



29th ANNUAL REPORT 2013-2014

## CORPORATE INFORMATION

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### Board of Directors

Shri Ankit Jalan - Executive Director Finance  
Shri D. Kumar - Executive Director  
Shri Sheo Shankar Joshi - Director  
Shri kamal Kumar Khetawat - Director

### Company Secretary

Shri Saikat Ghosh

### Statutory Auditors

M/S Singhi & Co.  
Chartered Accountants  
1B, Old Post Office Street  
Emerald House, Kolkata - 700 001

### Bankers

Allahabad Bank  
Axis Bank  
State Bank of India

### Registrar & Transfer Agent

Maheshwari Datamamatics Pvt. Ltd.  
6 Mangoe Lane  
Kolkata - 700 001  
Ph. : (033) 2243 5809/5029

### Registered Office

Agio Paper & Industries Ltd.  
41A, AJC Bose Road  
Suite No. 505, Kolkata - 700 017  
Phone : +91-33-4022 5900  
E-mail : ho@agiopaper.com

### Mill

Village : Dhenka, P.O.: Darrighat  
Masturi, Bilaspur - 495 551  
Chhattisgarh  
Ph. : +91-7752-257 010

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## **NOTICE**

**NOTICE** is hereby given that the Twenty Ninth Annual General Meeting of the Members of Agio Paper & Industries Ltd. ( CIN L21090WB1984PLC037968) will be held at Auditorium of Bengal National Chamber of Commerce & Industry , Bengal National Chamber House, 23, R.N. Mukherjee Road, Kolkata – 700001 on Wednesday the 24<sup>th</sup> September, 2014 at 11:00 A.M. to transact the following Business :

### **Ordinary Business**

1. To consider and adopt the audited accounts of the Company for the year ended 31<sup>st</sup> March 2014, together with the Report of the Directors and Auditors.
2. To appoint a director in place of Shri Ankit Jalan (DIN: 02577501), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013, M/s Singhi & Co ( Firm registration No : 302049E ), Chartered Accountants, the retiring Auditors, be and are hereby appointed as Statutory Auditors of the Company for a period of three (3) years subject to ratification by members at every Annual General Meeting commencing from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company on a year to year basis.”

### **Special Business**

4. To appoint Shri Sheo Shankar Joshi (DIN: 01180895) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act, Shri Sheo Shankar Joshi (DIN : 01180895), Director of the Company and in respect of whom the Company has received a Notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intentions to propose Shri Sheo Shankar Joshi, as a candidate for office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019 not liable to retire by rotation.”

5. To Appoint Shr Kamal Kumar Khetawat (DIN: 00438830) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 149 ,152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the said act, Shri Kamal Kumar Khetawat (DIN : 00438830), Director of the company and in respect of whom the Company has received a Notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Shri Kamal Kumar Khetawat, as a candidate for office of director of the Company, be and is hereby appointed as an Independent Director of the company to hold office for 5 (five) consecutive years for a term up to the conclusion of 34<sup>th</sup> Annual General Meeting, of the Company in the calendar year 2019 not liable to retire by rotation.”

6. To re-appoint Shri Davinder Kumar (DIN: 00289363) as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

“RESOLVED THAT, pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Shri Davinder Kumar , is reappointed as Wholetime Director for a period of two years with effect from 24<sup>th</sup> February,2014 on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re appointment and/ or remuneration in such manner as may be agreed to by and between the Company and Shri Davinder Kumar provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

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

#### 7. Borrowing Powers

To consider and, if thought fit, to pass with or without modifications, the following Resolution as a SPECIALRESOLUTION:

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (which power the Board may exercise by delegation to a duly constituted Committee thereof) for borrowing moneys for the purpose of the business of the Company, from time to time, upon such terms and conditions as they think fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves, provided that the total amount upto which money be borrowed by the Board of Directors, apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business, shall not exceed Rs. 65 crores (Rupees Sixty five crores only).

“RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby given to the Board of Directors for securing the repayment of the said borrowing, with interest, costs and other moneys in such manner as they may think fit and for that purpose to execute mortgages, charges and / or hypothecation in respect of the whole or any part of the properties and assets of the Company, both present and future and on such terms and conditions as the Board of Directors may think fit from time to time.”

#### 8. Mortgage of Assets

To consider and, if thought fit, to pass with or without modifications, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include a duly constituted Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of Banks / Financial Institutions and / or other Lenders / Investing Agencies / Trustees for Debentures / Bonds to secure borrowings from time to time provided that the aggregate of borrowings so secured shall not exceed Rs. 65 crores (Rupees Sixty Five crores only) outstanding at any time exclusive of interest, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of such borrowings.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised and empowered to finalise, settle and execute requisite agreements, documents, deeds, indemnities, guarantees, declarations or other legal undertakings and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid.”

**Registered Office:**  
41A, AJC Bose Road  
Suite no. 505  
Kolkata – 700 017  
14<sup>th</sup> August, 2014

By Order of the Board  
For Agio Paper & Industries Limited

Saikat Ghosh  
Company Secretary

**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy and the proxy need not be a member of the Company.
2. **The Proxy form must be deposited at the registered office of the Company not less than 48 hours before the scheduled hour of commencement of the meeting i.e. by 11:00 A. M. on 22<sup>nd</sup> September, 2014.**
3. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
4. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
5. The Register of Members and Share Transfer Registers of the Company will remain closed from 22<sup>nd</sup> September 2014 to 24<sup>th</sup> September 2014 (both days inclusive).
6. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No.4 to 8 is Annexed hereto.
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar M/s Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001, Phone : 033 2243 5029/2248 2248, Fax : 033 2248 4787, E-mail : mdpl@cal.vsnl.net.in
11. **Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**
12. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means. A separate communication containing all necessary instructions and relevant information is being sent separately.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")**

**The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice. Items 4 to 5**

**Appointment of Independent Directors**

The Company has a total Board strength of 4 Directors. The Company is in compliance with Clause 49 of the Listing Agreement by having 2 Independent Directors representing 50% of the total Board strength. The details have been disclosed in the Corporate Governance Report of each year to the Shareholders.

With the coming into force of the Companies Act, 2013, our Company, being a listed Company, shall have at least one-third of the total number of Directors as Independent Directors. Clause 49 of the Listing Agreement continues to prescribe a higher ceiling of 50%, as applicable to our Company. With our total Board strength remaining unchanged at 4, we have to have a minimum of 2 Independent Directors to comply with 50% requirement of SEBI.

Section 149(10) of the Companies Act, 2013 now mandates the appointment of Independent Director for a fixed tenure up to five consecutive years. He/ She shall be eligible for reappointment for one more term of five years on passing of a Special Resolution by the Company.

SEBI, by Circular dated April 17, 2014, has advised Stock Exchanges to amend Clause 49 of the Equity Listing Agreement with a view to align them with the new Company Law and in certain areas SEBI has imposed more stringent conditions as well. This inter alia deals with compliance of Section 149(5) before 1st October 2014.

In order that our Company ensures due compliance with the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, it is intended to pass requisite Resolutions at this AGM for the appointment of 2 Independent Directors who are already on the Board. Both of the existing Independent Directors of the Company qualify for being appointed as Independent Director for a tenure of five years from the commencement of Section 149. Accordingly, their appointments have been proposed for a fixed tenure from 24th September 2014 and ending with the conclusion of the 34th Annual General Meeting in the Calendar year 2019.

The Company has received Notices under Section 160 from Members proposing each of the candidature for being appointed as Independent Director. Details of Independent Directors proposed for appointment are furnished in the Annexure pursuant to Clause 49 of the Listing Agreement that forms an integral part of this Notice.

Name of independent Director	Date of First appointment	Date of last re-appointment	Proposed tenure
Kamal Kumar Khetawat	01.08.2011	25th September,2014	Till conclusion of the 34th Annual General Meeting in the calendar year 2019
Sheo Shankar Joshi	01.08.2011	—	

The Company has received requisite declaration from each of the above, in deference to Section 149(7) that he meets the criteria of independence as provided in Section 149(6) of the Act. It is further confirmed that in the opinion of the Board each of the Independent Director proposed to be appointed as above fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed Director is independent of the Management.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

The Board recommends these Resolutions for your Approval.

#### Item no.6

Shri Davinder Kumar is a graduate from IIT –Khragpur. He has got a wide and varied industrial experience and has been associated from inception, implementation to successful operation of projects in India and abroad. Out of his total experience of over 40 years, he has spent last 30 years in Paper Industry in the capacity of Wholetime Director.

He has been continually serving the company in the capacity of Wholetime Director since 2003. The present term of office of Shri Davinder Kumar, Wholetime Director designated as Executive Director has expired on 24<sup>th</sup> February, 2014. The Board of Directors of the company (the Board), at its meeting held on 14<sup>th</sup> February, 2014 has, subject to the approval of members, re-appointed the said Wholetime Director as Executive Director for a further period of 2 years from the expiry date of his term.

The broad particulars of remuneration payable to Shri Davinder Kumar are as under:-

#### Terms & Conditions

- 1) **Designation:** Wholetime Director
- 2) **Term:** 2 years with effect from 25.02.2014
- 3) **Salary:** No salary will be paid to him as on date. However the Board of Directors has the liberty to fix a minimum remuneration and other perquisites pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and the Rules made there under.

In compliance with the provisions of the Companies Act, 2013 the appointment and the terms of remuneration specified above are now being placed before the Members in the Annual General Meeting for their approval.

The said appointment is subject to the approval of the members in the General Meeting.

The above may be treated as an abstract of the terms of contract between the Company and Shri Davinder Kumar under Section 190 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Shri Davinder Kumar, is interested financially or otherwise in this Resolution.

The Board recommends this Resolution for your Approval.

#### Items no.7 & 8

##### **Borrowing powers and Mortgage of Assets**

In terms of Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956, the Members had passed requisite Resolutions, by way of Ordinary Resolution and Special Resolution at an Annual General Meeting and also by way of Postal Ballot on 27<sup>th</sup> July 2007 and 12<sup>th</sup> March 2011, respectively. The Board of Directors was duly delegated powers for making borrowings and creating security for such borrowings upto an aggregate outstanding amount of Rs.50 crores.

The Central Government has since enacted the Companies Act, 2013 in place of the Companies Act, 1956 and the provisions of new Law are being effectuated in a phased manner. In terms of Section 180 of the Companies Act, 2013, the authorisation by Members for the aforesaid purposes shall require to be given by way of Special Resolution as opposed to the Ordinary Resolution required under the old Law. Ministry of Corporate Affairs, by General Circular No. 04/204, dated 25<sup>th</sup> March 2014, has clarified that the Resolutions passed under Section 293 of the Companies Act, 1956 prior to 12<sup>th</sup> September 2013 with reference to borrowings and / or creation of security will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the new Law.

It has, thus, become necessary for the Company to revalidate the sanctions already given by passing a fresh Resolution by way of Special Resolution. Having regard to the future revival plans of the Company, the promoters group intends to infuse fresh funds and also enhance the limit for such operations.

No Director or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in this item of business.

The Board recommends these Resolutions for your Approval.

##### **Additional Details of the Independent Directors**

<b>Name of the Director</b>	Sheo Shankar Joshi
Date of Birth	05.01.1955
Nationality	Indian
Date of Appointment on the Board	01.08.2011
Qualification	B.Com
Experience in functional areas	Shri Joshi has been involved with paper business for more than two decades and possesses expert knowledge of marketing and sales.
Shareholding in the Company	Nil
List of Directorship held in other Companies	Nil
Committee Membership in other Companies	Nil
<b>Name of the Director</b>	Kamal Kumar Khetawat
Date of Birth	28.12.1967
Nationality	Indian
Date of Appointment on the Board	01.08.2011
Qualification	B.Com
Experience in functional areas	Shri Khetawat has wide variety of entrepreneurial skills ranging over a period spanning more than twenty years and his expertise and his operational skills will be helpful in the company's growth.
Shareholding in the Company	Nil
List of Directorship held in other Companies	Pristine Regent Infratech Ltd
Committee Membership in other Companies	Nil

## DIRECTORS REPORT

### TO THE MEMBERS

#### AGIO PAPER & INDUSTRIES LTD.

Your Directors have pleasure in presenting the 29<sup>TH</sup> Annual Report of the Company along with Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### SUMMARISED FINANCIAL HIGHLIGHTS

#### SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year	Previous Year
Gross Turnover and other receipts	70.42	50.00
Profit / (Loss) before Interest and Depreciation	(53.47)	(327.99)
Less: Interest	495.66	456.51
	-----	-----
Profit/ (Loss) Before Depreciation	(549.08)	(784.50)
Less: Depreciation	27.57	27.11
	-----	-----
Profit / (Loss) Before Tax	(576.65)	(812.21)
Less: Provision for taxation	-	-
	-----	-----
Profit / (Loss) After Tax	(576.65)	(812.21)
Balance brought forward from previous year	(2123.16)	(1310.95)
	-----	-----
Balance carried to Balance Sheet	(2699.81)	(2123.16)

### BUSINESS PERFORMANCE

We have not been able to resume production activities yet despite the best efforts undertaken by us. However, we remain very positive and hopeful that the Central Pollution Control Board shall in the near future permit us to re commence and build upon the good work of manufacturing paper.

### DIVIDEND

In absence of any production activities no profit was generated for recommendation of dividend for the financial year ended 31<sup>st</sup> March, 2014.

### CREDIT FACILITIES

Before closure of our factory at Bilaspur the Allahabad Bank had granted us certain credit facilities in connection with our projects at factory site. Although the company was making repayments to bank as per its commitments certain payments had to be withheld due to certain differences in figures with the bank. In spite of exercising its rights the company is in discussion with the secured creditor to expedite the matter.

### AUDITORS

The Statutory Auditors of the Company M/s Singhi & Co, Chartered Accountants retire at the ensuing Annual General Meeting of the Company have given their consent for appointment and have also confirmed that their appointment, if made, would be within the limits as prescribed under Section 141(3)(g) of the Companies Act, 2013.

The audit of the cost accounts of the Company for the year ended 31st March 2014 is being carried out by our cost auditor M/s M.Pal & Associates and after completion of the audit the cost audit report will be submitted to the Central Government.



In accordance with notification issued by the Ministry of Corporate Affairs dated 30<sup>th</sup> June, 2014 paper industry no longer falls under the purview of cost audit. However, in case of any future requirement of such audit the company shall ensure due compliance.

## **DIRECTORS**

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the company Shri Ankit Jalan, Executive Director retires by rotation at the conclusion of the ensuing twenty ninth annual general meeting of the company and being eligible offers himself for re-appointment.

As per the provision of Companies Act, 2013, Independent Directors are required to be appointed for a term of 5 consecutive years and not be liable to retire by rotation. In order to comply with provisions of the Companies Act, 2013, the Board recommends for appointment of both the following present Independent Directors not liable to retire by rotation for a consecutive period of 5 years and seek approval by the shareholders of the company at the next General Meeting.

- 1) Shri Sheo Shankar Joshi
- 2) Shri Kamal Kunar Khetawat

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made part of this Annual Report.

## **INTERNAL CONTROL SYSTEM**

The Company has adequate system of internal controls and check and balances to ensure that its assets are safeguarded and protected against loss from unauthorized use. The existing set up of the internal control system is commensurate with the size of the company's operations and nature of its business.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provision of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors it is hereby confirmed that:

- a) All the applicable Accounting Standards have been followed in the preparation of the Annual Accounts and there is no material departure from the same.
- b) Accounting policies have been selected in consultation with the statutory auditors and have been applied consistently in making 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 as at 31<sup>st</sup> March, 2014.
- c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and .
- d) That they have prepared the annual accounts on a going concern basis.

## **INSURANCE**

Your Company has taken adequate guard against the unforeseen and accidents and all assets are adequately secured.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

## **POLLUTION CONTROL AND ENVIRONMENTAL PROTECTION**

Paper Industry by nature is a hazardous industry. The Management had taken during earlier years many developmental actions and made huge investments towards that. In specific areas actions taken were:-

- ▶ Zero discharge of Black Liquor from the mill and installing another filter press with full capacity
- ▶ Drastic deduction in Consumption of fresh water thereby reducing the generation of effluent.
- ▶ The Effluent Treatment Plant has been strengthened by further installation of flocculants tanks, Chemical dosing arrangement for reducing the Effluent load and improves the effluent quality.
- ▶ Maximum use of mill back water in the plant by recycling.
- ▶ Effluent generation from Paper Machine and Waste Paper Pulp processing is being used 100% after clarification.
- ▶ Effluent sludge is separated through 2 Nos. sludge press and used for making board.
- ▶ Effluent water is treated in ETP and 100% used for irrigating tree plantation, quenching ash and sprinkling on gardens, roads. There is no discharge in River.
- ▶ Emission from boiler is controlled by Trema cyclone & in Power Plant ESP has been installed which maintained emission standard satisfactorily.
- ▶ Giving emphasis on green environment every year we planted more than 5000 trees.
- ▶ Further for zero effluent discharge we are developing around 3 acres of land.
- ▶ Installation of Chemical Recovery Plant in the near future shall bring about a permanent solution to the long standing to pollution.
- ▶ All wastes and effluents in the black lagoons and sludge beds meant for storing them have been systematically cleaned and no further wastes can any longer be found.

#### **HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS**

Even during the current period when there is no production we continue to have the support of our disciplined workforce. They form the backbone of the organization and considered our greatest asset. The company too has been sincere in its efforts to provide the best atmosphere for its employees. Adequate training and planning of our manpower resources has been a major factor in our operations. Performance is always rewarded with suitable remuneration.

#### **PARTICULARS OF EMPLOYEES PURSUANT TO PROVISION OF SECTION 217 (2A) OF THE COMPANIES ACT. 1956**

The particulars are stated in Annexure - I hereto.

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

The information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, is given in the Annexure –II hereto

#### **CAPITAL WORK IN PROGRESS**

The paper plant was closed on 6<sup>th</sup> October, 2010 to ensure due compliance of orders of the Central Pollution Control Board during which the expansion unit was still under the installation stage. As a result of the closure, the installation of the paper machine and the integration of the power plant with the old and new machines could not be carried out. In order to be effective as well as feasible both needs to operate in unison but since circumstances has led to non commissioning of the power plant and the new paper machine both of them have been shown as work in progress in auditor's report.

#### **IMPAIRMENT OF ASSETS**

In compliance with Accounting Standard AS-28 relating to "Impairment of Assets", the company has reviewed the carrying amount of its fixed assets as at the end of the year. During the year prior to the previous financial year the valuation of the various assets of the company situated at our mill site including the factory building and premises was carried out by a registered valuer in connection with various financial facilities granted by our banker. Although the report was submitted by the valuer to the bank directly in accordance with his norms of appointment it is significant to note that neither the bank has communicated any adverse remarks on such assets nor have they expressed any concern regarding the current state of such assets till date. Based on the strategic plans and such valuation of the fixed assets of the company, no impairment of assets is envisaged at the balance sheet date.

#### **FINANCIAL VIABILITY OF COMPANY**

As it has been pointed out in the auditor's report that there has been complete erosion of net worth due to closure of our mill. It is expected that once we are able to start operations the losses can be made up .

## CONCLUSION

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

For and on behalf of the Board of Directors

Kolkata  
14<sup>th</sup> August, 2014

**ANKIT JALAN**  
Executive Director

**KAMAL KUMAR KHETAWAT**  
Director

## ANNEXURE - I

None of the employees are covered by the provisions contained in section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

- |    |                               |     |
|----|-------------------------------|-----|
| a) | Employed throughout the year  | Nil |
| b) | Employed for part of the year | Nil |

## ANNEXURE - II

### A. CONSERVATION OF ENERGY

#### Power:

#### a) Efforts made for conservation of energy :-

- (i) By controlling process parameters.
- (ii) Replacement of high capacity motor.
- (iii) Installation of energy saving lamps wherever possible in plant and colony.
- (iv) Replacing old pumps & motors by high efficiency Pumps & low power consumption motors.
- (v) By changing process pipe line system.

#### b) Additional investment and proposal, if any:

- (i) Self power generation unit to overcome power tripping and breakdown in supply from Chhattisgarh State Electricity Board (CSEB).
- (ii) For better efficiency of Boiler and pollution free emission we are installing Electro Static Precipitator (ESP) in power plant.

#### c) Impact of above measures on consumption of energy :

Saving in consumption of electricity & steam.

#### d) Power & Fuel Consumption:

Refer Form 'A' attached

### B. TECHNOLOGY ABSORPTION

Refer Form 'B' attached.

### C. FOREIGN EXCHANGE EARNING AND OUTGO

	2013-14	(Rs.In Lacs) 2012-13
Earning: Export	Nil	Nil
Outgo: Imports	Nil	Nil
Outgo on repayment of unsecured loan	Nil	Nil

## FORM A

A. POWER & FUEL CONSUMPTION		2013-14	2012-13
1.	<b>ELECTRICITY:</b>		
a)	<b>Chhattisgarh State Electricity Board</b>		
	Units (KWH in lacs)	1.33	1.98
	Total Amount (Rs. in lacs)	9.42	19.39
	Rate/KWH (In Rs.)	7.11	9.78
B)	<b>Own Generation</b>		
i)	Through Diesel (KWH in lacs)	Nil	Nil
ii)	Through Steam Turbine Generator	Nil	Nil
2.	<b>Coal :</b>		
a.	<b>Grade E ( ROM)</b>		
	Quantity (MT)	Nil	Nil
	Total Cost ( Rs. in lacs)	Nil	Nil
	Average rate	Nil	Nil
b.	<b>ROM ( Washery)</b>		
	Quantity (MT)	Nil	Nil
	Total Cost ( Rs. in lacs)	Nil	Nil
	Average rate	Nil	Nil
3.	<b>RICE HUSK</b>		
	Quantity (MT)	Nil	Nil
	Total Cost ( Rs. in lacs)	Nil	Nil
	Average rate	Nil	Nil
4.	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	Electricity (KWH/MT)	Nil	Nil
	Coal/Husk ( MT/MT)	Nil	Nil

## FORM B

## TECHNOLOGY ABSORPTION:-

## 1. RESEARCH AND DEVELOPMENT (R &amp; D)

## Specific areas in which the Company carried out R &amp; D:

- Installed Basis Weight Control Valve at paper machine.
- Fresh water consumption further reduced by recycling the machine back water at couch pit dilution, machine and pulp mill vacuum pumps.
- Installed 2 Nos. sludge press – running well. Further we are going to install additional treatment before primary clarifier.
- Install ESP in power plant boiler which is running well.
- Further to reduce fresh water consumption, machine back water used in all vacuum pumps sealing water instead of fresh water.
- Installed black liquor recovery plant at ETP. 2nd filter press is commissioned & running well.

## Benefits derived as a result of above R &amp; D:

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

- e) Reduce fresh water consumption.
- f) Minimise black liquor storage problem and recovered lignin sludge is using as fuel alongwith coal in boiler. After commissioning the 2<sup>nd</sup> filter press black liquor lignin is utilised in boiler as fuel.

**Future Plan of action:**

- a) To improve quality of paper further to increase market share in printing segment.
- b) To install slotted pressure screen in paper machine to minimize dirt & specks and improve the paper cleanliness.
- c) To install Waste Paper Street with deinking facility for which black liquor and effluent load reduced.
- d) To install 1 no. B-2 Thickness in machine back water system for recovery of black water fiber and reuse the back water.
- e) Installation of ESP in power plant boiler-reduce the Air pollution load in ambient.
- f) Minimum use of fresh water and recycling of such water.

**Expenses on R & D:**

- |   |  |   |
|---|--|---|
| <ul style="list-style-type: none"> <li>a) Captial</li> <li>b) Recurring</li> <li>c) Total</li> <li>d) Total R D expenditure<br/>As a % of total turnover</li> </ul> |  | <p>The development work is carried by the concerned department on an ongoing basis. The expenses and the cost of assets are grouped under the respective heads.</p> |
|---|--|---|

**II. Technology absorption, adaptation and innovation :**

1. Efforts made towards technology absorption, adaptation and innovation:-  
Use of rice husk and low cost coal was introduced.
  
2. Benefits derived as a result of above efforts  
This will result in reduction in over all cost of coal consumption.

**On behalf of the Board**

Kolkata  
14<sup>th</sup> August, 2014

**ANKIT JALAN**  
Executive Director

**KAMAL KUMAR KHETAWAT**  
Director

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INTRODUCTION

The endurance of tough phase continued during the past year. Although we continue our search for a solution yet it has not materialized but we remain in positive frame of mind so that we shall be start afresh once again.

### INDUSTRY AND OUTLOOK

The total installed capacity of paper in India is approximately 12 million tons. The industry is highly fragmented with over 700 mills. Only 50 mills have capacity of 50,000 TPA. While India accounts for nearly 15 per cent of the world population, it consumes only 3% of the global paper production. At about 9 kgs, the country's per capita paper consumption is low as compared to the world average of around 55 kgs. Although India is rated as one of the fastest growing paper markets the growth in Indian paper industry during 2013-14 was moderate and is likely to be so in 2014-15 also due to sluggish economic activity. However, As per projections, the paper and paperboards industry is expected to cross 20 MTPA by 2020 and 40 MTPA by 2030 with an annual growth rate of between 7-8%.

Over the years, in line with the improvement in the wellbeing of people and rising literacy and aspiration levels, paper usage has increased. The estimated turnover of the industry is Rs. 35,000 crores approximately and the industry provides employment to more than 370,000 people directly and 1,300,000 indirectly.

### RISK AND CONCERNS

As in other industries there are various risks associated with the paper industry. In order to minimize the risks we have adopted a systematic course by resorting to SWOT analysis.

### SWOT ANALYSIS

<b>STRENGTHS</b> i) Opportunity for starting afresh ii) Complete overhauling of infrastructure iii) Clear vision for future with stronger foundations.	<b>WEAKNESS</b> i) Greater cost aspects. ii) Substantial timeframe will be involved iii) Achieving optimum efficiency with new team
<b>OPPORTUNITIES</b> i) Diversification ii) Good growth potential iii) Govt thrust for improving literacy	<b>THREATS</b> i) Environmental threats ii) Poor infrastructure iii) Competition from abroad

### OPPORTUNITIES

Over the years, the global printing industry has grown making giant strides through improved equipment (scope, technology and speed). The Indian publishing sector is one of the largest in the world; the country is counted among the top-seven publishing nations.

The size of the Indian publishing and printing industry is estimated at USD 1.9 billion and USD 25 billion, respectively. The size of the Indian book printing market is estimated at about Rs.7,000 crores and projected to touch Rs10,000 crores by 2016. Moreover, India is emerging as an outsourcing hub of publishing and printing services, the country accounting for a 60 percent share of the global publishing outsourcing business. This robust growth in printing and publishing sector leaves immense scope for the Indian paper industry to grow at a pace in line or even ahead of GDP growth. Demand for W&P (writing and printing paper) is projected to grow at 6.5-7% CAGR from 3.8 MTPA in 2012-13 to 5.3 MTPA by 2017-18. Strong growth is expected in the copier, coated and maplitho segments. Rise in office space absorption is likely to translate into stronger demand for high-quality copier paper from the office printing segment and hence the share of copier paper in the total demand pie for W&P will increase from 17 percent in 2012- 13 to around 20 percent in 2017-18.

### **INFORAMTION TECHNOLOGY**

The company is constantly on the look out for better technology in order to ensure that it endures the tough challenges which it is facing from all corners. In fact no entity can afford to ignore the use of technology and yet expect to survive. We have also evolved with time and ensured we changed according to the need of time and upgraded ourselves.

### **INTERNAL CONTROL SYSTEM**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Although lack of manufacturing operations has acted as a hindrance on many fronts it has only strengthened our resolve for harder work in the years that lies ahead.

The accounting statement had been prepared in compliance with the provisions of Companies Act, 1956 (as amended up to date) and in conformity with the generally accepted accounting practices in India.

### **HUMAN RESOURCE**

The Company is believer of the fact that Human Asset is the biggest asset for any organization to grow successfully and recognizes people as the primary source of its competitiveness, and continues to focus on people development. They have always been provided with decent working conditions, healthy living atmosphere, treated with utmost respect and been given adequate training to enable them to their optimum level of capacity.

### **CAUTIONARY STATEMENT**

The statements contained in the Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statues, market forces and other associated and incidental factors may however lead to variation in actual results.

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

#### The company

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE), the report containing the details of corporate governance systems and processes at Agio Paper & Industries Limited is as follows:

At Agio Paper & Industries Limited Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We reiterate the fact that we consider stakeholders as partners in our success, and we remain committed to maximising stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on definite core values such as Honesty, Integrity, Respect, Fairness, Purposefulness, Trust and Responsibility.

It is the consistent conviction of the Company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. In pursuance of this, the Company has been passionately pursuing good corporate governance practices based on professional excellence, business ethics, and transparency which operate within the accepted norms of propriety, equity, fair play and a sense of justice. The Company further presumes that corporate governance is more about creating organisational excellence leading to increased customer satisfaction and stakeholder value.

### BOARD COMPOSITION

#### Size and Composition of Board of Directors

##### Board of Directors

- i. The Company has 4 Directors of which 2 are Executive Directors and 2 are Non-Executive and Independent Directors (i.e.50%). The composition of the Board is in conformity with clause 49 of the listing Agreement entered into with the stock Exchanges.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 25 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee Membership/Chairmanship			No. of shares held in the company as on 31.3.2014
		Board Meeting	Last AGM	Directorship	committee Membership	Chairmanship	
Shri Davinder Kumar	Executive Director	1	No	Nil	Nil	Nil	Nil
Shri Ankit Jalan	Executive Director	5	Yes	1	Nil	Nil	Nil
Shri Sheo Shankar Joshi	Independent Director	5	No	Nil	Nil	Nil	Nil
Shri Kamal Kumar Khetawat	Independent Director	5	Yes	1	Nil	Nil	Nil

None of the present directors are "Relative" of each other as defined in section 2(41) and section 6 read with Schedule IA of the Companies Act, 1956.

Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

-30<sup>th</sup> May 2013 -14<sup>th</sup> August 2013 - 14<sup>th</sup> November 2013 -24<sup>th</sup> December 2013 - 14<sup>th</sup> February 2014

During the year, information as mentioned in annexure 1A to clause 49 of the Listing Agreements has been placed before the Board for its consideration.



### **Code of Conduct for Board members and Senior Management**

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

### **BOARD COMMITTEES**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has three committees i.e Audit Committee, Remuneration committee and Shareholders/Investor Grievances Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

### **AUDIT COMMITTEE**

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial information.
- ii. Brief description of the terms of reference to the Audit Committee:-
  - a) Overview of Company's Financial Reporting process & disclosure of its Financial Information to ensure that Financial Statements reflect true and fair position and that sufficient and credible information is disclosed.
  - b) Recommending the appointment, re-appointment of and removal of external auditor, fixation of audit fees and approval for payment of other services.
  - c) Reviewing with the management (a) performance of the Statutory & Internal auditors and (b) adequacy of Internal Control System.
  - d) Reviewing the adequacy of internal audit functions.
  - e) To review the un-audited quarterly/half yearly and annual financial statements before submission to the Board, focusing on –
    - ❖ Any changes in accounting policies and practices.
    - ❖ Major accounting entries based on exercise of judgement by management.
    - ❖ Qualifications in draft Audit Report
    - ❖ Disclosure of related party transactions.
    - ❖ Significant adjustments arising out of audit.
    - ❖ The Going Concern assumption.
    - ❖ Compliance with Accounting Standards.
    - ❖ Matters required to be included in Directors' Responsibility Statement to be included in the Boards' report as per section 217(2AA) of the Companies Act, 1956.
    - ❖ Compliance with Stock Exchange and legal requirements concerning financial statements.
  - f) Reviewing the Company's financial and risk management policies
- iii. Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2013-14 are given below

Name	Status	Category	No of Meetings Attended during the year 2013-14
Shri Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director	4
Shri Ankit Jalan	Member	Executive Director	4
Shri Sheo Shankar Joshi	Member	Non-Executive & Independent Director	4

Four Audit Committee meetings were held during the year and the gap between two meetings never exceeded four months. The dates on which such meetings were held are as follows:

- 30<sup>th</sup> May, 2013      -14<sup>th</sup> August, 2013      - 14<sup>th</sup> November, 2013      -14<sup>th</sup> February, 2014

The company secretary acts as the secretary to the committee.

#### REMUNERATION COMMITTEE

- i) The existing Remuneration Committee of directors is in accordance with Clause 49 of the Listing Agreement.
- ii) The broad terms of reference of the Remuneration Committee are as under:
  - a. To approve the Annual Remuneration plan of the company.
  - b. To approve the remuneration and commission/incentive remuneration payable to the Wholetime Director for each financial year.
  - c. To approve the remuneration payable to the Senior Officers of the company for each financial year.
  - d. Such other matters as the Board from time to time request the Remuneration Committee to examine and recommend/ approve.

The Meeting of the Committee was held on Monday, 24<sup>th</sup> September, 2013. The committee was chaired during the year by Shri Kamal Kumar Khetawat who has been appointed as chairman. At present it comprises of two non-executive directors, both of whom are independent. The details of the composition of the Remuneration Committee are as under:

NAME	Status	CATEGORY	No. of meeting during the year 2013-14	
			Held	Attended
Shri Sheo Shankar Joshi	Member	Non-Executive & Independent Director	1	1
Shri Kamal Kumar Khetawat	Member	Non-Executive & Independent Director	1	1

#### SHAREHOLDERS/INVESTOR GRIEVANCES COMMITTEE

The committee performs following functions:

- ❖ Transfer/Transmission of shares
- ❖ Issue of Duplicate Share Certificates.
- ❖ Review of Share dematerialization and rematerialization.
- ❖ Monitoring the expeditious Redressal of Investor Grievances.
- ❖ Monitoring the performance of company's Registrar & Transfer agent
- ❖ All other matters related to the shares.

During 2013-14 the committee was chaired by Shri Kamal Kumar Khetawat. At present the committee comprises of two Non-Executive Directors and one Executive director. Four meetings were held as under:

23<sup>rd</sup> May 2013      20<sup>th</sup> June 2013      26<sup>th</sup> December 2013      27<sup>th</sup> February 2014

**The details of composition of the Committee are as under:**

NAME	Status	CATEGORY	No. of meeting during the year 2013-14	
			Held	Attended
Shri Kamal Kumar Khetawat	Chairman	Non-Executive & Independent Director	4	4
Shri Ankit Jalan	Member	Executive Director	4	4
Shri Sheo Shankar Joshi	Member	Non-Executive & Independent Director	4	4

Shri Saikat Ghosh, the Company Secretary was the Compliance Officer during the year under review. He performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. He also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI Stock Exchanges, Registrar of Companies, R.B.I. in respect of implementing laws rules and regulations, and directives of such authorities concerning investor service and complaints.

No complaints were received from the shareholders during the year.

**DISCLOSURES**

The transaction of material nature with related parties and material individual transactions with related parties were placed before the Audit Committee from time to time.

The present promoter group which has solely been responsible for reviving the company has always ensured fair code of conduct and maintained transparency.

Compliances , rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

Disclosures regarding related party transactions have been made in notes on accounts forming part of the Accounts for the financial year 2013-2014.

**DISCLOSURES GENERAL BODY MEETING**

The details of last three Annual General Meetings of the Company held are given below:

FINANCIAL YEAR	LOCATION OF THE MEETING	DATE	TIME
2010-2011	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	22.09.2011	10.30 A.M
2011-2012	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	26.09.2012	10.30 A.M
2012-2013	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	25.09.2012	10.30 A.M

No special resolutions were passed during the last three Annual General Meetings or through any postal ballot.

**CEO / CFO CERTIFICATION**

As required under Clause 49 V of the listing agreement with the stock exchanges, the Executive Director of the Company, Shri D. Kumar and Shri Ankit Jalan , Executive Director - Finance of the Company certify to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
  - (i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.

- b) To the best of their knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) They have indicated to the auditors and the Audit Committee:
- i) Significant changes in the internal control over financial reporting during the year
  - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

## MEANS OF COMMUNICATION

Annual Reports in respect of each financial year are mailed to all shareholders in August/ September of each calendar year. Each Report contains the annual accounts of the company in respect of the financial year with the Directors' and Auditors' Reports. Also included in each Annual Report is the Notice convening the annual general meeting, the financial year's Corporate Governance Report and the cash flow statement together with the corresponding reports of the auditors.

The financial results of the company were officially released or would be released in accordance with the following schedule:

Sl no.	Nature of Communication	Media used for Publication	Date of Publication	Forwarded/ to be forwarded to Stock Exchange on
1	Quarterly Un-audited Financial Statements (1 <sup>st</sup> Quarter 2013-14)	Newspaper	17.08.2013	14.08.2013
2	Half -yearly Un-audited Financial Statements (2 <sup>nd</sup> Quarter 2013-14)	Newspaper	15.11.2013	14.11.2013
3	Quarterly Un-audited Financial Statements (3 <sup>rd</sup> Quarter 2013-14)	Newspaper	15.02.2014	14.02.2014
4	Annual Audited Financial Results for the financial year	Newspaper	01.06.2014	30.05.2014

The quarterly, half-yearly and annual financial results were/will be published in eminent daily newspapers like *Business Standard* and *Aajkaal* and also displayed on Company's website [www.agiopaper.com](http://www.agiopaper.com).

## SHAREHOLDER INFORMATION

### Registered office

41A, AJC Bose Road  
 Suite No.505, Kolkata- 700017  
 Telephone No. – (033) 4022-5900  
 Fax No. – (033) 4022-5999  
 Email: [ho@agiopaper.com](mailto:ho@agiopaper.com) / [redressal@agiopaper.com](mailto:redressal@agiopaper.com)

## PARTICULARS OF DIRECTORS REAPPOINTED

As required under clause 49 of the Listing Agreement, the details of membership of the Director and other relevant details in respect of Directors who are being recommended for reappointment are given hereunder:

Name of the Director	Age	Qualification	Experience	Directorships in other Public Limited Companies
Shri Ankit Jalan	30	MBA – Finance	Shri Ankit Jalan has graduated with Bachelor of science in Business Management from the U.S.A. His area Of specialization is finance and heads the finance division of the company	Bengal Orion Financial Hub Ltd.
Shri Sheo Shankar Joshi	59	B .com	Shri Joshi has been involved with paper businessfor more than two decades and possesses expertknowledge of marketing and sales	Nil
Shri Kamal Kumar Khetawat	46	B.com	Shri Khetawat has wide variety of entrepreneurial skills ranging over a period spanning more than twenty years and his expertise and his operational skills will be helpful in the company's growth.	Pristine Regent Infratech Ltd
Shri Davinder Kumar	71	BE from IIT -Kharagpur	He has got a wide and varied industrial experience and has been associated from inception, implementation to successful operation of projects in India and abroad. Out of his total experience of over 40 years, he has spent last 30 years in Paper Industry in the capacity of Wholetime Director.	Nil

#### REGISTRAR AND TRANSFER AGENT

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

Maheshwari Datamatics Private Limited  
6, Mangoe Lane, Kolkata – 700 001  
Telephone No: (033) 2243 5809/ 2248 2248  
E Mail: [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

#### PLANT LOCATION

Village – Dhenka  
Post - Darrighat, Masturi  
District – Bilaspur  
Chhatisgarh – 495551  
Telephone: +91 7752 257010

#### Compliances

**Mandatory Requirements** The Company has fully complied with the applicable mandatory requirements of Clause 49. the listing agreement Secretarial Audit is regularly done by the Company and report is submitted to Stock Exchanges.

#### **Compliance with Clause 47( f ) of the Listing Agreement**

In compliance with the recently introduced provisions of clause 47 (f) of the Listing Agreement, a separate email ID [redressal@agiopaper.com](mailto:redressal@agiopaper.com) has been set up as a dedicated ID solely for the purpose of registering investor's complaint.

#### **Adoption of non-mandatory requirements under Listing Agreement**

##### **Remuneration Committee :**

Details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'.

##### **Tenure of Independent Directors :**

The tenure for the Independent Directors are set out in the notice of Annual General Meeting.

**Shareholders Rights :**

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website www.agiopaper.com. Hence, these are not individually sent to the Shareholders.

**Audit Qualification :**

The Qualifications given in the Auditors' Report on Financial Accounts are adequately dealt with in Directors' Report.

**Training of Board Members :**

All Board members are experienced and acquainted with business knowledge, obviating the need for formal training.

**Mechanism for the Evaluation of Non-Executive Directors :**

The company has not yet implemented any mechanism for evaluation of performance of Non-Executive Directors of the Company.

**Whistle Blower Policy :**

Any employee may report unethical attitude at the work place without fear and reach the Chairman of the Audit Committee or alternatively may report to the Head-HR.

**General Shareholders Information****Annual General Meeting**

- ◆ Date : 24<sup>th</sup> September , 2014                      Day: Wednesday                      Time : 11.00 A.M
- ◆ Venue: Bengal National Chamber of Commerce & Industry, 23, R.N.Mukherjee Road, Kolkata – 700 001

**FINANCIAL CALENDAR**

- ◆ Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March
- ◆ For the year ended 31<sup>st</sup> March, 2014 results were announced on:
  - August 2013 : First Quarter    ● November 2013: Second Quarter
  - February 2014 : Third Quarter    ● May 2014 : Audited Results

**BOOK CLOSURE**

The dates of book closure are from 22<sup>nd</sup> September, 2014 to 24<sup>th</sup> September, 2014 (inclusive of both days).

No dividend recommended considering the closure of the factory of the company.

**LISTING**

At present, the equity shares of the company are listed on the Bombay Stock Exchange Limited (BSE) and the Calcutta Stock Exchange Association Limited (CSE).

Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd. 25 <sup>th</sup> Floor Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai –400001	Demat Segment-516020
The Calcutta Stock Exchange Association Ltd. 7, Lyons Range ,Kolkata 700001	Demat Segment – 10021021

**SHARE TRANSFER SYSTEM**

The Company's shares are in demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect.

## STOCK MARKET DATA

*Bombay Stock Exchange Limited*

Market Price Data as compared to closing Sensex during 2013- 2014:

Month	HIGH(Rs)	LOW(Rs)	Close(Rs)	No of Shares Traded	No of Trades	SENSEX Closing
April, 2013	3.04	2.67	2.80	1869	15	19,504.18
May, 2013	2.99	2.80	2.89	1670	4	19,760.30
June, 2013	3.03	2.88	2.88	902	3	19,395.81
July, 2013	3.02	2.74	3.01	2130	4	19,345.70
August, 2013	3.82	2.99	3.63	1057	14	18,619.72
September, 2013	3.45	3.00	3.15	1206	7	19,379.77
October, 2013	3.50	2.63	3.49	110	16	21,164.52
November, 2013	6.03	3.47	6.03	1115	32	20,791.93
December, 2013	7.10	6.18	7.10	42	24	21,170.68
January, 2014	8.67	6.75	7.29	188	29	20,513.85
February, 2014	6.93	3.97	3.97	76	19	21,120.12
March, 2014	3.78	2.30	2.31	6054	43	22,386.27

## DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014

Shareholding	Holders	Percentage%	No of shares	Percentage%
Upto 500	7230	92.4789	1043896	6.4736
501 to 1000	318	4.0675	256776	1.5924
1001 to 2000	122	1.5605	184941	1.1469
2001 to 3000	42	.5372	107899	.6691
3001 to 4000	19	.2430	69262	.4295
4001 to 5000	20	.2558	92424	.5732
5001 to 10,000	31	.3965	216642	1.3435
10001 and above	36	.4605	14153560	87.7718
Grand Total	7818	100.0000	16125400	100.0000

**Shareholding pattern as on 31<sup>st</sup> March, 2014**

Category code	Category	Total Shares	% of Share Capital
A	<b>Shareholding of Promoter &amp; Promoter Group</b>		
	1 Indian Promoters	3047157	18.8967
	2 Foreign Promoters	5695868	35.3223
	<b>Sub - Total</b>	<b>8743025</b>	<b>54.2190</b>
B	<b>Public Shareholding</b>		
	<b>1 Institutions</b>		
	a Mutual Funds / UTI	6800	.0421
	b Financial Institutions / Banks	300	.0019
	c Central Govt. / State Govt.	Nil	Nil
	d F.I.I	Nil	Nil
	<b>2 Non Institutions</b>		
	a. Bodies Corporate	346730	2.1502
	b. Individual Holding		
	i. Nominal Share Capital up to Rs 1 Lakh.	1868183	11.5853
	ii. Nominal Share Capital in excess of Rs. 1 Lakh	5147580	31.9222
	Non Resident Individual	12368	0.0767
	Others	414	0.0026
	<b>SUB TOTAL</b>	<b>7382375</b>	<b>45.7810</b>
	<b>GRAND TOTAL</b>	<b>16125400</b>	<b>100.00</b>

**PHYSICAL/NSDL/ CDSL/SUMMARY REPORT AS ON 31<sup>ST</sup> MARCH 2014**

PARTICULARS	HOLDERS	SHARES	PERCENTAGE%
PHYSICAL	4811	845593	5.2439
NSDL	2055	10024422	62.1654
CDSL	952	5255385	32.5907
<b>TOTAL</b>	<b>7818</b>	<b>16125400</b>	<b>100.0000</b>

**ADDRESS OF CORRESPONDENCE**

Shareholders may contact:

**Shri Saikat Ghosh, (Company Secretary)**

Agiopaper &amp; Industries Ltd.

41A, AJC Bose Road, Suite No.505, Kolkata – 700 017

Telephone: (033) 4022 – 5900/5901

E mail: ho@agiopaper.co / redressal@agiopaper.com



## TO WHOM SO EVER IT MAY CONCERN

I , Ankit Jalan , the Executive Director of the Company , do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Place: Kolkata  
Date: 14th August, 2014

Ankit Jalan  
Executive Director

### AUDITORS' CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER CLAUSE 49 OF THE LISTING AGREEMENT

#### TO THE MEMBERS OF AGIO PAPER & INDUSTRIES LIMITED

We have examined the compliance of Corporate Governance by Agio Paper & Industries Limited for the year ended on 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring to compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 Singhi & Co.  
Chartered Accountant  
Firm Registration No.302049E

(Gopal Jain)  
Partner.  
Membership No. 059147

1-B, Old Post Office Street  
Kolkata, the 30<sup>th</sup> Day of May 2014.

## INDEPENDENT AUDITORS' REPORT

**To the Members of  
Agio Paper & Industries Limited**

We have audited the accompanying financial statements of **Agio Paper & Industries Limited ("the Company ")**, which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13<sup>th</sup> September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

*The Paper Factory of the Company is under shut down since 6<sup>th</sup> October 2010 to fulfil certain pollution control measures as enumerated in note no. 2.20.F in the financial statements. The power plant and the new paper mill are also kept under capital work in progress due to reasons mentioned in the note.*

*As further explained in note no 2.20.G, based on the future plans and valuation of fixed assets, the management of the Company is not envisaging any impairment loss in fixed assets of the Company as at the balance sheet date as per the requirements of Accounting Standard AS- 28 on "Impairment of Assets". However in absence of any certainty towards crystallization of future plans of the Company or a binding sale agreement at arm's length basis indicating the amount obtainable from sale of fixed assets, we are unable to comment on the quantum of impairment loss on the fixed assets, if any, at the balance sheet date.*

*The impact of the above on the financial statements therefore could not be determined.*

### ***Qualified Opinion***

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the basis of qualified opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the **loss** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

Without qualifying our opinion, we draw our attention to note no. 2.20.E regarding preparation of financial statements of the Company on a going concern basis notwithstanding the fact that its net worth is completely eroded. During the year the Company has incurred net loss of Rs. 576.64 lacs and has also defaulted in repayment of instalments of term loans and interest accrued thereon. The appropriateness of the said basis is interalia dependent on the Company's ability to infuse requisite funds for meeting its obligations, repayment of term loans and resuming normal operations.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) *Except for the effects of the matter described in the basis for qualified opinion paragraph*, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13<sup>th</sup> September 2013 by Ministry of Company Affairs in respect of section 133 of the Companies Act 2013;
  - e) On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For and on behalf of**

**Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

(Gopal Jain)

Partner

Membership No. -059147

Kolkata, the 30<sup>th</sup> day of May 2014

**The Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of the our Report of even date to the members of Agio Paper & Industries Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2014.**

- i. In respect of fixed assets;
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b) According to the explanation given to us, *due to non- operation of factory during the whole year, physical verification of the fixed assets could not be carried out.*
  - c) According to the explanation given to us, the Company has not disposed off substantial fixed Assets during the year.
- ii. In respect of inventories
  - a) According to the information and explanation given to us, the inventory (excluding stocks with third parties) has been physically verified by the internal auditors during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii.
  - a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly clause (iii) (b) to (d) of the Order is not applicable.
  - e) According to the information and explanations given to us, the Company has taken interest free unsecured loans from one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum of loan outstanding during the year and the year-end balance of such loan is Rs. 12,12,00,000/-. The loan is repayable on demand. The other terms & conditions of the loan are not prejudicial to interest of the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company is not in the business of sale of services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v.
  - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business during the year.
- viii. We have broadly reviewed the books of account and records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. According to the information and explanations given to us in respect of statutory and other dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax and other material statutory dues have been, *except few delays*, generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31st March, 2014, for a period of more than six months from the date they become payable *except liability towards water cess amounting 29,89,881/- which is outstanding for more than six months.*

- b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2014 which have not been deposited on account of any dispute and the forum where the disputes are pending are as under:

Statute	Nature of dues	Forum where dispute is pending	Amount involved (Rs.)	Period to which relates
The Income Tax Act 1961	Income tax	Hon'ble High Court at Calcutta	7,96,364	1996-97
The Income Tax Act 1961	Income tax	Deputy Commissioner (Appeal)	5,50,000	2007-08
The Central Excise Act 1944	Cenvat Claim	Central Excise & Service Tax Appellate Tribunal, New Delhi	3,20,192	1991-92 to 1992-93

- x. As per the financial statements of the Company, the accumulated losses at the end of the financial year have exceeded fifty percent of its net worth. The Company has incurred cash losses during the current financial year and in the immediate preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, the Company did not have any outstanding debentures or dues to the financial institution during the year. Default in repayment of dues to a bank is given below:
- a. *Rs. 3,10,00,000/- towards instalments of Term Loan I & II and working capital loan in four equal quarterly instalment since June 2013.*
- b. *Rs. 2,00,00,000/- towards instalments of funded interest term loan payable in sixteen equal monthly instalment since December 2012.*
- c. *Rs. 4,66,74,710 /- towards interest on term loans and working capital loan for the months January 2013 to February 2014.*
- d. *Rs. 1,38,89,072/- towards interest on funded interest term loan payable for the period July 2012 to February 2014. The aforesaid amounts are due to the bank as on 31<sup>st</sup> March 2014.*
- xii. According to the information and explanations given to us, no loans or advances has been granted by the Company on the basis of securities by way of pledge of shares, debentures or other securities.
- xiii. The Company is not a Chit fund or a Nidhi/Mutual benefit fund/society.
- xiv. The Company is not in the business of dealing or trading in shares and securities.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, term loans have been applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us, and on the basis of overall examination of the cash flow statements, no fund raised on short term basis, prima facie, been used during the year for long term investments.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies act, 1956 during the year.
- xix. The Company has not issued any debentures during the period as covered by our audit report.
- xx. The Company has not raised monies by way of public issues during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us and so far as appears from our examination of books and records of the Company , we are of the opinion that no fraud on or by the Company was noticed and reported during the year.

**For and on behalf of**  
**Singhi & Co.**  
Chartered Accountants  
Firm Registration No. 302049E

(Gopal Jain)  
**Partner**  
**Membership No. - 059147**

Kolkata, the 30<sup>th</sup> day of May 2014

**AGIO PAPER & INDUSTRIES LIMITED**  
**BALANCE SHEET as at 31st March 2014**

(Amount in Rs.)

Note No.	As at March 31, 2014		As at March 31, 2013	
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	2.1	161,273,500		161,273,500
Reserves and Surplus	2.2	(219,343,618) (58,070,118)	(161,679,717)	(406,217)
<b>NON-CURRENT LIABILITIES</b>				
Long-Term Borrowings	2.3	198,000,000	254,000,000	
Long-Term Provision	2.4	886,686 198,886,686	1,107,898	255,107,898
<b>CURRENT LIABILITIES</b>				
Short-Term Borrowings	2.5	121,200,000	107,300,000	
Trade Payables	2.6	8,907,523	10,763,871	
Other Current Liabilities	2.7	178,775,817	74,451,951	
Short-Term Provisions	2.4	4,452,065 313,335,405	5,013,410	197,529,232
<b>TOTAL</b>		<b>454,151,973</b>		<b>452,230,913</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets	2.8			
Tangible Assets		44,884,858	48,027,360	
Capital Work-In-Progress		358,271,042	358,271,042	
Long-Term Loans and Advances	2.9	8,843,192 411,999,092	16,995,467	42,393,869
<b>CURRENT ASSETS</b>				
Inventories	2.10	17,277,065	187,13,158	
Trade Receivables	2.11	-	931,722	
Cash and Bank Balances	2.12	10,947,228	1,647,614	
Short-Term Loans and Advances	2.9	12,858,342	6,837,453	
Other Current Assets	2.13	1,070,246 42,152,881	8,07,097	28,937,044
<b>TOTAL</b>		<b>454,151,973</b>		<b>452,230,913</b>
Significant Accounting Policies	1			

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date annexed.  
For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

(Gopal Jain)  
Partner  
Membership No.: 059147  
Kolkata : 30th May, 2014

(SAIKAT GHOSH)  
Company Secretary

For and on Behalf of the Board of Directors

(ANKIT JALAN)  
Executive Director

(K. K. KHETAWAT)  
Director

**AGIO PAPER & INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT & LOSS for the year ended 31st March 2014**

(Amount in Rs.)

	Note No.	As at March 31, 2014	As at March 31, 2013
<b>INCOME</b>			
Revenue from Operations ( Excluding Excise duty nil, P.Y. Rs. 39,021)	2.14	-	348,108
Other Income	2.15	7,041,630	4,651,471
<b>TOTAL</b>		7,041,630	4,999,579
<b>EXPENSES</b>			
(Increase)/ Decrease in Inventories of Finished Goods	2.16	-	3,299,22
Employee Benefits Expense	2.17	3,543,624	19,174,044
Finance Costs	2.18	49,560,522	45,650,827
Other Expenses	2.19	8,844,645	18,295,008
<b>TOTAL</b>		61,948,791	83,449,801
<b>Profit before Tax, Depreciation and Amortization</b>		(54,907,161)	(78,450,222)
Depreciation and Amortization Expense	2.8	2,756,741	2,771,032
<b>Profit/ ( Loss) before Tax</b>		(57,663,902)	(81,221,254)
<b>Profit/ (Loss) for the year</b>		(57,663,902)	(81,221,254)
Basic & Diluted Earnings Per Share			
(in Rs.) [nominal value Rs.10 /-] (Refer Note No. 2.20.O)		(3.58)	(5.04)
Significant Accounting Policies	1		
The accompanying notes are an integral part of the Financial Statements.			

As per our report of even date annexed.

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

**(Gopal Jain)**  
Partner  
Membership No.: 059147  
Kolkata : 30th May, 2013

**(SAIKAT GHOSH)**  
Company Secretary

For and on Behalf of the Board of Directors

**(ANKIT JALAN)**  
Executive Director  
**(K. K. KHETAWAT)**  
Director



**AGIO PAPER & INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014** (Amount in Rs.)

	As at March 31, 2014	As at March 31, 2013
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax and extraordinary items	(57,663,902)	(81,221,254)
<b>Adjustments for:</b>		
Depreciation/Amortisation	2,756,741	2,771,032
Sundry Balances/ Liabilities no longer required written back	(5,096,396)	(3,702,282)
Sundry balance written off	109,027	226,106
Provision for doubtful debts/Advances	1,594,463	5,166,916
Loss on Sale/Discard of Fixed Assets (Net)	(222,489)	337,099
Loss on Sale/Discard of Stores Materials	609,144	316,651
Provision for Obsolescence on Stores	-	1,125,100
Provision for Contingency (net of reversal)	20,000	3,013,727
Finance Cost	49,560,522	45,650,827
Interest Income	(890,887)	(706,180)
<b>Operating Profit before working capital changes</b>	<b>48,440,125</b>	<b>54,198,996</b>
<b>Adjustments for:</b>	<b>(9,223,777)</b>	<b>(27,022,258)</b>
(Increase)/Decrease in Trade Receivable	559,047	1,347,441
(Increase)/Decrease in Other Receivable	386,643	2,729,249
(Increase)/Decrease in Inventory	826,950	2,494,307
Increase/(Decrease) in Trade Payable	435,635	(3,281,345)
Increase/(Decrease) in Other Liabilities	(2,039,212)	(9,341,386)
<b>Cash generation from/(used in) operations</b>	<b>(9,054,714)</b>	<b>(33,073,991)</b>
Direct Taxes (paid)/refund	(89,091)	(69,636)
<b>Net cash flow from/(used in) operating activities</b>	<b>(9,143,805)</b>	<b>(33,143,627)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sales of Fixed Assets	608,250	87,000
Refund of Capital Advance	507,431	17,016,818
Interest Received	627,738	457,686
	<b>1,743,419</b>	<b>17,561,504</b>
	<b>(7,400,386)</b>	<b>(15,582,123)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	-	(15,629,478)
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	-	(2,500,000)
Proceeds from short term loans (net)	16,700,000	34,350,500
	<b>16,700,000</b>	<b>16,221,022</b>
Net Increase/(Decrease) in Cash and Cash equivalents	<b>9,299,614</b>	<b>638,899</b>
<b>Cash and Cash equivalents as at 1st April</b>	<b>886,841</b>	<b>247,942</b>
<b>Cash and Cash equivalents as at 31st March</b>	<b>10,186,455</b>	<b>886,841</b>

- Cash and cash equivalent at the year end represents cash in hand and bank balance with schedule banks as reflected in note 2.12 and are available for use in the ordinary course of business.
- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard on Cash Flow Statement (AS-3).
- Previous Year's figures have been recast, regrouped and restated where ever necessary.  
As per our report of even date annexed.

For SINGHI & CO.  
Chartered Accountants  
Firm Registration No. 302049E

For and on Behalf of the Board of Directors

(Gopal Jain)  
Partner  
Membership No.: 059147  
Kolkata : 30th May, 2014

(SAIKAT GHOSH)  
Company Secretary

(ANKIT JALAN)  
Executive Director  
(K. K. KHETAWAT)  
Director

## AGIO PAPER & INDUSTRIES LIMITED

### NOTES ON ACCOUNTS

#### 1 SIGNIFICANT ACCOUNTING POLICIES :

##### I Basis of Accounting

The financial statements have been prepared on mercantile basis of accounting in accordance with the historical cost convention and in compliance with mandatory accounting standards notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956.

##### II Fixed Assets, Depreciation & Amortization:

- a) Fixed asset are stated at cost including expenses incurred up to the date of their installation/commissioning as reduced by accumulated depreciation/impairment provided in the accounts. Capital work-in-progress is stated at cost.
- b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular are capitalised and depreciated over the residual life of the respective assets.
- c) Depreciation on assets is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Assets individually costing Rs.5,000/- or less depreciated at 100% within the period of one year from the date of use.
- d) Leasehold lands are amortized over the lease period.

##### III Intangible Assets

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on a straight-line method beginning from the date of capitalization over a period of 3-5 years.

##### IV Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss of the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is adjusted if there has been a change in the estimate of the recoverable amount.

##### V Inventories :

- a) Finished Goods (including goods in transit) and work-in-process are valued at cost or net realizable value, whichever is lower.
- b) Raw material and stores are valued at cost or net realizable value, whichever is lower.
- c) Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and conditions. Cost formula used is weighted average cost.
- d) Net realizable value is the estimated selling price in ordinary course of business less estimated cost of completion and estimated cost necessary to make the sale.
- e) Materials and other items held for use in the production of Inventories are not written down below the costs of the finished products in which they will be incorporated are expected to be sold at or above cost.
- f) Provision is made for obsolete and slow moving stocks where necessary.

##### VI Borrowing Cost:

Borrowing cost that is attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to set ready for its intended use. All other borrowing costs are charged to revenue.

##### VII Foreign Currency Transaction :

Foreign currency transactions are recorded on the basis of exchange rate prevailing at the date of the transactions. Any gain or loss on settlement of monetary items denominated in foreign currencies transactions during the year or at the time of translation at the year end rates is recognized in the statement of profit & loss.

Exchange difference arising on long term foreign currency monetary items has been accounted in accordance with option granted vide notification no. GSR 225(E) dated 31.03.2009 issued by the Ministry of Corporate affairs wherein exchange difference arising on restatement of long term foreign currency monetary items (other than for acquisition of depreciable capital assets) have been recognized over the shorter of the maturity period of monetary items or 31st March 2011. The unrecognized amount is reflected as foreign currency translation reserve as part of reserve and surplus.

**VIII Recognition of Income & Expenditure :**

- a) Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and is stated at net of trade discount, rebates and return.
- b) Other income and expenditure are accounted for on accrual basis.

**IX Employee Benefits:**

**a) Short Term Employees Benefits:**

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by the employee is recognized during the period when the employee renders the service. This benefit includes salary, wages, short term compensation and payment under VRS.

**b) Long Term Employee Benefits:**

- i **Defined Contribution Scheme:** The benefit includes contribution to provident fund schemes and ESIC (Employee State Insurance Corporation). The contribution is recognized during the period in which the employee renders service.
- ii **Defined Benefit Scheme:** For defined benefit scheme the cost of providing benefit is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. The retirement benefit obligation recognized in the balance sheet represents value of defined benefit obligation. Actuarial gains and losses are recognized in full during the period in which they occur.
- iii **Other Long Term Benefit:** Long term compensated absence is provided for on the basis of actuarial valuation, using the projected unit credit method as at the date of balance sheet.

**X Research and Development :**

Research costs are expensed as and when incurred. The development expenses on cost of internal projects is also expensed as incurred, unless they meet asset recognition criteria as defined in AS-26 "Intangible Assets".

**XI Accounting for Taxes on Income**

Provision for taxation comprises of current tax and deferred tax. The deferred tax charge or credit is recognised, using subsequently enacted tax rates for timing differences between book and tax profits.

Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation are recognised only when there is virtual certainty of realization of such assets. Other deferred tax assets are recognised to the extent there is reasonable certainty of realization in future.

Tax Credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

**XII Leases**

For assets acquired under operating lease, rentals payable are charged to statement of profit and loss on a straight line basis over a lease term.

For assets acquired under finance lease, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.

**XIII Earning Per Share:**

Basic earning per share is calculated by dividing the net profit / Loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive equity share.

**XIV Provisions, Contingent Liabilities and Contingent Assets:**

A Provision is recognized when there is a present obligation as a result of amount of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for 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. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Assets is neither recognized nor disclosed in the financial statements.

**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

(Amount in Rs.)

	As at 31st March 2014	As at 31st March 2013
<b>2.1 SHARE CAPITAL</b>		
<b>Authorized:</b>		
<b>Equity Shares:</b>		
18,000,000 Ordinary Shares of Rs.10/- each	180,000,000	180,000,000
<b>Preference Shares:</b>		
200,000, 10% Non-cumulative Redeemable Shares of Rs.100/- each	<u>20,000,000</u>	<u>20,000,000</u>
	<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, Subscribed and Paid up:</b>		
1,61,25,400 Ordinary Shares of Rs.10/- each fully paid up	161,254,000	161,254,000
Add : Shares forfeited (Amount paid up)	<u>19,500</u>	<u>19,500</u>
	<u>161,273,500</u>	<u>161,273,500</u>

**a) Reconciliation of Shares outstanding at the beginning and at the end of year**

	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	<u>16,125,400</u>	<u>16,125,400</u>
Shares outstanding at the end of the year	<u>16,125,400</u>	<u>16,125,400</u>

- b)** The Company has only one class of issued shares i.e. Ordinary Shares having par value of Rs.10/- per share. Each holder of Ordinary Share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c)** The Company does not have any holding company or ultimate holding company.
- d)** Details of shareholders holding more than 5% shares in the Company:

	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% holder	No. of Shares	% holder
<b>Ordinary Shares of Rs.10 each fully paid up</b>				
1) Murari Lal Jalan	5,695,868	35.32	5,695,868	35.32
2) Arrow Syntex Private Limited	2,938,194	18.22	2,938,194	18.22
3) Bharat Mekani	1,500,000	9.30	1,500,000	9.30
4) Babulal Bahadur	1,500,000	9.30	1,500,000	9.30
5) Anand Purohit	1,500,000	9.30	1,500,000	9.30

- e)** No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f)** No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g)** No Ordinary Shares have been issued pursuant to scheme of amalgamation and arrangement for consideration other than cash in immediately preceding five years.
- h)** No securities convertible into Ordinary/Preference shares have been issued by the Company during the year.
- i)** No calls are unpaid by any Director or Officer of the Company during the year.

**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014** (Amount in Rs.)

	As at 31st March 2014	As at 31st March 2013
<b>2.2 : RESERVES AND SURPLUS</b>		
Capital Redemption Reserve	10,000	10,000
Securities Premium	50,627,000	50,627,000
Surplus /( Deficit)		
As per the last Financial Statements	(212,316,717)	(131,095,463)
Add : Profit/(Loss) for the year	(57,663,902)	(81,221,254)
Net Surplus / (Deficit)	<u>(269,980,618)</u>	<u>(212,316,717)</u>
<b>Total</b>	<u>(219,343,618)</u>	<u>(161,679,717)</u>

**2.3 : LONG-TERM BORROWINGS**

Non-current portion

Current Maturities

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Secured</b>				
Term Loan from Bank	133,000,000	149,000,000	320,00,000	16,000,000
Working Capital Term Loan from Bank	500,00,000	75,000,000	400,00,000	15,000,000
Funded Interest Term Loan from Bank (FITL)	160,000,000	30,000,000	350,00,000	20,000,000
<b>Total Secured Borrowings</b>	<u>198,000,000</u>	<u>254,000,000</u>	<u>107,000,000</u>	<u>510,00,000</u>
Amount disclosed under the head "Other Current Liabilities" (Note no. 2.7)			107,000,000	510,00,000
	<u>198,000,000</u>	<u>254,000,000</u>	-	-

**Security**

Term Loan, Working Capital Term Loan & FITL is secured by equitable mortgage of all fixed assets including leasehold/ freehold land, building and Capital Work in Progress (both present & future). The above loans are also guaranteed by a relative of director.

**Maturity Profile of the above loans**

Nature of Loan	Amount	2014-15	2015-16	2016-17	2017-18
Term Loan - I*	105,000,000	20,000,000	25,000,000	30,000,000	30,000,000
Term Loan - II**	60,000,000	12,000,000	12,000,000	12,000,000	24,000,000
Working Capital Term Loan***	90,000,000	400,00,000	250,00,000	250,00,000	-
Funded Interest Term Loan ****	500,00,000	350,00,000	150,00,000	-	-
	<u>305,000,000</u>	<u>107,000,000</u>	<u>770,00,000</u>	<u>670,00,000</u>	<u>540,00,000</u>

\* Includes four quarterly installments of Rs.25.00 lacs each payable during the year 2013-14 remaining unpaid at the Balance Sheet date.

\*\* Includes four quarterly installments of Rs.15.00 lacs each payable during the year 2013-14 remaining unpaid at the Balance Sheet date.

\*\*\* Includes four quarterly installments of Rs.37.50 lacs each payable during the year 2013-14 remaining unpaid at the Balance Sheet date.

\*\*\*\* Includes sixteen monthly installments of Rs.12.50 lacs each payable till 31-03-2014 and remaining unpaid at the Balance Sheet date.

i) Term Loan - I & II is repayable in 20 quarterly balloning installments starting from quarter ending June 2013 and ending at March 2018.

ii) Working Capital Term Loan is repayable in 16 quarterly balloning installments starting from quarter ending June 2013 and ending at March 2017

iii) FITL is repayable in 40 remaining equal monthly installments starting from month ending December 2012 and ending at March 2016.

**NOTES :**

The above disclosure and maturity profile are based on loan restructuring scheme sanctioned by the bank vide their renewal dated 24.01.2013.

During the year due to non payment of instalments and interest due on the above loans, the bank took the symbolic possession of the tangible property secured against the loans and proposed to auction the property to realise their dues. As per the information's available with the company, in absence of any bid, the auction could not be materialised. The company has initiated necessary talks with the bank to reach to a compromise settlement and deposited a sum of Rs. 1 Cores with the bank as no lien Fixed deposit to be adjusted with the loan balance upon settlement. Further in absence of any balance confirmation by the bank as at 31.03.2014, the loan balances are subject to confirmation by the bank, however the company have continued to provide interest as per the terms and conditions of above renewal letter received from the bank.

2.4 Provision	Long Term		Short Term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>Provision for Employees Benefits</b>				
Leave	63,404	28,248	17,886	5,864
Gratuity	823,282	1,079,650	498,747	476,234
<b>Other Provisions</b>				
Provision for Contingency			3,935,432	4,531,312
	<u>886,686</u>	<u>1,107,898</u>	<u>4,452,065</u>	<u>5,013,410</u>

	As at 31st March 2014	As at 31st March 2013
<b>2.5 SHORT TERM BORROWINGS (Unsecured)</b>		
From Body Corporates (Includes Rs. 121,200,000 (P.Y. Rs. 104,500,000) from a related party) (Refer Note No. 2.20.M)	121,200,000	107,300,000
	<u>121,200,000</u>	<u>107,300,000</u>

	As at 31st March 2014	As at 31st March 2013
<b>2.6 : TRADE PAYABLES</b>		
For Goods and Services	8,907,523	10,763,871
	<u>8,907,523</u>	<u>10,763,871</u>

	As at 31st March 2014	As at 31st March 2013
<b>2.7 : OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Debt (See Note 2.3)	107,000,000	51,000,000
Interest accrued but not due on long term borrowings	4,486,419	3,933,854
Interest accrued and due on long term borrowings *	60,563,782	11,555,825
Statutory Dues Payable	3,150,654	3,140,303
Amount payable for Capital Goods	863,020	1,023,767
Advances Received from Customers	300,177	293,367
Employee related liability	498,497	875,090
Deposit From customers & others	1,913,268	2,629,745
	<u>178,775,817</u>	<u>74,451,991</u>

\* Represents interest accrued & due on term loans & working capital term loan amounting to Rs. 46,674,710 related to January 2013 to February 2014 and Rs.13,889,072 on funded interest term loan relating to July 2012 to February 2014, not paid at the Balance Sheet date.

**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**2.8 : FIXED ASSETS  
TANGIBLE ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION & AMORTIZATION				NET BLOCK		
	Value as on 31.03.2013	Additions	Sale / Adjustment	Total Value as on 31.03.2014	Upto 31.03.2013	For the Year	Sale / Adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Land :										
- Freehold	958,276	-	-	958,276	-	-	-	-	958,276	958,276
- Leasehold	59,541	-	-	59,541	17,439	601	-	18,040	41,501	42,102
Building	35,518,290	-	-	35,518,290	19,545,142	942,306	-	20,487,448	15,030,842	1,597,3148
Plant & Machinery	204,351,438	-	1,889,871	202,461,567	179,759,548	1,157,612	1,504,110	179,413,050	23,048,517	24,591,890
Furniture & Fittings	8,466,149	-	-	8,466,149	4,384,445	303,744	-	4,688,189	3,777,960	4,081,704
Computers	2,572,202	-	-	2,572,202	2,488,521	12,158	-	2,500,679	71,523	83,681
Office Equipments	1,964,043	-	-	1,964,043	635,359	75,921	-	711,280	1,252,763	1,328,684
Vehicles	4,494,196	-	-	4,494,196	3,526,321	264,399	-	3,790,720	703,476	967,875
<b>TOTAL :</b>	<b>258,384,135</b>	<b>-</b>	<b>1,889,871</b>	<b>256,494,264</b>	<b>210,356,775</b>	<b>2,756,741</b>	<b>1,504,110</b>	<b>211,609,406</b>	<b>44,884,858</b>	<b>480,27,360</b>
<b>PREVIOUS YEAR</b>	<b>259,666,064</b>	<b>-</b>	<b>1,281,929</b>	<b>258,384,135</b>	<b>208,443,573</b>	<b>2,771,032</b>	<b>857,830</b>	<b>210,356,775</b>	<b>48,027,360</b>	<b>358,271,042</b>
<b>CAPITAL WORK IN PROGRESS</b>									<b>35,8271,042</b>	<b>358,271,042</b>

	Long Term		Short Term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
<b>2.9 : LOANS &amp; ADVANCES</b>				
(Unsecured & considered good, unless otherwise mentioned)				
Capital Advances				
Considered good	5,374,297	7,103,516	-	-
Considered doubtful	1,221,788	-	-	-
Less: Provision	(1,221,788)	-	-	-
Security Deposits	167,746	6,681,800	105,421	106,696
<u>Other Loans and Advances</u>				
Advance Tax and TDS (Net of provisions)	460,384	366,880	-	-
Income Tax Refundable	542,479	542,479	-	-
Mat credit Entitlement (Net of Provision Rs. 59,06,409,P.y. Rs. 59,09,406)	-	-	-	-
<u>Advance Receivable in cash or in kind</u>				
Considered good	-	-	6,941,149	911,352
Considered doubtful	-	-	5,255,196	5,255,196
Less : Provision	-	-	(5,255,196)	(5,255,196)
Prepaid Expenses	-	-	-	6,093
Loan / Advance to Employees	-	-	120,706	70,306
Balances with Government & Statutory Authorities	-	-	5,691,066	5,743,006
Deposit with Govt. Authorities	2,298,286	2,300,792	-	-
	<u>8,843,192</u>	<u>16,995,467</u>	<u>12,858,342</u>	<u>6,837,453</u>

	As at 31st March 2014	As at 31st March 2013
<b>2.10 : INVENTORIES</b>		
(As valued and certified by the Management)		
Raw Materials	-	102,128
Stores and Spares (net of obsolesce) *	172,77,065	18,611,030
	<u>172,77,065</u>	<u>18,713,158</u>
* Including Rs. 15,59,476 (P.Y Nil) lying with third party		

	As at 31st March 2014	As at 31st March 2013
<b>2.11 : TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months	-	602,859
Unsecured, considered good	2,983,320	2,610,645
Doubtful	2,983,320	3,213,504
Less : Provision for doubtful receivables	2,983,320	2,610,645
	-	602,859
Other Receivables		
Unsecured, considered good	-	328,863
	-	931,722



**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

(Amount in Rs.)

	As at 31st March 2014	As at 31st March 2013
<b>2.12 CASH AND BANK BALANCES</b>		
<b><u>Cash and Cash Equivalents</u></b>		
Balances With Banks :		
In Current Account	178,093	885,130
Cash on hand	8,362	1,711
Fixed deposit with bank (having maturity less than 3 months)	100,00,000	-
 <b><u>Other Bank Balance</u></b>		
Fixed deposit with bank (having maturity beyond 12 Months) (Kept as lien)	760,773	760,773
	<u>109,47,228</u>	<u>1,647,614</u>
<b>2.13: OTHER CURRENT ASSETS</b>		
Interest accrued on deposit	1,070,246	807,097
	<u>1,070,246</u>	<u>807,097</u>
<b>2.14: REVENUE FROM OPERATIONS</b>		
Sale of Finished Goods	-	348,108
	-	348,108
<b>Details of Sale of Finished Goods :</b>		
Paper	-	348,108
	-	348,108
<b>2.15 : OTHER INCOME</b>		
Interest Income	-	-
On Bank Deposits	292,023	77,058
On Other Deposit	598,864	629,122
Other Non Operating Income		
Gain on sale of Fixed Assets	222,489	-
Sundry Balances/ Liabilities /borrowings no longer required written back	5,096,396	3,702,282
Miscellaneous Income	831,858	243,009
	<u>7,041,630</u>	<u>4,651,471</u>
<b>2.16 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS</b>		
<b>Inventories at the end of the year</b>		
Paper	-	329,922
	-	329,922
<b>Inventories at the beginning of the year</b>		
Paper	-	-
	-	-
	-	-
(Increase) / Decrease in Inventories of Finished Goods	-	329,922

**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

(Amount in Rs.)

	As at 31st March 2014	As at 31st March 2013
<b>2.17 : EMPLOYEE BENEFIT EXPENSE</b>		
Salaries & Wages	3,000,515	15,986,262
Contribution to Provident Funds and Others	245,255	982,980
Gratuity Fund	154,921	2,111,715
Staff Welfare Expenses	142,933	93,087
	<u>3,543,624</u>	<u>19,174,044</u>
<b>2.18 : FINANCE COST</b>		
<b>Interest Expenses</b>		
Term Loans	49,534,989	45,647,871
Others borrowing cost	25,533	2,956
	<u>49,560,522</u>	<u>45,650,827</u>
<b>2.19: OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores, Spare Parts & Packing Materials Consumed	471,046	1,494,074
Power & Fuel	942,188	1,939,168
Repairs to Buildings	8,723	17,996
Repairs to Machinery	42,093	1,150
Repairs to Other Assets	8,840	24,398
	<u>1,472,890</u>	<u>3,476,786</u>
<b>SELLING AND ADMINISTRATION</b>		
Commission , Brokerage & Discount	-	3,285
Rent	58,643	10,642
Rates & Taxes	284,603	364,220
Insurance	197,477	241,316
Vehicle Running & Maintenance Expense	581,426	373,137
Charity & Donation	-	-
<b>Auditors' Remuneration</b>		
Statutory Auditors - Auditor	125,000	125,000
Issue of Certificates	80,000	80,000
Tax Audit	25,000	25,000
Reimbursement of Service Tax	28,428	28,428
<b>Cost Auditors' Remuneration</b>		
Other Services	15,000	15,000
Traveling Expenses	140,444	156,019
Director Sitting Fees	-	17,978
Loss on Sale/Discard of Stores Materials	609,144	316,651
Loss on Sale/Discard of Fixed Assets (Net)	-	337,099
Provision for doubtful debts/Advances	1,594,463	5,166,916
Provision for Obsolescence on Stores	-	1,125,100
Provision for Contingency (net of reversal)	20,000	3,013,727
Other Miscellaneous Expenses	78,934	-
	<u>3,533,193</u>	<u>3,418,704</u>
	<u>7,371,755</u>	<u>14,818,222</u>
	<u>8,844,645</u>	<u>182,95,008</u>

**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**2.20: NOTES ON ACCOUNTS**

**A. Contingent and disputed liabilities not provided for:-**

**Claims against the Company not acknowledged as debts**

(Amount in Rs.)

		As at 31st March 2014	As at 31st March 2013
i)	Disallowance of Modvat Credit on input items Felts & etc from 1993 – 2005	-	381,404
ii)	Disallowance of Modvat Credit on input items Felts & etc from November, 1991 to May, 1992	320,192	320,192
iii)	Disputed income tax liability relating to disallowance of depreciation in calculation of book profit under MAT provisions pending before Kolkata High Court for the financial year 1996- 1997.	796,364	796,364
iv)	Disputed income tax liability relating to imposition of interest on advance tax not paid u/s 154 pending before Deputy Commissioner of Income Tax, Kolkata for the financial year 2007 – 2008.	550,000	550,000

**B. Civil Cases Pending**

	Name of Party	Before the Court	Nature	Brief Description
1	Rajlakshmi Chemicals Industries	Learned Civil Judge (Sr. Division) - Pune	Against Supply of Material	Suit claiming a decree for Rs. 241,000 ( P.Y 241,000) with interest from the date of suit till completion.

The above claims / demands are at various stages of appeal and in the opinion of the Company are not tenable.

**C.** Estimated amount of contracts remaining to be executed on Capital Account not provided for Rs. nil, (net of advance), Previous Financial Year Rs. nil (net of advance).

**D.** Bank guarantee outstanding at the year end is Rs.1,510,773 (Previous year Rs.15,10,773).

**E.** The Company has incurred net loss of Rs.57,663,902 and cash loss Rs.5,49,07,161 during the year ended 31st March, 2014 and the net worth of the Company has been fully eroded. These financial statements have been prepared on a going concern basis based on the future strategic plan envisaged by the management for the revival of the company and on the basis of a comfort letter received from a promoter company confirming their continued financial support.

**F.** The paper factory remains under shut down w.e.f. 6th October, 2010 to fulfil certain pollution control measures as laid down by Central Pollution Control Board. The management of the company is taking active steps to comply with the required norms to start the factory. The management is also actively considering to begin paper production through alternate means. As reported earlier, the new paper mill with an annual capacity of 18,000 MT is under installation and waiting for necessary clearance to commence production as mentioned above. The power plant also could not be started due to non operation of the paper mill and thus still kept under capital work in progress.

**G.** In compliance with Accounting Standard AS-28 relating to "Impairment of Assets", the company has reviewed the carrying amount of its fixed assets as at the end of the year. Based on the future strategic plans and the valuation report of the fixed assets of the company, no impairment of assets is envisaged at the balance sheet date.

**H.** Balance confirmations from some of the parties of trade receivable, unsecured loans, advances and trade payable are yet to be received.

## AGIO PAPER &amp; INDUSTRIES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014.

## I. Employee Benefits:

## a) Defined Contribution Plan:

The Company makes contribution towards provident fund and Employee's State Insurance Corporation (ESIC) to a defined contribution retirement benefit plan for qualifying employees. The Provident Fund plan and ESIC are operated by concerned Government agencies created for the purpose. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the Scheme to fund the benefits. The contribution payable to these plans by the company is at the rates specified in the rules of the scheme.

During the year the company has contributed Rs. 170,409 (P.Y Rs 536,011) for Provident Fund and Rs. 74,846 (P.Y Rs.185,766) for ESIC Fund. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

## b) Defined Benefits Plan:

- i) Gratuity: 15 days salary for every completed year of service. Vesting period is 5 years and payment is restricted to Rs. 10.00 lacs.
- ii) Leave: The employees of the Company are also eligible for encashment of leave on retirement.
- iii) The present value of defined obligation and related current cost are measured using the Projected Credit Method with actuarial valuation being carried out at each balance sheet date.

	<b>Gratuity (Unfunded)</b>	
	<b>2013-14</b>	<b>2012-13</b>
<b>Expenses recognized for the year ended 31st March, 2013</b>		
i) Current Service Cost	66,332	78,733
ii) Interest Cost	129,506	331,882
iii) Actuarial (Gain) / Losses	(40,917)	1,701,100
iv) Expenses Recognized in Statement of Profit & Loss	154,921	2,111,715
<b>Net (Asset) / Liabilities recognized in Balance Sheet</b>		
i) Present Value of Defined Benefit Obligation	1,322,029	1,555,884
ii) Net (Asset)/ Liabilities recognized in Balance Sheet	1,322,029	1,555,884
<b>Changes in Present Value of Defined Benefit Obligation during the year</b>		
i) Present Value of Defined Benefit Obligation at the beginning of the year	1,555,884	6,741,166
ii) Current Service Cost	66,332	78,733
iii) Interest Cost	129,506	331,882
iv) Actuarial (Gain) /Losses	(40,917)	1,701,100
v) Benefit Paid	(388,776)	(7,296,997)
vi) Present Value of Obligation at the end of the year	1,322,029	1,555,884
<b>Principle Actuarial Assumptions used</b>		
i) Discount Rate per annum	9.00%	8.00%
ii) Expected Salary increase	7.00%	5.00%
iii) Morbidity		No explicit allowance
iv) Withdrawal		2% to 1%, depending on the age and length of service.
v) Normal age of retirement		58 years
vi) Mortality		LIC (2006-08), ultimate table
c) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
d) The table below illustrates experience adjustment disclosure as per Para 120 (n) (ii) of Accounting Standard 15 – Employee Benefits.		

(Rs. in lacs)

	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>
Defined benefit obligation	13.22	15.56	67.41	70.55	71.83
Surplus / (Deficit)	13.22	15.56	67.41	70.55	71.83
Experience adjustments on plan liabilities	(0.41)	17.01	(3.34)	5.05	(0.29)

**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014.**

- e) The disclosure as required by Para 120 of Accounting Standard – 15 “Employee Benefit” has been made to the extent applicable to the Company.
- j. No borrowing cost as per Accounting Standard -16 “Borrowing Costs” has been capitalised during the year.
- k. The company does not have any exposure in foreign currency at the year end.
- l. **Segment Reporting**  
The Company’s business activities fall within a single primary reportable segment viz., Writing & Printing Paper. Accordingly, pursuant to Accounting Standard (AS)-17 on Segment Reporting, Segmental Information is not given.

**M. Related party’s disclosures under AS- 18**

Sl	Name of Parties	Relationship
i	Arrow Syntax Pvt Ltd	Associate Company and having significant influence over the Company
ii	Orion IT Parks Pvt. Ltd.	Common Directorship
iii	D. Kumar – Whole Time Director	Key Management Personnel

**Related party transactions under Accounting Standard AS-18**

(Amount in Rs.)

Related Party Transactions	Enterprises having Common Director	
	2013-14	2012-13
Unsecured Loan		
Paid	-	9,650,000
Received	167,00,000	44,200,000
Balances as on 31st March		
Payable	121,200,000	104,500,000

**N. Disclosures required by AS- 29 “Provisions, Contingent Liabilities and Contingent Assets” Movement in provisions:**

(Amount in Rs.)

Particulars	2013-14	2012-13
i Opening Balance	4,531,312	1,517,585
ii Provision during the year	20,000	3,013,727
iii Provision used during the year	140,000	-
iv Provisions reversed during the year	475,880	-
v <b>Closing Balance</b>	<b>3,935,432</b>	<b>4,531,312</b>

The provisions for disputed obligatory liabilities on account of cases pending with courts/ concerned authorities based on estimate made by the company considering the facts and circumstances.

**O. Earning Per Shares (Basic & Diluted)**

Particulars	2013-14	2012-13
Net Profit / (Loss) after tax for the year (Rs.)	(576,63,902)	(81,221,254)
Weighted average no. of Equity Shares ( No.)	16,125,400	16,125,400
Earning per share ( Basic /Diluted) (Rs.)	(3.58)	(5.04)

**AGIO PAPER & INDUSTRIES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014.**

- P.** In view of substantial brought forward losses and depreciation, the year end deferred tax position reflects net deferred tax assets and the same has not been recognised on account of prudence.
- Q.** The entire spares and components consumption during the year as well for the previous year are through indigenous sources.

**Spares & Components Consumption**

Particulars	2013-14	2012-13
Imported	-	-
Indigenous	471,046	1,493,875
	<b>471,046</b>	<b>1,493,875</b>

- R** Previous year's figures have been regrouped and/or re-arranged wherever necessary, to conform the current year classification.

As per our report of even date annexed.

For SINGHI & CO.  
*Chartered Accountants*  
 Firm Registration No. 302049E

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

**(Gopal Jain)**  
 Partner  
 Membership No.: 059147  
 Kolkata : 30th May, 2013

**(SAIKAT GHOSH)**  
 Company Secretary

**(ANKIT JALAN)**  
 Executive Director  
**(K. K. KHETAWAT)**  
 Director



## **AGIO PAPER & INDUSTRIES LTD**

Regd. Office: 41A, AJC Bose Road  
505, Diamond Prestige, Kolkata – 700 017  
CIN: L21090WB1984PLC037968  
Phone: (033) 40225900, Website:www.agiopaper.com,  
E- mail : redressal@ agiopaper.com

### **ATTENDANCE SLIP**

PLEASE COMPLITE THE ATTENDANCE SLIP AND HAND IT OVER AT THE MEETING HALL. PLEASE ALSO BRING YOUR COPY OF THE ENCLOSED ANNUAL REPORT.

I hereby record my presence at 29<sup>th</sup> Annual General Meeting to be held on Wednesday 24<sup>th</sup> September,2014 at 11.00 A.M. at Bengal National Chamber of Commerce & Industry, Bengal National House, 23 R.N. Mukherjee Road, Kolkata- 700 001

Regd. Folio No:	Name of the Share Holder/Proxy (in Block letters)	Signature
DP ID No		
Client ID No.		



## AGIO PAPER & INDUSTRIES LIMITED

Registered Office: 505 Diamond Prestige ,41A, AJC Bose Road, Kolkata- 700 017

CIN: L21090WB1984PLC037968

Phone: (033) 40225900, Website:www.agiopaper.com, E-mail id: redressal@agiopaper.com

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014

Name of the member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No/ Client Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

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

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the company to be held on Wednesday the 24<sup>th</sup> September, 2014 at 11:00 A. M at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23, R.N. Mukherjee Road, Kolkata – 700001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution Proposed	Optional *	
		For	Against
	<b>Ordinary Business</b>		
1.	Adoption of Financial Statements, Reports of the Board of Directors and Auditors.		
2.	Re-appointment of Shri Ankit Jalan as Director who retires by rotation		
3.	Appointment of Auditors		
	<b>Special Business</b>		
4.	Appointment of Shri Sheo Shankar Joshi as an Independent Director		
5.	Appointment of Shri Kamal Kumar Khetawat as an Independent Director		
6.	Re-appointment of Shri Davinder Kumar as a Whole-time Director of the company		
7.	Borrowing powers under Section 180(1)(c) of the Companies Act, 2013		
8.	Powers to mortgage the assets of the Company under Section 180(1)(a) of the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

Note :

- 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.
- For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 29<sup>th</sup> Annual General Meeting dated 14<sup>th</sup> August, 2014.
- \*It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



Regd. Off. : Agio Paper & Industries Ltd.

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