

CORPORATE INFORMATION

Board of Directors

Shri M. L. Jalan - Chairman
Shri Ankit Jalan - Executive Director Finance
Shri D. Kumar - Executive Director
Shri S. Mukherjee - 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 Road
Emerald House, Kolkata - 700 001

Cost Auditors

M. Paul & Associates
Cost Accountants
82, Akhil Mistry Lane
Kolkata - 700 009

Bankers

Allahabad Bank
Axis Bank

Registrar & Transfer Agent

Maheshwari Datamatics 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
Fax : +91-33-4022 5999
E-mail : ho@agiopaper.com

Mill

Village : Dhenka, P.O : Darrighat
Masturi, Bilaspur - 495 551
Chhattisgarh
Ph. : +91-7752-257 010/011/014/235
Fax : +91-7752-257 371

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NOTICE

NOTICE is hereby given that the Twenty Seventh 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 Wednesday the 26th September, 2012 at 10:30 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 2012, 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 M.L.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 Mr. Davinder Kumar as wholetime Director of the Company for a period of two years with retrospective effect from 25th February 2012 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.”

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

14th August, 2012

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 10:30 A. M. on 24th September, 2012.
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 24th September 2012 to 26th September (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 M. L. 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. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" to allow paperless compliances by the corporate sector. MCA, by its Circular dated April 21, 2011, has now made permissible the service of documents through electronic mode to shareholders. To support the Green Initiative of the Government, it is proposed to send, henceforth, all Notices, Annual Report and other communications through Email. For the above purpose, we request you to send an Email confirmation to our designated ID redressal@agiopaper.com mentioning your name, DP / Customer ID or Folio number and your Email ID for communication. On this confirmation, we would, henceforth, send all Notices, Annual Report and other communications through Email. Copies of the said documents would be available in the Company's website www.agiopaper.com for your access. You will at all times be entitled to receive, free of cost, hard copy (paper version) of Annual Report and other communications on specific request. You are also at liberty to change the instructions from time to time.

We request you to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.

EXPLANATORY STATEMENT

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

Item No. 4

The present term of office of Shri Davinder Kumar, Wholetime Director designated as Executive Director has expired on 24th February, 2012. The Board of Directors of the company (the Board), at its meeting held on 13th February, 2012 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:-

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.

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14th August, 2012

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 27th Annual Report of the Company along with Audited Accounts of the Company for the year ended 31st March, 2012.

SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year	Previous Year
Gross Turnover and other receipts	121.52	2429.30
Profit / (Loss) before Interest and Depreciation	(181.73)	600.77
Less: Interest	399.64	301.84
Profit/(Loss) Before Depreciation	(581.37)	395.95
Less: Depreciation	124.35	483.03
Profit / (Loss) Before Tax	(705.72)	(177.09)
Less: Provision for taxation		
MAT Credit Entitlement	-	59.06
Deferred Tax	(11.37)	(40.85)
Fringe Benefit Tax	-	-
Wealth Tax	-	-
Profit / (Loss) After Tax	(694.35)	(195.29)
Balance brought forward from previous year	(616.60)	(421.31)
Add: Adjustment of Employee Benefit as per AS -15 (Revised)	-	-
Add: Transfer to foreign currency translation reserve for 2007- 08	-	-
Balance carried to Balance Sheet	(1310.95)	(616.60)

BUSINESS PERFORMANCE

The closure of the factory since 6th October, 2010 due to instructions issued by the Central Pollution Control Board has put a temporary halt on our consistent progress which we had managed to achieve during the last few years.

Throughout the period during which we have been closed we have been trying very hard to resolve the issue but so far the pollution control authorities has shown reluctance towards giving us clearance. Therefore, we are also exploring the option of trying alternate modes of production.

Once production activities resume we shall certainly make up for lost time and shall continue our march towards progress.

DIVIDEND

In absence of profit no dividend is recommended for the financial year ended 31st March, 2012.

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.30.85 crores and has restructured such credit facilities.

CREDIT RATING

During the current year we had our 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, 2012.

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 M.L.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

Ever since its inception in the Indian corporate system observance of corporate governance parameters has been strictly followed by the company. It has been accepted by us as a means of doing business and not just mere compliance. The Corporate Governance report and the Corporate Governance compliance certificate obtained from the company's statutory auditors M/S Singhi & co., Chartered Accountants, confirming the compliance of Corporate Governance as stipulated in Clause 49 of listing agreement is included in the Annual Report.

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.

The internal audit system which is an integral part of internal control system could not be carried out during the previous financial year due to absence of production activities as it has been mentioned in the auditor's report. However, we remain firm in our commitment towards exercising all such controls and needful action shall be taken upon commencement of production activities.

DIRECTOR'S 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, 2012.
- 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

Keeping in consistency with previous years we have carried out our duties as a responsible corporate citizen. Looking after the needs of the society and our surroundings is considered a prime responsibility. Serving the needs of the society and doing everything possible to develop our surroundings and also pave the way for its betterment has not only been a philosophy for the new management but put into practice on a consistent basis over the past years.

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:-

- Ø Zero discharge of Black Liquor from the mill and installing another filter press with full capacity.
- Ø Drastic deduction in Consumption of fresh water thereby reducing the generation of effluent.
- Ø 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.
- Ø Maximum use of mill back water in the plant by recycling.

- Ø Effluent generation from Paper Machine and Waste Paper Pulp processing is being used 100% after clarification.
- Ø Effluent sludge is separated through 2 Nos. sludge press and used for making board.
- Ø 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.
- Ø Emission from boiler is controlled by Trema cyclone & in Power Plant ESP has been installed which maintained emission standard satisfactorily.
- Ø Giving emphasis on green environment every year we planted more than 5000 trees.
- Ø Further for zero effluent discharge we are developing around 3 acres of land.
- Ø Installation of Chemical Recovery Plant in the near future shall bring about a permanent solution to the long standing pollution.
- Ø 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 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 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

FINANCIAL VIABILITY OF COMPANY

As it has been pointed out in the auditor's report that there has more than 50% erosion of net worth due to closure of our mill. However your directors are making wholehearted efforts to ensure that things get to normalcy. Once the mill resumes production the company shall complete the recovery process.

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
14th August, 2012

M. L. JALAN
Chairman

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

(Rs. In Lacs)

	2011 - 12	2010 - 11
Earning: Export	Nil	Nil
Outgo: Imports	Nil	124.25
Outgo on repayment of unsecured loan	Nil	Nil

FORM A

	2011-12	2010-11
A. POWER & FUEL CONSUMPTION		
1. ELECTRICITY:		
a) Chhattisgarh State Electricity Board		
Units (KWH in lacs)	2.51	42.70
Total Amount (Rs. in lacs)	9.62	205.64
Rate/KWH (In Rs.)	3.83	4.82
b) Own Generation		
i) Through Diesel (KWH in lacs)	NIL	NIL
ii) Through Steam Turbine Generator	NIL	NIL
2. Coal:		
a) Grade E (ROM)		
Quantity (MT)	8659.18	3568.23
Total Cost (Rs. in lacs)	134.47	51.42
Average rate	1552.91	1440.98
b) ROM (Washery)		
Quantity (MT)	NIL	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average rate	NIL	NIL
3. RICE HUSK		
Quantity (MT)	NIL	2203.32
Total Cost (Rs. in lacs)	NIL	35.03
Average rate	NIL	1589.92
4. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (KWH/MT)	NIL	1077.51
Coal/Husk (MT/MT)	NIL	1.46

FORM B

TECHNOLOGY ABSORPTION :-

I. RESEARCH AND DEVELOPMENT (R & D)

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

- a) Control over the grammage variation of paper
- b) Fresh water consumption reduced and ETP load minimized
- c) Reduce the SS load in primary clarifier also reduce the COD & BOD load.
- d) 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 2nd 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 :

a) Captial	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.
b) Recurring	
c) Total	
d) Total R & D expenditure	
As a % of total turnover	

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.
3. Efforts are being made towards the technology of treated effluent
water decolorisation R & D work is continuing with M/s Asianol Speciality Chemicals - Kolkata

Kolkata

14th August, 2012

On behalf of the Board

M. L. JALAN

Chairman