



31st ANNUAL REPORT 2015-2016

CORPORATE INFORMATION

Board of Directors

Mr Ankit Jalan - Executive Director
Mr Sheo Shankar Joshi - Director
Mr Kamal Kumar Khetawat - Director
Mrs Sudha Dhanuka - 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	6
Corporate Governance	23
Secretarial Auditor's Certificate on Corporate Governance	34
Auditors' Report	35
Balance Sheet	40
Profit and Loss Account	41
Cash Flow Statement	42
Notes Forming Part of Balance Sheet and Statement of Profit & Loss and Significant Accounting Policies	43

NOTICE

NOTICE is hereby given that the Thirty first 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 13th June, 2016 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 2016, together with the Report of the Directors and Auditors' thereon.
2. To appoint a director in place of Shri Ankit Jalan (DIN: 02577501), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013 the reappointment of the statutory auditors of company M/s Singhi & Co (Firm registration No : 302049E), Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2016-2017 at such remuneration as may be determined by the Board of Directors 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.310,000,000 (Thirty One Crores Only) divided into 16,500,000 (One Crore Sixty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,450,000 (Fourteen Lac fifty thousand) 10% Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each to Rs.560,000,000 (Fifty six crore 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 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. 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 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 2,500,000 (Twenty five 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.”

4th May, 2016
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 11th June, 2016.
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 11th June 2016 to 13th June 2016 (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 5 is Annexed hereto.
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar M/s Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001, Phone : 033 2243 5029/5809, 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 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 6th June, 2016.

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 3 days 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.

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. 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 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 provided by the regulation of the Company.

It is proposed to increase the authorized share capital to Rs. 560,000,000 (Fifty Six crore 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.

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 4th May, 2016 subject to necessary approval(s), has approved the proposal for raising funds up to Rs. 2,500,000 (Twenty five Lacs 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 2,500,000 (twenty five 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 04.05.2016
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	14,48,855	100%	39,48,855	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
	Sub Total	3047157	18.8966	3047157	18.8966
2.	Foreign Promoters	6445868	39.9734	6445868	39.9734
	Sub Total (A)	9493025	58.8700	9493025	58.87.00
B	Non-Promoters' Holding				
1.	Institutional Investors	7100	0.0441	7100	0.0441
2.	Non Institutions				
	Private Corporate Bodies	340215	2.1098	340215	2.1098
	Directors and Relatives				
	Indian Public	6264227	38.8469	6264227	38.8469
	Others (including NRIs)	20833	0.1292	20833	0.1292
	Sub Total (B)	6632375	41.1300	6632375	41.1300
	Grand Total	16125400	100.00	16125400	100.00

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 Shri Ankit Jalan who is also a director 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.

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your directors have pleasure in presenting the 31st Annual Report together with the Audited Statement of Accounts of Agio Paper & Industries Limited for the year ended March 31, 2016.

1. SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year	Previous Year
Gross Turnover and other receipts	7.10	474.75
Profit / (Loss) before Interest and Depreciation	(117.57)	372.48
Less: Interest	-	-
Profit/(Loss) Before Depreciation	(117.57)	372.48
Less: Depreciation	23.66	28.86
Profit / (Loss) Before Tax	(141.23)	343.62
Less: Provision for taxation	5.50	-
Profit / (Loss) After Tax	(146.73)	343.62
Balance brought forward from previous year	(2356.18)	(2699.81)
Balance carried to Balance Sheet	(2502.91)	(2356.18)

2. BUSINESS PERFORMANCE

We are trying to find ways to overcome the strictures imposed upon us by the Central Pollution Control Board. Soon upon finding a feasible solution we shall be able to resume production facilities.

3. DIVIDEND

In absence of any production activities no operational profit was generated for recommendation of dividend for the financial year ended 31st March, 2016.

4. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2016 was Rs.16.12 crores and paid up preference share capital as on that date was Rs.14.48 crores. During the year under review the company has issued 14,48,855 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.

5. CREDIT FACILITIES

Vide Allahabad bank's sanction letter dated 27.03.2015 the company has reached an amicable settlement with the Allahabad bank regarding repayment of it's dues which has been adhered to in a timely manner.

6. ECONOMIC SCENARIO AND OUTLOOK

The world economy stumbled in 2015, amid weak aggregate demand, falling commodity prices and increasing financial market volatility in major economies. The world economy is projected to grow by 2.9 percent in 2016 and 3.2 percent in 2017, supported by generally less restrictive fiscal and still accommodative monetary stances worldwide.

With a much anticipated slowdown in China and persistently weak economic performances in other large developing and transition economies—notably Brazil and the Russian Federation—the developed economies are expected to contribute more to global growth in the near term, provided they manage to mitigate deflationary risks and stimulate investment and aggregate demand.

The Reserve Bank of India in its first monetary policy statement of 2016-17 has stated that growth rate for 2016-17 shall be 7.6%. The reduction in small savings rates announced in March 2016, the substantial refinements in the liquidity management framework and the introduction of the marginal cost of funds based lending rate (MCLR) should improve transmission and magnify the effects of the current policy rate cut. The stance of monetary policy will remain accommodative.

7. 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, improvement in manufacturing sector and lifestyle of individuals are expected to account for the growth in the paper industry of India.

The paper industry in India is growing in a rapid speed with demand increment and opportunity creation and attraction to the international players. The forecasted demand of Indian paper is 10 million tons and 33 percent of this demand is for P&W papers. Even though India has covered 15% of population in world, the paper consumption levels stands at very low which is 3 to 5 percent. The leading global paper manufacturers are gaining nearly 5% on average and it stands at 8% approximately among Asia. However, for Indian market it is 12% or above which sounds very lucrative for Indian paper industry. There should be impact on the printing paper industry in India which is significant but unfortunately in India it is less.

The key challenges to be met is market conditions which are poor and technology obsolete, lacking ability in achieving economy scale and lack of skilled labor. Enabling an overall management and the holistic change which can incorporate a better standards for the organizational efficiency.

8. 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.

9. HUMAN RESOURCES

In spite of enduring perhaps the toughest phase in the company's history it must be mentioned that the trusted loyal work force has always stood firmly in the hour of need. The company also looks after its human resources well and has always judiciously rewarded performance.

10. BUSINESS RISK MANAGEMENT

Although the company had long been following the principle of risk minimization as is the norm in every industry, it became a compulsion during more recent times.

Therefore, in accordance with erstwhile clause 49 of the listing agreement the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and 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.

11. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The system of internal control maintained by the company is adequate and also upto date. Only after ensuring authenticity and genuineness of various transactions they are recorded and reported to management. The company always follows relevant and applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor follows the internal control system on a consistent basis. 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.

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

13. DIRECTORS & COMMITTEES

At the 29th Annual General Meeting of the company held on 24th September, 2014 the company had appointed the existing independent directors Shri Kamal Kumar Khetawat (DIN 00438830) and Shri Sheo Shankar Joshi (DIN 01180895) as independent directors under the companies Act, 2013 for 5 consecutive years for a term upto the conclusion of the 34th Annual General Meeting.

At the 30th Annual General Meeting of the company held on 30.05.2015 the company had confirmed the appointment of Mrs. Sudha Dhanuka (DIN 06417787) as Director in the category of Independent/woman Director under the companies Act, 2013. She shall hold office for 5 consecutive years for a term upto the conclusion of the 35th Annual General Meeting.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

In accordance with the provisions of Companies Act, 2013 Shri Ankit Jalan (DIN: 02577501), Executive Director retires by rotation and being eligible offers himself for re-appointment.

14.1 BOARD EVALUATION

Pursuant to the provisions of companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

14.2 REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

14.3 MEETINGS

During the year Twelve Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 were adhered to while considering the time gap between two meetings.

14.4 AUDIT COMMITTEE

The company is having an audit committee comprising of the following directors:

Name	Status	Category
Mr Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director
Mr Ankit Jalan	Member	Executive Director
Mr Sheo Shankar Joshi	Member	Non Executive & Independent Director

14.5 NOMINATION AND REMUNERATION COMMITTEE

The company is having a Nomination and Remuneration Committee comprising of the following directors:

Name	Status	Category
Mr Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director
Mr Sheo Shankar Joshi	Member	Non Executive & Independent Director
Mrs Sudha Dhanuka	Member	Non Executive & Independent Director

15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

16. RELATED PARTY TRANSACTIONS

There were no material contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013.

All Related Party Transactions in usual course were placed before the Audit Committee as also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

18. AUDITORS

18.1 STATUTORY AUDITORS

M/s Singhi & Co (Firm Registration No.302049E), Chartered Accountants have been appointed as statutory auditors of the company at the Annual General Meeting held on 24.09.2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

18.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Subhasish Bosu & Co. (CP No.:11469, FCS: 7277), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'.

18.3 INTERNAL AUDITORS

M/S Ashish K Gupta & Associates, Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

19. CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditor confirming compliance forms an integral part of this Report.

20. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure 2".

21. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 3".

22. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The company has one Executive Director and due to financial constraints being faced by the company he has forgone remuneration. Further, no sitting fees has been paid to any director during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

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

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company.

23. IMPAIRMENT OF ASSETS & 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.

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 years 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.

24. FINANCIAL VIABILITY OF COMPANY

As it has been pointed out in the statutory auditor's report that there has been 50% erosion of net worth due to closure of our mill. During 2011-16 the company started infusing funds into the company by way of private placement of redeemable preference shares for repaying debts as well as revival of the company.

25. CPCB RESTRICTIONS

As it has been pointed out in the secretarial auditor's report the company had received a show cause notice from CPCB directing closure of factory for non compliance of "Installation and commissioning of online effluent monitoring system". However, the company has replied to the CPCB stating that it's manufacturing unit remains closed since 06.10.2010 in order to comply with CPCB order. It has also been stated that as and when the company resumes production it shall install the necessary machines and shall ensure compliance of CPCB directions.

26. SEPARATE POSTS FOR KMPS

In order to ensure compliance of section 203 of the Companies Act, 2013 and SEBI (LODR), Regulation 2015, the company has created separate posts for CFO and CEO and appointed separate key managerial personnel in those posts and this has also been pointed out in secretarial audit report.

27. ACKNOWLEDGEMENTS

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.

28. CAUTIONARY STATEMENT

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

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

For and on behalf of the Board of Directors

Kolkata
4th May, 2016

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016
 [Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
 (Appointment and Remuneration Personnel) Rules, 2014]

To,
 The Members,
 Agio Paper & Industries Limited
 41A, AJC Bose Road
 Suite No.505, 5th Floor
 Kolkata-700017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Agio Paper & Industries Limited (L21090WB1984PLC037968) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Agio Paper & Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Agio Paper & Industries Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; as well as;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The Environment (Protection) Act, 1986
- (vii) The EPF & Misc. Provisions Act, 1952;

We have examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements (Revised) entered into by the Company with Bombay Stock Exchange and Calcutta Stock exchange;

We have also examined that the company has taken due care to comply with the Secretarial Standards (SS) specified by the Institute of Company Secretaries of India namely -

- (i) SS-1 : Meetings of the Board of Directors and
(ii) SS-2 : General Meetings;

as approved by the Ministry of Corporate Affairs vide letter no.1/3/2014/CL/I dated April 10, 2015, as per the requirement of the provisions of section 118(10) of the Companies Act, 2013.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

- 1. The Central Pollution Control Board (CPCB) had issued a Show cause notice for closure of manufacturing operation at Bilaspur Unit, vide their letter dated 24-07-2015, for non-compliance of..... "Installation and commissioning of online effluent monitoring system.....". Though the management of the company has given reply to the above said show cause, mentioning, the factory at Bilaspur is non-operational since 06-10-2010.*
- 2. Mr. ANKIT JALAN, holding both the position of Whole time Director as well as CFO, since the implementation of the Companies Act, 2013 and rules made there under. But, as per the requirement of section 203 of the Companies Act, 2013 and SEBI (LODR), Regulation 2015, the CFO and CEO/WTD and CFO are two distinct positions which are to be maintained in a company. Though, the company have taken steps to create two separate positions CEO & CFO to comply with the above said requirements.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not taken Major decisions in pursuance to section 180 of the Companies Act, 2013, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. (referred to above).

CS Subhasis Bosu
For Subhasis Bosu & Co.
Company Secretaries
FCS No.:7277
C P No.:11469

Place : Kolkata

Date : 4th day of May, 2016

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Annexure A

To,
The Members
Agio Paper & Industries Limited
41A, AJC Bose Road
Suite No.505, 5th Floor
Kolkata-700017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Were ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Kolkata
Date : 4th day of May, 2016

CS Subhasis Bosu
For Subhasis Bosu & Co.
Company Secretaries
FCS No.:7277
C P No.:11469

ANNEXURE 2

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) Capital investment on energy conservation equipments

Capital investments were incurred previously but nothing during the previous year.

e) Power & Fuel Consumption:

Refer Form 'A' attached

B. TECHNOLOGY ABSORPTION

Refer Form 'B' attached.

C. FOREIGN EXCHANGE EARNING AND OUTGO

(Rs. In Lacs)

	2015 - 16	2014 - 15
Earning: Export	Nil	Nil
Outgo: Imports	Nil	Nil
Outgo on repayment of unsecured loan	Nil	Nil

FORM A

	2015-16	2014-15
A. POWER & FUEL CONSUMPTION		
1. ELECTRICITY:		
a) Chhattisgarh State Electricity Board		
Units (KWH in lacs)	0.49	0.55
Total Amount (Rs. in lacs)	5.97	6.06
Rate/KWH (In Rs.)	12.27	11.03
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	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average rate	NIL	NIL
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 :-

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 |
| b) Recurring | | the concerned department on an |
| c) Total | | ongoing basis. The expenses and |
| d) Total R & D expenditure | | the cost of assets are grouped under |
| As a % of total turnover | | the respective heads. |

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.

Annexure 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016 of AGIO PAPER & INDUSTRIES LIMITED [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

CIN	L21090WB1984PLC037968
Registration Date	20.09.1984
Name of the Company	Agio Paper & Industries Ltd.
Category / Sub-Category of the Company	Company having share capital
Address of the Registered Office and contact details	41A, AJC Bose Road, Suit No. 505, Kolkata - 700017 Tel No. : 033 6628 6654
Whether listed company	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, Kolkata - 700001 Tel No. : 033 2248 2248

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sl No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Writing & Printing Paper	1701	Nil
2.			
3.			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary Associate	% of shares held	Applicable Section
1.	None				
2.					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	108963	-	108963	0.6757	108963	-	108963	0.6757	Nil
b) Central Govt.									
c) State Govt (s)									
d) Bodies Corp.	2938194	-	2938194	18.2209	2938194	-	2938194	18.2209	Nil
e) Banks / FI									
f) Any Other...									
Sub-total (A) (1) :-	3047157	-	3047157	18.8966	3047157	-	3047157	18.8966	Nil
2) Foreign									
a) NRIs-Individuals	5695868	-	5695868	35.3223	6445868	-	6445868	39.9734	4.6511
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
Sub-total (A) (2) :-	5695868	-	5695868	35.3223	6445868	-	6445868	39.9734	4.6511
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8743025	-	8743025	54.219	9493025	-	9493025	58.870	4.6511
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	6800	6800	0.0422	-	6800	6800	0.0422	Nil
b) Banks / FI	100	200	300	0.0019	100	200	300	0.0019	Nil
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1) :-	100	7000	7100	0.0441	100	7000	7100	0.0441	Nil
2) Non-Institutions									
a) Bodies Corp.	308705	22150	340855	2.1138	318065	22150	340215	2.1098	-0.004
i) Indian									
ii) Overseas									
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs.1 lakh	1113677	766643	1880320	11.6606	1126648	761293	1887941	11.7078	0.0472
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5101427	39500	5140927	31.8809	4336786	39500	4376286	27.1391	-4.7418
c) Others (specify)									
Trusts	400	-	400	0.0025	400	-	400	0.0025	Nil
Custodians / Clearing member	150	-	150	0.0009	7410	-	7410	0.0460	0.0451
NRIs	12623	-	12623	0.0783	13023	-	13023	0.0808	0.0025
Sub-total(B)(2) :-	6546982	828293	7375275	45.7370	5802332	822943	6625275	41.0860	-4.651
Total Public Shareholding (B)=(B)(1)+(B)(2)	6547082	835293	7382375	45.781	5802432	829943	6632375	41.130	-4.651
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	15290107	835293	16125400	100.00	15295457	829943	16125400	100.00	Nil

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Murari Lal Jalan	5695868	35.3223	Nil	6445868	39.9734	Nil	4.6511
2	Renu Jalan	108963	0.6757	Nil	108963	0.6757	Nil	Nil
3	Arrow Syntex Pvt. Ltd.	2938194	18.2209	Nil	2938194	18.2209	Nil	Nil
	Total	8743025	54.219		9493025	58.870		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Murari Lal Jalan	5695868	35.3223	7,50,000	4.6511
	Renu Jalan	108963	0.6757	-	-
	Arrow Syntex Pvt. Ltd.	2938194	18.2209	-	-
	Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	30.03.2016				
	Murari Lal Jalan (Acquisition of shares)	7,50,000	4.6511		
	At the end of the year				
	Murari Lal Jalan	6445868	39.9734		
	Renu Jalan	108963	0.6757		
	Arrow Syntex Pvt. Ltd.	2938194	18.2209		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anand Purohit	1500000	9.3021	1500000	9.3021
2.	Bharat Mekani	1500000	9.3021	1500000	9.3021
3.	Babulal Bahadur	1500000	9.3021	750000	4.6510
4.	Sangeetha S	122560	0.7600	122560	0.7600
5.	Brownia Business Ltd.	100000	0.6201	100000	0.6201
6.	Mili Consultants & Investment Pvt. Ltd.	83348	0.5169	83348	0.5169
7.	Sunil Kumar Kejriwal	73114	0.4534	73114	0.4534
8.	Abhay Krishi Udyog Pvt. Ltd.	64525	0.4001	64525	0.4001
9.	Dinesh Kumar Muktilal Paldiwal	45290	0.2809	45290	0.2809
10.	Rekha Khetawat	18000	0.1116	41852	0.2595

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors or KMP hold shares in company			
	Data wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	None of the Directors or KMP hold shares in company			
	At the end of the year	None of the Directors or KMP hold shares in company			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,50,00,000	16,38,00,000	18,39,268	44,06,39,268
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	27,50,00,000	16,38,00,000	18,39,268	44,06,39,268
Change in Indebtedness during the financial year				
• Addition	-	7,50,000	-	7,50,000
• Reduction	(6,12,00,000)	(7,38,00,000)	(55,000)	(13,50,55,000)
Net Change	(6,12,00,000)	(7,30,50,000)	(55,000)	(13,43,05,000)
Indebtedness at the end of the financial year				
i) Principal Amount	21,38,00,000	9,07,50,000	17,84,268	30,63,34,268
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	21,38,00,000	9,07,50,000	17,84,268	30,63,34,268

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross Salary	-	-	-	-	
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-	
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	
2.	Stock Option	-	-	-	-	
3.	Sweat Equity	-	-	-	-	
4.	Commission	-	-	-	-	
	- as % of profit	-	-	-	-	
	- others, specify.....	-	-	-	-	
5.	Others, please specify	-	-	-	-	
	Total (A)	-	-	-	-	
	Ceiling as per the Act	-	-	-	-	

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	-	-	-	-	
	• Free for attending board / committee meetings	-	-	-	-	
	• Commission	-	-	-	-	
	• Others, please specify	-	-	-	-	
	Total (1)	-	-	-	-	
2.	Other Non-Executive Directors	-	-	-	-	
	• Free for attending board / committee meetings	-	-	-	-	
	• Commission	-	-	-	-	
	• Others, please specify	-	-	-	-	
	Total (2)	-	-	-	-	
	Total (B) = (1+2)	-	-	-	-	
	Total Managerial Remuneration	-	-	-	-	
	Overall Ceiling as per the Act	-	-	-	-	

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,60,000	-	3,60,000
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	15,000	-	15,000
	c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify....	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		3,75,000		3,75,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY			None		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			None		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			None		
Penalty					
Punishment					
Compounding					

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company

It is the consistent conviction of the company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. The corporate governance process and systems have gradually been strengthened over the years to ensure full compliance with regulatory requirements. While the company's compliance of legislative and regulatory requirements is total and absolute, the company believes that good corporate governance goes much beyond the mere fulfilling of statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company further presumes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction and stakeholder value.

We firmly believe the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability and independent monitoring. The company has always given its best efforts to uphold and nurture these core values across all operational aspects.

BOARD COMPOSITION

Size and Composition of Board of Directors

Board of Directors

- The Company has 4 Directors of which 1 is an Executive Director and 2 are Non-Executive and Independent Directors and also a woman director who falls in the category of Non-Executive and independent director. The composition of the Board is in conformity with erstwhile clause 49 of the listing Agreement as well as regulation 17 of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 requirements.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 8 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee Membership/Chairmanship			No. of shares held in the Company as on 31.03.2016
		Board Meeting	Last AGM	Directorship	Committee Membership	Chairmanship	
Mr. Ankit Jalan	Executive Director	12	Yes	1	Nil	Nil	Nil
Mr. Sheo Shankar Joshi	Independent Director	11	No	Nil	Nil	Nil	Nil
Mr. Kamal Kumar Khetawat	Independent Director	12	Yes	1	Nil	Nil	Nil
Mrs. Sudha Dhanuka	Independent Director	7	No	Nil	Nil	Nil	Nil

None of the present directors are "Relative" of each other as defined in Section 2 (77) of Companies Act, 2013 and Rule 4 of the companies (Specification of definitions details) Rule 2014

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

-11th April 2015	-25th April 2015	-30th May 2015
- 24th June 2015	-14th August 2015	-29th August 2015
- 24th September 2015	-29th September 2015	-14th November 2015
-22nd December, 2015	- 30th January 2016	- 30th March 2016

During the year, information as mentioned in part A of schedule II of SEBI (Listing Obligations and Disclosures) Regulations, 2015 requirements has been placed before the Board for its consideration.

The company issued formal letters of appointment to independent directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the company.

The company has formulated a policy to familiarise the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarisation programmes are disclosed in the website of the company at the following link <http://www.agiopaper.com/Compliance.html>.

Code of Conduct for Board members and Senior Management

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

The Code of Conduct is available on the website of the company.

BOARD COMMITTEES

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

AUDIT COMMITTEE

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and erstwhile clause 49 of listing agreement at a board meeting held on 26.09.2014. The committee continues to perform its tasks under the companies Act, 2013 as well as newly introduced SEBI (Listing Obligations and Disclosures) Regulations, 2015. The major tasks performed by the audit committee may be grouped under the following heads:

Statutory audit, internal audit, reporting and other aspects

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial information.
- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.
- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing, with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

Audit & other duties

- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ii. Discussion with internal auditors of any significant findings and follow up there on.
- iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- v. To grant approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2015-16 are given below:

Name	Status	Category	No of Meetings Attended during the year 2015-16
Mr. Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director	4
Mr. Ankit Jalan	Member	Executive Director	4
Mr. Sheo Shankar Joshi	Member	Non Executive & Independent Director	4

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

- 11th April, 2015 - 14th August, 2015 - 14th November, 2015 - 30th January, 2016

The company secretary acts as the secretary to the committee

NOMINATION AND REMUNERATION COMMITTEE

The remuneration committee was renamed and reconstituted as Nomination and Remuneration Committee at a board meeting held on 26.09.2014. The committee continues to perform its tasks under the companies Act, 2013 as well as newly introduced SEBI (Listing Obligations and Disclosures) Regulations, 2015. The major tasks performed by the audit committee may be grouped under the following heads:

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

Although no remuneration is paid to any director at present the company retains the option to do so in future. As and when it is done it shall be revealed in the report.

The committee meeting was held on 15.02.2016 and the committee meeting was chaired during the year by Mr. Kamal Kumar Khetawat who has been appointed as chairman. The details of the composition of the Remuneration Committee are as under:

NAME	Status	CATEGORY	No. of meeting during the year 2015-16	
			Held	Attended
Mr. Kamal Kumar Khetawat	Chairman	Non-Executive & Independent Director	1	1
Mr. Sheo Shankar Joshi	Member	Non-Executive & Independent Director	1	1
Mrs. Sudha Dhanuka	Member	Non-Executive & Independent Director	1	1

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders / Investors Grievance committee was renamed and reconstituted as Stakeholders Relationship Committee at a board meeting held on 26.09.2014. The committee continues to perform its tasks under the companies Act, 2013 as well as newly introduced SEBI (Listing Obligations and Disclosures) Regulations, 2015. The major tasks performed by the audit committee may be grouped under the following heads:

The Committee performs following functions :

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

During 2015-16 the committee was chaired by Mr Kamal Kumar Khetawat. At present the committee comprises of two Non-Executive Directors and one Executive director. Three meetings were held as under:

25th June, 2015

3rd March, 2016

10th March, 2016

The details of composition of the Committee are as under:

NAME	Status	CATEGORY	No. of meeting during the year 2014-15	
			Held	Attended
Mr Kamal Kumar Khetawat	Chairman	Non-Executive & Independent Director	3	3
Mr Ankit Jalan	Member	Executive Director	3	3
Mr Sheo Shankar Joshi	Member	Non-Executive & Independent Director	3	3

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

No complaints were received from the shareholders during the year.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 31, 2016, inter alia to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

- Criteria of selection of Non Executive Directors
 - The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
 - In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
 - The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
 - The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
 - In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.
- Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee meeting attended by him/her at his/her discretion of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- The Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- The payment of such commission would be at the discretion of board only and shall not exceed 1% of the net profit of the Company;

- iv. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3. Managing Director & Whole Time Director - Criteria for selection / appointment

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director or Whole Time Director

- i. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director or Whole Time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:
 - a. the relationship of remuneration and performance benchmarks is clear;
 - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. responsibility required to be shouldered by the Managing Director or Whole Time Director, the industry benchmarks and the current trends.

REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES

- I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the board level) the Committee shall ensure / consider the following:
 - i. the relationship of remuneration and performance benchmark is clear;
 - ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.
- II. The Managing Director or Whole Time Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors and thereafter shall recommend the annual increment and performance incentive to the Committee for its review and approval.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

RELATED PARTY TRANSACTIONS

There were no material contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013.

All Related Party Transactions in usual course were placed before the Audit Committee as also the Board for approval.

Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

POLICY FOR PRESERVATION OF DOCUMENTS

In accordance with regulation 9 of SEBI (Listing Obligations and Disclosures) Regulations, 2015 the board has during the year adopted a policy for preservation of documents which has been uploaded on the website of the company.

POLICY FOR DETERMINATION OF MATERIALITY OF THE DISCLOSURE OF EVENTS & INFORMATION

In accordance with regulation 30 (4) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 a policy has been adopted regarding disclosures of any events or information which, in the opinion of the board of directors is material and the same is also available on the website of the company.

ARCHIVAL POLICY

In accordance with regulation 30 (8) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 an archival policy has been adopted during the year by the year which has also been uploaded on the website of the company.

WHISTLE BLOWER POLICY

The company had earlier in accordance with requirement of Companies Act, 2013 and erstwhile clause 49 of listing agreement with stock exchange drafted and adopted a whistle blower policy and which is available in the website of the company. Further in accordance with requirement of Para C 10 (c) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 affirmation is also given that no personnel has been denied access to audit committee.

Disclosures

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The company has ensured compliance with requirements specified in regulation 17 and 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosures) Regulations, 2015.

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

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

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

GENERAL BODY MEETING

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

Financial Year	Location of the Meeting	Date	Time
2012 - 2013	Bengal National Chamber of Commerce & Industry, 23, R.N.Mukherjee Road, Kolkata – 700 001	25.09.2013	10:30 A.M.
2013 - 2014	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	24.09.2014	11.00 A.M.
2014 - 2015	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	30.05.2015	10.30 A.M

Nine special resolutions were passed during the last three Annual General Meetings. No resolution was passed through postal ballot last year.

CEO/CFO CERTIFICATION

As required under regulation 17(8) read with schedule II of part B of SEBI (Listing Obligations and Disclosures) Regulations, 2015 Mr. Ankit Jalan, Executive Director - Finance as well as CEO and Mr. Rashmi Ranjan Debata -CFO certify to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
 - (i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of their knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) They have indicated to the auditors and the Audit Committee:
 - i) Significant changes in the internal control over financial reporting during the year
 - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

MEANS OF COMMUNICATION

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

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

Sl no.	Nature of Communication	Media used for Publication	Date of Publication/ Proposed date of Publication	Forwarded/to be forwarded to Stock Exchange on
1	Quarterly Un-audited Financial Statements (1st Quarter 2015-16)	Newspaper	15.08.2015	14.08.2015
2	Half -yearly Un-audited Financial Statements (2nd Quarter 2015-16)	Newspaper	15.11.2015	14.11.2015
3	Quarterly Un-audited Financial Statements (3rd Quarter 2015-16)	Newspaper	01.02.2016	30.01.2016
4	Annual Audited Financial Results for the financial year	Newspaper	05.05.2016	04.05.2016

The quarterly, half-yearly and annual financial results were/will be published in eminent daily news papers like *Business Standard* and *Ekdin* and also displayed on Company's website www.agiopaper.com.

SHAREHOLDER INFORMATION

Registered Office
41A, AJC Bose Road
Suite No. 505, Kolkata - 700 017
Telephone No. - (033) 6628-6654
Fax No. - (033) 4022-5999
Email: ho@agiopaper.com
Email: redressal@agiopaper.com

PARTICULARS OF DIRECTORS REAPPOINTED

As required under of SEBI (Listing Obligations and Disclosures) Regulations, 2015, the details of membership of the Director and other relevant details in respect of Directors who are being recommended for reappointment are given hereunder:

Name of the Director	Age	Qualification	Experience	Directorship in other Public Limited Companies
Mr Ankit Jalan	32	MBA-Finance	Mr Ankit Jalan has graduated with Bechelor of science in Business Management from the U.S.A. His area of specialization is finance and heads the finance division of the company	Bengal Orion Financial Hub Ltd.

Registrar and Transfer Agent

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

Maheshwari Datamatics Private Limited
6, Mangoe Lane, Kolkata – 700 001
Telephone No: (033) 2243-5809 / 2248-2248
E Mail: mdpldc@yahoo.com

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

Plant Location
Village – Dhenka
Post - Darrighat, Masturi
District – Bilaspur
Chhatisgarh – 495 551
Telephone: +91 7752 257010

Compliances**Mandatory Requirements**

The Company has fully complied with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosures) Regulations, 2015. As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by M/S A.K Labh & Co. (CP No.:3238, FCS : 4848) Company Secretaries with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited.

A secretarial audit report for the year 2015-16 carried out by M/S Subhasish Bosu & Co, (CP No.:11469, FCS: 7277), Company Secretaries is annexed to the Directors Report and forms a part of the Annual Report.

Adoption of non-mandatory requirements under Listing Agreement**The Board:**

Since the company does not have a non executive chairman it does not maintain such office.

Shareholders Rights:

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

Audit Qualification :

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

Separate posts of Chairman and CEO:

There are no separate posts for Chairman and CEO.

Reporting of Internal Auditor:

The internal auditor reports to audit committee.

General Shareholders Information

Annual General Meeting

- t Date : 13th June, 2016
- t Day : Monday
- t Time : 10.30 A.M
- t Venue : Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001

FINANCIAL CALENDAR

- o Financial Year : 1st April to 31st March
- o For the year ended 31st March, 2016, results were announced on:
 - August 2015 : First Quarter
 - November 2015 : Second Quarter
 - February 2016 : Third Quarter
 - May 2016 : Audited Results

Book Closure

The dates of book closure are from 11th June, 2016 to 13th June, 2016 (inclusive of both days).

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

Listing

At present, the equity shares of the company are listed on the Bombay Stock Exchange Limited (BSE) and the Calcutta Stock Exchange Limited (CSE). The company has already applied for delisting for shares from the Calcutta Stock Exchange Limited . The company is regular in paying listing fees to Bombay Stock Exchange Ltd.

Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd. 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Demat Segment - 516020
The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata 700 001	Demat Segment – 21021

SHARE TRANSFER SYSTEM

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

Stock Market Data

Bombay Stock Exchange Limited

Market Price Data as compared to closing Sensex during 2015-2016 :

Month	HIGH (Rs)	LOW (Rs)	Close (Rs)	No of Shares Traded	No of Trades	SENSEX Closing
April, 2015	1.51	1.45	1.45	23,764	19	27,011.31
May, 2015	1.74	1.51	1.61	3,760	19	27,828.44
June, 2015	1.53	1.39	1.39	6,095	5	27,780.83
July, 2015	1.34	1.14	1.14	6,600	10	28,114.56
August, 2015	1.36	1.13	1.36	6,250	11	26,283.09
September, 2015	1.49	1.30	1.49	4,301	6	26,154.83
October, 2015	1.42	1.19	1.19	12,400	13	26,656.83
November, 2015	1.54	1.12	1.54	3,478	18	26,145.67
December, 2015	1.75	1.61	1.68	754	5	26,117.54
January, 2016	2.18	1.60	2.18	3,871	24	24,870.69
February, 2016	2.31	2.10	2.20	5,791	8	23,002.00
March, 2016	-	-	-	-	-	25,341.86

Distribution of Shareholding as on 31st March, 2016

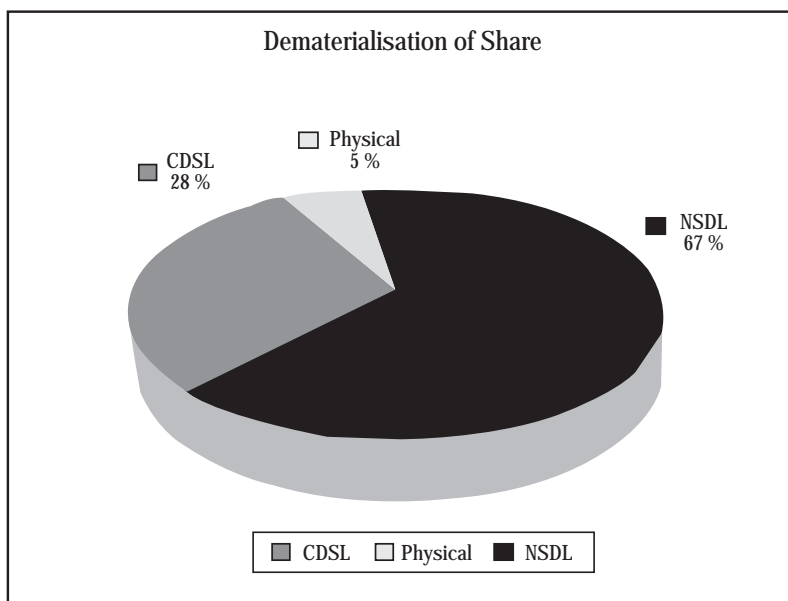
Shareholding	Holders	Percentage %	No of shares	Percentage %
Upto 500	7195	92.4095	1033762	6.4108
501 to 1000	314	4.0329	254511	1.5783
1001 to 2000	122	1.5669	185497	1.1503
2001 to 3000	48	0.6165	122527	0.7598
3001 to 4000	19	0.2440	68120	0.4224
4001 to 5000	21	0.2697	96265	0.5970
5001 to 10,000	33	0.4238	232452	1.4415
10001 and above	34	0.4367	14132266	87.6398
Grand Total	7786	100.0000	16125400	100.0000

Shareholding pattern as on 31st March, 2016

Category Code	Category	Total Shares	% of Share Capital
A	Shareholding of Promoter & Promoter Group		
	1. Indian Promoters	3,047,157	18.8966
	2. Foreign Promoters	6,445,868	39.9734
	Sub - Total	9,493,025	58.8700
B	Public Shareholding		
	1. Institutions		
	a. Mutual Funds / UTI	6,800	.0422
	b. Financial Institutions / Banks	300	.0019
	c. Central Govt. / State Govt.	Nil	Nil
	d. F.I.I	Nil	Nil
	2 Non Institutions		
	a. Bodies Corporate	340,215	2.1098
	b. Individual Holding		
	i. Nominal Share Capital up to Rs 2 Lakh	2,093,541	12.9829
	ii. Nominal Share Capital in excess of Rs. 2 Lakh	4,170,686	25.8641
	Non Resident Individual	13,023	0.0808
	Others	7,810	0.0483
	Sub Total	6,632,375	41.1300
	Grand Total	16,125,400	100.00

Physical/NSDL/CDSL/Summary Report as on 31st March, 2015

PARTICULARS	HOLDERS	SHARES	PERCENTAGE (%)
PHYSICAL	4771	829,943	5.1468
NSDL	2011	10,743,860	66.6269
CDSL	1004	4,551,597	28.2263
TOTAL	7786	16,125,400	100.0000



ADDRESS OF CORRESPONDENCE

Shareholders may contact:

Mr Saikat Ghosh,
(Company Secretary)

Agio Paper & Industries Ltd.
41A, AJC Bose Road
Suite No. 505
Kolkata – 700 017
Telephone : (033) 6628 6654
E-mail : ho@agiopaper.com
E-mail : redressal@agiopaper.com

TO WHOMSOEVER IT MAY CONCERN

I, Ankit Jalan, the Executive Director and Chief Executive Officer of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of para D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Place: Kolkata
Date: 4th May, 2016

Ankit Jalan
Executive Director

SECRETARIAL AUDITORS CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER PART-E OF
SCHEDULE-V [Read with Regulations 34(3) and 53(f)] OF SEBI (LODR) REGULATIONS, 2015

TO THE MEMBERS OF

AGIO PAPER & INDUSTRIES LIMITED

We have examined the compliance of Corporate Governance by Agio Paper & Industries Limited for the year ended on 31st March, 2016 as stipulates under PART-E OF SCHEDULE-V [Read with Regulations 34(3) and 53(f)] OF SEBI (LODR) REGULATIONS, 2015 as per revised listing agreement of the said Company with Stock Exchange.

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

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

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Subhasis Bosu & Co.
Company Secretaries

33/1, N. S. Road, Marshall House
8th Floor, R.No. 862
Kolkata - 700 001
The 4th Day of May, 2016

CP NO : 11469
Membership No. F-7277

INDEPENDENT AUDITOR'S REPORT

To The Members of Agio Paper & industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Agio Paper & Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The Paper Factory of the Company has been under shut down since 6th October 2010 to fulfill certain pollution control measures as enumerated in note no. 2.18.F in the financial statements. As further explained in note no 2.18.G, based on the future plans and valuation of fixed assets, the management of the Company is not envisaging any impairment loss in the fixed assets & Capital Work in Progress of the Company as at the balance sheet date as per the requirements of Accounting Standard AS- 28 on "Impairment of Assets". However in absence of any certainty towards future plans of the Company or a binding sale agreement at arm's length basis indicating the amount obtainable from sale of fixed assets & Capital Work in progress, we are unable to comment on the quantum of impairment loss on the fixed assets & Capital Work in progress, if any, at the balance sheet date.

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the basis of qualified opinion paragraph*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the Notes to the financial statements:

Note no. 2.18.E & Note No. 2.18.F indicates fact that the net worth of the Company is 50% eroded and the production facility at the paper factory is at a halt due to reasons mentioned in the note. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the above notes. The appropriateness of the said basis is inter alia dependent on the Company's ability to infuse requisite funds for meeting its obligations, repayment of term loans and resuming normal operations.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. Except for the effects of the matter described in the basis for qualified opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. The matter described in the "Basis of Qualified Opinion" paragraph and in the "Emphasis of Matter" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company
 - f. On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 2.18A to the financial statements
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Company during the year.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Place : KOLKATA
Date : 4th day of May, 2016

Gopal Jain
Partner
Membership No. 059147

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of Agio Paper & Industries Limited for the year ended 31st March 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the explanation provided to us by the management, *due to non-operation of factory during the whole year, physical verification of the fixed assets could not be carried out.*
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanation given to us, the inventory (excluding stocks with third parties) has been physically verified by the internal auditors during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on verification between the physical stock and the book stocks, wherever ascertained were not significant and have been properly dealt in the books of accounts.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not made any loans or investments during the year. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- vi. According to the information and explanations given to us, the requirements of maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the Company during the year.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues during the year by the Company with the appropriate authorities except liability towards water cess amounting Rs. 33,49,881/- which is outstanding for more than six months.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2016 which have not been deposited on account of dispute and the forum where the disputes are pending are as under:

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where pending
Central Excise Act, 1944	Cenvat Claim	320,192	1991-92 to 1992-93	Central Excise & Service Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	550,000	AY 2007-08	Deputy Commissioner (Appeals)

- viii. Based on our audit procedures and on the basis of information and explanations given by the management, the Company did not have any outstanding debentures or dues to the financial institution during the year. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- ix. Based on information and explanations given to us and records of the Company examined by us, in our opinion, the term loans have been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided any managerial remuneration during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of 1,448,855 preference shares of Rs. 100 each during the year. The requirements of Section 42 of Companies Act have been complied with and the amount raised is used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Place : KOLKATA
Date : 4th day of May, 2016

Gopal Jain
Partner
Membership No. 059147

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2 (g) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of Agio Paper & Industries Limited for the year ended 31 March 2016, we report that:

We have audited the internal financial controls over financial reporting of Agio Paper & Industries Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Place : KOLKATA
Date : 4th day of May, 2016

Gopal Jain
Partner
Membership No. 059147

AGIO PAPER & INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rs.)

	Note No.	As at March 31, 2016		As at March 31, 2015	
EQUITY AND LIABILITIES					
Shareholders' Fund					
Share Capital	2.1	306,159,000		161,273,500	
Reserves & Surplus	2.2	(199,653,881)	106,505,119	(184,981,285)	(23,707,785)
Non-Current Liabilities					
Long-term borrowings	2.3	114,000,000		213,800,000	
Long term provision	2.4	348,308	114,348,308	457,560	214,257,560
Current Liabilities					
Short-Term Borrowings	2.5	90,750,000		163,800,000	
Trade payables	2.6	5,860,055		7,386,002	
Other current liabilities	2.7	105,386,823		67,145,641	
Short-Term Provisions	2.4	3,881,681	205,878,559	4,511,093	242,842,736
TOTAL			426,731,986		433,392,511
ASSETS					
NON CURRENT ASSETS					
Fixed Assets	2.8				
Tangible Assets		39,011,415		41,377,410	
Capital Work-In-Progress		358,271,041		358,271,041	
Long-Term Loans and Advances	2.9	8,357,288		8,954,562	
Other Non-Current Assets	2.10	-	405,639,744	-	408,603,013
CURRENT ASSETS					
Inventories	2.11	13,138,465		16,422,965	
Cash & Bank Balances	2.12	783,518		1,408,806	
Short Term Loans & Advances	2.9	7,021,445		6,838,698	
Other Current Assets	2.13	148,814	21,092,242	119,029	24,789,498
TOTAL			426,731,986		433,392,511

SIGNIFICANT ACCOUNTING POLICIES

1

The accompanying notes (1 to 2.18) and Cash Flow Statement are an integral part of the Financial Statements.

As per our report of even date annexed

For and on behalf of Board of Directors

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Membership No - 059147

Kolkata : 4th May, 2016

SAIKAT GHOSH
(Company Secretary)

ANKIT JALAN
(Executive Director)

K K KHETAWAT
(Director)

AGIO PAPER & INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

	Note No.	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
INCOME			
Other Income	2.14	709,838	47,474,555
TOTAL		<u>709,838</u>	<u>47,474,555</u>
EXPENSES			
Employee Benefit Expense	2.15	2,082,157	3,054,488
Financial costs	2.16	1,625	-
Other Expenses	2.17	10,382,657	7,171,394
TOTAL		<u>12,466,439</u>	<u>10,225,882</u>
Profit before Tax, Depreciation and Amortization		(11,756,601)	37,248,673
Depreciation and Amortization Expense	2.8	2,365,995	2,886,340
Profit / (Loss) before Tax		<u>(14,122,596)</u>	<u>34,362,333</u>
Tax expense:			
Current Tax		-	-
Income Tax Earlier Years		550,000	-
Deferred Tax		-	-
Profit / (Loss) for the year		<u>(14,672,596)</u>	<u>34,362,333</u>
Basic & Diluted Earning Per Share (in Rs.)		(0.91)	2.13
[nominal value Rs.10/-]			
(Refer Note No. 2.18.N)			

SIGNIFICANT ACCOUNTING POLICIES

1

The accompanying notes (1 to 2.18) and Cash Flow Statement are an integral part of the Financial Statements.

As per our report of even date annexed

For and on behalf of Board of Directors

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

Gopal Jain
 Partner
 Membership No - 059147
 Kolkata : 4th May, 2016

SAIKAT GHOSH
(Company Secretary)

ANKIT JALAN
(Executive Director)

K K KHETAWAT
(Director)

AGIO PAPER & INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

	2015-16 (Rs.)	2014-15 (Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items:	(14,122,596)	34,362,333
Adjustments for:		
Depreciation/Amortisation	2,365,995	2,886,340
Adj. on a/c of transitional provision of schedule II	-	220,154
Sundry Balances/Liabilities no longer required written back	(603,260)	(45,972,530)
Sundry balance written off	4,378	257,452
Loss/(Gain) on Sale/Discard of Fixed Assets(Net)	-	139,049
Loss on Sale/Discard of Stores Materials	-	854,100
Provision for non moving items	3,284,500	-
Finance Cost	1,625	-
Interest Income	(106,578)	(936,666)
Operating Profit before working capital changes	(9,175,936)	(8,189,768)
Adjustments for:		
(Increase)/Decrease in Other Receivable	(124,421)	5,753,726
Increase/(Decrease) in Trade Payable	(923,087)	(1,447,166)
Increase/(Decrease) in Other Liabilities	(1,097,082)	(312,261)
Cash generation from/(used in) operations	(11,320,526)	(4,195,469)
Direct Taxes (paid)/refund	(15,430)	(92,741)
Net cash flow from/(used in) Operating Activities	(11,335,956)	(4,288,210)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	-	261,905
Bank Fixed Deposit	745,000	(234,227)
Interest Received	76,793	1,887,883
	(10,514,163)	(2,372,649)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest Paid/Reversed	(1,625)	-
Repayment of Secured borrowings	(61,200,000)	(50,000,000)
Repayment of Short term loans (net)	(73,050,000)	42,600,000
Proceeds from Share Capital	144,885,500	-
	10,633,875	(7,400,000)
Net Increase/(Decrease) in Cash and Cash equivalents	119,712	(9,772,649)
Cash and Cash equivalents as at 1st April	413,806	10,186,455
Cash and Cash equivalents as at 31st March	533,518	413,806

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

As per our report of even date annexed

For and on behalf of Board of Directors

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

Gopal Jain

Partner

Mebership No - 059147

Kolkata : 4th May, 2016

SAIKAT GHOSH
(Company Secretary)

ANKIT JALAN
(Executive Director)

K K KHETAWAT
(Director)

AGIO PAPER & INDUSTRIES LIMITED NOTES ON ACCOUNT

1 SIGNIFICANT ACCOUNTING POLICIES:

I Basis of Accounting

The financial statements have been prepared on mercantile basis of accounting in accordance with the historical cost convention and in compliance with mandatory accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 2013.

II Fixed Assets, Depreciation & Amortization:

- a) Fixed asset are stated at cost including expenses incurred up to the date of their installation/commissioning as reduced by accumulated depreciation/impairment provided in the accounts. Capital work-in-progress is stated at cost.
- b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular are capitalised and depreciated over the residual life of the respective assets.
- c) Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013.
- d) Leasehold lands are amortized over the lease period.

III Intangible Assets

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

IV Impairment of Assets:

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

V Inventories :

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

VI Borrowing Cost:

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

VII Foreign Currency Transaction :

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

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

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON ACCOUNT

VIII Recognition of Income & Expenditure :

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

IX Employee Benefits:a) **Short Term Employees Benefits:**

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

b) **Long Term Employee Benefits:**

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

X Research and Development :

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

XI Accounting for Taxes on Income

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

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

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

XII Leases

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

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

XIII Earning Per Share:

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

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

XIV Provisions, Contingent Liabilities and Contingent Assets:

A Provision is recognized when there is a present obligation as a result of amount of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Assets is neither recognized nor disclosed in the financial statements.

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
2.1 SHARE CAPITAL		
AUTHORIZED		
Equity Shares :		
16,500,000 Ordinary Shares of Rs.10/- each	165,000,000	180,000,000
(18,000,000 Ordinary Shares of Rs.10/- each)		
Preference Shares :		
1,450,000 10% Non-cumulative Redemable Shares of Rs.100/- each	145,000,000	20,000,000
(200,000 10% Non-cumulative Redemable Shares of Rs.100/- each)		
	<u>310,000,000</u>	<u>200,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP		
1,61,25,400 Ordinary Shares of Rs. 10/- each fully paid-up	161,254,000	161,254,000
Add : Equity Shares forfeited (Amount paid up)	19,500	19,500
1,448,855 10% Non-cumulative Redemable Preferential Shares of Rs.100/- each	144,885,500	-
	<u>306,159,000</u>	<u>161,273,500</u>
a) Reconciliation of Shares Outstanding at the beginning and at the end of year		
Equity Shares	<u>No. of Shares</u>	<u>No. of Shares</u>
Shares outstanding at the beginning of the year	16,125,400	16,125,400
Addition during the year	-	-
Shares outstanding at the end of the year	<u>16,125,400</u>	<u>16,125,400</u>
Preference Shares		
Shares outstanding at the beginning of the year	-	-
Addition during the year	1,448,855	-
Shares outstanding at the end of the year	<u>1,448,855</u>	<u>-</u>

b) Term and rights attached to shares :

Equity Shares

The Company has only one class of issued equity shares i.e. Ordinary Equity Shares having par value of Rs.10/- per share. Each holder of Ordinary Equity Share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

Preference Shares

During the previous year, the Company has issued 1,448,855, 10% Non-cumulative Redeemable Preference Shares having par value of Rs. 100 each per share. The entire preference shares have been issued 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 purpose.

c) The Company does not have any holding company or ultimate holding company.

d) Particulars of shareholders holding more than 5% shares in the Company:

Sl. No.	Particulars	As at 31st March, 2016		As at 31st March, 2015	
		No. of Shares	%	No. of Shares	%
	Ordinary Shares of Rs.10/- each fully paid up				
1)	Murari Lal Jalan	6,445,868	39.97	5,695,868	35.32
2)	Arrow Syntex Private Limited	2,938,194	18.22	2,938,194	18.22
3)	Bharat Mekani	1,500,000	9.30	1,500,000	9.30
4)	Babulal Bahadur	750,000	4.65	1,500,000	9.30
5)	Anand Purohit	1,500,000	9.30	1,500,000	9.30
	Preference Shares of Rs.100 each fully paid up				
	Bengal Orion Financial Hub Ltd.	1,448,855	100.00	-	-

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- e) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- f) No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
2.2 RESERVES & SURPLUS		
Capital Redemption Reserve	10,000	10,000
Securities Premium	50,627,000	50,627,000
Surplus / (Deficit)		
As per the last Financial Statements	(235,618,285)	(269,980,618)
Add : Profit/(Loss) for the year	(14,672,596)	34,362,333
Net Surplus / (Deficit)	<u>(250,290,881)</u>	<u>(235,618,285)</u>
Total	<u>(199,653,881)</u>	<u>(184,981,285)</u>

	Non-current portion		Current Maturities	
	As at 31st March 2016	As at 31st March 2015	As at 31st March, 2016	As at 31st March 2015
2.3 LONG TERM BORROWINGS				
SECURED				
Term Loan from Bank	114,000,000	213,800,000	99,800,000	61,200,000
Total Secured Borrowings	<u>114,000,000</u>	<u>213,800,000</u>	<u>99,800,000</u>	<u>61,200,000</u>
Amount disclosed under the head "Other Current Liabilities" (Note no. 2.7)			(99,800,000)	(61,200,000)
	<u>114,000,000</u>	<u>213,800,000</u>	<u>-</u>	<u>-</u>

Security

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

Maturity Profile of the above loans

Nature of Loan	Amount	2016-17	2017-18
Term Loan	213,800,000	99,800,000	114,000,000
	213,800,000	99,800,000	114,000,000

Note: Term Loan is repayable in 4 equal quarterly installments of Rs.2.49 crores each in 2016-17 and balance 4 equal quarterly installments of Rs.2.85 crores in 2017-18.

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

	Long Term		Short Term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March, 2016	As at 31st March 2015
2.4 PROVISION				
Provision for Employees Benefits				
Leave	-	-	-	5,551
Gratuity	348,308	457,560	382,356	570,109
Other Provisions				
Provision for Contingency	-	-	3,499,325	3,935,432
	<u>348,308</u>	<u>457,560</u>	<u>3,881,681</u>	<u>4,511,092</u>

	As at 31st March, 2016	As at 31st March, 2015
2.5 SHORT TERM BORROWINGS (Unsecured)		
From a Body Corporates	90,000,000	121,200,000
Includes Rs. 9,00,00,000 (P.Y Rs.12,12,00,000) from a related party (Refer Note No. 2.18.L)		
From a Director	750,000	42,600,000
Includes Rs. 7,50,000 (P.Y Rs.4,26,00,000) from a related party (Refer Note No. 2.18.L)		
	<u>90,750,000</u>	<u>163,800,000</u>
2.6 TRADE PAYABLES		
For Goods and Services	5,860,055	7,386,002
	<u>5,860,055</u>	<u>7,386,002</u>
2.7 OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (See Note 2.3)	99,800,000	61,200,000
Statutory Dues Payable	3,364,916	3,432,221
Amount payable for Capital Goods	214,886	325,384
Employee related liability	222,752	348,768
Deposit From customers & others	1,784,269	1,839,268
	<u>105,386,823</u>	<u>67,145,641</u>

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2.8 Fixed Assets

(Amount in Rs.)

TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	Value as on 31.03.2015	Additions	Sale/ Adjustment	Total Value as on 31.03.2016	Upto 31.03.2015	For the Year	Sales / Adjustment (refer Note below)	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land :										
- Freehold	958,276	-	-	958,276	-	-	-	-	958,276	958,276
- Leasehold	59,541	-	-	59,541	18,638	601	-	19,239	40,302	40,903
Building	35,518,290	-	-	35,518,290	21,618,789	688,178	-	22,306,967	13,211,323	13,899,501
Plant & Machinery	202,461,567	-	-	202,461,567	180,054,343	709,185	-	180,763,528	21,698,039	22,407,224
Furniture & Fittings	8,466,149	-	-	8,466,149	5,264,224	532,342	-	5,796,566	2,669,583	3,201,925
Computers	2,572,202	-	-	2,572,202	2,462,735	-	-	2,462,735	109,467	109,467
Office Equipments	1,964,043	-	-	1,964,043	1,356,844	432,377	-	1,789,221	174,822	607,199
Vehicles	3,171,216	-	-	3,171,216	3,018,301	3,312	-	3,021,613	149,603	152,915
TOTAL :	255,171,284	-	-	255,171,284	213,793,874	2,365,995	-	216,159,869	39,011,415	41,377,410
PREVIOUS YEAR	256,494,264	-	1,322,980	255,171,284	211,609,406	2,886,340	701,872	213,793,874	41,377,410	
CAPITAL WORK IN PROGRESS									358,271,041	358,271,041

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

	Long Term		Short Term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March, 2016	As at 31st March 2015
2.9 LOANS & ADVANCES				
(Unsecured & considered good, unless otherwise mentioned)				
Capital Advances				
Considered Good	5,384,458	5,384,458	-	-
Considered doubtful	1,272,648	1,272,648		
Less : Provision	(1,272,648)	(1,272,648)		
Security Deposits	118,510	181,214	35,000	35,000
Prepaid Expenses			4,350	
Other Loans and Advances				
Advance Tax and TDS (Net of provisions)	18,555	553,125	-	-
Income Tax Refundable	542,479	542,479	-	-
MAT credit Entitlement (Net of Provision Rs.59,06,409, P.Y. Rs.59,09,406)	-	-		
Advance Receivable in cash or in kind				
Considered good			1,304,810	1,126,413
Considered doubtful			461,551	455,551
Less : Provision	-	-	(461,551)	(455,551)
Balances with Government & Statutory Authorities	-	-	5,677,285	5,677,285
Deposit with Govt. Authorities	2,293,286	2,293,286	-	-
	<u>8,357,288</u>	<u>8,954,562</u>	<u>7,021,445</u>	<u>6,838,698</u>

	As at 31st March, 2016	As at 31st March, 2015
2.10 OTHER NON-CURRENT ASSETS		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months		
Unsecured, considered good	-	-
Doubtful	2,983,320	2,983,320
	<u>2,983,320</u>	<u>2,983,320</u>
Less : Provision for doubtful receivables	(2,983,320)	(2,983,320)
	<u>-</u>	<u>-</u>
2.11 INVENTORIES		
(As valued and certified by the Management)		
Stores and Spares (net of obsolesce)*	13,138,465	16,422,965
	<u>13,138,465</u>	<u>16,422,965</u>

*Including Rs. 15,59,476 (P.Y Rs. 15,59,476) lying with third party

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
2.12 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	472,684	405,994
Cash on hand	60,834	7,812
Other Bank Balance		
Fixed deposit with bank	250,000	995,000
(having maturity beyond 12 Months)	<u>783,518</u>	<u>1,408,806</u>
(kept as lien)		
2.13 OTHER CURRENT ASSETS		
Interest accrued on deposit	148,814	119,029
	<u>148,814</u>	<u>119,029</u>
2.14 OTHER INCOME		
Interest Income		
On Bank Deposits	46,278	927,200
On Other Deposit	60,300	9,466
Other Non Operating Income		
Sundry Balances/ Liabilities/borrowings no longer required written back	603,260	45,972,530
(Including Nill (P.Y-Rs.4,50,50,201) written back on account of compromise settlement with lender Bank)		
Miscellaneous Income	-	565,359
	<u>709,838</u>	<u>47,474,555</u>
2.15 EMPLOYEE BENEFIT EXPENSE		
Salaries & Wages	1,802,868	2,483,734
Contribution to Provident Funds and Others	126,476	195,122
Gratuity Fund	62,754	332,847
Staff Welfare Expenses	90,059	42,785
	<u>2,082,157</u>	<u>3,054,488</u>
2.16 FINANCE COST		
Interest Expenses		
Others borrowing Cost	1,625	-
	<u>1,625</u>	<u>-</u>

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

	As at 31st March, 2016	As at 31st March, 2015
2.17 OTHER EXPENSES		
MANUFACTURING EXPENSES		
Stores, Spare Parts & Packing Materials Consumed	6,275	93,050
Power & Fuel	597,453	605,730
Repairs to Buildings	12,886	8,196
Repairs to Machinery	8,691	17,993
Repairs to Other Assets	8,992	10,365
	<u>634,297</u>	<u>735,335</u>
SELLING AND ADMINISTRATION		
Rent	136,091	161,247
Rates & Taxes	149,121	277,278
Insurance	170,739	169,081
Vehicle Running & Maintenance Expense	123,287	166,003
Auditors' Remuneration -		
Statutory Auditors -		
Auditor	125,000	125,000
Issue of Certificates	100,000	75,000
Reimbursement of Service Tax	32,375	24,720
Travelling Expenses	93,267	131,317
Security Charges	2,750,957	2,426,521
Loss on Sale/Discard of Stores Materials	-	854,100
Loss on Sale/Discard of Fixed Assets (Net)	-	139,049
Prior Period Expenses	-	93,285
Provision on Non moving stores	3,284,500	-
Adjustment on account of transitional provision of schedule II.	-	220,154
Bank Guarantee Charges	745,000	-
Listing Fees / Filing Fees	1,167,988	187,056
Other Miscellaneous Expenses	870,035	1,386,248
	<u>9,748,360</u>	<u>6,436,059</u>
	<u>10,382,657</u>	<u>7,171,394</u>

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2.18 Contingent and disputed liabilities not provided for:-

A (i) Claims against the Company not acknowledged as debts

(Amount in Rs.)

		2015-16	2014-15
i)	Disallowance of Modvat Credit on input items Felts & etc from November, 1991 to May, 1992	320,192	320,192
ii)	Disputed income tax liability relating to imposition of interest on advance tax not paid u/s 154 pending before Deputy Commissioner of Income Tax, Kolkata for the financial year 2007-2008.	-	550,000

(ii) Civil Cases Pending

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

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

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

C Bank guarantee outstanding at the year end is Rs. Nil (Previous year Rs.7,45,000).

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

E The net worth of the Company has been 50% eroded. These financial statements have been prepared on a going concern basis based on the future strategic plan envisaged by the management for the revival of the company including plan of infusing preferential capital in the next financial year and on the basis of a comfort letter received from a promoter company confirming their continued financial support.

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

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

H Employee Benefits:

a) Defined Contribution Plan:

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

During the year the company has contributed Rs. 88,984 (PY Rs1,37,765) for Provident Fund and Rs.37,492 (PY Rs.57,357) for ESI Fund. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme.

b) Defined Benefits Plan:

i) Gratuity: 15 days salary for every completed year of service. Vesting period is 5 years and payment is restricted to Rs. 10.00 lacs.

ii) Leave: The employees of the Company are also eligible for encashment of leave on retirement.

iii) The present value of defined obligation and related current cost are measured using the Projected Credit Method with actuarial valuation being carried out at each balance sheet date.

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

Expenses recognized for the year ended 31st March, 2016		Gratuity (Unfunded)	
		2015-16	2014-15
i)	Current Service Cost	36,170	47,035
ii)	Interest Cost	77,239	88,114
iii)	Actuarial (Gain) / Losses	(50,655)	197,698
iv)	Expenses Recognized in Statement of Profit & Loss	62,754	332,847
Net (Asset) / Liabilities Recognized in Balance Sheet			
i)	Present Value of Defined Benefit Obligation	730,664	1,027,669
ii)	Net (Asset)/ Liabilities recognized in Balance Sheet	730,664	1,027,669
Changes in Present Value of Defined Benefit Obligation during the year			
i)	Present Value of Defined Benefit Obligation at the beginning of the year	1,027,669	1,322,029
ii)	Current Service Cost	36,170	47,035
iii)	Interest Cost	77,239	88,114
iv)	Actuarial (Gain) / Losses	(50,655)	197,698
v)	Benefit Paid	(359,759)	(627,207)
vi)	Present Value of Obligation at the end of the year	730,664	1,027,669
Principle Actuarial Assumptions used			
i)	Discount Rate per annum	7.70%	7.50%
ii)	Expected Salary increase	5.00%	5.00%
iii)	Morbidity	No explicit allowance	
iv)	Withdrawal	2% to 1% depending on the age and length of service	
v)	Normal age of retirement	58 years	
vi)	Mortality	(% of IALM 06-08)	

- c) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- d) The table below illustrates experience adjustment disclosure as per para 120(n)(ii) of Accounting Standard 15 -Employee Benefits.

(Rs in Lacs)

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	7.31	10.28	13.22	15.56	67.41
Surplus / (Deficit)	7.31	10.28	13.22	15.56	67.41
Experience adjustments on plan liabilities	(0.51)	(0.41)	17.01	(3.34)	5.05

- e) The disclosure as required by Para 120 of Accounting Standard – 15 “Employee Benefit” has been made to the extent applicable to the Company.

I No borrowing cost as per Accounting Standard -16 " Borrowing Costs" has been capitalised during the year.

J The company does not have any exposure in foreign currency at the year end.

K Segment Reporting

The Company's business activities fall within a single primary reportable segment viz., Writing & Printing Paper. Accordingly, pursuant to Accounting Standard (AS)-17 on Segment Reporting, Segmental Information is not given.

L Related party's disclosures under AS- 18

Sl	Name of Parties	Relationship
i.	Arrow Syntax Pvt. Ltd.	Associate Company and having significant influence over the Company
ii.	Ankit Jalan - Whole Time Director	Key Management Personnel

Related party transactions under Accounting Standard (AS)- 18

(Amount in Rs.)

Related Party Transactions	Associate & Enterprises having Common Director	
	2015-16	2014-15
Unsecured Loan		
Paid	73,800,000	6,060,000
Received	750,000	48,660,000
Balances as on 31st March		
Payable	90,750,000	1,63,800,000

AGIO PAPER & INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

M Disclosure required by AS-29 "Provisions, Contingent Liabilities and Contingent Assets" Movement in provisions :

(Amount in Rs.)

Sl	Particulars	2015-2016	2014-2015
i	Opening Balance	3,935,432	3,935,432
ii.	Provision during the year	-	-
iii.	Provision used during the year	436,107	-
iv.	Provisions reversed during the year	-	-
v.	Closing Balance	3,499,325	3,935,432

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

N Earning Per Shares (Basic & Diluted)

(Amount in Rs.)

Particulars	2015-2016	2014-2015
Net Profit / (Loss) after tax for the year (Rs.)	(14,672,596)	34,362,333
Weighted average no. of Equity Shares (No.)	16,125,400	16,125,400
Earning per share (Basic / Diluted) (Rs.)	(0.91)	2.13

O In view of substantial brought forward losses and depreciation, the year end deferred tax position reflects net deferred tax assets and the same has not been recognised on account of prudence.

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

As per our report of even date annexed

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

For and on Behalf of the Board of Directors

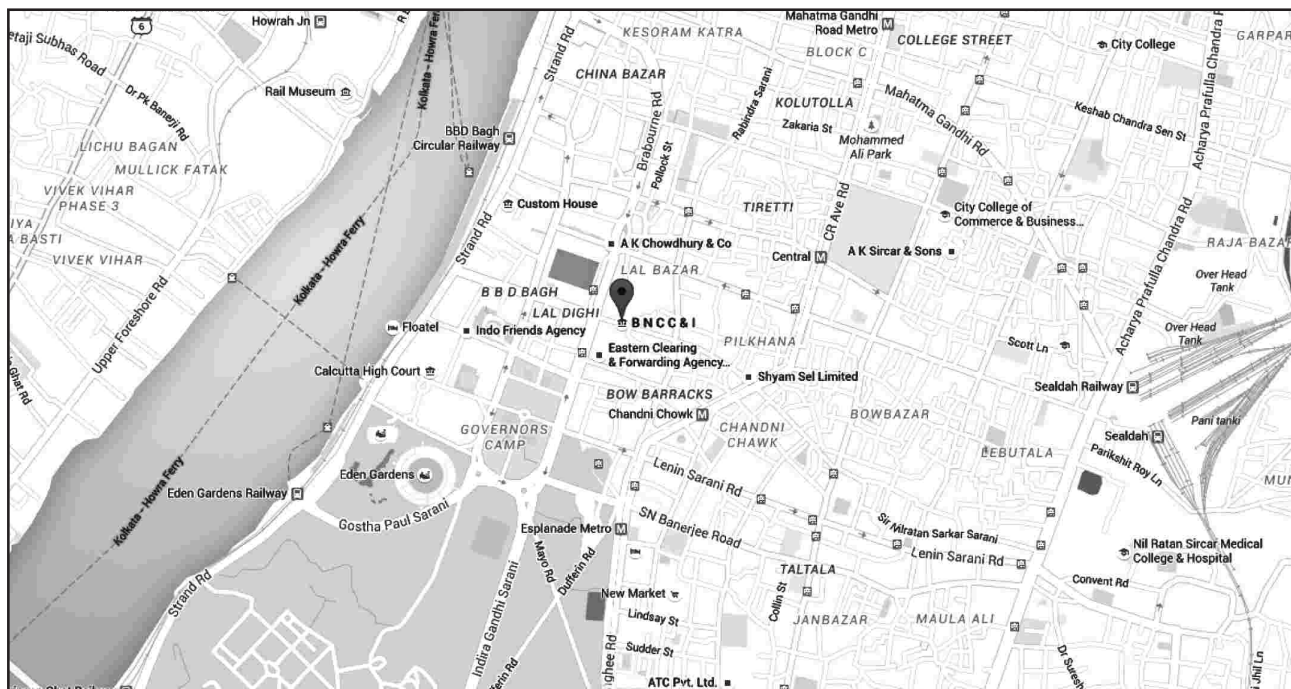
Gopal Jain
 Partner
 Membership No - 059147
 Kolkata : 4th May, 2016

SAIKAT GHOSH
(Company Secretary)

ANKIT JALAN
(Executive Director)

K K KHETAWAT
(Director)

Route map to the venue of the 31st AGM of Agio Paper & Industries Ltd.



Bengal National Chamber of Commerce & Industry
Bengal National Chamber House
23, R.N. Mukherjee Road, Kolkata – 700001



AGIO PAPER & INDUSTRIES LTD.

Regd. Office: 41A, AJC Bose Road,
505 Diamond Prestige, Kolkata - 700 017
CIN : L21090WB1984PLC037968
Phone : (033) 66286654, Website : www.agiopaper.com
E-mail id : redressal@agiopaper.com

ATTENDANCE SLIP

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

I hereby record my presence at the 31st Annual General Meeting to be held on Monday 13th June, 2016 at 10.30 A.M.
at Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23 R. N. Mukherjee Road,
Kolkata - 700 001

Regd. Folio No. :	Name of the shareholder / Proxy (in block letters)	Signature
DP ID No.		
Client ID No.		



AGIO PAPER & INDUSTRIES LTD.

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

CIN : L21090WB1984PLC037968

Phone : (033) 66286654, Website : www.agiopaper.com, E-mail id : redressal@agiopaper.com

PROXY FORM

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

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No / Client Id : _____

DP ID : _____

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

1. Name : _____ Address : _____

E-mail ID : _____ Signature : _____ or failing him

2. Name : _____ Address : _____

E-mail ID : _____ Signature : _____ or failing him

3. Name : _____ Address : _____

E-mail ID : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the company to be held on Monday the 13th June, 2016 at 10:30 A.M. at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23, R. N. Mukherjee Road, Kolkata - 700001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution Proposed
	Ordinary Business
1	Adoption of Financial Statements, Reports of the Board of Directors and Auditors.
2	Re-appointment of Mr. Ankit Jalan as Director who retires by rotation
3	Ratification of the appointment of the auditors
	Special Business
4	Increase in authorized share capital of the company
5.	Issue of 10% Non Cumulative Redeemable Preference shares on private placement basis

Signed this.....day of.....2016.

Signature of Shareholder..... Signature of Proxy holder(s).....

Affix Revenue
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 31st Annual General Meeting dated 4th May, 2016.



Regd. Off. : 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 : Agio Paper & Industries Ltd.

Village Dhenka, P.O. Darrighat - Masturi
Bilaspur - 495 551 (Chhattisgarh),
Phone : +91-7752-257 010/011/014
Fax : +91-7752-257 371
E-mail : mill@agiopaper.com