

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23, R.N. Mukherjee Road, Kolkata – 700001 on Monday, the 27th September 2010 at 11:30 A. M. to transact the following Business:

Ordinary Business

1. To consider and adopt the audited accounts of the Company for the year ended 31st March 2010, together with the Report of the Directors and Auditors.
2. To appoint directors in place of directors retiring by rotation.
Shri Davinder Kumar, director, retires by rotation and being eligible, offers himself for re-appointment.
Shri Ankur Jalan, director, retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration. The present auditors, M/S Singhi & Co, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

Special Business

4. To Consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to provisions of sections 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Shri Davinder Kumar as wholetime Director of the Company for a period of two years with retrospective effect from 25th February 2010 upon the terms and conditions including remuneration as set out in the draft agreement and also the Explanatory Statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and to vary the terms and conditions of the said appointment and /or the Agreement so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the directors and Shri Davinder Kumar.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take necessary steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

5. To Consider and, if thought fit, to pass the following resolution as an **ORDINARY Resolution**:

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the company hereby approves the appointment of Shri Ankit Jalan as whole time Director-Finance of the Company for a period of five years with retrospective effect from 14th August, 2010 upon the terms and conditions as set out in the draft agreement and also the Explanatory Statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and to vary the terms and conditions of the said appointment and /or the Agreement so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the directors and Shri Ankit Jalan".

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take necessary steps and do all such acts, deeds and things as may be necessary or desirable to give effect to this resolution."

6. To Consider and, if thought fit, to pass the following resolution as a **SPECIAL Resolution**:

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2009 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or reenactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed there under, Listing Agreements, and all other applicable laws, rules and regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Calcutta Stock Exchange Ltd."



7. To Consider and, if thought fit, to pass the following resolution as a **SPECIAL Resolution**:

“RESOLVED THAT pursuant to provisions of Section 81(1A), 117A, 117B and 117C of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, approval of the Members be and is hereby accorded to the Company to issue Non Convertible Secured Debentures by way of private placement to friends, associates, group companies and other individuals, who are associated/affiliated or connected, in any manner with Agio Paper & Industries Ltd., without giving any advertisement in the general public at a stretch or in various series upto the tune of Rs.100,000,000/- (Rupees Ten Crores only).

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to decide the terms and conditions, and revision thereof, viz. face value of each Non Convertible Secured Debentures, minimum application size, tenure, interest rate and quantum of issue within the parameters of the present legislation in regard to the above resolution.”

8. To Consider and, if thought fit, to pass the following resolution as a **SPECIAL Resolution**:

“RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the listing agreement entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed and the guidelines for preferential issues issued by the Securities and Exchange Board of India (“SEBI”) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”) and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchanges, SEBI, Banks and Financial Institutions and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (herein after referred to as the “Board” which term shall be deemed to include any duly authorized committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorized to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorized committee thereof) to create, issue, offer and allot on preferential basis, at its sole and absolute discretion, 10,000,000 (One Crore) Equity Shares of Rs.10/- each at a price of Rs. 12/- per equity Share (including a premium of Rs. 2/- per share) calculated as per SEBI (Issue Of Capital and Disclosure Requirements) Regulations, 2009 with August 28, 2010, as the relevant date, of an amount in aggregate not exceeding Rs. 120,000,000/- (Rupees Twelve Crore Only) calculated as per SEBI (Issue Of Capital and Disclosure Requirements) Regulations, 2009 to the following persons:-

Sr. No.	Name of the Proposed Allottee	Number of Equity Shares Proposed to be allotted	Category
1.	Mr. Murari Lal Jalan	5,500,000	NRI - Promoter
2.	Mr. Bharat Mekani	1,500,000	NRI - Non Promoter
3.	Mr. Anand Kumar Purohit	1,500,000	NRI - Non Promoter
4.	Mr. Babulal Bahadur	1,500,000	NRI - Non Promoter
	Total	10,000,000	

“RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of fifteen (15) days from the date of passing of this special resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI (Issue Of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.”

“RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company. The equity shares allotted on preferential basis shall be locked-in from the date of their allotment for such period as prescribed in Regulation 78 for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.”

“RESOLVED FURTHER THAT the entire pre-preferential allotment shareholding of the above allottees, if any, shall be under lock-in from the relevant date up to a period of six months from the date of preferential allotment or such other period as may be applicable under the applicable SEBI (Issue Of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.”

"RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting the Equity Shares of the Company as aforesaid, the Board of Directors of the Company (which terms shall include any Committee or Wholetime Director or Officer authorized by the Board) be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and for matters connected therewith or incidental thereto, including in particular, to settle any questions, difficulties or doubts that may arise with regard to creating, issuing, offering and allotting the Equity Shares and utilizing the issue proceeds of the Equity Shares, as it may, in its absolute discretion, deem fit and proper."

"RESOLVED FURTHER THAT the Company do apply for listing of the new equity shares being issued on Preferential Allotment Basis with the Stock Exchanges."

"RESOLVED FURTHER THAT the Company do make application to the National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) for admission of the new equity shares to be issued on preferential basis."

27th August, 2010

Registered Office:

'Chatterjee International Centre',
33A, Chowringhee Road,
20th Floor, Office -11
Kolkata – 700 071

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 11:30 A. M. on 25th September, 2010.**
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 21st September, 2010 to 27th September, 2010 (both days inclusive).
6. In accordance with Section 205C of the Companies Act, 1956, no claim shall lie against the Company or Fund in respect of individual accounts of dividends remaining unclaimed or unpaid for a period of seven years from the dates they become first due for payment and no payment shall be made in respect of any such claims.
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. The members are aware that their Company's shares are under Compulsory Demat Trading with effect from 25th September 2000 for all the investors, hence they may utilize this facility.
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. Shri Davinder Kumar and Shri Ankur Jalan, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. As required under the listing agreement, the information/data to be provided for these Directors are given in the Corporate Governance Section of this Annual Report.
11. Copies of the Memorandum and Articles of Association of the Company, the certificate of the Statutory Auditors of the Company, certifying that the preferential issue of Equity Shares proposed pursuant to the special resolution at Item No. 8 is in accordance with the requirements contained in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be open for inspection of the members of the Company at the Registered Office of the Company between 11:00 A.M. and 2:00 P.M. on any working day prior to the date of the Meeting and also at the Meeting.
12. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the Notice.



EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

ITEM No. 4

The present term of office of Shri Davinder Kumar, Wholtime Director designated as Executive Director has expired on 24th February, 2010. The Board of Directors of the company (the Board), at its meeting held on 30th January, 2010 has, subject to the approval of members, re-appointed the said Wholtime 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:-

SALARY

1. **Basic Pay:** Rs. 20,000/- per month along with annual increment to be decided mutually by both the parties.
2. **Perquisites & Allowances:**

CATEGORY A

Medical Reimbursement: Expenses incurred for self and the family subject to a ceiling of 1 month's salary in a year.

Leave Travel Allowance: Reimbursement of Leave Travel Expenses incurred for self and Family as per Company Rules.

CATEGORY B

Contribution to Provident Fund: The Whole time Director shall be entitled to Provident Fund, to the extent these contributions singly or put together are not taxable under the provisions of Income Tax Act, 1961.

CATEGORY C

Encashment of Leave as per Company Rule:

Overall remuneration package not to exceed limits specified in schedule XIII of the Companies Act, 1956.

The board of Directors shall be authorized to revise remuneration from time to time provided that the remuneration package shall be within the limits specified in Schedule XIII of the Companies Act, 1956.

None of the Directors of your Company, other than Shri Davinder Kumar, is interested in this Resolution.

The Board recommends this Resolution for your Approval.

ITEM No. 5

Shri Ankit Jalan has been appointed on 28th February, 2010 as a director of the company. Since his appointment he has been heading the finance function of the company.

The duties of the Wholtime Director –Finance shall be discharged subject to the superintendence, control and direction of the Board and he shall perform on behalf of the company in the ordinary course of business all such acts, deeds, and things, which in the ordinary course of business, he may consider necessary or proper or in the interest of the company.

Terms & Conditions

- 1) **Designation :** Wholtime Director- Finance
- 2) **Term :** 5 years with effect from 14.08.2010
- 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 198, 269, 309 read with schedule XIII to the Companies Act, 1956.

None of the Directors of your Company, other than Shri Ankit Jalan, is interested in this Resolution.

The Board recommends this Resolution for your Approval.

ITEM No. 6

Presently, the equity shares of your Company are listed on Calcutta Stock Exchange Limited (Regional Exchange) and Bombay Stock Exchange Limited. The equity shares of your Company are traded mainly on Bombay Stock Exchange Limited and have not been traded at the Calcutta Stock Exchange Limited for the last few years.

Yet the listing fees payable to the Calcutta Stock Exchange Limited remains high comparable to Bombay Stock Exchange Ltd's (BSE) which is a stock exchange having nationwide trading terminal offering trading facilities to all investors spread throughout the country.

In view of the above, your Directors, at their Meeting held on May 15, 2010 have approved the voluntary de-listing of equity shares of the Company from the Stock Exchanges situated at Kolkata subject to approval of the shareholders at this Annual General Meeting and completion of necessary formalities in this regard in terms of the Securities & Exchange Board of India (De-listing of Equity Shares) Regulations, 2009.

The proposed voluntary de-listing of equity shares of your Company from the said Stock Exchange will not adversely affect any investors including the Members located in the region where the said Stock Exchange is situated. The equity shares of your Company are compulsorily traded in electronic mode, which enables the investors to trade in the same from anywhere in the Country. As the equity shares of the Company shall continue to remain listed on Bombay Stock Exchange Limited, no exit option is required to be offered to the Shareholders. Further, de-listing of equity shares from the said Stock Exchange will entail savings in Annual Listing Fees and other administrative costs.

None of the Directors of your Company is, in any way, interested in this Resolution except to the extent of their shareholding.

The Board recommends this Resolution for your Approval.

ITEM No. 7

The Company is currently in midst of expansion and has plans for further expansion in the future. Since such expansion is capital intensive, the company shall require to invest huge amount of capital. The company may raise funds by issue of various financial instruments including the Non Convertible Secured debentures by way of private placement to friends, associates, Group Companies, employees and other individuals, who are connected, associated in any manner with Agio Paper & Industries Limited.

None of the Directors of your Company is, in any way, concerned or interested in this resolution.

The Board recommends this resolution for your approval.

ITEM No. 8

The Board has decided to go for preferential allotment of **10,000,000 equity shares** of Rs. 10/- each at Rs. 12/- per Equity Share (including premium of Rs.2/-) in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments there to from time to time. As mandated by the said guidelines the board submits the following for the information of the members:

Your Company proposes to repay unsecured loan from the proceeds received on issuing Equity Shares on preferential basis up to 10,000,000 (One Crore) Equity Shares of Rs.10/- each at Rs.12/- (including premium of Rs. 2/-). The Company has received inclination from the prospective persons to acquire shares in the Company and the respective allottees are as under:-

Sr. No.	Name of the Proposed Allottee	Number of Equity Shares Proposed to be allotted	Category
1.	Mr. Murari Lal Jalan	5,500,000	NRI - Promoter
2.	Mr. Bharat Mekani	1,500,000	NRI - Non Promoter
3.	Mr. Anand Kumar Purohit	1,500,000	NRI - Non Promoter
4.	Mr. Babulal Bahadur	1,500,000	NRI - Non Promoter
	Total	10,000,000	

Hereinafter the aforesaid persons shall be collectively and individually called as "proposed allottee/(s)"

Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 is as under:

a) Objects of the Issue

The company intends to repay the unsecured loan to the tune of Rs. 1200 Lacs. Further, the unsecured loans have been utilized to meet the long term working capital of the company.

b) Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer:

Mr. Murari Lal Jalan, Promoter of the Company do intend to subscribe to the above mentioned preferential allotment of shares to the extent of 5,500,000 Equity shares being 34.11% of the post issue capital of the Company.

c) Shareholding Pattern before and after the issue :

SI	CATEGORY	PRE-ISSUE		POST-ISSUE	
		No. of shares held	% of shares held	No. of shares held	% of shares held
A	PROMOTERS' HOLDING				
1	Indian Promoters				
	Individuals	108,963	1.78%	108,963	0.68%
	Bodies Corporate	2,938,194	47.97%	2,938,194	18.22%
	Sub-total A(1)	3,047,157	49.75%	3,047,157	18.90%
2	Foreign Promoters'				
	Individuals (Non - resident Individuals / Foreign Individuals)	107,477	1.75%	5,607,477	34.77%
	Sub-total A(2)	107,477	1.75%	5,607,477	34.77%
	Total A (1+2)	3,154,634	51.50%	8,654,634	53.67%
B	PUBLIC SHAREHOLDING				
1	Institutional Investors				
	Mutual Fund / UTI	6,800	0.11%	6,800	0.04%
	Financial Institutions / Bank	300	-	300	-
	Sub-total B (1)	7,100	0.12%	7,100	0.04%
2	Non-Institutions				
a)	Bodies Corporate	529,401	8.64%	529,401	3.28%
b)	<u>Individuals</u>				
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,978,766	32.30%	1,978,766	12.27%
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	444,301	7.25%	444,301	2.76%
c)	<u>Any Others :</u>				
	Non Resident Indians	11,197	0.18%	4,511,197	27.98%
	Trusts	1	0.00%	1	0.00%
	Sub-total B (2)	2,963,666	48.38%	7,463,666	46.29%
	Total B (1+2)	2,970,766	48.50%	7,470,766	46.33%
	Total (A+B)	6,125,400	100.00%	16,125,400	100.00%
C	Shares held by custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil
	Total C	Nil	Nil	Nil	Nil
	Grand Total (A+B+C)	6,125,400	100.00%	16,125,400	100.00%

d) Proposed time within which allotment shall be completed

The Allotment of shares is proposed to be completed within a period of 15 days from September 27, 2010 being the date on which the shareholders' sanction is obtained for the preferential allotment of equity shares provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, then the allotment shall be completed by the Company within a period of 15 days from the date on which the Company receives all approvals from the concerned authorities and the subscription received from the investors.

e) Identity and details of the proposed allottees :-

Sr. No.	Name	Address	Number of Shares	% Holding of Post Issue Capital
1.	Mr. Murari Lal Jalan	9/3 Basant Bihar, Kanke Road, Ranchi - 834005	5,500,000	34.11
2.	Mr. Bharat Mekani	1, Amber Road # 17-03 Singapore - 439845	1,500,000	9.30
3.	Mr. Anand Kumar Purohit	Rajendra Path, Patna Bihar	1,500,000	9.30
4.	Mr. Babulal Bahadur	201, Triveni Appartment Airport Road, Ranchi, Jharkhand	1,500,000	9.30
	Total		10,000,000	

f) Change in Control or composition of the Board:

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

g) Auditors' Certificate:

A certificate from Singhi & Co., Chartered Accountants, the Statutory Auditors of the Company, certifying that the issue of equity shares is being made in accordance with the requirement of Chapter VII of SEBI (ICDR) Regulation has been obtained.

h) Lock-in of proposed issue of shares:

The Equity Shares proposed to be issued to above proposed allottees shall be locked in for a period from the date of allotment in terms of Regulation 78 of SEBI regulation for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of preferential allotment of shares.

i) Dematerialisation

The equity shares, being proposed to be offered and allotted, shall be in dematerialised form.

j) Undertaking:

The Company hereby undertakes that:

The Company shall re-compute the price of the specified securities in term of the provisions of these regulations where it is required to do so.

If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the regulations, the specified securities shall be continue to be locked-in till the time such amount is paid by the proposed allottees.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the stock exchanges on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless the shareholders in annual general meeting decide otherwise by passing a special resolution.

Additionally, the SEBI (ICDR) Regulation require matters to be stated in the resolution which is required to be passed under Section 81 (1A) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution.

Hence, the consent of the shareholders by way of special resolution is being sought for issue of the shares on preferential basis.

None of the Directors of your Company except Mr. Murari Lal Jalan, being a Promoter Director of Agio Paper & Industries Limited shall be concerned or deemed to be interested in the said resolution.

The Board recommends the resolution for your approval.

27th August, 2010

Registered Office:

'Chatterjee International Centre',
33A, Chowringhee Road,
20th Floor, Office -11
Kolkata – 700 071

By Order of the Board
For Agio Paper & Industries Limited

Saikat Ghosh
Company Secretary



DIRECTORS' REPORT

TO THE MEMBERS

AGIO PAPER & INDUSTRIES LTD.

Your Directors have pleasure in presenting the 25th Annual Report of the Company along with Audited Accounts of the Company for the year ended 31st March, 2010.

SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year	Previous Year
Gross Turnover and other receipts	2372.43	3677.63
Profit / (Loss) before Interest and Depreciation	(118.14)	290.85
Less: Interest	85.33	134.90
Profit/(Loss) Before Depreciation	(203.47)	155.95
Less: Depreciation	126.30	121.34
Profit/(Loss) Before Tax	(329.77)	34.61
Less: Provision for taxation		
Deferred Tax	-	17.42
Fringe Benefit Tax	-	1.88
Wealth Tax	-	0.02
Profit/(Loss) After Tax	(329.77)	15.28
Balance brought forward from previous year	(91.53)	(54.73)
Add: Adjustment of Employee Benefit as per AS -15 Revised	-	-
Add: Transfer to foreign currency translation reserve for 2007-08	-	(52.08)
Balance carried to Balance Sheet	(421.30)	(91.53)

BUSINESS PERFORMANCE

The present year did not yield the desired results commensurate with our efforts. The closure of the factory for a period of time at the beginning of the financial year and the unstable market conditions throughout the year are two of the factors behind such reversal. The global downturn which is yet to subside totally too had its adverse effects. Since we are in expansion stage we have taken these setbacks in our stride and are hoping all the positive steps taken thus far shall yield the desired results in the near future.

DIVIDEND

In absence of profit no dividend is recommended for the financial year ended 31st March, 2010.

SILVER JUBILEE YEAR

The year in review holds special significance for all of us. We are in our silver jubilee year and we are proud to have made this journey from our humble beginning not so long ago. After change of management during the last decade we have made great strides and have found our place amongst other established players in the industry. The efforts of each and every individual associated with the company will reflect manifold in the years to come when the company shall fulfill its growth potential and shall be recognized as a leader in the paper industry.

PREFERENTIAL ALLOTTMENT OF EQUITY SHARES

In accordance with provisions of section 81(1A) of the Companies Act, 1956 and subject to guidelines for preferential issues issued by the Securities and Exchange Board of India ("SEBI") under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the company intends to allot 10,000,000 (One Crore) Equity Shares of Rs.10/- each at a price of Rs. 12/- per equity Share (including a premium of Rs. 2/- per share) on preferential allotment basis.

EXPANSION, NEW PROJECTS AND FUTURE PROJECTIONS

Our second paper machine having production capacity of 18000 MT per annum is in the final stage of installation. The 4MW Co-Generation power plant at our factory had also been tested on trial run basis. The simultaneous operation of these two together in the future will act as a boon and shall stand us in good stead for the coming years.

CREDIT FACILITIES

To facilitate the projects at our factory site at Bilaspur our banker Allahabad bank has raised the level of credit facilities to the extent of Rs.29.25 crores.

CREDIT RATING

During the current year we are getting rating done through Fitch Ratings.

AUDITORS

The Statutory Auditors of the Company M/s Singhi & Co, Chartered Accountants retire at the ensuing Annual General Meeting of the Company and have given their consent for reappointment.

Pursuant to directions received from the Central Government, M. Pal & Associates has been appointed as the Cost Auditor of the Company to audit the Cost Accounts of the Company for the year ended 31st March, 2010.

AUDITOR'S OBSERVATION

In para (iii) (x) of Annexure to the Auditor's report the statutory auditors have commented that based upon their observations in para 7 of audit report, the company's accumulated losses at the end of the financial year have exceeded fifty percent of its net worth.

It may be noted that subject to the consent of the shareholders at the next annual general meeting the board shall complete the process of preferential allotment of 10,000,000 equity shares of Rs.10/- each at Rs.12/- per equity share (including premium of Rs.2). Subsequently the paid up share capital of the company shall increase by Rs.1000.00 lacs and shall stand at Rs.1612.73 lacs. The reserves figure shall also be enhanced by Rs.200.00 lacs after addition of such share premium and shall stand at Rs.509.00 lacs.

After taking into consideration the enhancement in paid up share capital and reserves subsequent upon completion of process of preferential allotment of shares the accumulated losses of the company shall stand well below fifty percent of net worth and the concern expressed by the statutory auditor of the company shall be adequately redressed.

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and Article 75 of the Articles of Association of the Company, Shri Davinder Kumar and Shri Ankur Jalan Directors of your Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE

The company has always laid special emphasis to clause 49 of listing agreement with stock exchange which deals with corporate governance. It is a well structured mechanism in the present corporate era which is held in highest esteem by the company and always tries to ensure its due compliance. A compliance report on Corporate Governance forms a part of this annual report along with the auditor's certificate on the compliance.

INTERNAL CONTROL SYSTEM

Adequate internal control system has been established and is maintained in various areas. The existing set up of the internal control system is commensurate with the size of the company's operations and nature of its business. Your Company has emphasized upon the importance of effective internal control and has increased the focus.

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:

- All the applicable Accounting Standards have been followed in the preparation of the Annual Accounts and there is no material departure from the same.
- 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 31st March, 2010.
- 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 .
- That they have prepared the annual accounts on a going concern basis.

INSURANCE

Your Company has taken adequate guard against the unforeseen and accidents. Sufficient insurance coverage has been obtained w.r.t. the raw materials, finished goods and all assets of the Company.



CORPORATE SOCIAL RESPONSIBILITY

The company has always pursued the policy of growth objectives in a socially responsible and ecological sustainable way. The health and safety of the employees, those in the neighborhoods and the protection of environment have always been given priority while we strived for excellence.

Infrastructure development

We have developed overhead tanks, water pipes and taps for distribution of water. In the summer months when the crisis of water is acute the bore wells provided by us serve the thousands in all the neighbouring villages.

Sports

The company has been acting as a patron for various sporting activities to nurture young talents in the villages. We have contributed to the district football and basketball association as well as Chhattisgarh karate association for development of local youths.

Health

Being conscious about our greater responsibilities we have been providing free medical check up and treatment facilities to villagers in dispensaries. Free medicines are also provided to the needy people of the villages.

Contribution towards 'Akshay Patra'

In order to eradicate illiteracy and encourage education amongst our future generation we have started contributing towards 'Akshay Patra' a mid day meal scheme for school children.

POLLUTION CONTROL AND ENVIRONMENTAL PROTECTION

Paper Industry by nature is a hazardous industry. The Management has taken many developmental actions and made huge investments towards that. In specific areas actions taken are:-

- 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.

HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

The industrial relations throughout the year under review were peaceful and satisfactory from all aspects. As always the company paid special attention to the aspect of human resource in the organization. In relentless pursuance of excellence, it continues to focus on both recruitment and retention, giving priority to meritocracy and ensuring that performance is first recognized and then rewarded in an appropriate manner. The company understands that culture, core values and integrity constitute the framework of a corporate that is held in esteem by the employees and makes continuous efforts to progress in these directions. Training and development programmes take place continuously to make best use of each individual's abilities.

PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS 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 EARNING 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.