

**TRANSCRIPT OF 30th AGM OF N R AGARWAL INDUSTRIES LIMITED
HELD ON SEPTEMBER 28, 2023**

Mr. R N Agarwal- Chairman

Good Afternoon, Ladies and Gentlemen. It is 11.30 am and I would like to welcome you to the 30th Annual General Meeting of your Company. On behalf of the Board of Directors, I want to thank you for taking the time out to join us today. Your continued support and confidence in us, drives us to do more and create greater value. This meeting is being conducted through OAVM (Other Audio Video Conference) as per guidelines issued by the Ministry of Corporate Affairs and SEBI.

In line with the MCA General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020, subsequent circulars issued in this regard the latest being December 28, 2022 and SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 the Notice of the AGM along with the Annual Report 2022-23 was sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 30th AGM was also uploaded on the website of the Company and is accessible on the websites of the Stock Exchange and on the website of NSDL.

I wish to inform the members that in case of any technology related challenges and I am unable to continue to participate in this Meeting, any one of the Directors who is able to continue would preside over the meeting.

I would like to introduce all the other members of the Board present at the meeting through Video Conference:

Shri Raunak Agarwal (via VC)	Whole Time Director
Shri Rohan Agarwal (present next to me)	Whole Time Director
Shri P K Mundra (present next to me)	Whole Time Director & CFO
Shri S N Chaturvedi (via VC)	Independent Director
Shri P Kumar (present next to me)	Independent Director & Chairman of Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee & CSR Committee
Shri R K Bakshi (via VC)	Independent Director
Shri C R Radhakrishnan (present next to me)	Independent Director
Smt. Sunita Nair (present next to me)	Independent Director

Smt. Reena Agarwal, Whole Time Director has not been able to attend meeting due to some prior commitment.

Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by Ministry of Company Affairs and the Companies Act, 2013. The requisite quorum is present through video conference to conduct the proceedings

of this meeting. The quorum being present, I call this meeting to order. I now request Company Secretary, to provide general instructions to the members regarding participation in this meeting.

Ms. Pooja Daftary- Company Secretary

Thank you, Chairman.

Good afternoon, everyone. As informed by the Chairman, this Annual General Meeting is being held through video conference in accordance with the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference is made available for the members on a first-come-first-served basis. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, Register of Loans, Investments and Guarantees, Register of Members and other statutory documents are available for inspection by the members during the meeting and a request may be sent to investors@nrail.com. As the AGM is held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register is not available for inspection.

The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairperson opens the floor for question and answers. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. Members who have not cast their votes and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on the "Vote" tab on their screen to avail this feature. Members are requested to refer to instructions provided in the notice or appearing on the video conference page, for a seamless participation. In case members face any difficulty, they may reach out on the helpline numbers.

Thank you.

Back to you Chairman.

Mr. R N Agarwal-Chairman

As the Annual Report is already circulated to all the members, I hope the Annual Report containing Audited Financial Statements for the year ended March 31, 2023 together with the Auditors' Report and the Directors' Report have been pursued by you. Now, with your kind permission the Notice convening the 30th Annual General Meeting shall be taken as read.

The Statutory Auditors, GMJ & Co. and Secretarial Auditors, Parikh & Associates, have expressed unqualified opinion in their respective audit reports for the financial year 2022-2023. Since there are no qualifications in reports issued by the Statutory Auditor and Secretarial Auditor, therefore same is not required to be read.

The representatives of the Statutory Auditors and Secretarial Auditors are also present in this AGM.

Now I shall take you through the overall scenario of the paper industry and Company's performance in the previous year and future growth prospects.

Indian Paper & Pulp Market was valued at US\$ 13.01 Bn. in 2022, and is expected to reach US\$ 31.39 billion by 2029, at a CAGR of 13.4% during forecast period.

India is the 15th largest paper producer in the world. India has emerged as the fastest growing market when it comes to consumption, posting 10.6% growth in per capita consumption of paper in 2023-2029. The domestic market / consumption of paper is between 18-20 million tons per annum (TPA), with over 2 million TPA being imported. By 2025-26, under the baseline scenario, domestic consumption is projected to rise to 25-28 million TPA. While the industry has made significant capital investments to ramp-up capacities, the gestation period is long and the economic viability of the investments are impacted significantly by availability and cost of raw materials and other inputs, and escalating imports.

The growth in the sector is being driven by a surge in e-commerce, food processing, pharmaceuticals, FMCG, the manufacturing industry, and the healthcare sector. The significant upsurge is fuelled by a growing demand for paper-based products, evolving consumer preferences, and increasing emphasis on sustainable packaging solutions.

Factors that have contributed to the robust growth of the Indian paper and packaging industry.

Firstly, the rapid expansion of the e-commerce sector has created a massive demand for packaging materials such as corrugated boxes, cartons, and envelopes.

As online shopping continues to flourish, the need for safe, durable, and eco-friendly packaging solutions has skyrocketed. This trend has presented significant opportunities for the industry to innovate and cater to the evolving demands of modern consumers.

Furthermore, the increasing awareness about environmental sustainability has driven the shift towards eco-friendly packaging alternatives. With a growing emphasis on reducing plastic waste and carbon emissions, paper-based packaging solutions have gained immense popularity. From recycled paper packaging to biodegradable materials, the Indian paper and packaging industry has been at the forefront of providing sustainable options to meet consumer expectations and comply with regulatory requirements.

Additionally, the rising literacy rates, expanding education sector, and government initiatives promoting education for all have resulted in a surge in demand for paper products. From textbooks and notebooks to stationery and printing papers, the Indian paper industry plays a vital role in supporting the education system and knowledge dissemination. This growing demand for paper-based educational materials has contributed significantly to the industry's expansion.

Moreover, technological advancements and investments in advanced machinery and equipment have enhanced production capabilities, efficiency, and product quality in the industry. The adoption of cutting-edge technologies has not only improved manufacturing

processes but also enabled customization and specialization, allowing the industry to cater to diverse customer needs effectively. Additionally, numerous government initiatives including 'Make in India' had a positive impact on the packaging industry.

During the financial year 2022-2023, the Company reported record revenues of Rs. 1,766.07 cr as against revenue of Rs. 1,616.51 cr in previous financial year, showing a growth of 9.25%. The EBIDTA was Rs. 197.34 cr as against Rs. 154.24 cr in previous financial year due to improved realization whereas the profit after tax strengthened to Rs. 99.30 cr as against Rs. 61.02 cr in previous year. The overall production was however lower at 270,941 MT as against 304,759 MT in the previous year due to closure of Unit-3 at Vapi.

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

In view of this flexibility, your Company selected to divest one writing & printing paper unit for an aggregate value of 99 cr to Shree Ajit Pulp and Paper Limited; it also selected to shut a small duplex board Unit 3. The sub-optimally sized units represented relatively low economies; their legacy nature prevented the Company from manufacturing value-added paper. Consequently, the return on employed capital in these units was below the N R Agarwal profitability average. Your Company utilized the proceeds to enhance its presence in the packaging board segment, which is expected to enhance overall capital efficiency once this capacity is commissioned during the current financial year. The decision to restructure the portfolio was on account of shifting consumer preference. On the one hand, digitalization is affecting the offtake of writing & printing paper; on the other, there is attractive demand growth for packaging board.

Your Company generated proceeds from the divestment to repay all its long-term debt and had not drawn on any funds based working capital limits from banks during the last financial year. The Company set in process the largest capital expenditure in its existence, embarking on a 650 cr expansion programme to commission a new 500 TPD board plant. This plant is likely to be commissioned during the fourth quarter of the current financial year.

Towards the end, I would like to state that we are quite excited about the future of the Company and your Board shall continue giving its best to take the Company to its new highs.

On behalf of your Company's Board, I convey our gratitude to all the banks, financial institutions, stakeholders, business associates and the Union and State Governments for their co-operation and support. Let me express our deepest gratitude to each of you, our shareholders. I look forward to your ongoing support.

Thank you for your patient hearing.

There are 6 items to agenda of this Annual General Meeting which are as under:

Items Nos. 1, 2 & 3 are Ordinary Business Items relating to statutory compliances. Item No. 4 & 5 relates to appointment of Shri P K Mundra as a Whole Time Director & CFO and Shri K L Chandak as an Independent Director and Item No. 6 relates to ratification of the remuneration payable to the Cost Auditors of the Company.

AGENDA ITEM NO. 1 - ORDINARY RESOLUTION

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon.

Since I am interested in the next item – I step down the Chair and request Shri P Kumar to take the Chair.

Shri P Kumar took the chair.

AGENDA ITEM NO. 2 – ORDINARY RESOLUTION

Appoint a Director in place of Shri Rohan Agarwal (DIN 08583011), who retires by rotation and being eligible, offers himself for re-appointment.

Shri R N Agarwal resumed the Chair.

AGENDA ITEM NO. 3 – ORDINARY RESOLUTION

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

AGENDA ITEM NO. 4 – SPECIAL RESOLUTION

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

AGENDA ITEM NO. 5 – SPECIAL RESOLUTION

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

AGENDA ITEM NO. 6 – ORDINARY RESOLUTION

Ratification of Cost Auditors' remuneration.

We will now open the floor for any questions by members. We would request each member to turn on their video - only once when you are projected on the broadcast screen. Kindly unmute yourself and proceed to ask your question. Would request each member to be brief and avoid repeat questions. As has been the practice and to avoid repetition, the answers to all the questions will be provided after all the members have spoken. Once you have asked your question, you can mute yourself and continue to hear and watch the proceedings.

Ms. Pooja Daftary, Company Secretary and Compliance Officer, at the request of the Chairman, facilitated question and answer session.

The following shareholders spoke at the meeting:

1. Mr. Vipul Shah

2. Mr. Vaibhav Badjatya
3. Mr. Kashish Shambhwani
4. Mr. Sreemant Dudhoria
5. Mrs. Lekha Shah

They expressed their views and sought clarifications inter alia on the Company's business operations and its future growth plans. The Chairman thanked each and every shareholder on behalf of the Board, for their interaction, comments and suggestions given by them.

The Chairman summarized his response to all questions and clarifications raised by the shareholders.

Thereafter, the Chairman announced that the members may note that the voting on the NSDL platform will continue to be available 15 minutes post the close of AGM. Therefore, members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Ms. Jigyasa Ved of Parikh & Associates, Practicing Company Secretary, as the scrutinizer to supervise the e-voting process. Further, I hereby authorize the Company Secretary, to declare the result of the voting and place the results on the website of the Company at the earliest. The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

As the business of the meeting is over, I declare the meeting as concluded and once again thanks all the participants for attending the AGM.