



28th ANNUAL REPORT 2012-2013

CORPORATE INFORMATION

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

Cost Auditors

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

Bankers

Allahabad Bank
Axis Bank

Registered & 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
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
Fax : +91-7752-257 371

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NOTICE

NOTICE is hereby given that the Twenty Eighth 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 25th September, 2013 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 2013, together with the Report of the Directors and Auditors.
2. To appoint director in place of director retiring by rotation.

Shri Kamal Kumar Khetawat, 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.

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

14th August, 2013

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 23rd September, 2013.**
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 23rd September 2013 to 25th September 2013 (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 Kamal Kumar Khetawat, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. As required under the listing agreement, the information/data to be provided for these Director is given in the Corporate Governance Section of this Annual Report.
12. 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.

DIRECTORS REPORT

TO THE MEMBERS

AGIO PAPER & INDUSTRIES LTD.

Your Directors have pleasure in presenting the 28TH Annual Report of the Company along with Audited Accounts of the Company for the year ended 31st March, 2013.

SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year	Previous Year
Gross Turnover and other receipts	50.00	121.52
Profit / (Loss) before Interest and Depreciation	(327.99)	(181.73)
Less: Interest	456.51	399.64
	-----	-----
Profit/ (Loss) Before Depreciation	(784.50)	(581.37)
Less: Depreciation	27.11	124.35
	-----	-----
Profit / (Loss) Before Tax	(812.21)	(705.72)
Less: Provision for taxation		
MAT Credit Entitlement	—	—
Deferred Tax	—	(11.37)
Fringe Benefit Tax	—	—
Wealth Tax	—	—
	-----	-----
Profit / (Loss) After Tax	(812.21)	(694.35)
Balance brought forward from previous year	(1310.95)	(616.60)
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	(2123.16)	(1310.95)

BUSINESS PERFORMANCE

Ever since the closure of our factory to ensure compliance of Central Pollution Control Board's norms during the financial year 2010-11 we having been trying different alternatives to mitigate the problems but so far it has not come to fruition. Yet we remain honest in our endeavour and hope to make up for loss time in the future.

DIVIDEND

In absence of profit no dividend is recommended for the financial year ended 31st March, 2013.

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 had restructured such credit facilities earlier. The company has been paying on schedule up until recently, when some of the payments had to be held due to difference in figures with the bank. The company is in talks with the bank to sort out 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 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, 2013.

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and Article 75 of the Articles of Association of the Company, Shri Kamal Kumar Khetawat Director of your Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

CORPORATE GOVERNMENT

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 over the years developed an adequate internal control system through effective means to safeguard against loss and wastages. These internal control systems are subject to review by the Audit Committee and Board of Directors. The internal audit department of the Company reviews the internal control system on a regular basis to improve its effectiveness. Regular internal audits are conducted based on annual internal audit programme as agreed with audit committee. The audit committee also reviews the effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations. 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:

- 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 31st March, 2013.
- 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 pollution Problem.
- * 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

CAPITAL WORK IN PROGRESS

The paper plant was closed on 6th 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 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 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 from 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, 2013

ANKIT JALAN
Executive Director

ANNEXTURE -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 |

ANNEXTURE -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)

	2012-13	2011-12
Earning: Export	Nil	Nil
Outgo: Imports	Nil	Nil
Outgo on repayment of unsecured loan	Nil	Nil

FORM - A

A. POWER & FUEL CONSUMPTION		2012-13	2011-12
1. ELECTRICITY:			
a) Chhattisgarh State Electricity Board			
Units (KWH in lacs)		1.98	2.51
Total Amount (Rs. in lacs)		19.39	28.64
Rate/KWH (In Rs.)		9.78	11.42
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)		Nil	8659.18
Total Cost (Rs. in lacs)		Nil	134.47
Average rate		Nil	1552.91
b. ROM (Washery)			
Quantity (MT)		Nil	Nil
Total Cost (Rs. in lacs)		Nil	Nil
Average rate		Nil	Nil
3. RICE HUSK			
Quantity (MT)		Nil	Nil
Total Cost (Rs. in lacs)		Nil	Nil
Average rate		Nil	Nil
4. CONSUMPTION PER UNIT OF PRODUCTION			
Electricity (KWH/MT)		Nil	Nil
Coal/Husk (MT/MT)		Nil	Nil

FORM B
TECHNOLOGY ABSORPTION:-
1. 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 fibre 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, 2013

On behalf of the Board
ANKIT JALAN
Executive Director