relating to remuneration for the directors, key managerial personnel and senior executives. The remuneration policy is attached as **Annexure 1** and also placed on Company's website http://www.nrail.com/company_policies.html.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulation, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman & Managing Director who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc.

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

Directors' Responsibility Statement

The Directors hereby confirm and declare that:-

- (i) in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended March 31, 2016 and of the profit of the Company for the year;
- (iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they had prepared the annual accounts on a going concern basis;
- (v) they had laid down internal financial controls to be followed by the Company and such controls are adequate and operating efficiently;
- (vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating efficiently.

Internal Financial Controls

The Company has an internal financial control system commensurate with the size, scale and complexity of the operations. The Internal Audit function is controlled by in-house department. The main function of Internal Audit is to monitor and evaluate adequacy of internal control system in the Company, its compliances with the operating systems, accounting procedures and policies at all locations in the Company. Based on the report of internal audit function, process owners take corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions are reported to the Audit Committee.

Statutory Auditors audited the Internal Financial Controls (IFC) over financial reporting of the Company as of March 31, 2016 in conjunction with audit of the financial statements of the Company for the year ended on that date. Unmodified opinion on IFC was given by them.

Details of Subsidiaries/Joint ventures/Associates

The Company does not have any subsidiary/joint venture/associate.

Extract of Annual Return

An extract of Annual Return as on ended March 31, 2016 as required under sub-section 3 of Section 92 of the Companies Act, 2013 in Form No. MGT 9 is attached as **Annexure 2**.

Auditors' and Auditors' Report

(1) Statutory Auditors

The Members at the Annual General Meeting held on September 28, 2015 appointed Messrs Chaturvedi & Partners, Chartered Accountants, Mumbai as Auditors

of the Company to hold office till the conclusion of the ensuing Annual General Meeting. Being eligible for re-appointment, Messrs Chaturvedi & Partners, Chartered Accountants have confirmed their eligibility and willingness to accept office, if re-appointed by the Members at the 23rd Annual General Meeting of the Company. 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, 2016 does not contain any qualification, reservation or adverse remark.

(2) Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs Parikh & Associates, Company Secretaries in practice for the financial year 2015-16 to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as **Annexure 3**.

The Secretarial Audit Report for the financial year ended March 31, 2016 does not contain any qualification, reservation or adverse remark.

(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, 2017.

The due date for filing of the Cost Audit Report for the financial year 2014-15 was September 30, 2015. The Company has filed the Report with the Ministry of Corporate Affairs on September 29, 2015.

Technology Absorption, Energy Conservation & Foreign Exchange Earning & Outgo

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in the **Annexure 4** attached and forms part of this Report.

Particulars of Employees & Related Disclosures

The information required under Section 197(12) of the 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 during the year under review.

Significant and Material Orders passed by the Regulatory/Judicial Authority

There were no significant material orders passed by the regulators or courts which would impact the going concern status of the Company and its future operations.

Particulars of Loans, Guarantees or Investments

No loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 were given during the year under review.

Related Party Transactions

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

There are no materially significant related party transactions made by the Company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large.

The Board of Directors approved a policy on related party transactions which is placed on the Company's website at the web link: <http://www.nrail.com/companyolicies.html>.

Risk Management

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and relevant provisions of Listing Regulations, the Company has adopted Risk Management Policy for identification and implementation of Risk Mitigation Plan for the Company. The Company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business.

Corporate Social Responsibility (CSR) Initiatives

Section 135 of the Companies Act, 2013 mandates every Company having minimum threshold limit of net worth, turnover or net profit as prescribed to constitute a Corporate Social Responsibility Committee of the Board, formulate a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and duly approved by the Board, fix the amount of expenditure to be incurred on the activities and monitor the CSR Policy from time to time.

Since your Company falls within the minimum threshold limits, it constituted a CSR Committee of the Board and formulated a CSR Policy. The focus areas of CSR Policy are education, preventive health care, sanitation, environment and engagement. In view of past losses, the Company is not required to spend money on CSR Activities as per Section 135 of the Companies Act, 2013. However, as a responsible corporate citizen, the Company incurred a sum

of ₹ 11.36 lakhs (including the unspent amount of ₹ 4.88 lakhs of the previous year) supporting various CSR initiatives in these focus areas.

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

Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules there under for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint on sexual harassment was received during the financial year 2015-16.

Corporate Governance & Management Discussion & Analysis

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

Listing Agreement and Listing Fees

The Company entered into Listing Agreement with BSE Limited in terms of the Listing Regulations issued on September 2, 2015 effective from December 1, 2015. The Company has paid the listing fees to BSE Limited for the year 2016-2017.

Insider Trading Regulations and Code of Disclosure

The Board of Directors has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive

Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 which is available on our website (http://www.nrail.com/company_policies.html)

Human Resources

There is a continuous effort to improve the working environment with focus on employee well-being and capability building to enable them to perform at their best for the Company. We develop leaders at global platforms at regular intervals as a part of our commitment to engage and retain talent. We offer robust leadership development efforts to hone employee skills and help keep the Company ahead of the curve.

People are our real strength & while pursuing best-in-class performance, the Company is significantly increasing its investment in its employees with training and development. NRAIL invests in training and knowledge at all levels in order to align employees with requirements on safety, customer support, market needs, operational excellence, technology upgradation, process improvements, innovation and behavioural competencies.

Acknowledgements

Your Directors wish to place on record their gratitude to the State and Central Governments, lending financial institutions and banks for their continued support during the year.

Your Directors wish to convey their thanks to the valued customers, dealers and suppliers for their continued patronage during the year and place on record their appreciation of the contribution made by all the employees, during the year.

On behalf of the Board of Directors

Mumbai, August 1, 2016

R N AGARWAL
Chairman & Managing Director

ANNEXURE 1**REMUNERATION POLICY****Policy on Remuneration of Directors, Key Managerial Personnel and Senior Management****1.01 Guiding Principles:**

- (i) The terms of employment and remuneration of the Managing Director (MD), Whole-Time Director (WTD), Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) shall be competitive in order to ensure that the Company can attract and retain competent talent.
- (ii) The remuneration Policy shall ensure that:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs of the quality required to run the Company successfully.
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (c) Remuneration to Directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long-term performance objectives and goals set by the Company.
 - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
- (iii) While determining the remuneration and incentives for the MD/WTD and KMPs, the following shall be considered:
 - (a) pay and employment conditions with peers/elsewhere in the competitive market
 - (b) benchmarking with the industry practices
 - (c) performance of the individual
 - (d) company performance.
- (iv) For benchmarking with industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- (v) The pay structures shall be appropriately aligned across levels in the Company.

1.02 Remuneration Policy:**(1) SMPs & KMPs (other than MD/WTD):**

- (i) Remuneration packages shall be designed in such manner that:
 - (a) motivates delivery of key business strategies, creates a strong performance-orientated environment and rewards achievement of the Company's objectives & goals over the short and long-terms.
 - (b) attracts high-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 granting Stock Options to KMPs & SMPs pursuant to any Stock Option Plan adopted by the Company, if any.

(2) MD/WTD:

- (i) Remuneration to the MD and WTD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.
- (ii) Remuneration shall be evaluated annually against performance and benchmarks of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (iii) Total remuneration for the MD and WTD shall comprise of the following:
 - (a) Salary (both fixed & variable)
 - (b) Perquisites like house rent allowance, domiciliary medical expenses, club memberships, etc.
 - (c) Retirals made in accordance with applicable laws and policies of the Company.
 - (d) In addition, they shall also be entitled to a Performance Bonus linked to their individual

performance and also the performance of the Company.

- (e) It shall be ensured that the total remuneration payable to MD and WTD's shall be within the permissible limits of Section 197 read with Schedule V of the Companies Act, 2013.

(3) Non-Executive Directors (NEDs):

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

1.03 APPLICABILITY:

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

1.04 DISCLOSURES:

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

1.05 DISSEMINATION:

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

ANNEXURE 2

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2016**

[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) 67317500 Fax: +91 (22) 26730227 / 26736953 E-mail: 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 E-mail : 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:-

Sl. No.	Name and Description of main products/services	NIC Code of the products/services	% to total turnover of the Company
1	Duplex Boards	1701	52.46
2	News Print	1701	10.45
3	Writing & Printing	1701	37.10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

None

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% 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/Fl	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/Fl	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) =(A)(1) + (A)(2)	12460923	0	12460923	73.217	12460923	0	12460923	73.217	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	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) FIIs	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	1235615	6200	1241815	7.297	1256482	6200	1262682	7.419	0.122
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1453997	588424	2042421	12.001	1447260	566624	2013884	11.833	-0.168

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1088933	30000	11189333	6.575	1087749	30000	1117749	6.568	-0.007
c) Others (specify)									
Non-Resident Indians	142114	0	142114	0.835	155394	0	155394	0.913	0.078
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	6094	0	6094	0.036	1668	0	1668	0.01	-0.026
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	3926753	624624	4551377	26.744	3948553	602824	4551377	26.743	-0.001
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3926753	631424	4558177	26.784	3948553	609624	4558177	26.783	-0.001
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	16387676	631424	17019100	100	16409476	609624	17019100	100	0

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2015			Shareholding at the end of the year i.e. 31.03.2016			% 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)

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

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

Sr. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Delhi Iron & Steel Co. (P) Ltd.	705334	4.144	01.04.15				
				28.08.15	-50000	Sale	655334	3.851
				31.12.15	1702	Purchase	657036	3.861
				08.01.16	500	Purchase	657536	3.864
				22.01.16	-8698	Sale	648838	3.812
				29.01.16	-1987	Sale	646851	3.801
				05.02.16	-64384	Sale	582467	3.422
				11.03.16	223	Purchase	582690	3.424
				18.03.16	1210	Purchase	583900	3.431
		583900	3.431	31.03.16				
2.	Param Capital Research Pvt. Ltd.	199271	1.171	01.04.15				
				31.07.15	4100	Purchase	203371	1.195
		203371	1.195	31.03.16				
3.	Amrit Steels Pvt. Ltd.	25066	0.147	01.04.15				
				07.08.15	70823	Purchase	95889	0.563
				14.08.15	2700	Purchase	98589	0.579
				21.08.15	100	Purchase	98689	0.58
				04.09.15	13000	Purchase	111689	0.656
				20.11.15	30000	Purchase	141689	0.833
				27.11.15	21000	Purchase	162689	0.956
				11.12.15	10000	Purchase	172689	1.015
				31.12.15	-20000	Sale	152686	0.897
				15.01.16	-30000	Sale	122689	0.721
				05.02.16	25000	Purchase	147689	0.868
				19.02.16	200	Purchase	147889	0.869
				11.03.16	200	Purchase	148089	0.87
		148089	0.87	31.03.16				
4.	Anuradha Didwania	136575	0.802	01.04.15				
				26.06.15	-5000	Sale	131575	0.773
				03.07.15	-5000	Sale	126575	0.744
				28.08.15	200	Purchase	126775	0.745
				08.01.16	-1000	Sale	125775	0.739
				15.01.16	-1000	Sale	124775	0.733
		124775	0.733	31.03.16				

Sr. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
5.	Ashari Agencies Ltd.	63000	0.37	01.04.15				
				14.08.15	2200	Purchase	65200	0.383
				04.09.15	1200	Purchase	66400	0.39
				11.09.15	300	Purchase	66700	0.392
				09.10.15	2000	Purchase	68700	0.404
				08.01.16	33200	Purchase	101900	0.599
				15.01.16	1000	Purchase	102900	0.605
				22.01.16	5626	Purchase	108526	0.638
				29.01.16	3	Purchase	108529	0.638
				05.02.16	500	Purchase	109029	0.641
				04.03.16	-40000	Sale	69029	0.406
		109029	0.641	31.03.16	40000	Purchase	109029	0.641
6.	Anil Bansilal Lodha	31481	0.185	01.04.15				
				17.04.15	-1060	Sale	30421	0.179
				01.05.15	4468	Purchase	34889	0.205
				15.05.15	4399	Purchase	39288	0.231
				05.06.15	3447	Purchase	42735	0.251
				12.06.15	5393	Purchase	48128	0.283
				19.06.15	11848	Purchase	59976	0.352
				26.06.15	12835	Purchase	72811	0.428
				30.06.15	5712	Purchase	78523	0.461
				03.07.15	826	Purchase	79349	0.466
				31.07.15	6143	Purchase	85492	0.502
		28.08.15	20	Purchase	85512	0.502		
		85512	0.502	31.03.16				
7.	Vivek Bhimsaria	-	-	01.04.15				
				11.03.16	11365	Purchase	11365	0.067
				18.03.16	67500	Purchase	78865	0.463
		78865	0.463	31.03.16				
8.	Sunil Madanlal Agarwal	67055	0.394	01.04.15				
		67055	0.394	31.03.16				

Sr. No	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01/04/2015)/ end of the year (31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
9.	ABL Infrastructure Pvt. Ltd.	13246	0.078	01.04.15				
				17.04.15	-7560	Sale	5686	0.033
				24.04.15	500	Purchase	6186	0.036
				15.05.15	11673	Purchase	17859	0.105
				22.05.15	9199	Purchase	27058	0.159
				29.05.15	15484	Purchase	42542	0.25
				12.06.15	50	Purchase	42592	0.25
				26.06.15	10045	Purchase	52637	0.309
				03.07.15	11013	Purchase	63650	0.374
				31.07.15	500	Purchase	64150	0.377
		64150	0.377	31.03.16				
10.	Rajendra Purshottamdas Agrawal	62500	0.367	01.04.15				
		62500	0.367	31.03.16				

v) Shareholding of Directors and Key Managerial Personnel

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

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

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

V. INDEBTEDNESS

(in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,490,516,874	686,413,588	-	4,176,930,462
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23,391,623	-	-	23,391,623
Total (i + ii + iii)	3,513,908,497	686,413,588	-	4,200,322,085
Change in Indebtedness during the financial year				
- Addition	161,398,021	652,000,000	-	813,398,021
- Reduction	391,413,968	103,700,000	-	495,113,968
Net Change	(230,015,947)	548,300,000	-	318,284,053
Indebtedness at the end of the financial year				
i) Principal Amount	3,260,500,927	1,234,713,588	-	4,518,606,138
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,826,369	-	-	4,826,369
Total (i + ii + iii)	3,265,327,296	1,234,713,588	-	4,523,432,507

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Shri R N Agarwal (Chairman & Managing Director)	Shri Raunak Agarwal (Whole Time Director)	Smt. Reena Agarwal (Whole Time Director)	Shri Ashok Kumar Bansal (Whole Time Director w.e.f 05.11.15)*	
1.	Gross salary					
2.	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,14,60,000	24,00,000	24,00,000	12,16,667	1,74,76,667
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,39,600	39,600	-	1,07,675	6,86,875
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	1,19,99,600	24,39,600	24,00,000	13,24,342	1,81,63,542
	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	-

* Shri Ashok Kumar Bansal was appointed as the Whole Time Director of the Company w.e.f. 05.11.2015.

B. Remuneration to other Directors

Independent Directors

(in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount
		Shri S N Chaturvedi	Shri P Kumar	Shri C R Radhakrishnan	Shri N K Garg	
1.	Fees for attending Board/ Committee meetings	1,87,500	1,87,500	97,500	45,000	5,17,500
2.	Commission	-	-	-	-	-
3.	Others, please specify	-	-	-	-	-
	Total	1,87,500	1,87,500	97,500	45,000	5,17,500

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

(in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri Gopal Uchil (Chief Financial Officer)	Ms. Pooja Daftary (Company Secretary w.e.f 1.3.15)	Shri RHK Sinha (President & CEO from 14.11.14 to 31.05.15)	
1.	Gross salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	26,63,400	4,81,161	3,87,097	35,31,658
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	-	52,600	74,200
(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	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	26,85,000	4,81,161	4,39,697	36,05,858

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)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

On behalf of the Board of Directors

Mumbai, August 1, 2016

R N AGARWAL
Chairman & Managing Director

ANNEXURE 3

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2016

[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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2016 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company namely
 - 1. Factories Act, 1948
 - 2. Water (Prevention and Control of pollution) Act, 1974

3. Environment (Protection) Act, 1986
4. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
5. Indian Boiler Act, 1923 and Regulation 1950
6. The Air (Prevention and Control of Pollution) Act, 1981 & the Rules.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

For **Parikh & Associates,**
Company Secretaries

Shalini Bhat
Partner

Place: Mumbai
Date: May 25, 2016

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 Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
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

FCS No.: 6484 CP No.: 6994

Place: Mumbai
Date: May 25, 2016

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.
- Continuous checking and observation on condensing system for any leakage and same is arrested immediately to avoid loss of heat energy.
- Installed VFD in PA Fan to optimize Power Consumption.
- We are in planning to install VFD in Cooling Tower Fan to optimize Power Consumption.
- We are operating Cooling Tower fan as per temperature requirement by start and stop of fan to optimize Power Consumption.
- Continuous checking in steam system and steam trap for any leakage and is attended immediately to reduce loss of heat energy.
- Steam and condensate system modified at paper machine plant and steam consumption per ton of paper reduced.
- Installation of auto bed material feeding system at AFBC boiler at our power plant to reduce heat loss to atmosphere during opening of furnace door.
- Proper insulation done in hot zone area of Boiler to reduce heat loss to atmosphere and reduce fuel consumption.
- Flash steam from condensate storage tank connected to DM water storage to pre heat DM water and reduce steam consumption which is required for increasing feed water temperature.
- Atomization done in Power Plants which were operating on PID controller, old system replaced by Siemens S7 300 PLC and we save Auxiliary Power Consumption by fine tuning on coal feeding and fan speed control.
- After atomization, boiler efficiency increased and fuel consumption reduced.
- Coal plant crushing system changed by interchanging position of Vibrating Screen and Coal Crusher. By this modification, coal plant running hours reduced and reduced generation of coal fines due to first crushing and then after screening in old system.
- In Boiler Bank, Tube Zone and Economizer Zone un-burnt particles are re-cycled to reduce final un-burnt percentage.

b) Optimization of Electrical Equipment:

The modifications/additions to some of the electrical equipments 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/motive pumps.
- Idle running of pulper controlled by giving indication to machine floor.
- Replaced old vacuum pump with energy efficient new pump which leads to reduction in power consumption.
- Machine chest pump and agitator interlocking to avoid idle running of agitator and reduction in power consumption.
- 15 HP motors were replaced by 10 HP energy efficient motors which lead to reduced power consumption.
- VFD installed at all machine chest pumps and operated as per GSM grade wise by controlling speed of pump, earlier it was operated through valves.

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.
- Implementing best practices across all plants.
- Make guidelines for purchase of energy efficient equipments like chillers, air compressors, motors, air conditioners, cooling tower, pumps, transformers etc.
- 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:

- Existing Power Plant replaced by new Thermal Power Plant of 1.8 MW Power generating capacity with same steam consumption with new High Pressure Boiler.
- Continuous value engineering through various means such as new and alternate RM use, vendor collaboration, import substitution and identification of new raw materials for development.
- Upgradation of existing product and processes to save cycle time, energy consumption and overall operational efficiency.
- Optimization of products and processes to minimize waste generation and address environmental and safety concerns.
- Fresh water consumption further reduced by recycling the machine back water at machine and pulp mill vacuum pumps.
- Development of in house domain expertise to support product development.

(ii) Benefits derived like Product Improvement, Cost Reduction, Product Development or Import Substitution:

- Grid Power MD reduced from 2500 KVA to 1900 KVA.
- Control over the grammage variation of paper.
- Fresh water consumption reduced and ETP load minimized.
- Reduction in the SS load in primary clarifier.
- Reduction in the COD & BOD load.
- Emission in the air is negligible and maintains all emission parameters.
- Reduction in fresh water consumption.

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

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

(iv) Expenditure incurred on Research and Development: Nil**C. Foreign Exchange Earnings and Outgo:**

	₹ in lakhs	
	2015-16	2014-15
Foreign exchange earnings	8,856.43	6,608.07
Foreign exchange outgo	26,485.47	23,418.46

On behalf of the Board of Directors

R N AGARWAL

Chairman & Managing Director

Mumbai, August 1, 2016

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	61:1		
		Shri Raunak Agarwal Whole Time Director	13:1		
		Smt. Reena Agarwal Executive Director	13:1		
		Shri Ashok Kumar Bansal Whole Time Director	*		
		*Details not given as Shri Ashok Kumar Bansal was a Director only for part of the financial year 2015-16 i.e. w.e.f. November 5, 1015.			
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:	Shri R N Agarwal Chairman & Managing Director	Nil (₹ 114.60 Lakhs in 2015-16 as against ₹ 114.60 Lakhs paid in 2014-15.		
		Shri Raunak Agarwal Whole Time Director	11.63% (₹ 24.00 Lakhs in 2015-16 as against ₹ 21.50 Lakhs in 2014-15)		
		Smt. Reena Agarwal Whole Time Director	21.37% ((₹ 24.00 Lakhs in 2015-16 as against ₹ 19.77 lakhs in 2014-15		
		Shri Ashok Kumar Bansal Whole Time Director	* (₹ 12.17 lakhs in 2015-16 for part of the year)		
*Appointed during the year, hence increase in the remuneration over last year is not applicable.					
The percentage increase in remuneration of Chief Financial Officer is 12.69% and percentage decrease in remuneration of the Company Secretary is 10.98%.					
(iii)	The percentage increase in the median remuneration of employees in the financial year:		20.58%		
(iv)	The number of permanent employees on the rolls of Company:		1440		
(v)	The explanation on the relationship between average increase in remuneration and company performance:	Increase in remuneration has been made in view of satisfactory performance of the Company.			
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:	Reasonable increment has been allowed to technical experts and the talented managerial personnel of the Company in view of continued satisfactory performance of the Company.			
(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:	(₹/Crores)			
		Market Capitalization	31.03.2016	31.03.2015	Variation
			59.65	29.10	(+) 30.55
		Price earnings ratio	31.03.2016	31.03.2015	
		3.35	(-)0.87		

(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 17.17% (other than Managerial Personnel) as against an increase of 4.31% in the remuneration to managerial personnel. Retention of talented technical and managerial personnel as per Remuneration Policy of the Company.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:	Reasonable increment has been allowed to technical experts and the talented managerial personnel of the Company in view of continued satisfactory performance of the Company.
(x)	The key parameters for any variable component of remuneration availed by the Directors:	N.A.
(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:	N.A.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, the remuneration has been paid as per the remuneration policy of the Company.

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

Sr. 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

Mumbai, August 1, 2016

R N AGARWAL
Chairman & Managing Director

ANNEXURE 6

FORM NO. AOC-2

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

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

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

Sl. No.	Particulars	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	Permanent employee of the Company
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Appointment as Manager-Marketing at a salary of ₹ 75,000/- 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 would be beneficial to the Company and he meets the criteria of his appointment as Manager-Marketing.
f)	Date of approval by the Board	29.05.2015
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

Mumbai, August 1, 2016

R N AGARWAL
Chairman & Managing Director

ANNEXURE 7**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

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

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

NRAIL intends to make a positive difference to the society and contribute its share towards the betterment of the area in which the Company operates. NRAIL recognizes that its business activities have wide impact on the 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 endeavours 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/companyolicies.html>

2. The Composition of the CSR Committee:

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

3. Average net profit of the Company for last three Financial Years: ₹ (3,96,09,030/-)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Nil

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year	:	₹ 11.36 lakhs
(b) Amount unspent, if any	:	Nil

(c) The manner in which the amount was spent is given below:

(In ₹)

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution towards Construction of Toilets	Promoting Health Care; Rural Development	Vapi, Gujarat	15,00,000	7,50,000	7,50,000	District Rural Development Agency
2.	Construction of Hindu Marriage Hall	Rural Development	Sarigam, Gujarat	1,00,000	1,00,000	1,00,000	Sanskrutik Vikas Mandal, Dhodipada
3.	Contribution towards a primary school	Promoting Education; Rural Development	Sarigam, Gujarat	25,000	25,000	25,000	Direct
4.	Contribution towards specially abled residents	Promoting Health Care; Rural Development	Valsad, Gujarat	50,000	50,000	50,000	District Administration of Valsad
5.	Contribution for upliftment of girl child	Woman Empowerment; Rural Development	Gujarat	61,000	61,000	1,22,000	Kanya Kelavni Nidhi
6.	Organisation of Blood Donation Camp	Promoting Health Care; Rural Development	Valsad, Gujarat	62,500	62,500	62,500	Direct
7.	Contribution towards water facilities	Rural Development	Sarigam, Gujarat	88,240	88,240	88,240	Direct
Total:				18,86,740	11,36,740	11,97,740	

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

Not Applicable

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

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

R N AGARWAL
Chairman & Managing Director

S N CHATURVEDI
Chairman - CSR Committee

Management Discussion & Analysis

Industry Structure and Developments

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 of commodities and valuable commercial goods, makes it an indispensable product. Paper industry is also a significant player in the world economy. Global consumption of paper and paper board grew from 169 million tonnes in 1981 to 253 million tonnes in 1993 and to 352 million tonnes in 2005. Current consumption of paper is to the tune of 400 million tonnes per annum, roughly half of this consumption is shared by North America and Europe. However, share of North America and Europe has been declining since 2006; while that is steeply rising in China, India and other developing economies of Asia. With the growth in consumption, recycling of paper is growing gradually throughout the world; at present almost 65% of the paper produced each year is recycled.

The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India. Many of the existing players are increasing their capacity to meet the growing demand. The focus of paper industry is now shifting towards more eco-friendly products and technology. Government of India has established rules and regulations to control the population and degradation of forest. These measures taken by the government has brought the significant changes in the paper industry of India.

The exponential growth of e-commerce in the country has opened up a new horizon and could contribute significantly to the demand where paper is being extensively used for packaging. Just like in all other sectors both globally and domestically, the Indian paper industry has to move towards adopting advanced technologies and here size would come into play. Those who can adopt new technologies in paper making would survive, while others would feel the heat.

Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc. In terms of share in total production, approximately 24% are based on wood, 65% on recycled fibre and 11% on agro-residues. The geographical spread of the industry as well as market is mainly responsible for regional balance of production and consumption.

Opportunities and Outlook

The growth prospects of the packaging industry and industrial production are likely to increase the consumption of paper in India. India is witnessing rapid development compiled with increasing production activities. As an essential part of the

manufacturing sector of India, the paper industry is associated with the economic wellbeing of the country. Strong economic growth of the nation has been accompanied by a healthy demand for paper.

Amongst the types of paper, paperboards and industrial packaging papers contribute the highest to the consumption volume of paper in India as compared to the other segments, namely writing and printing paper, newsprint and specialty paper. The market captured by paperboards and industrial packaging papers is closely linked to the growth in the packaging industry and industrial production in the country. With surging affluence of the Indian population, the demand for consumer goods is on a constant rise. The requirement of packaging of these goods subsequently triggers the consumption of paper in the country.

The Indian paper industry is characterized by high voluminous growth on account of the increasing population in the country. Furthermore, changing lifestyles of the masses and growth in organized and modern retailing channels represent the main reason behind this shift towards packaged goods. Demand for FMCGs, pharmaceuticals, and packaged ready-to-eat foods are propelling the usage of paperboards and industrial packaging papers.

“With strong economic development, pacing industrial activities and increasing usage of consumer goods by the Indian population, the consumption of paper is being directly stimulated in the country”, according to the research report ‘India Paper Industry Outlook to 2018- Steered by Industrialization and Literacy Levels’ by Ken Research.

The foregoing discussion traced that the Indian paper industry is a booming industry and is expected to grow in the years to come. The usage of paper cannot be ignored and this awareness is bound to bring about changes in the paper industry for the better. It is a well known fact that the use of plastic is being objected to these days. The reason being, there are few plastics which do not possess the property of being degradable, as such, use of plastic is being discouraged. Excessive use of non-degradable plastics upsets the ecological equilibrium. Indian paper and newsprint industry has huge potentials and prospects in coming future. In our country, demand for paper and newsprint is rapidly increasing. The wood and paper industry is probably the only large-scale industrial system which is genuinely capable of satisfying future requirements with respect to sustainable development. Moreover the per capita consumption of paper in India is going up. Due to environmental concerns, the use of plastics is likely to be banned by the Government of India within a short span of time. Hence within 2 to 3 years industry will be witnessing an explosive growth of packaging in India mainly in food, textile and export segments. To face future challenges, the Indian Paper Industry has been focusing on repositioning of product lines, improving internal efficiencies and making investments in expansion and building production capacities and to further penetrate in the

global market. Reading a book will remain a great pleasure into the future and paper, as a ubiquitous material with its many uses, will continue to play an influential role.

Segment-Wise Performance

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS-17), the Company's primary business segment is Paper. The paper business incorporates product groups viz. Paper, Paper and Boards and Newsprint, which mainly have similar risks and returns. As the Company's business activity falls within a single primary business segment-wise or product-wise performance is not provided.

Risk Management Policy implementation

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your Company has identified the following risks:

Commodity Price Risk

Risk of price fluctuation on basis raw materials like waste paper, chemicals, coal, used in the process of manufacturing as well as finished goods.

The risk is being mitigated by excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact on price fluctuation in finished goods.

Foreign Exchange Risk

Currency exchange rates could undergo changes with the Indian rupee turning volatile for most part of the year. This could have a potential impact on the export earnings of the Company.

NRAIL is conscious and watchful of the rupee's movements. Hedging is done wherever necessary and forward covers are taken to protect the Company's interests. The Company is also conservative in booking the unfavorable impact of exchange fluctuations as soon as the impact is determined. Prudential accounting norms are followed in line with the Accounting Standards.

Interest Rate Risk

The Company's operations are subject to high working capital requirements. Inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, could adversely affect operations, financial condition and profitability. Interest rate risk resulting from changes in prevailing market rates can cause an impact on the financials of the Company.

Risks from cash flow fluctuations are recognized in a timely manner as part of the liquidity planning. On an on-going basis, the

Company finances its operations through a mix of retained profits and borrowings from banks. NRAIL is conscious of the dynamics of the market, and has taken effective steps to not only reduce costs and improve margins but also be in a position to report higher post tax profits. Generating free cash flow will remain a priority.

Human Resources Risk

Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company.

The risk is being mitigated by continuously benchmarking of the HR practices across the industry and carrying out necessary improvements to attract and retain best talent by putting in place production incentives on time bound basis and evaluation of performance at each stage of work.

Occupational Health & Safety (OH&S)

Safety of employees is of paramount importance to the Company. In order to inculcate safety culture in the Company, it has identified Occupational Health & Safety as one of its focus areas. Various training programs have been conducted at the plants and other locations. Accountability has been strengthened by integrating OH&S objectives into job descriptions with the introduction of management personnel and safety professionals.

Competition Risk

There is increased competition from manufacturers and addition to capacities by many of them will add to pressures in the market. It's a highly competitive field with several peers seeking to improve their market presence.

The paper industry experience shows increase in consumption by one kg per capita would lead to an increase in demand of 1 million metric ton. Demand increase can benefit all industry participants, although there is no assurance that the gains will be shared by all the players equally. NRAIL has grown into one of the most competitive producers of Paper and Paper Boards, and with its product development, investment in quality, the Company retains a significant competitive edge in the market.

Threats

Increasing coal and logistic cost, small and unorganized industry players, cheap dumping of newsprint from export countries, increasing competition from electronic media and digital communication alternatives, sourcing of raw materials (prices, quality) - currently waste paper collection in the country is poor. More than 50% waste paper is imported. Our collection is only 31% against world average collection of 65%, therefore efforts to increase collection through awareness in the country is needed to make industry sustainable. The major players, alive to the emerging international threats, have been aggressively pursuing quality improvement programmes, coupled with cost rationalization and capacity additions. Increasingly, more up-to-date technologies are sought to be implemented, with added focus on environmental compliance.

Internal Control Systems and their Adequacy

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

Performance Highlights

The year was challenging with intense competition & our overall sales volume increased though pricing was under severe pressure during the year under review. In this background, the endeavour therefore was to become competitive and succeed despite the headwinds. The strategy of the Company was to adopt the best practices that NRAIL stands for: the way we operate our business, the way we serve our customers, and the way we lead, develop and grow our people.

Despite a challenging environment, sales volume was 257,835 MT as compared to 218,455 MT in 2014-15. 10% of the revenues were from exports (previous year 9%) with domestic sales

accounting for the balance 90%. NRAIL produced 257,761 MT of paper in the year ended March 2016 as against 219,907 MT in 2014-15. Capacity utilization remained above 90% during the year. Productivity and overall machine efficiency (OME) were enhanced.

The net revenue from operations was marginally increased compared to previous year. However the EBIDTA margin improved significantly, at ₹73.29 crore as compared to ₹ 36.10 crore in the previous year. EBIDTA as percentage of revenue increased to 8% in 2015-16 from 5% in 2014-15.

Human Resources and Industrial Relations

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company is giving direct employment to 1440 employees. Industrial relations are cordial and satisfactory.

Cautionary Statement

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, government regulations, economic development within/outside country etc.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance involves a code of behaviour 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') 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, 2016, Board of Directors comprises of 8 Directors, out of which 4 are Non-Executive Independent Directors.

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

Name of Director	Category	No. of Board Meetings attended during 2015-16	Attendance at the last AGM held on 28 th September, 2015	No. of other Directorships* (As on 31.03.2016)		No. of other Committee Positions in Mandatory Committees (As on 31.03.2016)	
				Chairman	Member	Chairman	Member
Shri R N Agarwal	Chairman & Managing Director	4	Yes	-	-	-	-
Shri Raunak Agarwal	Whole-Time Director	4	Yes	-	-	-	-
Smt. Reena Agarwal	Whole-Time Director	4	Yes	-	-	-	-
Shri A K Bansal**	Whole-Time Director	2	No	-	-	-	-
Shri S N Chaturvedi	Non-Executive Independent Director	4	Yes	-	5	2	5
Shri P Kumar	Non-Executive Independent Director	4	Yes	-	1	2	-
Shri C R Radhakrishnan	Non-Executive Independent Director	4	Yes	-	-	-	-
Shri Ajay Nair***	Non-Executive Independent Director	Nil	No	-	-	-	-
Shri N K Garg****	Non-Executive Independent Director	2	No	-	-	-	-

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

**Shri Ashok Kumar Bansal was appointed as an Additional and Whole Time Director with effect from 5th November, 2015

*** Shri Ajay Nair has been appointed as an Additional and Independent Director with effect from 1st August, 2016.

**** Shri Naresh Kumar Garg was appointed as an Additional and Independent Director with effect from 5th November, 2015, he has resigned with effect from 25th May, 2016.

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

The Company held Four (4) Board Meetings during 2015-16 and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held were: 29th May, 2015, 4th August, 2015, 5th November, 2015, and 12th February, 2016. Necessary quorum was present at the above Meetings.

None of the Non-Executive Directors of the Company hold any Equity Shares in the Company. Shri R N Agarwal, Shri Raunak Agarwal and Smt. Reena Agarwal are related to each other. The other Directors are not related to promoters or management at the Board level. Further, none of them is a Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2016 have been made by the Directors.

Independent Directors are Non - Executive Directors as defined under Regulation 16(b) of the Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the 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 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 Schedule II Part A of the Listing Regulations is made available to the Board. The Board also reviews on a quarterly basis, the declaration made by the Managing Director regarding compliance with all applicable laws. The MD & CFO have certified to the Board inter alia the accuracy of financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) read with Part B of Schedule II of Listing Regulations pertaining to the CEO and CFO certification for the financial year ended 31st March, 2016.

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.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

The Familiarisation Programmes imparted to Independent Directors are disclosed on the Company's website at the following weblink http://www.nrail.com/independent_directors.html.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 15th December, 2015, as required under Schedule IV to the Companies Act, 2013 and Listing Regulations. At the meeting, the Independent Directors:

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

All the Independent Directors attended the Meeting.

EVALUATION OF BOARD PERFORMANCE

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

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

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

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013. All members of the Committee have the relevant experience in the field of finance, taxation and accounting. Shri P Kumar, Chairman of the Committee, has expert knowledge in the field of finance, management and Company affairs.

Terms of Reference

The Audit Committee functions according to its powers, scope and role defined in Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. The Terms of Reference of the Audit Committee are as follows:

- To overview the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- To review with the management, the quarterly and annual financial statements before submission to the Board for approval.
- To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors, fixation of audit fees and to approve payment for any other services rendered by the Statutory Auditors.
- To review with the management, performance of Statutory and Internal Auditors.
- To review the adequacy of the internal audit function and efficacy of the internal control systems.
- To review the findings of any internal investigations by the Internal Auditors.
- To review the statement of significant related party transactions submitted by the management.
- And, generally, all items listed in Schedule II Part A of the Listing Regulations.

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

Composition and Attendance during the year

The composition of the Audit Committee and the details of Meetings attended by the members during the year 2015-16 are given below:

Name	Category	No. of Meetings attended during 2015-16
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

During the year, the Audit Committee met 4 (four) times on 29th May, 2015, 4th August, 2015, 5th November, 2015, and 12th February, 2016 and gap between two meetings did not exceed four months. Necessary quorum was present at the above Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 28th September, 2015. The Committee meetings are attended by the Managing Director, Executive Directors, Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditors whenever required. The Company Secretary acts as the Secretary to the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee, is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

Terms of Reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Composition and Attendance during the year

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

Name	Category	No. of Meetings attended during 2015-16
Shri P Kumar, Chairman	Non-Executive Independent	2
Shri S N Chaturvedi, Member	Non-Executive Independent	2
Shri C R Radhakrishnan, Member	Non-Executive Independent	2

During the year, the Nomination and Remuneration Committee met twice on 29th May, 2015 and 5th November, 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 Board or Committee meetings attended by them. The Non-Executive

Independent Directors do not have any material pecuniary relationship or transactions with the Company.

B. REMUNERATION TO EXECUTIVE DIRECTORS

The appointment of Executive Directors 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, 2016:**(a) NON-EXECUTIVE DIRECTORS**

Name of the Directors	Sitting Fees (₹)
Shri S N Chaturvedi	1,87,500
Shri P Kumar	1,87,500
Shri C R Radhakrishnan	97,500
Shri N K Garg	45,000
Total	5,17,500

(b) EXECUTIVE DIRECTORS**(In ₹)**

Particulars	Shri R.N. Agarwal Chairman & Managing Director	Shri Raunak Agarwal Whole Time Director	Smt. Reena Agarwal Whole Time Director	Shri Ashok Kumar Bansal Whole Time Director (w.e.f. 05.11.15)
Salary	1,14,60,000	24,00,000	24,00,000	12,16,667
Perquisites	5,39,600	39,600	Nil	1,07,675
Bonus	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil
Provident Fund	21,600	21,600	21,600	9,000
Notice Period & Severance Fees	Three months' notice or three months salary in lieu thereof	Three months' notice or three months salary in lieu thereof	Three months' notice or three months salary in lieu thereof	Three months' notice or three months salary in lieu thereof

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

Terms of Reference

The Stakeholders' Relationship Committee 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.

Composition and Attendance during the year

The Stakeholders' Relationship Committee met four (4) times during the year on the following dates 29th May, 2015, 4th August, 2015, 5th November, 2015 and 12th February, 2016.

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

Name	Category	No. of Meetings attended during 2015-16
Shri P. Kumar, Chairman	Non-Executive Independent	4
Shri R N Agarwal Member	Executive Non-Independent	4
Shri S N Chaturvedi, Member	Non-Executive Independent Director	4

Based on the reports received from the Company's Registrar and Share Transfer Agents, the Company has received one complaint from an investor which has been solved during the year under review. Thus, there were no pending investor complaints as on 31st March, 2016.

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
E-mail: 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 Company has in place a Corporate Social Responsibility Committee (CSR Committee) which was constituted on 30th May, 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 from time to time.

Composition and Attendance during the year

The CSR Committee met twice during the year on 29th May, 2015 and 5th November, 2015.

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

Name	Category	No. of Meetings attended during 2015-16
Shri S N Chaturvedi, Chairman	Non-Executive Independent	2
Smt. Reena Agarwal, Member	Executive Non-Independent	2
Shri P Kumar, Member	Non-Executive Independent	2

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 twice during the year on 23rd June, 2015 and 8th January, 2016.

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

Name of Director	Category	No. of Meetings attended during 2015-16
Shri R N Agarwal Chairman	Executive Non-Independent	2
Shri P Kumar Member	Non-Executive Independent	2
Shri S N Chaturvedi Member	Non-Executive Independent	2

SHARE TRANSFER COMMITTEE

The Board of Directors at their meeting held on 29th May, 2015 has delegated the power of share transfer, transposition, transmission and other ancillary matters to the Company's Registrar and Share Transfer Agent, M/s. Sharex Dynamic (India) Private Ltd.

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

The Share Transfer Committee of the Board of Directors met three (3) times during the year on 6th April, 2015, 26th May, 2015 and 20th January, 2016.

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

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

SUBSIDIARY COMPANIES

The Company has no Subsidiary Companies.

GENERAL BODY MEETINGS FOR LAST THREE YEARS

(a) The details of location, date and time of Annual General Meetings held during the last three (3) years and special resolutions passed are as follows:

Financial Year	Day, Date & Time	Location	Special Resolution, if any
2014-15	Monday, 28 th September, 2015 at 11.30 a.m.	GMS Community Centre Hall, Sitladevi Complex, D.N. Nagar, Andheri (W), Mumbai - 400 053	1. Re-appointment of Shri R N Agarwal as the Managing Director for a period of three years and payment of remuneration to him.
2013-14	Saturday, 20 th September, 2014 at 11.30 a.m.	GMS Community Centre Hall, Sitladevi Complex, D.N. Nagar, Andheri (W), Mumbai - 400 053	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, 27 th August, 2013 at 11.30 a.m.	GMS Community Centre Hall, Sitladevi Complex, D.N. Nagar, Andheri (W), Mumbai - 400 053	1. Waiver of excess remuneration paid to Shri R N Agarwal, Managing Director

- (b) Details of Extra-Ordinary General Meeting:
No Extra-Ordinary General Meeting of the shareholders was held during the year.
- (c) No Postal Ballot was conducted during the year. None of the resolutions proposed for the forthcoming Annual General Meeting need to be passed by Postal Ballot.

DISCLOSURES

- a) The particulars of transactions between the Company and its related parties as per Accounting Standard (AS) - 18, are set out in notes to accounts in the Annual Report and were approved by the Audit Committee. There are no materially significant related party transactions of the Company having potential conflict with the interests of the Company at large. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link: http://www.nrail.com/company_policies.html
- b) The Board of Directors has been informed from time to time about the business risks faced by the Company and the steps taken by the management to face them.
- c) The Company has complied with the requirements of the Stock 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.
- d) The Company has a Whistle Blower Policy in place and none of the employees have been denied access to the Audit Committee. The said policy has been also put up on the website of the Company at the following link: http://www.nrail.com/company_policies.html
- e) Schedule V of the Listing Regulations mandates the Company to obtain a Certificate from either the Auditors or Practising Company Secretaries regarding the compliance of conditions of Corporate Governance stipulated in the Listing Regulations and annex the Certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a Certificate from the Auditors of the Company to this effect and the same is given as an Annexure to this Report.
- f) The Company has complied with all the mandatory requirements relating to Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the Listing Regulations. Further, the Company has adopted the following non-mandatory requirements of the Clause:
- The financial statements of the Company are unqualified.
 - The Internal Auditor presents his report to the Audit Committee at the end of every quarter.

- g) The Company does not have any subsidiaries, hence the policy for material subsidiaries is not applicable to the Company.

SECRETARIAL AUDIT

Parikh & Associates, Practising Company Secretaries, have conducted a Secretarial Audit of the Company for the year 2015-16. 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.

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

During the year 2015-16, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. Net open exposures are reviewed regularly and covered through forward contracts. Disclosure on risks forms part of Management Discussion and Analysis Report.

CEO/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the financial year ended 31st March, 2016.

MEANS OF COMMUNICATION

- The quarterly and the half yearly results as per the proforma prescribed by the Listing Regulations are approved and taken on record by the Board of Directors of the Company. The approved results are forthwith sent to the Stock Exchanges where the Company's shares are listed. The results are also published within 48 hours in English and Marathi newspapers namely Business Standard and Mumbai Lakshdeep having wide circulation. The results are displayed on the Company's website, www.nrail.com and also filed with BSE 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 Regulations. The annual audited results are also communicated to the Stock Exchanges where the Company is listed, published in the newspapers and displayed on the Company's website 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

Wednesday, 28th September, 2016 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

Corporate Identification Number	: L22210MH1993PLC133365
Financial Year	: April to March
Date of Book Closure	: 21 st September, 2016 to 28 th September, 2016 (Both days inclusive)
Listing of equity shares on Stock Exchange	: BSE Limited (BSE)
Script Code	: 516082
Demat (ISIN)	: INE740D01017
Registrar and Share Transfer Agent	: Sharex Dynamic (India) Private Limited Unit I, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072 Tel.: 022-28515606/5644 E-mail: investors@sharexindia.com

SHARE TRANSFER SYSTEM

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

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on a half-yearly basis by a Company Secretary in Practice, certifying due compliance of the share transfer formalities by the Company.
- Pursuant to Regulation 7(3) of the Listing Regulations, certificates have been submitted to the Stock Exchange

on half-yearly basis duly signed by the Compliance Officer of the Company and the Authorised Representative of the Share Transfer Agent certifying that all the all the activities in relation to both physical and electronic share transfer facility are maintained either in house or by Registrar to an issue and share transfer agent registered with the Board.

- A qualified Practicing Company Secretary carries out a Reconciliation of Share Capital Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

MARKET PRICE DATA:

High/Low of daily closing market price of the Company's shares traded at BSE during each month during the financial year ended 31st March, 2016 due as under:

Months	HIGH		LOW	
	NRAIL	BSE SENSEX	NRAIL	BSE SENSEX
April 2015	25.75	29,094.61	16.30	26,897.54
May 2015	23.75	28,071.16	19.00	26,423.99
June 2015	22.95	27,968.75	17.80	26,307.07
July 2015	27.40	28,578.33	19.20	27,416.39
August 2015	35.80	28,417.59	23.40	25,298.42
September 2015	31.00	26,471.82	25.50	24,833.54
October 2015	44.20	27,618.14	25.75	26,168.71
November 2015	41.00	26,824.30	32.50	25,451.42
December 2015	44.80	26,256.42	30.30	24,867.73
January 2016	46.90	26,197.27	29.00	23,839.76
February 2016	42.00	25,002.32	25.55	22,494.61
March 2016	36.65	25,479.62	32.00	23,133.18

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2016:

SR. NO.	RANGE NO OF SHARES	NO. OF SHAREHOLDERS	% TOTAL HOLDERS	TOTAL AMOUNT	% OF CAPITAL
1	1 to 500	5,305	88.11	76,65,500	4.50
2	501 to 1,000	323	5.36	26,40,850	1.55
3	1,001 to 2,000	155	2.57	23,63,850	1.39
4	2,001 to 3,000	56	0.93	14,96,010	0.88
5	3,001 to 4,000	28	0.47	10,15,040	0.60
6	4,001 to 5,000	54	0.90	25,91,020	1.52
7	5,001 to 10,000	47	0.78	33,40,330	1.96
8	10,001 & above	53	0.77	14,90,78,400	87.59
	TOTAL	6,021	100	17,01,91,000	100

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2016:

Category	No of shares held	Percentage to total share capital
Foreign holding (FII, OCBs and NRIs)	1,59,694	0.938
Financial Institutions/Banks/Insurance Companies	2,500	0.015
Centre/State Government	-	-
Mutual Funds and UTI	-	-
Corporate Bodies	12,62,682	7.419
Directors and their relatives	1,24,60,923	73.217
Public	31,33,301	18.411
Total	1,70,19,100	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

Details of shares held in physical form and dematerialized form as on March 31, 2016:

Mode	No of Shares	% of Share Capital
Electronic form with CDSL	1,36,08,946	79.96
Electronic form with NSDL	28,00,530	16.46
Physical Form	6,09,624	3.58
Total	1,70,19,100	100.00

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

ADDRESS FOR CORRESPONDENCE:

Registered Office:

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

E-mail: admin@nrail.com Website: www.nrail.com

Plant Locations:

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

Registrar and Share Transfer Agent

Sharex Dynamic (India) Private Limited,

Unit I, Luthra Industrial Premises,

Andheri-Kurla Road, Safed Pool,

Andheri (East), Mumbai - 400 072

Tel: 022-28515606/5644

E-mail: investors@sharexindia.com

Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Shri R N Agarwal, Chairman and Managing Director of N R Agarwal Industries Limited hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2016.

25th May, 2016

R N Agarwal
Chairman and Managing Director

Auditors' Certificate on Corporate Governance

To,
The Members of
N R AGARWAL INDUSTRIES LIMITED

1. We have examined the compliance of regulations of Corporate Governance by N R AGARWAL INDUSTRIES LIMITED (the Company), for the year ended 31st March, 2016 as stipulated in:
 - Clause 49 (excluding clause 49(VII) (E) of the Listing Agreements of the Company with Stock Exchange(s) for the period from 1st April, 2015 to 30th November, 2015.
 - Clause 49(VII) (E) of the Listing Agreements of the Company with the Stock Exchange(s) for the period from 1st April, 2015 to 1st September, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2nd September, 2015 to 31st March, 2016 and
 - Regulations 17 to 27 (excluding regulations 23(4) and clauses (b) to (i) of regulation 46 (2) and para C,D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
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 with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and 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 Listing Agreement and Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.
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 Registration No. 307068E)

(Khyati M. Shah)
Partner
Membership No.: 117510

Date : August 1, 2016
Place : Mumbai

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 31st March, 2016, 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.

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 judgements 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 judgement, 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. 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 31st March, 2016, the "profit" and cash flows for the year ended on that date.

Emphasis of Matter

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

- (a) Note 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.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, (hereinafter referred to as the "Order") 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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- (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 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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 litigations 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 No. 117510)

Place: Mumbai
Date: May 25, 2016

Annexure A 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, 2016, 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.
- c. According to the information & explanation given to us and on the basis of our verification, title deeds of all immovable properties are held in the name of the Company.
- 2) As explained to us, the inventories of the company have been physically verified during the year by the management and no material discrepancies were noticed on such verification as compared to book records. In our opinion, the frequency of verification is reasonable.
- 3) According to the information & explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships 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 (i) to (iii) of the said order does not arise.
- 4) The Company has not made any loans, investments, guarantees, and security as per the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) During the year, the Company has not accepted any deposits from the Public within the meaning of Sections 73 to 76 of

the Companies Act, 2013 and the rules framed there under as also the directives issued by the Reserve Bank of India. The Company has complied with the applicable statutory provisions. The Company has not received any order passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

- 6) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- 7) a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. However, during the year there have been occasional delays in depositing Provident Fund, Service Tax & Sales Tax but there were no dues outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at 31st March 2016, the following are the particulars of dues that have not been deposited on account of 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*	289.99	Appellate Authority--CESTAT	2003-04 to 2013-14
Central Excise Act, 1944	Custom Duty	34.90	Appellate Authority--CESTAT	2013-14 to 2014-15
Income Tax Act, 1961	Income Tax**	454.00	Appellate Authority—Income Tax Appellate Tribunal, Ahmedabad	2007-08 to 2012-13
Income Tax Act, 1961	Income Tax**	88.99	Appellate Authority—Commissioner of Income Tax	2013-14

*Out of the demand, a sum of ₹ 14, 48, 142/- was paid under protest.

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

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- 8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institution, bank or Government. The Company did not have any debentures outstanding during the year.
- 9) According to the information and explanations given to us and based on the records and documents produced before us, in our opinion, the terms loans have been applied for the purposes for which they were obtained. During the year, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- 10) During the course of our examination of the books of accounts and records of the Company, carried out by us in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us and based on the records and documents produced before us, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- 12) The Company is not a Nidhi Company and in view of the foregoing, the question of reporting on Clause 12 of the said order does not arise.
- 13) According to the information & explanations given to us, transactions with related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards. Refer note no. 33 in financial statements for details.
- 14) According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) As per the information & explanations given to us, the company has not entered into any non-cash transactions with Directors or persons connected with them.
- 16) As per the information & explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(Khyati M. Shah)
Partner
(Membership No. 117510)

Place: Mumbai
Date: May 25, 2016

Annexure B to the Independent Auditors Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **N R Agarwal Industries Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the “internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **Chaturvedi & Partners**

Chartered Accountants
(Firm’s Registration No. 307068E)

(**Khyati M. Shah**)

Partner
(Membership No. 117510)

Place: Mumbai
Date: May 25, 2016

Balance Sheet

as at March 31, 2016

	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	170,191,000	170,191,000
Reserves and Surplus	2	770,561,212	592,302,923
		940,752,212	762,493,923
Non-Current Liabilities			
Long-Term Borrowings	3	2,170,279,551	2,293,855,383
Deferred Tax Liabilities (net)	4	170,749,800	316,325,180
Other Long-Term Liabilities	5	1,024,700,000	526,400,000
Long-Term Provisions	6	24,400,993	17,587,310
		3,390,130,344	3,154,167,873
Current Liabilities			
Short-Term Borrowings	7	965,783,309	998,648,559
Trade Payables:			
Due to Micro and Small Enterprises	8	71,913	1,251,196
Due to others	8	793,143,764	1,124,073,507
Other Current Liabilities	9	576,141,272	585,413,338
Short-Term Provisions	10	2,081,645	2,081,645
		2,337,221,904	2,711,468,245
TOTAL		6,668,104,460	6,628,130,042
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	11	4,472,986,288	4,578,161,411
Intangible Assets	11	1,207,411	1,777,550
Capital Work-in-Progress	11	242,959,994	43,458,727
		4,717,153,693	4,623,397,687
Non-Current Investments	12	656,250	1,773,610
Long-Term Loans and Advances	13	91,609,213	101,447,525
		4,809,419,156	4,726,618,822
Current Assets			
Inventories	14	660,386,316	608,250,062
Trade receivables	15	786,715,313	835,329,095
Cash and Cash Equivalents	16	59,778,171	107,824,869
Short-Term Loans and Advances	17	351,805,504	350,107,193
		1,858,685,305	1,901,511,219
TOTAL		6,668,104,460	6,628,130,042
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements 1 to 40			

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 25, 2016

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director

GOPAL UCHIL
Chief Financial Officer

RAUNAK AGARWAL
Whole Time Director

POOJA DAFTARY
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2016

	Note No.	Year ended March 31, 2016 (₹)	Year ended March 31, 2015 (₹)
INCOME			
Revenue from Operations (Gross)		9,248,413,856	7,600,533,716
Less: Excise Duty		415,877,492	350,970,202
Revenue from Operations (Net)	18	8,832,536,363	7,249,563,514
Other Income	19	80,122,636	57,627,294
Total Revenue		8,912,658,999	7,307,190,807
EXPENSES			
Cost of Materials Consumed	20	5,476,450,059	4,650,771,198
Purchases of Stock-in-Trade	-	-	-
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	11,431,061	(87,800,339)
Employee Benefits Expense	22	440,097,383	346,312,132
Finance Costs	23	457,043,220	356,131,741
Depreciation	24	234,790,561	176,562,979
Other Expenses	25	2,251,813,806	2,036,895,857
Total Expenses		8,871,626,090	7,478,873,568
Profit Before Tax and Before Prior Year Adjustments		41,032,909	(171,682,761)
Prior Year Adjustments + / (-)		-	-
Profit Before Tax and After Prior Year Adjustments		41,032,909	(171,682,761)
Tax Expenses:			
Current Tax		8,350,000	48,000
Deferred Tax		(145,575,380)	162,615,092
Profit for the year		178,258,289	(334,345,853)
Earnings per equity share of face value of ₹ 10 each			
Basic		10.47	(19.65)
Diluted		10.47	(19.65)
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements 1 to 40			

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 25, 2016

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director

GOPAL UCHIL
Chief Financial Officer

RAUNAK AGARWAL
Whole Time Director

POOJA DAFTARY
Company Secretary

Cash Flow Statement

for the year ended March 31, 2016

	Year ended March 31, 2016		Year ended March 31, 2015	
	(₹)	(₹)	(₹)	(₹)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax		41,032,909		(171,682,761)
Adjustments for:				
Depreciation	234,790,561		176,562,979	
Finance Costs	457,043,220		356,131,741	
Loss/(Profit) on Sale of Assets/Investments	4,214,646		-	
Dividend Received	(126,200)		(65,950)	
Interest Received	(22,225,280)		(18,871,127)	
Bad Debts written off	-	673,696,947	315,091	514,072,735
		714,729,856		342,389,974
Operating Profit Before Working Capital Changes				
Adjustments for:				
Trade and Other Receivables	78,206,861		(264,179,258)	
Inventories	(52,136,254)		(280,598,703)	
Current Liabilities	(363,235,617)		795,882,328	
Loans & Advances (long-term & short term)	(1,698,311)	(338,863,321)	41,950,322	293,054,690
Cash Generated from Operations		375,866,535		635,444,663
Direct Taxes Paid	-	-	(3,500,000)	(3,500,000)
Cash Flow Before Extra Ordinary Items		375,866,535		631,944,663
Previous Year Adjustments	-	-	-	-
Net Cash Generated from Operating Activities		375,866,535		631,944,663
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(335,483,601)		(645,023,014)	
Sale of Fixed Assets	2,722,387		-	
Purchase/Sale of Investments	1,117,360		98,250	
Dividend received	126,200		65,950	
Interest Received	22,225,280	(309,292,374)	18,871,127	(625,987,687)
Net Cash used in Investing Activities		(309,292,374)		(625,987,687)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	-		-	
Finance Costs	(475,608,474)		(333,308,446)	
Proceeds from Long-Term Borrowings	161,398,021		1,061,817,464	
Repayment of Long-Term Borrowings	(358,548,718)		(784,537,845)	
Unsecured Loans & Other Long-Term Liabilities	558,138,312		116,475,242	
Equity Share Dividend including tax thereon	-	(114,620,860)	-	60,446,415
Net Cash used in Financing Activities		(114,620,860)		60,446,415
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(48,046,698)		66,403,391
CASH AND CASH EQUIVALENTS - OPENING BALANCE		107,824,869		41,421,478
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		59,778,171		107,824,869
		(48,046,698)		66,403,391

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 25, 2016

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director

RAUNAK AGARWAL
Whole Time Director

GOPAL UCHIL
Chief Financial Officer

POOJA DAFTARY
Company Secretary

Notes on Financial Statements

for the year ended March 31, 2016

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis Of Accounting And Preparation Of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013, as applicable. The financial statements have been prepared on going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

(b) Use of estimates

The preparation of financial statements requires management to exercise judgement and to make estimates and assumptions that affects the reported amounts of revenues, expenses, assets and liabilities. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the results are known/materialize.

(c) Fixed Assets

Fixed Assets are stated at cost (net of Cenvat or any other recoverable taxes) less accumulated depreciation and impairment losses, if any Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure related to and incurred during implementation of project is disclosed under Capital Work-in-Progress and the same is capitalized by allocating to various fixed assets on completion of the project.

Profit or loss on disposal/scrapping/write off/retirement from active use of tangible assets are recognized in the statement of profit and loss.

(d) 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.

(e) Investments

Long-term investments are stated at cost. Provision for diminution, if any, in the value of long term investments is made only if such decline is not temporary in nature.

(f) Foreign Exchange Transactions

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currency are reported using the closing exchange rate on each balance sheet date.

In case of forward exchange contracts, the difference between the exchange rate on the date of inception/last reporting date and the exchange rate at the settlement/reporting date is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Any income or expenses on account of exchange difference on translation is recognized in the Statement of Profit and Loss except in cases where the exchange differences, arising on long term foreign currency monetary borrowings relating to acquisition of depreciable assets to the cost of the those assets.

(g) Inventories

- i) Inventories are stated 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.

(h) 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).

(i) 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.

(j) Borrowing Cost

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalised as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

(k) 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.

(l) Revenue Recognition

Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership in the goods to the buyer which is generally at the time of dispatch to the customer. Sales are recorded net of returns (if any), and value added tax/sales tax but includes amounts recovered towards Excise Duty.

(m) Segment Reporting

Segments have been identified and reported taking into account nature of products, the differing risks and returns associated with operations.

(n) Taxation

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.

(o) 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.

(p) Impairment of assets

The carrying amount of assets are reviewed at each Balance Sheet date if there is 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.

(q) Provisions and contingent liabilities contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised or disclosed in the financial statements since this may result in the recognition of income that may never be accrued/realized.

PARTICULARS	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
1. SHARE CAPITAL		
Authorised		
225,00,000 Equity Shares ₹ 10 each	225,000,000	225,000,000
25,00,000 Preference Shares of ₹ 10 each	25,000,000	25,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paid-up Shares		
1,70,19,100 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	170,191,000	170,191,000
Add: Shares issued	-	-
Less: Shares bought back	-	-
TOTAL	170,191,000	170,191,000

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, 2016		March 31, 2015	
	Nos.	% holding	Nos.	% holding
Shri R N Agarwal	7,922,030	46.55	7,922,030	46.55
Smt. Reena R. Agarwal	4,538,861	26.67	4,538,861	26.67

PARTICULARS	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
2. RESERVES AND SURPLUS		
Share Warrants Forfeiture Account		
Balance as per last account	14,625,000	14,625,000
	14,625,000	14,625,000
Capital Redemption Reserve		
Balance as per last account	8,500,000	8,500,000
	8,500,000	8,500,000
General Reserve		
Balance 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	497,424,980	840,803,364
Add/(less) Profit/(loss) for the year	178,258,289	(334,345,853)
	675,683,269	506,457,511
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
	675,683,269	497,424,980
TOTAL	770,561,212	592,302,923
NON-CURRENT LIABILITIES		
3. LONG-TERM BORROWINGS		
Secured		
Term and Corporate loans from Banks	1,785,746,796	1,939,641,378
Funded interest term loans from Banks	174,519,167	194,200,417
	1,960,265,963	2,133,841,795
Unsecured		
Deposits from Others	50,000,000	10,000,000
Deposits from directors	160,013,588	150,013,588
	210,013,588	160,013,588
TOTAL	2,170,279,551	2,293,855,383

Sr. Nature of Security No.	Terms of Repayment
1. Term loan from Bank of Baroda, balance outstanding amounting to ₹ 3,421.25 Lacs (March: 2015 ₹ 3,924.38 Lacs) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 <i>pari passu</i> 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 16.90% p.a. as at year end. (Previous year 14.00% p.a.)
2. Term loan from Bank of Baroda, balance outstanding amounting to ₹ 1,806.25 Lacs (March: 2015 ₹ 2,071.87 Lacs) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 <i>pari passu</i> 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 14.90% p.a. as at year end. (Previous year 11.00% p.a.)
3. Term loan from Bank of Baroda, balance outstanding amounting to ₹ 5,687.50 Lacs (March: 2015 ₹ 6,562.50 Lacs) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 <i>pari passu</i> 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 12.40% p.a. as at year end. (Previous year 13.00% p.a.)
4. Term loan from Bank of Baroda, balance outstanding amounting to ₹ 1,260.52 Lacs (March: 2015 ₹ 0.00 Lac) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 <i>pari passu</i> basis and (iv) personal guarantees of Shri R. N. Agarwal, Shri Raunak Agarwal and Smt. Reena R. Agarwal.	Repayable in 26 quarterly installments starting from 31.07.2016. Last installment due on 31.10.2022. Rate of interest 12.40% p.a. as at year end. (Previous year 0.00% p.a.)
5. Funded Interest Term Loan (FITL) from Bank of Baroda, balance outstanding amounting to ₹ 1,556.38 Lacs (March : 2015 ₹ 2,189.38 Lacs) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 <i>pari passu</i> 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 9.90% p.a. as at year end. (Previous year 10.50% p.a.)

Sr. No.	Nature of Security	Terms of Repayment
6.	Foreign Currency Non-Resident (FCNR-B-Loan) from Bank of Baroda, as part conversion of term loans, balance outstanding amounting to ₹ 5,886.23 Lacs (March : 2015 ₹ 6,337.50 Lacs) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 <i>pari passu</i> 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 6.696% p.a. as at year end. (Previous year 6.328% p.a.)
7.	Corporate Loan from The Saraswat Co-Operative Bank Ltd., balance outstanding amounting to ₹ 1,967.75 Lacs (March : 2015 ₹ 2,257.13 Lacs) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 13.90% p.a. as at year end. (Previous year 13.50% p.a.)
8.	Funded Interest Term Loan(FITL) from The Saraswat Co-Operative Bank Ltd., balance outstanding amounting to ₹ 385.63 Lacs (March : 2015 ₹ 539.87 Lacs) is secured by way of first <i>pari passu</i> 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 <i>pari passu</i> 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 10.15% p.a. as at year end. (Previous year 10.50% p.a.)
9.	Mortgage Loan from India Infoline Finance Ltd., balance outstanding amounting to ₹ 855.31 Lacs (March : 2015 ₹ 900.00 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 119 monthly installments starting from 05.04.2015. Last installment due on 05.02.2025. Rate of interest 13.85% p.a. as at year end. (Previous year 14.00% p.a.)
10.	Vehicle Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 1.36 Lacs (March : 2015 ₹ 9.05 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.)
11	Vehicle Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.00 Lacs (March : 2015 ₹ 0.53 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.)

Sr. No.	Nature of Security	Terms of Repayment
12.	Vehicle Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.00 Lacs (March : 2015 ₹ 0.53 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.	Vehicle Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.00 Lacs (March : 2015 ₹ 0.53 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.	Vehicle Loan from HDFC Bank Ltd., balance outstanding amounting to ₹ 0.00 Lacs (March : 2015 ₹ 1.03 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.)
15.	Vehicle Loan from HDFC Bank Ltd., balance outstanding amounting to ₹. 0.00 Lacs (March : 2015 ₹ 0.82 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.)
16.	Vehicle Loan from Bank of Baroda, balance outstanding amounting to ₹ 10.54 Lacs (March: 2015 ₹ 0.00 Lacs) is secured by hypothecation of Toyota Altis and collaterally secured by personal guarantee of Shri Raunak Rajendra Agarwal.	Repayable in 60 monthly installments starting from 30.07.2015. Last installment due on 30.06.2020. Rate of interest 9.90% p.a. as at year end. (Previous year 0.00% p.a.)
17.	Vehicle Loan from Bank of Baroda, balance outstanding amounting to ₹ 14.21 Lacs (March: 2015 ₹ 0.00 Lacs) is secured by hypothecation of Volkswagen Jetta CI TSI and collaterally secured by personal guarantee of Shri Raunak Rajendra Agarwal.	Repayable in 60 monthly installments starting from 09.12.2015. Last installment due on 09.11.2020. Rate of interest 9.90% p.a. as at year end. (Previous year 0.00% p.a.)
18.	Vehicle Loan from Bank of Baroda, balance outstanding amounting to ₹ 6.61 Lacs (March : 2015 ₹ 0.00 Lacs) is secured by hypothecation of Mahindra Scorpio S2 and collaterally secured by personal guarantee of Shri Raunak Rajendra Agarwal.	Repayable in 60 monthly installments starting from 09.12.2015. Last installment due on 09.11.2020. Rate of interest 9.90% p.a. as at year end. (Previous year 0.00% p.a.)
19.	Vehicle Loan from Bank of Baroda, balance outstanding amounting to ₹ 87.64 Lacs (March: 2015 ₹ 0.00 Lacs) is secured by hypothecation of Porsche Cayenne Diesel 92AAK1 and collaterly secured by personal guarantee of Shri Ashokkumar Mahabirprasad Bansal.	Repayable in 60 monthly installments starting from 11.02.2016. Last installment due on 11.01.2021. Rate of interest 9.90% p.a. as at year end. (Previous year 0.00% p.a.)

PARTICULARS	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
4. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
Difference between book and tax written down values of fixed assets	316,325,180	157,749,237
Add: Deferred Tax Liability/(Asset) for the current period (Gross)	(145,575,380)	162,615,092
Less: Transitional Impact on asset as per Companies Act, 2013	-	4,039,149
Gross Deferred Tax Liability	170,749,800	316,325,180
Deferred Tax Liability/(Asset)		
Disallowances under the Income Tax Act, 1961	-	-
Gross Deferred Tax Asset	-	-
TOTAL	170,749,800	316,325,180
5. OTHER LONG TERM LIABILITIES		
Unsecured		
Trade Payables	950,000,000	450,000,000
Deposits from Dealers	74,700,000	76,400,000
TOTAL	1,024,700,000	526,400,000
6. LONG-TERM PROVISIONS		
Provision for employee benefits	24,400,993	17,587,310
	24,400,993	17,587,310
CURRENT LIABILITIES		
7. SHORT-TERM BORROWINGS		
Secured		
Cash Credit from Banks	965,783,309	998,648,559
TOTAL	965,783,309	998,648,559

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.

PARTICULARS	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
8(a). DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006		
On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:		
(i) Principal amount remaining unpaid	71,913	1,251,196
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
TOTAL	71,913	1,251,196
8(b). TRADE PAYABLES		
Trade Payables	793,143,764	1,125,324,703
TOTAL	793,143,764	1,125,324,703
9. OTHER CURRENT LIABILITIES		
Current maturities of Long-Term Debts	334,451,654	358,026,520
Interest accrued but not due on Borrowings	4,826,369	23,391,623
Unclaimed Dividends*	1,519,614	1,828,328
Statutory dues	23,801,410	17,503,255
Advance from Customers	32,463,095	2,870,016
Salary and wages payable	34,736,531	25,035,802
Other payables for expenses	106,657,562	98,993,685
Creditors for Capital Expenditure	37,685,038	57,764,109
TOTAL	576,141,272	585,413,338
*No amount due and outstanding to be credited to Investor Education and Protection Fund as at 31.3.2016		
10. SHORT-TERM PROVISIONS		
Provision for Wealth Tax	532,030	532,030
Provision for Fringe Benefit Tax	1,549,615	1,549,615
TOTAL	2,081,645	2,081,645

NON-CURRENT ASSETS
11. FIXED ASSETS

	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2015 (₹)	Additions/ Adjustments (₹)	Deductions/ Adjustments (₹)	As at March 31, 2016 (₹)	Retained Earnings/ Transitional (₹)	For the Year (₹)	Deductions/ Adjustments (₹)	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
Tangible Assets									
Freehold Land	46,430,628	-	-	46,430,628	-	-	-	46,430,628	46,430,628
Leasehold Land	47,488,963	-	-	47,488,963	820,727	-	-	46,668,236	46,668,236
Road and Pathway	-	8,079,808	-	8,079,808	-	708,019	-	7,371,790	-
Factory Buildings	886,039,589	-	-	886,039,589	100,007,576	30,547,189	-	130,554,765	786,032,013
Other - Buildings	171,644,329	2,374,915	-	174,019,245	9,548,776	8,185,149	-	17,733,925	162,095,553
Plant and Machinery	4,493,956,374	106,936,037	-	4,600,892,411	990,300,518	188,722,403	-	1,179,022,921	3,503,655,857
Furniture and Fixtures	24,655,087	595,962	-	25,251,049	15,546,039	1,389,482	-	16,935,521	9,109,048
Vehicles	37,710,265	17,154,633	15,843,468	39,021,430	19,988,263	2,932,074	8,906,434	14,013,903	17,722,001
Computers	19,222,383	745,976	-	19,968,361	12,774,308	1,641,107	-	14,415,414	6,448,075
TOTAL (A)	5,727,147,617	135,887,332	15,843,468	5,847,191,483	1,148,986,206	234,125,422	8,906,434	4,472,986,288	4,578,161,411
Intangible Assets									
Computer software	7,442,257	-	-	7,442,257	5,989,852	558,615	-	6,548,467	1,452,405
Others	2,632,914	95,000	-	2,727,914	2,307,769	106,524	-	2,414,292	325,145
TOTAL (B)	10,075,171	95,000	-	10,170,171	8,297,621	665,139	-	1,207,411	1,777,550
TOTAL - A + B	5,737,222,788	135,982,332	15,843,468	5,857,361,654	1,157,283,827	234,790,561	8,906,434	4,474,193,700	4,579,938,961
Previous Year	2,237,402,318	3,499,820,470	-	5,737,222,788	967,649,169	176,562,979	-	1,157,283,827	-
Capital Work-in-Progress					13,071,679	-	-	242,959,994	43,458,727
							As at March 31, 2015 (₹)		
11.1 Capital Work-in-Progress									
Compound Wall & Road							6,525,550	-	-
Factory Building							30,950,439	10,229,099	-
Plant and Machinery							194,541,081	33,229,628	-
Pre-operative expenses							8,832,855	-	-
Others							2,110,068	-	-
TOTAL							242,959,994	43,458,727	

PARTICULARS	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
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, (4,000 Equity Shares of ₹ 25/- each fully paid up)	-	100,000
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. (33,912 Equity Shares of ₹ 30/- each fully paid up)	-	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. (2,500 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	2,500
Fortune Terrace Co-operative Society Ltd. (5 Equity Shares of @ ₹ 50/- each fully paid up)	250	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
2,200 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 : ₹ 47,250 (Previous year ₹ 11,64,610)		
Aggregate market value of quoted investment ₹ 46,26,510 (Previous Year ₹ 53,29,650)		
TOTAL	656,250	1,773,610
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	32,637,867	40,237,099
Deposits with Government authorities	52,136,706	54,138,286
Loans to employees	6,834,640	7,072,140
TOTAL	91,609,213	101,447,525

PARTICULARS	As at March 31, 2016 (₹)	As at March 31, 2015 (₹)
CURRENT ASSETS		
14. INVENTORIES		
Raw Materials - Stock	222,669,042	202,526,583
Raw Materials - In Transit	15,348,132	1,784,682
Stock-in-process	35,875,995	44,121,930
Finished Goods	134,538,580	137,723,706
Stores and Spares	166,678,844	131,772,939
Coal - In Stock	62,121,930	54,392,981
Coal - In Transit	13,134,782	22,617,563
Packing Materials	10,019,011	13,309,678
TOTAL	660,386,316	608,250,062
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)	49,529,159	25,131,576
Other receivables unsecured, considered good (B)	737,186,155	810,197,520
TOTAL	786,715,313	835,329,095
16. CASH AND CASH EQUIVALENTS		
Balance with Banks in current accounts	4,964,422	54,752,934
Cash on hand	695,931	630,701
Margin money Deposit*	44,931,204	42,229,248
Fixed deposits with banks**	7,667,000	8,383,658
Unclaimed Dividend Account	1,519,614	1,828,328
TOTAL	59,778,171	107,824,869
*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 ₹ NIL are free from any lien, (previous year ₹ 7,00,000/-)		
17. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Balance with Customs, Central Excise Authorities	320,634	320,634
Advance Income Tax (Net of provisions)	128,675,460	119,380,994
Deposits	9,906,427	6,904,082
Others	212,902,984	223,501,483
TOTAL	351,805,504	350,107,193

PARTICULARS	Year ended March 31, 2016 (₹)	Year ended March 31, 2015 (₹)
18. REVENUE FROM OPERATIONS		
Sale of Products	9,248,413,856	7,600,533,716
Less: Inter unit Sales	-	-
	9,248,413,856	7,600,533,716
Less: Excise Duty	415,877,492	350,970,202
TOTAL	8,832,536,363	7,249,563,514
Excise duty deducted from turnover represents excise duty collected on sale of goods.		
PARTICULARS OF SALE OF PRODUCTS		
Duplex Board	4,633,137,368	4,667,028,244
News Print	922,949,102	1,138,289,596
Writing & printing	3,276,449,893	1,444,245,674
TOTAL	8,832,536,363	7,249,563,514
19. OTHER INCOME		
Interest Income on Term and Fixed Deposit and Margin Money	4,102,249	3,003,453
Interest Others	18,123,031	15,867,673
Dividend Income	126,200	65,950
Net Gain on Foreign Currency Translation and Transaction	11,755,608	12,583,164
Other income	46,015,548	26,107,053
TOTAL	80,122,636	57,627,294
20. COST OF MATERIALS CONSUMED		
Waste Papers	4,458,501,530	3,845,671,796
Chemicals	1,021,772,431	806,102,782
Less: Sale of Raw Materials	(3,823,902)	(1,003,380)
TOTAL	5,476,450,059	4,650,771,198
21. CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories (at close)		
Finished Goods/Stock-in-Trade	134,538,580	137,723,706
Stock-in-Process.	35,875,995	44,121,930
	170,414,575	181,845,636
Inventories (at commencement)		
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
TOTAL	11,431,061	(87,800,339)

PARTICULARS	Year ended March 31, 2016 (₹)	Year ended March 31, 2015 (₹)
22. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	393,404,724	303,506,277
Contribution to Provident and Other Funds	25,248,119	19,739,100
Staff Welfare Expenses	21,444,540	23,066,755
TOTAL	440,097,383	346,312,132

As per Accounting Standard 15 "Employee benefits" the disclosures as defined in the Accounting Standard are given below:

PARTICULARS	Gratuity Benefits	
	March 31, 2016 (₹)	March 31, 2015 (₹)
Components of Employer Expenses		
Current service cost	9,560,705	4,403,554
Interest cost	2,752,643	2,077,258
Expected return on plan assets	(2,392,921)	(2,322,029)
Actuarial losses/(gains)	(2,057,326)	6,567,425
Total expenses/(income) recognized in the Statement of Profit and Loss	7,863,101	10,726,208
Actual contribution and benefits paid during the year		
Actual benefits paid	2,797,171	3,702,392
Actual contribution	8,081,716	2,166,076
Net asset/(liability) recognized in Balance Sheet as at March 31, 2016		
Present Value of Defined Benefit Obligation	(39,987,106)	(32,197,338)
Fair value of plan assets	35,356,046	27,347,663
Net asset/(liability) recognized in Balance Sheet	(4,631,060)	(4,849,675)
Change in Defined Benefit Obligations (DBO)		
during the year ended March 31, 2016		
Present value of DBO at beginning of year	32,197,338	22,827,012
Current Service cost	9,560,705	4,403,554
Interest cost	2,752,643	2,077,258
Actuarial (gain)/losses	(1,726,409)	6,591,906
Benefits paid	(2,797,171)	(3,702,392)
Present Value of DBO at the end of year	39,987,106	32,197,338
Change in Fair Value of Assets during the year ended March 31, 2016		
Plan Assets at beginning of year	27,347,663	26,537,469
Expected return on plan assets	2,392,921	2,322,029
Actual Company contributions	8,081,716	2,166,076
Benefits paid	(2,797,171)	(3,702,392)
Actuarial Gain/(loss) on Plan Assets	330,917	24,481
Plan assets at the end of year	35,356,046	27,347,663
Actuarial Assumptions		
Discount Rate	7.90%	7.80%
Expected Return on plan assets	8.35%	8.75%
Salary escalation	7.25%	7.25%

PARTICULARS	Compensated absences	
	Year ended March 31, 2016 (₹)	Year ended March 31, 2015 (₹)
Components of employer expenses		
Current service cost	8,162,744	2,316,979
Interest cost	1,258,330	902,950
Expected return on plan assets	NA	NA
Actuarial losses/(gains)	516,065	1,278,386
Total expenses/(income) recognized in the Statement of Profit and Loss	9,937,139	4,498,315
Actual contribution and benefits paid during the year		
Actual benefits paid	2,904,841	1,683,205
Actual contribution	NA	NA
Net asset/(liability) recognized in Balance Sheet as at March 31, 2016		
Present Value of Defined Benefit Obligation	(19,769,933)	(12,737,635)
Fair value of plan assets	NIL	NIL
Net asset/(liability) recognized in Balance Sheet	(19,769,933)	(12,737,635)
Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2016		
Present value of DBO at beginning of year	12,737,635	9,922,525
Current Service cost	8,162,744	2,316,979
Interest cost	1,258,330	902,950
Actuarial (gain)/losses	516,065	1,278,386
Benefits paid	(2,904,841)	(1,683,205)
Present Value of DBO at the end of year	19,769,933	12,737,635
Change in Fair Value of Assets during the year ended March 31, 2016		
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	7.90%	7.80%
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.		

PARTICULARS	Year ended March 31, 2016 (₹)	Year ended March 31, 2015 (₹)
23. FINANCE COSTS		
Interest Expenses	451,772,625	352,892,692
Other Borrowing Costs	5,270,595	3,239,048
TOTAL	457,043,220	356,131,741
24. DEPRECIATION		
Depreciation	234,790,561	176,562,979
TOTAL	234,790,561	176,562,979
25. OTHER EXPENSES		
Manufacturing Expenses		
Consumption of Stores, Spares and Tools	212,169,266	153,570,588
Excise Duty Paid	3,150,301	4,748,695
Power, Fuel and Water	1,293,537,999	1,200,283,336
Material Handling Charges	71,397,920	50,459,411
Repairs to Building	5,793,102	2,374,262
Repairs to Machinery	47,919,650	30,034,521
	1,633,968,237	1,441,470,813
Selling and Distribution Expenses		
Selling and distribution expenses	470,235,103	475,525,647
Less: Inter unit sales	-	-
	470,235,103	475,525,647
Establishment Expenses		
General Expenses	73,061,261	66,243,582
Expenditure towards Corporate Social Responsibility (CSR) activities	1,136,740	1,089,833
Rent	48,538,272	36,435,688
Insurance	6,364,944	6,835,999
Rates & Taxes	1,321,857	1,073,803
Other Repairs	10,607,177	5,692,870
Payment to Auditors	1,200,100	1,200,000
Loss on Sale/Discard of Fixed Assets	4,214,646	-
Other expenditures	943,819	1,184,320
Charity and Donations	221,650	143,302
	147,610,466	119,899,397
TOTAL	2,251,813,806	2,036,895,857

Excise duty shown above represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock.

PARTICULARS	Year ended March 31, 2016 (₹)	Year ended March 31, 2015 (₹)
-------------	-------------------------------------	-------------------------------------

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	178,258,289	(334,345,853)
(ii) Weighted Average number of equity shares used	17,019,100	17,019,100
(iii) Basic Earnings per share	10.47	(19.65)
(iv) Diluted Earnings per share	10.47	(19.65)
(v) Face Value per equity share (₹)	10	10

27. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARES CONSUMED

	March 31, 2016		March 31, 2015	
	(₹)	% of total consumption	(₹)	% of total consumption
Raw Materials				
Imported	2,164,024,450	40%	1,892,807,795	41%
Indigenous	3,312,425,609	60%	2,757,963,403	59%
TOTAL	5,476,450,059	100%	4,650,771,198	100%
Stores and Spares Consumed				
Imported	36,125,732	17%	15,746,378	10%
Indigenous	176,043,533	83%	137,824,210	90%
TOTAL	212,169,265	100%	153,570,588	100%

28. DIVIDEND REMITTANCE IN FOREIGN CURRENCY

	2014-15	2013-14
Year to which the dividend relates		
Number of Non-Resident Shareholders	21	28
Number of Shares held by them	142,114	146,269
Amount of Dividend ₹	-	-

	March 31, 2016	March 31, 2015
29. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	1,858,250,292	1,652,596,897
Stores, components and parts	51,803,610	22,838,796
Capital goods	107,051,415	31,739,883
Coal	567,731,448	580,697,075
	2,584,836,766	2,287,872,651

30. EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF

Interest Expenses	42,740,398	18,503,576
Legal and Professional Fees	3,215,259	19,756,304
Commission	13,088,420	13,043,383
Travelling Expenses	4,666,431	2,669,979
	63,710,508	53,973,242

	March 31, 2016	March 31, 2015
31. EARNINGS IN FOREIGN EXCHANGE		
Export of goods on F.O.B. Basis	885,643,035	660,807,318
32. PAYMENTS TO AUDITORS		
(a) Auditors		
Statutory Audit fees	900,000	900,000
Tax Audit fees	150,000	150,000
(b) Certification	160,000	300,000
Service Tax*	175,036	166,860
* Eligible for cenvat Credit	1,385,036	1,516,860
33. RELATED PARTY DISCLOSURES		
Key Management Personnel		
1. Shri R N Agarwal		
2. Smt. Reena R Agarwal		
3. Shri Raunak Agarwal		
4. Shri A K Bansal		
5. Shri Gopal Uchil		
6. Ms. Pooja Daftary		
7. Shri R H K Sinha		
Relatives of Key Management Personnel		
1. Shri Rohan R Agarwal		
	March 31, 2016	March 31, 2015
(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	10,000,000	3,500,000
(ii) Unsecured Deposits received from		
Relatives		-
(iii) Remuneration paid to		
Key Management Personnel & Relatives	22,811,718	19,803,585
(iv) Sitting Fees paid to		
Key Management Personnel & Relatives		-
(v) Car Lease Rent		
Key Management Personnel	1,800,000	2,450,000
(vi) Unsecured Deposits Outstanding		
Key Management Personnel	160,013,588	150,013,588
(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.		

34. CONTINGENT LIABILITIES AND PROVISIONS

- (a) Guarantees and counter guarantees ₹ 12,00,000/- (Previous year ₹ 32,00,000/-)
- (b) Excise duty demands and penalties ₹ 2,89,98,901/- (Previous year ₹ 2,21,16,306/-)
- (c) Customs duty demands and penalties ₹ 34,90,152/- (Previous year ₹ 34,90,152/-)
- (d) Claims against the Company not acknowledged as debts ₹ 12,52,354/- (Previous year ₹ 9,03,286/-)
- (e) Letters of Credit outstanding ₹ 15,16,09,563/- (Previous year ₹ 22,90,88,107/-)
- (f) The Company has imported capital goods under "Export Promotion Capital Goods" scheme for which the company has an given export obligation of ₹ 15,76,54,650/- (Previous Year ₹ 42,00,26,154 /-)
- (g) The Income tax assessments of the Company have been completed up to Assessment Year 2013-14.
- i) The Income Tax Department, had raised a demand of ₹ 18,67,30,693/- for the Assessment Years 2007-08 to 2012-13. The Company had remitted ₹ 13,07,61,494/- against the said demand. The Company had appealed against these orders with the Commissioner of Income tax (Appeals) and obtained partial relief reducing the demand to ₹ 4,54,00,026/- vide orders dated 27/11/2015 and 09/03/2016. The Income Tax Department and the Company are in appeal before the Income Tax Appellate Tribunal, Ahmedabad. Further, the Company has already received refund amounting to ₹ 7,98,63,520/- on 24/05/2016.
- The Income Tax Department had raised a demand of ₹ 88,99,000/- while completing the assessment for the Assessment Year 2013-14. The Company has filed an appeal before the Commissioner of Income Tax (Appeals) against the order. The demand has been adjusted by the department against the refund available for the earlier assessment years as stated above.
- ii) 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.
35. Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,34,32,043/- (Previous year ₹ 1,35,47,265/-).
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. Pending the outcome of legal proceedings, the Company has not made any provision in the books of account.
37. Sundry Debtors, Sundry Creditors, Unsecured Loans and Loans and Advances balances are subject to confirmation and reconciliation.

38. SEGMENT REPORTING

The Company's business activity falls within a single primary business segment which is "Manufacture of Paper, Paper Boards and Newsprint" and sales being mainly in the domestic market, therefore disclosure requirements of AS-17 are not applicable.

39. Remuneration to the Chairman and Managing Director (CMD)

For the year 2013-14 the Central Government vide approval dated 17th June, 2015 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.

40. 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 25, 2016

For and on behalf of the Board of Directors

R N AGARWAL
Chairman and Managing Director

GOPAL UCHIL
Chief Financial Officer

RAUNAK AGARWAL
Whole Time Director

POOJA DAFTARY
Company Secretary

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 Road, Andheri (W), Mumbai – 400 053

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-Third Annual General Meeting of the Company, to be held on the Wednesday, September 28, 2016 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, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2.	Appointment of Director in place of Shri R N Agarwal (DIN 00176440), who retires by rotation and being eligible, offers himself for re-appointment.
3.	Appointment of Auditors and to fix their remuneration.
4.	Appointment of Shri Ashok Kumar Bansal (DIN 07325904) as the Director.
5.	Appointment of Shri Ashok Kumar Bansal (DIN 07325904) as the Whole Time Director for a period of three years and payment of remuneration to him.
6.	Appointment of Shri Ajay Nair (07562602) as an Independent Director.
7.	Ratification of payment of remuneration to the Cost Auditors for the financial year ended March 31, 2017.

Signed this _____ day of _____, 2016

Signature of Shareholder _____

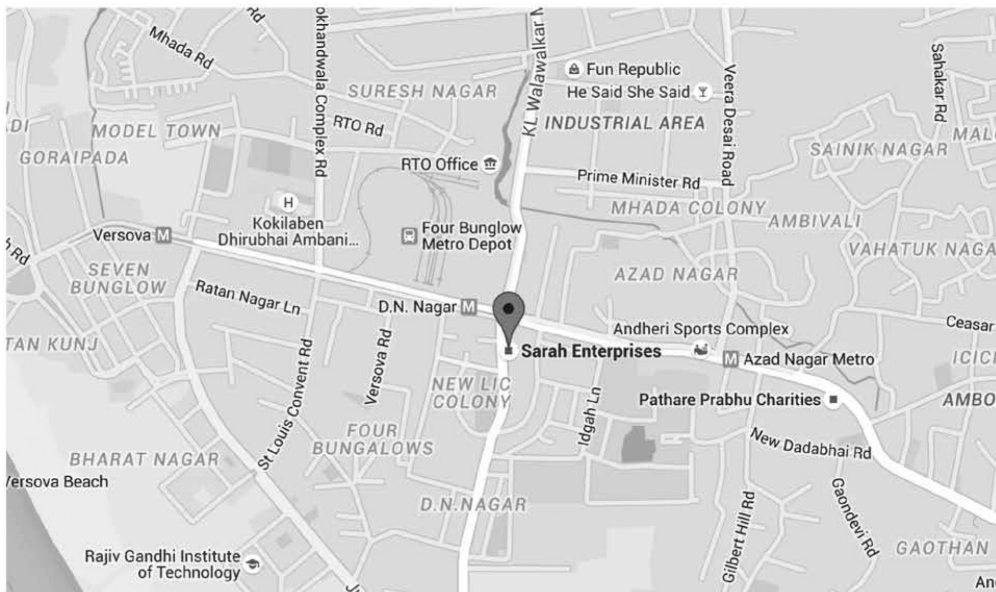
Signature of Proxy Holder (s) _____

Affix
Revenue
Stamp of
₹ 1/-

Note:

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

ROUTE MAP

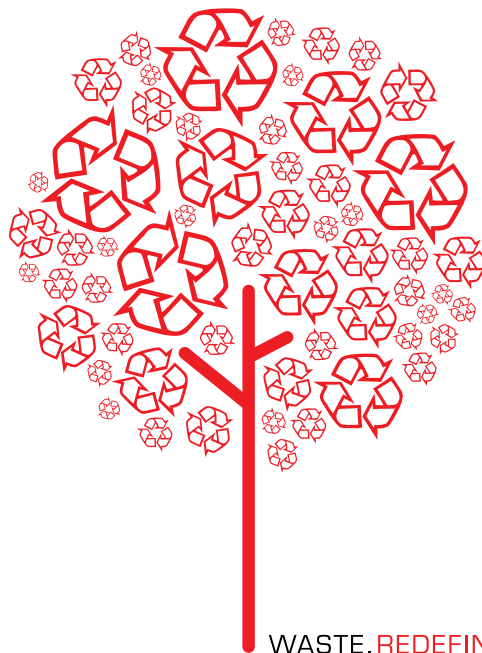


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Regd. Off.: 415 - 418, Janki Centre, 4th Floor,
29, Shah Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai - 400 053.

Tel.: +91 22 6731 7500