



*32nd ANNUAL REPORT 2016-2017*

# CORPORATE INFORMATION

---

## Board of Directors

Mr. Ankit Jalan - Executive Director  
Mr. Sheo Shankar Joshi - Director  
Mr. Kamal Kumar Khetawat - Director  
Mrs. Mohini Agarwal - Additional Director

## Company Secretary

Mr. Saikat Ghosh

## Statutory Auditors

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

## Secretarial Auditor

Subhasis Bosu & Co.  
Company Secretaries  
33/1, N. S. Road, Marshall House  
8th Floor, R.No. 862  
Kolkata - 700 001

## Bankers

Allahabad Bank  
Axis Bank  
State Bank of India

## 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 : +91-33-6628 6654  
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

# TABLE OF CONTENTS

---

Notice	1
Board Report & Management Discussion and Analysis	7
Corporate Governance	24
Secretarial Auditor's Certificate on Corporate Governance	35
Auditors' Report	36
Balance Sheet	42
Profit and Loss Account	43
Cash Flow Statement	44
Notes Forming Part of Balance Sheet and Statement of Profit & Loss and Significant Accounting Policies	45

## NOTICE

NOTICE is hereby given that the Thirty second 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 Monday the 10th July, 2017 at 10:30 A. M. to transact the following Business:

### Ordinary Business

1. To consider and adopt the audited financial statements of the Company for the year ended 31st March 2017, together with the Report of the Directors and Auditors' thereon.
2. To appoint a director in place of Mr. Ankit Jalan (DIN: 02577501), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Messers Jitendra K Agarwal & Associates, Chartered Accountants as Auditors in place of existing auditors Messers Singhi & Co., Chartered Accountants upon completion of their term 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 Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, Messers Jitendra K Agarwal & Associates, Chartered Accountants, having registration No. 318086E allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors Messers Singhi & Co., Chartered Accountants, having registration No. 302049E allotted by ICAI, who shall hold office from the conclusion of this 32nd Annual General Meeting for term of consecutive five years till conclusion of the 37th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

### Special Business

4. Increase in the Authorized Share Capital of the Company: To increase the authorized share capital and consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 13 and 61 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and all other applicable provisions, if any, the Authorized Share Capital of the Company be and is hereby increased from Rs. 560,000,000 (Fifty six Crores Only) divided into 16,500,000 (One Crore Sixty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 3,950,000 (Thirty nine lacs and fifty thousand) 10% Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each to Rs.660,000,000 (Sixty six crore only) divided into 16,500,000 (One Crore Sixty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 4,950,000 (Forty nine lacs and fifty thousand) 10% Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each to and consequently the respective Capital Clause V in the Memorandum and Article of Association of the Company do stand altered accordingly as follows:

The Authorized Share Capital of the Company is Rs. 660,000,000 (Sixty six Crores Only) divided into 16,500,000 (One Crore Sixty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 4,950,000 (Forty nine lacs and fifty thousand) 10% Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each with the power to the Company to increase and reduce the capital for the time being into several classes and attach thereto respectively such preferential or special rights, privileges or conditions as may be determined by or in accordance with the regulation of the Companies Act, 2013 and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may be for the time being be provided by the regulation of the Company.

5. Issue of 10% Non-cumulative Redeemable Preference Shares on Private Placement Basis : To issue 10% Non-cumulative Redeemable Preference shares of Rs. 100/- each on private placement basis and to consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1) (c), section 42 and section 55 of the Companies Act, 2013 read with Companies (Prospectus & Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto or reenactment thereof for the time being in force) and the provisions of any rules/regulations/guidelines issued/framed by the Central Government the Consent of the Company be and is hereby given to the Board of Directors of the Company to offer, issue, and allot up to 2,100,000 (Twenty one Lacs only) 10% Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each on private placement basis to M/S Bengal Orion Financial Hub Ltd. in one or more tranches during the next twelve months at such time or times and subject to such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid special resolution the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things as it may deem fit and appropriate and give such directions/ instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said equity shares.”

6. Confirmation of appointment of Additional Director: To confirm the appointment of Mrs. Mohini Agarwal (DIN: 07632857) as Director who was appointed as an Additional Director and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Mohini Agarwal (DIN: 07632857) who has been appointed as an Additional Director of the Company by Board of Directors with effect from 12th November, 2016 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company.”

7. Appointment of Woman/Independent Director: To appoint Mrs. Mohini Agarwal (DIN: 07632857) 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, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, Mrs. Mohini Agarwal (DIN: 07632857), who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, 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 37th Annual General Meeting of the Company in the calendar year 2022 not liable to retire by rotation.”

29th April, 2017

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

By Order of the Board  
For Agio Paper & Industries Limited

Saikat Ghosh  
Company Secretary

CIN : L21090WB1984PLC037968

Phone : (033) 66286654, Fax : (033) 4022 5999

Email : ho@agiopaper.com, Website : www.agiopaper.com

#### 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 8th July, 2017.
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 7th July 2016 to 10th July 2017 (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 7 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., 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700 001, Phone : 033 2243 5029/ 2248 2248, Fax : 033 2248 4787, E-mail : mdpldc@yahoo.com.
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. The details of directors who are proposed to be appointed/reappointed are given in Corporate Governance Report. There are no inter-se relationships between the Board Members.
13. 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.  
The cut off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 3rd July, 2017  
The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.  
A separate communication containing all necessary instructions and relevant information is being sent separately.
14. Complete particulars of the venue of the meeting including route map and land mark for easy location is enclosed for the convenience of the members.
15. The results of voting shall be declared at the Registered Office of the Company within 48 hours of the conclusion of the Annual General Meeting by the chairman of the meeting and shall also be displayed at the website of the company [www.agiopaper.com](http://www.agiopaper.com).

#### EXPLANATORY 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.

Item no.4:

#### Alteration of authorized share capital and change in capital clause of Memorandum of Association

In order to enable the Company to raise additional finance by issue of redeemable preference shares since the existing Authorised Share Capital may not be sufficient for the purpose. It is therefore considered necessary to increase the Authorised Share Capital of the Company to the extent mentioned in item No.4 of the Notice, with the consequential alterations in the Capital Clauses of the Memorandum of Association of the Company as set out in the Notice.

The Authorized Share Capital of the Company is Rs. 660,000,000 (Sixty six Crores Only) divided into 16,500,000 (One Crore Sixty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 4,950,000 (Forty nine lacs and fifty thousand) 10% Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each with the power to the Company to increase and reduce the capital for the time being into several classes and attach thereto respectively such preferential or special rights, privileges or conditions as may be determined by or in accordance with the regulation of the Companies Act, 2013 and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may be for the time being be provided by the regulation of the Company.

It is proposed to increase the authorized share capital to Rs.660,000,000(Sixty six crore only) divided into 16,500,000 (One Crore Sixty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 4,950,000 (Forty nine lacs and fifty thousand) 10% Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each.

The increase in Authorised Share Capital when approved would require certain consequential amendments in clause V of the Memorandum of Association of the Company.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for reclassification as well as increase in the Authorised Share Capital and for the alteration of Capital Clause of the Memorandum of Association and accordingly the Board recommends the relevant resolutions for the approval of the Members.

The proposed new draft of Memorandum of Association is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 A.M and 1.00 P.M till the date of the meeting.

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

The Board recommends this Resolution for your Approval.

#### Item No 5

##### Issue of 10% Non-cumulative Redeemable Preference Shares on Private Placement Basis

The Board of Directors on 29th April, 2017 subject to necessary approval(s), has approved the proposal for raising funds up to Rs. 21,00,00,000 (Twenty one crore only) by way of issue of 10% Non-cumulative Redeemable Preference Shares on private placement basis to M/S Bengal Orion Financial Hub Limited in order to increase and strengthen the capital base of the company and to meet working capital requirement and general corporate purposes.

The information as required under Rule 13 of Companies (Share Capital & Debenture) Rules, 2014 as amended are as under:

1. Object of the Issue: To strengthen the capital base of the company and to meet working capital requirement and general corporate purposes.
2. Total number of shares to be issued : Upto 2,100,000 (twenty one lacs only) 10% Non-cumulative Redeemable Preference shares to be issued.
3. Price at which the allotment is proposed : Rs.100/- each.
4. Report of Registered Valuer : M/S Tibrewal & Co. (FRN. No 325908E) Chartered Accountants have provided a report on the valuation of the shares as required under the Companies Act, 2013. A copy of the Report is kept for inspection at the Registered office of the company during office hours.
5. Relevant Date : Relevant Date for the purpose is 29.04.2017
6. Class of persons to whom the allotment is proposed to be made : An existing Public Limited company.
7. Intention of promoters/ directors/ Key management personnel to subscribe to the preferential issue : M/S Bengal Orion Financial Hub Limited have intended to subscribe to non cumulative redeemable preference shares proposed to be issued. The existing promoters will continue to remain in the management of the company and there is no change in management or control. Further, the composition of present Board of Directors is not expected to undergo any change due to enhancement of preference share capital.
8. Proposed time within which the private placement shall be completed : The company proposes to complete the private placement within 12 months of passing this resolution.
9. Names of the Proposed Allottees and percentage of post preferential offer capital held by them :

SI No.	Names of proposed Allottees	Category	Existing Holding		Post preferential Holding (assuming full subscription)	
			No of preference shares	Percentage of shareholding	No of preference shares	Percentage of shareholding
1	Bengal Orion Financial Hub Limited	Public Limited	28,83,605	100%	49,83,605	100%

10. Change in control, if any, in the company occurring consequent to preferential offer: None

11. Number of persons to whom allotment on preferential basis has already been made during the year: 1

12. The pre Issue and post Equity shareholding pattern of the company before and after the private placement is as under:

SI No.	Category	Pre - Issue		Post - Issue	
		No of Shares	Percentage of shareholding	No of shares	Percentage of shareholding
A	Promoters' Holding				
1.	Indian :				
	Individual	108963	0.6757	108963	0.6757
	Bodies Corporate	2938194	18.2209	2938194	18.2209
	<b>Sub Total</b>	<b>3047157</b>	<b>18.8966</b>	<b>3047157</b>	<b>18.8966</b>
2.	Foreign Promoters	7195868	44.6244	7195868	44.6244
	<b>Sub Total (A)</b>	<b>10243025</b>	<b>63.5211</b>	<b>10243025</b>	<b>63.5211</b>
B	Non-Promoters' Holding :				
1.	Institutional Investors	7100	0.0441	7100	0.0441
2.	Non Institutions				
	Private Corporate Bodies	336539	2.0870	336539	2.0870
	Directors and Relatives				
	Indian Public	5520447	34.2344	5520447	34.2344
	Others (including NRIs)	18289	0.1134	18289	0.1134
	<b>Sub Total (B)</b>	<b>5882375</b>	<b>36.4789</b>	<b>5882375</b>	<b>36.4789</b>
	<b>Grand Total</b>	<b>16125400</b>	<b>100.00</b>	<b>16125400</b>	<b>100.00</b>

Section 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, etc. such further shares shall be offered to the existing shareholders of the company in the manner laid down in the section. Therefore, consent of the shareholders by way of Special Resolution is being sought pursuant to the provisions of Sections 42 & 62 and all other applicable provisions of the Companies Act, 2013.

No Director or Key Managerial Personnel of the Company and/or their relatives except Mr. Ankit Jalan and Mrs. Mohini Agarwal who are also directors in M/S Bengal Orion Financial Hub Ltd. are concerned or interested financially or otherwise in this item of business.

The Board recommends this Resolution for your Approval.

Item No. 6 & 7

Appointment of Woman / Independent Director

Mrs. Mohini Agarwal (DIN: 07632857) was appointed by the board at its meeting held 12.11.2016 as an additional director. The Board of Directors has received a notice from a shareholder proposing the candidature of Mrs Mohini Agarwal as a Woman / Independent Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013. Mrs Mohini Agarwal possesses business experience of more than 20 years.

Mrs. Mohini Agarwal held the directorships/committee membership of the following companies as on March 31, 2017

Sr No.	Name of the company	Committee membership*
1	Bengal Orion Financial Hub Limited - Director	Member of Audit Committee

\*only audit committee and stakeholders relationship committee are considered

The Company has received from Mrs. Mohini Agarwal (i) consent in writing to act as Woman / Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mrs Mohini Agarwal as Women / Independent Director of the Company for a term of 5 consecutive years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. Mohini Agarwal proposed to be appointed, as a Women / Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made hereunder and also the provisions as laid down in SEBI (Listing Obligations And

Disclosure Requirements) Regulations, 2015 and she is independent.

No Director or Key Managerial Personnel of the Company and/ or their relatives, except Mrs. Mohini Agarwal in her personal capacity for whom the Resolution relates, are interested or concerned in the Resolution.

The Board recommends this Resolution for your Approval.



## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your directors have pleasure in presenting the 32nd Annual Report together with the Audited Statement of Accounts of Agio Paper & Industries Limited for the year ended March 31, 2017.

### 1. SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year	Previous Year
Gross Turnover and other receipts	17.98	7.10
Profit / (Loss) before Interest and Depreciation	(116.76)	(117.55)
Less: Interest	(0.50)	(0.02)
Profit/(Loss) Before Depreciation	(116.75)	(117.57)
Less: Depreciation	19.43	23.66
Profit / (Loss) Before Tax	(136.18)	(141.23)
Less: Provision for taxation	-	5.50
Profit / (Loss) After Tax	(136.18)	(146.73)
Balance brought forward from previous year	(2502.91)	(2356.18)
Balance carried to Balance Sheet	(2639.09)	(2502.91)

### 2. BUSINESS PERFORMANCE

The resumption of productivity depends upon a host of factors and the main problem still revolves around the restrictions imposed by the Central Pollution Control Board. However, we remain optimistic about overcoming these hurdles in the near future.

### 3. FUTURE OUTLOOK

Being restricted by the Central Pollution Control Board's order the option of exploring other areas of business has always been in the mind of management till the restrictions are lifted. In modern day world the importance of generation of electricity from renewable resources can not be over emphasized. Being authorized by the memorandum of association it remains a preferred area to venture into provided the right opportunity arises in the near future.

### 4. DIVIDEND

In absence of any production activities no operational profit was generated for recommendation of dividend for the financial year ended 31st March, 2017.

### 5. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2017 was Rs.16.12 crores and paid up preference share capital as on that date was Rs.25.68 crores. During the year under review the company has issued 11,19,750 10% Non-cumulative Redeemable Preference Shares of Rs.100/- each. The said preference shares were issued under private placement basis to Bengal Orion Financial Hub Ltd throughout the year.

### 6. CREDIT FACILITIES

Since reaching an amicable settlement with the Allahabad bank regarding repayment of credit facilities which were availed in earlier years the company for the past two years has been consistently paying its quarterly dues as per schedule.

### 7. ECONOMIC SCENARIO AND OUTLOOK

After a lackluster outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications.

With these caveats, aggregate growth estimates and projections for 2016-18 remain unchanged relative to the October 2016 World Economic Outlook. The outlook for advanced economies has improved for 2017-18, reflecting somewhat stronger activity in the second

half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies-most notably India, Brazil, and Mexico.

In India GDP figures for Q3 FY 2016 astonished on the upside, showing no significant slowdown from the government's demonetization. The reading sharply contrasted the picture painted by high-frequency indicators, which had pointed to muted activity due to a shortage of hard currency, sparking concerns that the growth figures do not reflect reality in India's economy and could be revised downwards. Meanwhile, data for the fourth quarter is positive: industrial production rebounded in January and the PMIs rose in February.

#### 8. PAPER INDUSTRY OUTLOOK AND OPPORTUNITIES

The paper industry in India has become more promising as the domestic demand is on the rise. Increasing population and literacy rate, growth in GDP, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India.

Many of the existing players are increasing their capacity to meet the growing demand. The focus of paper industry is now shifting towards more eco-friendly products and technology. Government of India has established rules and regulations to control the population and degradation of forest. These measures taken by the government has brought the significant changes in the paper industry of India.

According to "India Paper Industry Forecast & Opportunities, 2017" the paper industry in India is expected to grow at the CAGR of around 9.6% during 2012-2017, which will make the revenues of paper industry of India to reach up to USD 11.83 Billion by 2017. About 70% of the total installed capacity of paper production in India is accounted by Gujarat, West Bengal, Orissa, Andhra Pradesh, Karnataka and Maharashtra. Uttar Pradesh, Tamil Nadu, Haryana, Kerala, Bihar and Assam together account for about 25% of the total paper production in India.

#### 9. CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet 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.

#### 10. HUMAN RESOURCES

The well disciplined workforce which has served the company for three decades lies at the very foundation of the company's major achievements and this trend is set to continue. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principal of rewarding performance.

#### 11. BUSINESS RISK MANAGEMENT

The prudent principles of risk minimization no longer are an option but has become a compulsion these days.

In keeping with these norms the board took a well informed decision to initiate the procedure and thereafter formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The objective of this policy is ensuring stability of business and its sound growth and also to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In accordance with newly introduced Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Board ensures adherence and continuation of such risk management policy.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities.

Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

#### 12. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The system of internal control established is commensurate with the size and nature of business. Detailed procedures are in place to ensure all assets are safeguarded and protected against loss and all transactions are authorized, recorded and reported properly. The internal control system are monitored and evaluated by internal auditors and their reports are reviewed by the audit committee. 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.

#### 13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 the Company has complied with the laws and the codes of conduct applicable to it