

**WE'VE MADE A
solid plan, significant investments
AND PROGRESS...**

Building a world-class
operating plant

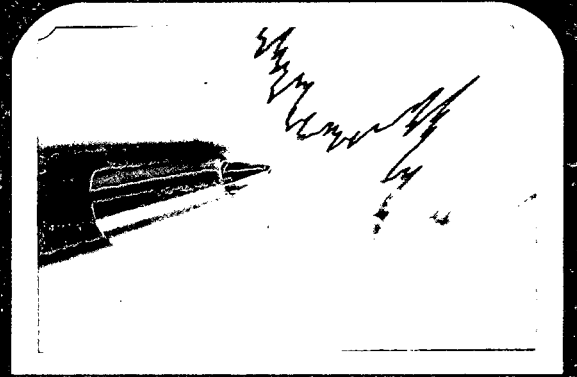
Improving operational
performance



24th ANNUAL REPORT 2008-2009

1. Positioned to grow
2. Driven to Perform
3. Socially Responsible

...AND THE BEST
Long term profitability
IS YET TO COME.





POSITIONED TO GROW

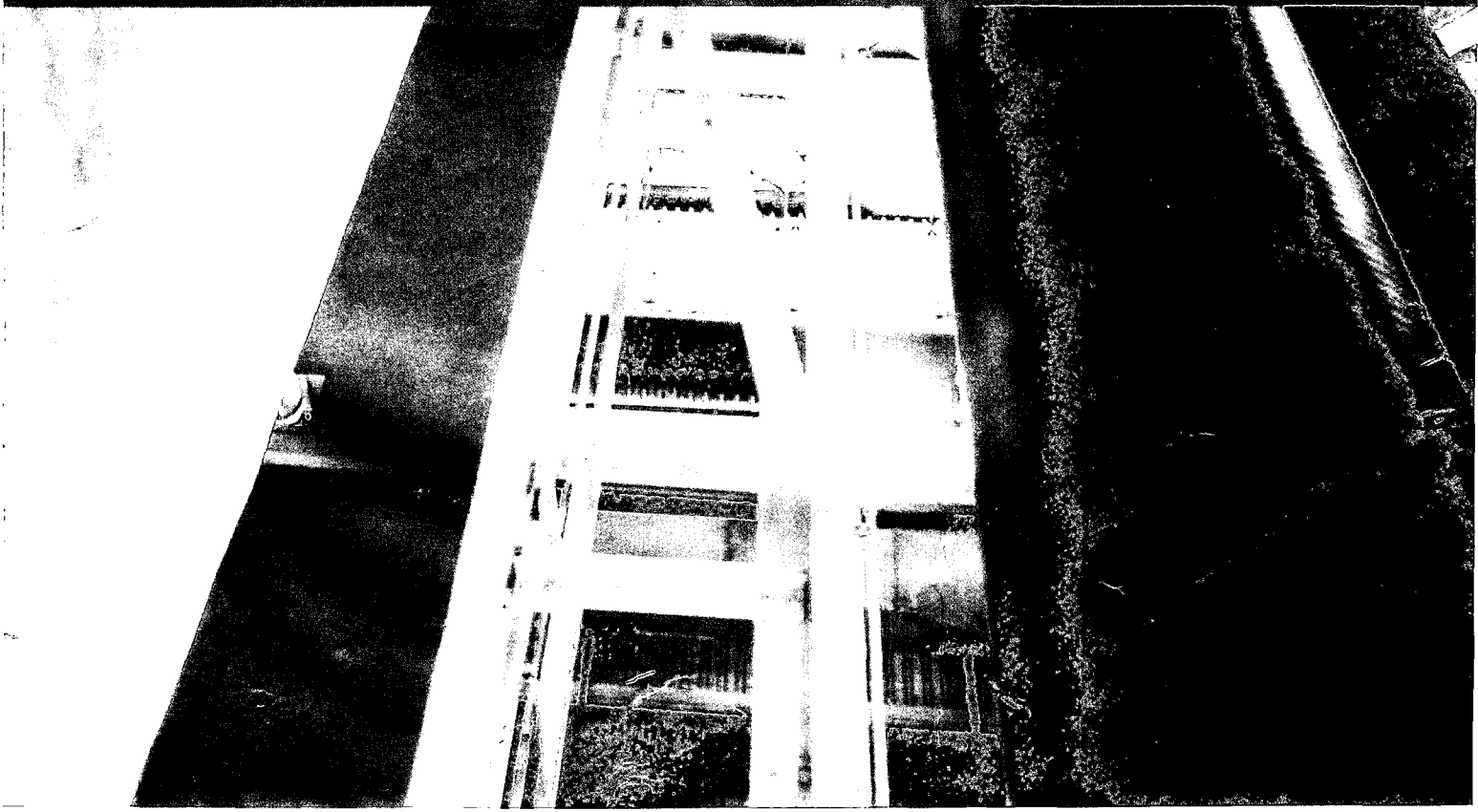
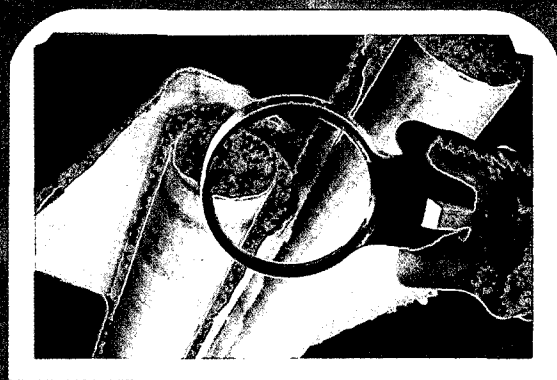
Our aggressive marketing strategy, increased production capacity and operational efficiencies will help us overcome the challenges of current year and place us in an ideal situation for future growth.





Through Quality improvements and reduction in cost of production we are trying to do away with the bottlenecks in our operations so that we can ensure optimum customer satisfaction.
We remain focussed to our strategy as we work towards industry leadership, positions in profitability, superior quality and excellent customer service.

DRIVEN TO PERFORM





The new millennium is going to be the millennium of knowledge. So demand for paper would naturally increase in times to come. By manufacturing paper for educational purposes we try and cultivate the youth of our country and follow our company's vision of Taking Literacy to the masses.

SOCIALLY RESPONSIBLE

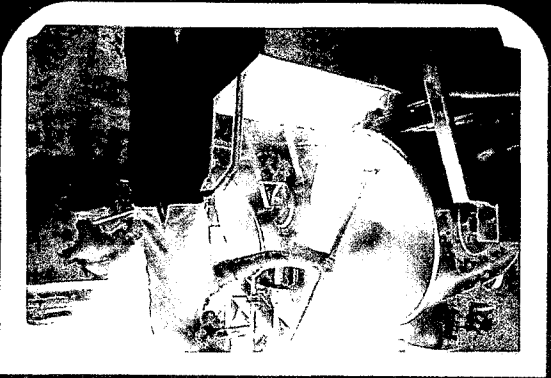
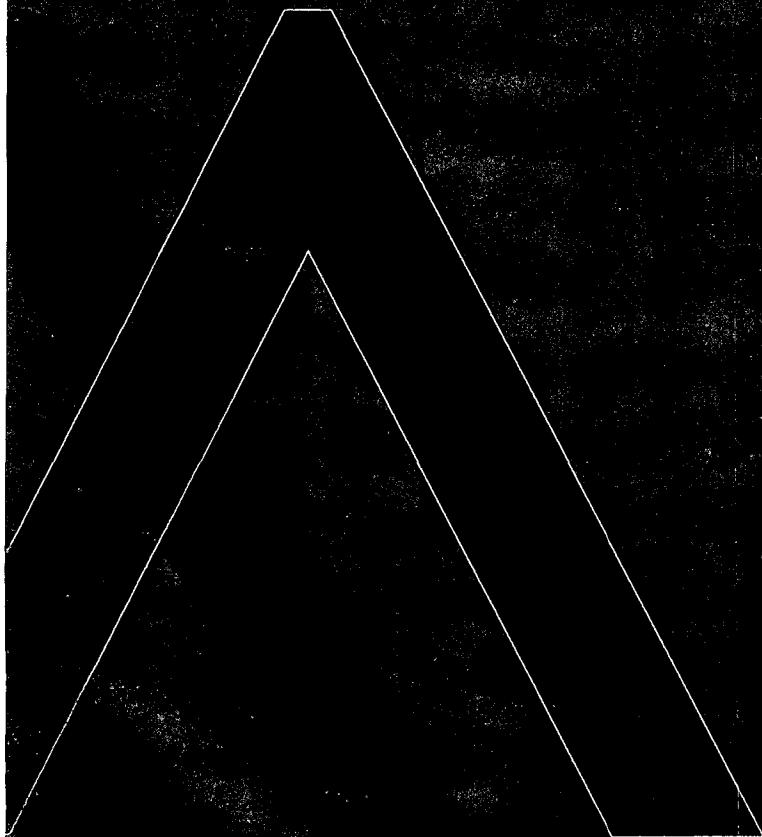


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CORPORATE INFORMATION

Board of Directors

Shri M. L. Jalan - Chairman
Shri Ankit Jalan - Director
Shri Ankur Jalan - Director
Shri D. Kumar - Executive Director
Shri J. Agrawal - Director
Shri S. Mukherjee - Director
Shri B. K. Taimni - Director
Shri R. K. Kanoi - Director
Shri S. K. Kanoi - Director

Manager

Shri D. Kumar

Company Secretary

Shri Satkat Ghosh

Auditors

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

Bankers

Allahabad Bank
Axis Bank

Registrar & Transfer Agent

Maheshwari Datamatics Pvt. Ltd.
6 Mangoe Lane
Kolkata - 700 001
Ph. : (033) 2243 5029/5309

Registered Office

Agro Paper & Industries Ltd.
Chatterjee International Centre
33A, Chowringhee Road, 20th Floor
Office-11, Kolkata - 700 071
Ph. : 033-4022-5900, Fax : 4022-5999

Vill

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

Dear Member (s),

30th June, 2009

You are cordially invited to attend the twenty fourth Annual General Meeting of the members to be held on Thursday, the 17th September, 2009 at 11.30 A. M. at Bengal National Chamber of Commerce, 23, R. N. Mukherjee Road, Kolkata - 700 001.

The notice of the meeting containing the business to be transacted is enclosed herewith.

If you are physically challenged and need special assistance at the Annual General Meeting please contact Mr. Saikat Ghosh - Company Secretary at - 033-4022-5900.

Very truly yours,

A handwritten signature in black ink, appearing to read "M. L. Jalan", written over a horizontal line.

M. L. Jalan

(Chairman)

Encl.

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of the Company will be held at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23, R. N. Mukherjee Road, Kolkata – 700 001 on Thursday, the 17th September, 2009 at 11:30 A. M. to transact the following Business:

Ordinary Business

1. To consider and adopt the audited accounts of the Company for the year ended 31st March 2009, together with the Report of the Directors and Auditors.
2. To appoint directors in place of directors retiring by rotation.
Shri M. L. Jalan, director, retires by rotation and being eligible, offers himself for re-appointment.
Shri J. Agrawal, director, retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration. The present auditors, M/s Singhi & Co, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

Special Business

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:**

"RESOLVED THAT Shri B. K. Taimni , who was appointed as an Additional Director and who in terms of section 260 of the Companies Act, 1956 read with Article 82 of the Articles of Association of the Company, holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, along with the deposit of Rs. 500/-, be and is hereby appointed as a Director of the Company liable to retire by rotation".

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:**

"RESOLVED THAT Shri Ankit Jalan , who was appointed as an Additional Director and who in terms of section 260 of the Companies Act, 1956 read with Article 82 of the Articles of Association of the Company, holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, along with the deposit of Rs. 500/-, be and is hereby appointed as a Director of the Company liable to retire by rotation".

30th June, 2009

Registered Office:

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

By Order of the Board
For Agio Paper & Industries Limited

Saikat Ghosh
Company Secretary

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956 relating to the Special Business Item no. 4 and 5 is annexed herewith.
2. 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.
3. The Proxy form must be deposited at the registered office of the Company not less than 48 hours before the scheduled hour of commencement of the meeting i.e. by 11:30 A. M. on 15th September, 2009.
4. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
5. 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.
6. The Register of Members and Share Transfer Registers of the Company will remain closed from 11th September, 2009 to 17th September, 2009 (both days inclusive).

7. In accordance with Section 205C of the Companies Act, 1956, no claim shall lie against the Company or Fund in respect of individual accounts of dividends remaining unclaimed or unpaid for a period of seven years from the dates they become first due for payment and no payment shall be made in respect of any such claims.
8. 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.
9. The members are aware that their Company's shares are under Compulsory Demat Trading with effect from 25th September 2000 for all the investors, hence they may utilize this facility.
10. 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.
11. Shri M.L. Jalan and Shri J. Agrawal, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. As required under the listing agreement, the information/data to be provided for these Directors are given in the Corporate Governance Section of this Annual Report.

EXPLANATORY STATEMENT

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

Item No. 4

The Board of Directors of your Company ('the Board') at its meeting held on January 30, 2009 has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Article 82 of the Articles of Association of the Company Shri B. K. Taimni as an Additional Director.

In terms of Section 260 of the Act, Shri Taimni would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith a deposit of Rs.500 proposing the candidature of Shri Taimni for the office of Director of the Company under the provisions of section 257 of the Act.

Shri B. K. Taimni is a former I.A.S officer and presently he is serving as a member of the National Consumer Dispute Redressal commission.

An eminent personality like Shri Taimni would be able to contribute towards the positive progress of company and therefore in the interest of the company it is desirable that Shri Taimni is appointed as an independent director, liable to retire by rotation in accordance with the articles of Association of the Company.

A brief resume of Shri Taimni, nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership / chairmanship of Board Committees, as stipulated under clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the Directors of your Company, other than Shri B. K. Taimni, is interested in this Resolution.

The Board recommends this Resolution for your Approval.

Item No. 5

The Board of Directors of your Company ('the Board') at its meeting held on February 28, 2009 has appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (the Act) and Article 82 of the Articles of Association of the Company Shri Ankit Jalan as an Additional Director.

In terms of Section 260 of the Act, Shri Jalan would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith a deposit of Rs.500 proposing the candidature of Shri Jalan for the office of Director of the Company under the provisions of section 257 of the Act.

Shri Ankit Jalan has done Bachelor of Science in Business Management from the U.S.A. He is a young dynamic entrepreneur and his area of specialisation is finance.

Keeping in view his qualification and expertise it is desirable that Shri Jalan is appointed as a non-executive director, liable to retire by rotation in accordance with the articles of Association of the Company.

A brief resume of Shri Jalan, nature of his expertise in specific functional areas and names of companies in which he holds directorship and membership / chairmanship of Board Committees, as stipulated under clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

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

The Board recommends this resolution for your approval.

30th June, 2009

Registered Office:

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

By Order of the Board
For Agio Paper & Industries Limited

Saikat Ghosh
Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS

AGIO PAPER & INDUSTRIES LTD.

Your Directors have pleasure in presenting the 24th Annual Report of the Company alongwith Audited Accounts of the Company for the year ended 31st March, 2009.

SUMMARISED FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year	Previous Year
Gross Turnover and other receipts	3677.63	3660.62
Profit / (Loss) before Interest and Depreciation	290.85	634.33
Less: Interest	134.90	36.17
Profit/(Loss) Before Depreciation	155.94	598.16
Less: Depreciation	121.34	119.98
Profit /(Loss) Before Tax	34.60	478.18
Less: Provision for taxation		
Deferred Tax	17.42	34.80
Fringe Benefit Tax	1.88	1.95
Wealth Tax	0.02	0.01
Profit /(Loss) After Tax	15.28	441.42
Balance brought forward from previous year	(54.73)	(505.88)
Add: Adjustment of Employee Benefit as per AS -15 Revised	-	9.74
Add: Transfer to foreign currency translation reserve for 2007-08	(52.08)	-
Balance carried to Balance Sheet	(91.53)	(54.73)

BUSINESS PERFORMANCE

The present year under review had been difficult because the global slowdown combined with the unstable market conditions had very much effected the performance of the company. Moreover, to ensure compliance of directions laid down by the Central Pollution Control Board, New Delhi the paper mill of the company situated at Bilaspur, Chhattisgarh remained closed from March 11,2009 to May 13,2009.This had made the situation all the more difficult and had effected our otherwise steady performance.

But the adversities certainly brought the best out of us because we persevered.In spite of the difficulties we never compromised with our values and the rebuilding process initiated earlier continued in a consistent manner. Faced with the sternest of challenges our commitments were never lacking.

DIVIDEND

No Dividend is recommended for the financial year ended 31st March, 2009 since huge investment is required for planned growth of the company.

EXPANSION, NEW PROJECTS AND FUTURE PROJECTIONS

During the year under review the company commenced trial run of Co-Generation power plant having capacity of 4MW at the mill site in Bilaspur and we are progressing positively towards attaining self sufficiency in power generation. We hope this self sufficiency in power generation shall lead to greater economies in the near future .

During this year we intend to go ahead with the installation of another paper machine with production capacity of 18000 MT per annum which shall stand us in good stead to face the stiff competition. We are also installing a pulp mill to feed sufficient pulp in paper machine for best quality of paper.We are also in the process of installing six extra dryers and a new centricleaner for increasing production and improving quality of paper.

CREDIT RATING

During the previous year the company had been assigned "SME 2" rating by M/S Crisil Limited which indicates high level of credit worthiness . The company is at present in the process of renewing such credit rating.

RIGHT ISSUE OF SHARES

At the 22nd Annual General Meeting consent of the members of the company was accorded in terms of section 81 and 81 (1A) of the Companies Act, 1956 to the Board to offer, issue and allot equity shares to the members on rights basis on a date to be fixed by the Board as the Record Date, aggregating not more than Rs. 25 crores. The uncertain economic scenario which had persisted during recent past had stalled our plan. Under more stable conditions the company may again adopt necessary steps regarding the matter.

NAME CHANGE

The Company is engaged in the paper industry for almost 25 years. The present promoters took over the company's management during the year 2003. In order to give the company a new identity and to reflect the positive results achieved by the present promoters and also to show uniformity of the "Orion Group" the name of the company was changed from "Kanoi Paper & Industries Limited" to "Orion Paper & Industries Limited" vide a special resolution passed at the 22nd Annual General Meeting of the members of the company held on 27th July, 2007. The Registrar of Companies, West Bengal also accorded its approval for such change of name by issuing a new Certificate of Incorporation dated 31st August, 2007. The name of the Company was further changed to "Agio Paper & Industries Limited" vide new certificate of incorporation issued by the Registrar of Companies, West Bengal dated 12.02.2009.

The use of such exclusive name in future shall go a long way towards consolidating our goodwill.

DELISTING OF SECURITIES

Pursuant to Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to the provisions of the Companies Act, 1956 consent of the members was accorded to the Board to delist the equity shares of the company from "The Calcutta Stock Exchange Association Limited" at such time as the Board may decide.

But keeping in view the fact that the said The Calcutta Stock Exchange Association Limited is now sharing a trading platform with the Bombay Stock Exchange Limited and has also taken certain recent revival measures for reviving trading activities it has prompted the Board to wait and watch for some time.

The Government has also recently announced Securities and Exchange Board of India (Delisting of Securities) Regulations 2009, and the Board may act accordingly at an appropriate time when it deems fit to take necessary action.

SECURITIES PREMIUM

Necessary steps are being taken in accordance with law for implementing the resolution already adopted for adjustment of securities premium.

AUDITORS

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

Pursuant to directions received from the Central Government, M. Pal & Associates has been appointed as the Cost Auditor of the Company to audit the Cost Accounts of the Company for the year ended 31st March, 2009.

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and Article 75 of the Articles of Association of the Company, Shri M.L. Jalan and Shri J. Agrawal Directors of your Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Shri B. K. Taimni and Shri Ankit Jalan were appointed as Additional Directors with effect from 30th January, 2009 and 28th February, 2009 respectively to hold office till the conclusion of the forthcoming Annual General Meeting of the company. The Company has received notices under section 257 of the Companies Act, 1956 from members proposing their appointment as Directors of the company.

Shri N. P. Jalan resigned as Director during the year under review. The Board of Directors wish to place on record its gratitude for the invaluable service rendered by him during his tenure as Director.

The above appointments/ reappointments form part of notice of Annual General Meeting and the resolutions are recommended for your approval.

CORPORATE GOVERNANCE

Observing the norms of Corporate Governance have always been accorded the highest priority by your directors and conditions stipulated in Clause 49 of the Listing Agreement with Stock Exchanges for maintaining effective governance practices have been complied with. The Corporate Governance report together with a certificate from the Auditors of the company M/S Singhi & Co., Chartered Accountants confirming the compliance of conditions of Corporate Governance as stipulated under Clause 49 of listing Agreement is included in the Annual Report.

INTERNAL CONTROL SYSTEM

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors it is hereby confirmed that:

- a) All the applicable Accounting Standards have been followed in the preparation of the Annual Accounts and there is no material departure from the same.
- b) Accounting policies have been selected in consultation with the statutory auditors and have been applied consistently in making judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009
- c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and .
- d) That they have prepared the annual accounts on a going concern basis.

INSURANCE

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

CORPORATE SOCIAL RESPONSIBILITY

As always the company has been very conscious of the society and environment all around. It has always believed in playing a positive role in progress of the society. The efforts and endeavours put forward by the company had a definite effect on the society.

Employment

Our mill at Bilaspur has been at the forefront of providing employment to the many in and around the villages. Fair employment opportunity had always been provided to each and every one.

Mid-day meal to school children

We have always followed the mantra of sub serving the society by meeting its needs. Therefore in order to ensure our future generation is properly nourished we have started contributing to 'Akshay Patra' a mid- day meal scheme for school children.

Education

The only way we can move forward is by spread of education. As always we encouraged the spread of education by distributing note books and text books amongst the village children.

Safety

The standards of safety are rigorously followed by the company at the mill site. The safety instruments and equipments are of the highest standard provided to the workers. We provide uniform and shoes for the workers to enhance safety.

Drinking Water

The bore wells provided by the company has gone a long way towards solving water scarcity problems in the nearby villages. Besides we provide drinking water to villagers and each and every passerby in the summer months from our factory gate.

Free Medical check Up

For the past few years we have been arranging free medical camps with experienced doctors who regularly provide check ups and we also provide free medicines to the poor and needy of the nearby villages.

POLLUTION CONTROL AND ENVIRONMENTAL PROTECTION

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

- Zero discharge of Black Liquor from the mill and installing another filter press with full capacity.
- Drastic deduction in Consumption of fresh water thereby reducing the generation of effluent.
- The Effluent Treatment Plant has been strengthened by further installation of flocculants tanks, Chemical dosing arrangement for reducing the Effluent load and improve the effluent quality.
- Maximum use of mill back water in the plant by recycling.
- Effluent generation from Paper Machine and Waste Paper Pulp processing is being used 100% after clarification.
- Effluent sludge is separated through 2 Nos. sludge press and used for making board.
- Effluent water is treated in ETP and 100% used for irrigating tree plantation, quenching ash and sprinkling on gardens, roads. There is no discharge in River.
- Emission from boiler is controlled by Trema cyclone & in Power Plant ESP has been installed which maintained emission standard satisfactorily.
- Giving emphasis on green environment every year we planted more than 5000 trees.

HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

The company has treated its employees as its greatest asset and the HR policies and strategies have been focused to convert employee potential into performance. The employees represent the backbone of the organization and their contribution is immense towards stability and growth of the organization. In order to boost employee morale the company had paid bonus to employees on achieving production target. The company intends to continuously upgrade the professional and human resource skills of its employees.

PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956

The particulars are stated in Annexure - I hereto.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, is given in the Annexure –II hereto

CONCLUSION

The steady growth and progress which commenced under the new management continued this year. We have travelled a long way yet we have many more miles to go.

Your Directors would like 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.

For and on behalf of the Board of Directors

Kolkata
30th June, 2009

M. L. JALAN
Chairman

ANNEXURE - I

None of the employees are covered by the provisions contained in section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

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

ANNEXURE - II

A. CONSERVATION OF ENERGY

Power :

a) Efforts made for conservation of energy :-

- (i) By controlling process parameters.
- (ii) Replacement of high capacity motor.
- (iii) Installation of energy saving lamps wherever possible in plant and colony.
- (iv) Replacing old pumps & motors by high efficiency Pumps & low power consumption motors.
- (v) By changing process pipe line system.

b) Additional investment and proposal, if any:

- (i) Self power generation unit to overcome power tripping and supply breakdown from Chhattisgarh State Electricity Board (CSEB).
- (ii) For better efficiency of Boiler and pollution free emission we are installing Electro Static Precipitator (ESP) in power plant.

c) Impact of above measures on consumption of energy :

Saving in consumption of electricity & steam.

d) Power & Fuel Consumption:

Refer Form 'A' attached

B. TECHNOLOGY ABSORPTION

Refer Form 'B' attached.

C. FOREIGN EXCHANGE EARNING AND OUTGO

(Rs.In Lacs)

	2008-09	2007-08
Earning: Export	Nil	Nil
Outgo: Imports	90.13	141.11
Outgo on repayment of unsecured loan	Nil	523.20

FORM A

A. POWER & FUEL CONSUMPTION		2008-09	2007-08
1. ELECTRICITY:			
a) Chhattisgarh State Electricity Board			
Units (KWH in lacs)		120.99	108.18
Total Amount (Rs. in lacs)		485.49	427.79
Rate/KWH (In Rs.)		4.01	3.95
b) Vandana Vidhyut Ltd			
Units (KWH in lacs)		NIL	15.76
Total Amount (Rs. in lacs)		NIL	45.06
Rate/KWH (In Rs.)		NIL	2.86
c) 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)		3699.09	15603.360
Total Cost (Rs. in lacs)		59.14	187.740
Average rate		1598.77	1203.202
b) ROM (Washery)			
Quantity (MT)		1911.071	924.083
Total Cost (Rs. in lacs)		53.63	10.490
Average rate		2806.28	1135.179
3. RICE HUSK			
Quantity (MT)		8544.001	9.574
Total Cost (Rs. in lacs)		111.11	0.100
Average rate		1300.499	1044.496
4. CONSUMPTION PER UNIT OF PRODUCTION			
Electricity (KWH/MT)		1256.49	1124.303
Coal/Husk (MT/MT)		1.47	1.500

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 pump sealing water instead of fresh water.
- Installed black liquor recovery plant at ETP. Another filter press is yet to be commissioned.

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 maintain all emission parameters.
- e) Reduce fresh water consumption.
- f) Minimise black liquor storage problem and recovered lignin sludge is used as fuel alongwith coal in boiler. After commissioning the 2nd filter press black liquor lignin will be utilised in full fledge.

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 for 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.

Expenses on R & D :

- | | |
|---|---|
| <ul style="list-style-type: none"> a) Captial b) . Recurring c) Total d) Total R D expenditure
As a % of total turnover | <p>The development work is carried by the concerned department on an ongoing basis. The expenses and the cost of assets are grouped under the respective heads.</p> |
|---|---|

II. Technology absorption, adaptation and innovation :

1. Efforts made towards technology absorption, adaptation and innovation:-
Use of rice husk and low cost coal was introduced.
2. Benefits derived as a result of above efforts
This will result in reduction in over all cost of coal consumption.
3. Efforts are being made towards the technology of treated effluent water decolorisation with Wyte water technologies Pvt. Ltd., Pune.
Praneet Enviroequips, Mohali.

On behalf of the Board

Kolkata
30th June, 2009

M. L. JALAN
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INTRODUCTION

The Financial Year 2008-09 has been mixed for the company. The global financial meltdown and consequent economic recession in developed economies have clearly been major factor in India's economic slowdown. No country, including India, remained immune to the global economic shock. The slow and steady revival process shall bring about a better scenario in the future.

INDUSTRY AND OUTLOOK

Presently India is ranked 18th in the production of paper and 15th in consumption globally. The Indian printing industry is expected to grow at a CAGR of 15-18% uptill 2012. Recent studies have also established that India is emerging as a centre for global printing and publishing outsourcing. But it is the demand of the domestic market which provides major fillip for the industry.

India has emerged as the fastest growing paper market in the world, registering a growth of 10% in per capita consumption of paper over the last one year. Per capita consumption of paper increased to 8.3 kg as compared to 7.5 kg consumed during the previous year. The Indian Paper industry accounts for about 1.6% of the world's production of paper. The Government's emphasis on education sector is a major encouragement for the industry. During budget 2008-09 the government had allocated Rs.13,100 crores for Sarva Shiksha Abhiyan and Rs.4554 crore towards secondary education.

OPPORTUNITIES

In order to cater to the demands of this growing domestic market the company has steadily built on it's performance on a year by year basis. With investments in its power generation and expansion units, the Company will be better equipped to grow with the growing Indian Paper Industry.

RISK AND CONCERNS

Risk is an inherent factor associated with any industry and in order to minimize such risks we have adopted SWOT analysis as a prudent practice.

SWOT ANALYSIS

<p>STRENGTHS</p> <ul style="list-style-type: none"> i) Upto date Research & Development facilities. ii) Use of modern production techniques. iii) Strong dealer and customer base spread throughout the country. 	<p>WEAKNESS</p> <ul style="list-style-type: none"> i) Highly capital intensive industry. ii) Ever increasing price of raw materials and chemicals. iii) High increase in power & fuel prices.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> i) Growing domestic market. ii) Upswing in global paper consumption. iii) Government stress on education and literacy. 	<p>THREATS</p> <ul style="list-style-type: none"> i) The industry lags behind technically. ii) Polluting nature of the industry. iii) Over dependence on domestic market.

INFORMATION TECHNOLOGY

In this era of technology no entity can survive without modernized and up to date I.T systems and we certainly are no exception to it. We always try to ensure the best available technologies are put to good use so that it yields the desired result.

We are in the process of installing waste paper processing equipments as well as a new pulp mill which shall help to produce the best quality papers. We also use the best technologies available for pollution control and environment protection.

INTERNAL CONTROL SYSTEM

The soundness of internal control is essentially linked to sound health of the company. Not only does it strengthen the organization but enriches the stakeholders as well.

The sound internal control installed by the company ensures that the assets are protected against loss from unauthorized use and all transactions are recorded and reported correctly. The company's internal control system is further supplemented by internal audits.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operational performance of the company during the year had been fairly steady in spite of various difficulties faced. The accounting statement had been prepared in compliance of Companies Act, 1956 (as amended up to date) and in conformity with generally accepted accounting practices in India.

On the operational front the company has made all out efforts to reduce waste and has made efficient use of raw materials and improved quality of its finished products.

HUMAN RESOURCE

More than anything else it is the human resource factor which deserves a special mention for its contribution towards progressive growth of the company. The 580 strong workforce of the company is dedicated, disciplined, loyal and most importantly committed to the cause. It has also been an endeavour on the part of the company to make available the best conditions and provide the best amenities to its workforce. During the year under review industrial peace and harmony prevailed, reassuring the soundness of the employer-employee relationship.

CAUTIONERY STATEMENT

The statements contained in the 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.

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company

In the fast changing business scenario, good Corporate Governance helps in achieving long term corporate goals of enhancing stakeholders' value. Corporate Governance focuses on commitment to values adhering to ethical business practices. This includes corporate structures, culture, policies and the manner in which the corporate entity deals with various stakeholders with transparency being the key word.

Any corporate strategy needs to be dynamic, vibrant and responsive to the changing economic scenario as well as being flexible enough to absorb environmental and fiscal fluctuations. It must harness the inherent strength of available human resources and materials, have the capacity to learn from success or failure and more importantly ensure growth with human face. The disciplined and dedicated workforce of the organization has enabled the company to meet the most difficult of challenges and has been the secret of its sustainability.

The company's philosophy on corporate governance aims at attaining the highest level of efficiency, transparency, accountability and most importantly enrichment of each and every stakeholder.

The company is in compliance with the requirements of the revised guidelines on corporate governance stipulated under clause 49 of the Listing Agreements with the Stock Exchanges.

BOARD COMPOSITION

Size and Composition of Board of Directors

Board of Directors

- The Company has 9 Directors with a Non-Executive Chairman, who is one of the promoters of the company. Of the 9 Directors, 8 are Non Executive Directors and 5 (i.e.55%) are Independent Directors. The composition of the Board is in conformity with clause 49 of the listing Agreement entered into with the stock Exchanges.
- 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 25 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders/Investors Grievance Committees.

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee Membership/Chairmanship			No. of shares held in the company as on 31.03.2009
		Board Meeting	Last AGM	Directorship	Committee Membership	Chairmanship	
Shri M. L. Jalan	Promoter & Non Executive Director	6	Yes	1	1	Nil	103521
^Shri N. P. Jalan	Promoter & Non Executive Director	8	Yes	Nil	Nil	Nil	Nil
Shri D. Kumar	Executive Director	7	No	Nil	Nil	Nil	Nil
Shri Ankur Jalan	Non Executive Director	9	Yes	Nil	Nil	Nil	Nil
Shri J. Agrawal	Independent Director	9	Yes	Nil	Nil	Nil	Nil
Shri R. K. Kanoi	Independent Director.	2	No	2	Nil	Nil	Nil
Shri S. K. Kanoi	Independent Director	2	No	Nil	Nil	Nil	Nil
Shri S Mukherjee	Independent Director	6	Yes	Nil	Nil	Nil	Nil
*Shri B. K. Taimni	Independent Director	Nil	N.A.	2	Nil	Nil	Nil
#Shri Ankit Jalan	Non Executive Director	Nil	N.A.	Nil	Nil	Nil	Nil

^ After serving in the capacity of Director for nearly 6 years Shri N. P. Jalan resigned as Director with effect from 28th February, 2009.

* Shri B. K. Taimni was appointed as an additional director by the Board of Directors of the company vide its meeting held on 30th January 2009.

Shri Ankit Jalan was appointed as an additional director by the Board of Directors of the company vide its meeting held on 28th February 2009.

Nine 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:

- | | | |
|------------------|----------------------|----------------------|
| -30th April 2008 | - 31st July 2008 | - 8th December 2008 |
| - 25th June 2008 | - 31st October 2008 | - 30th January 2009 |
| - 27th June 2008 | - 15th November 2008 | - 28th February 2009 |

During the year, information as mentioned in annexure 1A to clause 49 of the Listing Agreement has been placed before the Board for its consideration.

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, Remuneration Committee and Shareholders/Investor Grievances 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:

I. AUDIT COMMITTEE

- i. The Audit Committee of the Company is constituted in line with the provisions of clause 49 of the Listing Agreements with the Stock Exchanges read with section 292A of the Companies Act, 1956.
- ii. The terms of reference & scope of the audit committee shall be in accordance with paragraph C & D of the Clause 49 of Listing Agreement and include the following:
 - ◆ Effective supervision of financial reporting process.
 - ◆ Review of annual, half yearly and quarterly financial results before submission to the Board.
 - ◆ Reviewing with the management the annual financial statements before submission to the board for approval with particular reference to:
 - ✓ Matters to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of Companies Act, 1956.
 - ✓ Changes if any in accounting policies, and practices and reasons for the same.
 - ✓ Compliance with listing and other legal requirements relating to financial statements.
 - ◆ Ensuring completeness of coverage and proper disclosure of financial reporting.
 - ◆ Review of adequacy of internal control & audit and actions taken.
 - ◆ Recommending the appointment of statutory auditors and their fees.
- iii. The composition of the Audit Committee and particulars of meeting attended by the members of the Audit Committees are given below:

Name	Status	Category	No. of Meetings Attended during the year 2008-09
Shri J Agrawal	Chairman	Non-Executive & Independent Director	6
Shri R K Kanoi	Member	Non-Executive & Independent Director	2
Shri S K Kanoi	Member	Non-Executive & Independent Director	2
Shri Ankur Jalan	Member	Non Executive & Non Independent Director	6
Shri S. Mukherjee	Member	Non Executive & Independent Director	4

Shri S. Mukherjee became a member of the Audit committee during the year under review.

Six 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:

- | | | |
|------------------|---------------------|---------------------|
| - 25th June 2008 | - 31st July 2008 | - 30th January 2009 |
| - 27th June 2008 | - 31st October 2008 | - 31st March 2009 |

The necessary quorum was present at all the meetings.

II. REMUNERATION COMMITTEE

- i) The company has constituted a Remuneration Committee of directors.
- ii) The broad terms of reference of the Remuneration Committee are as under:
 - a) To approve the Annual Remuneration plan of the company.
 - b) To approve the remuneration and commission/incentive remuneration payable to the Wholetime Director for each financial year.
 - c) To approve the remuneration payable to the Senior Officers of the company for each financial year.
 - d) Such other matters as the Board from time to time request the Remuneration Committee to examine and recommend/approve.

The Meeting of the Committee was held on Wednesday, 24th September, 2008. The committee at present comprises of four non-executive directors, all of them are independent including the chairman of the committee. The details of the composition of the Remuneration Committee are as under:

NAME	Status	CATEGORY	No. of meeting during the year 2008-09	
			Held	Attended
Shri J. Agrawal	Chairman	Non-Executive & Independent Director	1	1
Shri R. K. Kanoi	Member	Non-Executive & Independent Director	1	0
Shri S. K. Kanoi	Member	Non-Executive & Independent Director	1	0
Shri N. P. Jalan	Member	Non-Executive & Non Independent Director	1	1
Shri S. Mukherjee	Member	Non-Executive & Independent Director	1	1

With cessation in Directorship Shri N. P. Jalan's association with the remuneration committee also ended during the year under review.

Shri S Mukherjee became a member of the remuneration committee during the year under review.

The Executive Director receives salary, perquisites etc. as per Schedule XIII to the Companies Act, 1956. The details of the payments made are given in point no. 20 (E) of Schedule 19 forming part of the Accounts for the financial year 2008-2009.

SHAREHOLDERS/INVESTOR GRIEVANCES COMMITTEE

The Company has constituted a shareholders/investors Grievance Committee of Directors to look into the following functions:

- ◆ Transfer/Transmission of shares
- ◆ Issue of Duplicate Share Certificates.
- ◆ Review of Share dematerialization and rematerialization.
- ◆ Monitoring the expeditious Redressal of Investor Grievances.
- ◆ All other matters related to the shares.

The committee at present comprises of four Non-Executive Directors. During the year twenty three meetings were held as under:

15th April 2008,	15th July 2008,	15th October 2008,	30th January 2009,
30th April 2008,	31st July 2008,	31st October 2008,	16th February 2009,
15th May 2008,	14th August 2008,	29th November 2008,	28th February 2009,
31st May 2008,	30th August 2008,	15th December 2008,	16th March 2009,
16th June 2008,	15th September 2008,	31st December 2008,	31st March 2009,
30th June 2008,	30th September 2008,	15th January 2009,	

The details of composition of the Committee are as under:

NAME	Status	CATEGORY	No. of meeting during the year 2008-09	
			Held	Attended
Shri J. Agrawal	Chairman	Non-Executive & Independent Director	23	23
Shri S. K. Kanoi	Member	Non-Executive & Independent Director	23	0
Shri N. P. Jalan	Member	Non-Executive & Non Independent Director	23	21
Shri Ankur Jalan	Member	Non-Executive & Non Independent Director	23	23
Shri S. Mukherjee	Member	Non-Executive & Independent Director	23	18

Shri N. P. Jalan who relinquished his directorship during the year under review also ceased to be member of the committee. Upon assuming the office of Director Shri S Mukherjee became a member of the Shareholders/Investors Grievences committee.

Shri L.B.Chourasia, the erstwhile 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.

The present Company Secretary Shri Saikat Ghosh now performs the duty of compliance officer.

Total number of complaints received from the shareholders and redressed during the year were two and no complaint was pending/unresolved as on 31st March, 2009.

Disclosures

The transaction of material nature with related parties and material individual transactions with related parties were placed before the Audit Committee from time to time.

The present promoter group which has solely been responsible for reviving the company has always ensured fair code of conduct and maintained transparency.

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.

During the year 2007-08 the Company had paid penalty of Rs.1,75,000 to Securities & Exchange Board of India (SEBI) towards non disclosure of information required under regulations 6(2), 6(4) and 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations ,1997 for the Period 1997-98 to 2002-03 when the Company was under the control of erstwhile promoters.

No other penalty has been imposed by any other statutory authority during the last three years.

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.

Disclosure regarding related party transactions have been made in note 18 of Schedule 19 forming part of the Accounts for the financial year 2008-2009.

GENERAL BODY MEETING

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

Financial Year	Location of the meeting	Date	Time
2005 - 2006	Bengal National Chamber of Commerce & Industry, 23, R.N.Mukherjee Road, Kolkata – 700 001	29.07.2006	11:00 A. M.
2006 – 2007	Bengal National Chamber of Commerce & Industry, 23, R.N.Mukherjee Road, Kolkata – 700 001	27.07.2007	11:30 A. M.
2007 - 2008	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	19.08.2008	11.30 A.M.

Five special resolutions were passed during the last three Annual General Meetings.

The company had on 10.12.2008 dispatched to all shareholders a notice dated 08.12.2008 pursuant to section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, for passing of three special resolutions through postal ballot.

The special resolutions as set out in the notice dated 08.12.2008 were duly passed with the necessary consent of the shareholders and the results of which were declared on 15.01.2009. The first special resolution was relating to change of name and it was passed pursuant to section 21 of the Companies Act, 1956. The second special resolution relating to alteration of the Memorandum of the company was passed under 17 of the Companies Act, 1956. The last special resolution relating to contribution to charitable and other funds was passed pursuant to section 293 (1) (e) of the Companies Act, 1956.

CEO/CFO CERTIFICATION

As required under Clause 49 V of the listing agreement with the stock exchanges, the Executive Director of the Company, Shri D. Kumar and Shri Ankit Jalan, Director heading the finance function of the Company 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 July/August of each calendar year. 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	Forwarded/to be forwarded to Stock Exchange on
1	Quarterly Un-audited Financial Statements (1st Quarter 2008-09)	Newspaper	02.08.2008	31.07.2008
2	Half-yearly Un-audited Financial Statements (2nd Quarter 2008-09)	Newspaper	01.11.2008	31.10.2008
3	Quarterly Un-audited Financial Statements (3rd Quarter 2008-09)	Newspaper	01.02.2009	30.01.2009
4	Annual Audited Financial Results for the financial year	Newspaper	02.07.2009	30.06.2009

The quarterly, half-yearly and annual financial results were/will be published in eminent daily newspapers like **Business Standard** and **Aajkaal**.

Information as stipulated by the Securities and Exchange Board of India (SEBI) under clause 51 of the Listing Agreement is also available on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by the NIC. This can be viewed on www.sebi.gov.in.

SHAREHOLDER INFORMATION

Registered Office

Chatterjee International Centre, 20th Floor, Office # 11,
33A, Chowringhee Road, Kolkata – 700 071.
Telephone No. – (033) 4022-5900
Fax No. – (033) 4022-5999
Email: ho@agiopaper.com
Email: redressal@agiopaper.com

PARTICULARS OF DIRECTORS REAPPOINTED

In accordance with the provisions of Companies Act 1956, and Company's Articles of Association Shri M. L. Jalan and Shri J. Agrawal will retire by rotation and being eligible offer themselves for re-appointment.

Shri Ankit Jalan and Shri B. K. Taimni were appointed as additional directors of the company. They would hold the office up to the date of Annual General Meeting of the company. The brief profile of Shri Ankit Jalan and Shri B. K. Taimni is enclosed herewith.

As required under clause 49 of the Listing Agreement, the details of membership of the Directors 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
Shri M. L. Jalan	45	B.Com	He is a visionary Non-resident Indian and has been involved with the paper industry for a long term. He is based in Dubai and has business interests spread in several countries.	Shree Bhawani Paper Mills Ltd.
Shri J. Agrawal	41	B.Com	Shri J. Agrawal is an Entrepreneur having wide experience in the field of management and finance for over 15 years. He is also an expert in corporate strategy framing. He is acting as an independent director of the company	None
Shri B. K. Taimni	69	I.A.S (Retd)	Shri B. K. Taimni is a former I.A.S officer and served the Government of India with distinction in Various capacities during his time. At present he is serving as a member of the National Consumer Redressal Commission. He has been inducted into the Board as an independent Director.	Gwalior Sugar Company Limited Gwalior Agriculture Company Limited
Shri Ankit Jalan	25	MBA-Finance	Shri Ankit Jalan has graduated with Bachelor of Science in Business Management from the U.S.A. His area of specialization is finance and heads the finance division of the company.	None

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) 2243-5209/5809
E Mail: mdpl@cal.vsnl.net.in

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 – 495551
 Telephone: +91 7752 257009/10/13/14
 Facsimile: + 91 7752 257371

Compliances

Mandatory Requirements

The Company has fully complied with the applicable mandatory requirements of the revised Clause 49. Secretarial Audit is regularly done by the Company and report is submitted to Stock Exchanges.

Compliance with Clause 47(f) of the Listing Agreement

In compliance with the recently introduced provisions of clause 47 (f) of the Listing Agreement, a separate email ID redressal@agiopaper.com has been set up as a dedicated ID solely for the purpose of registering investor's complaint.

Adoption of Non-Mandatory requirements

Although it is not mandatory, a Remuneration Committee of the Board is in place. Details of the Remuneration Committee have been provided under the Section 'Remuneration Committee'.

General Shareholders Information

Annual General Meeting

- **Date** : 17th September, 2009
- **Time** : 11.30 A.M
- **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, 2009, results were announced on:
 - July 2008 : First Quarter
 - October 2008 : Second Quarter
 - January 2009 : Third Quarter
 - June 2009 : Audited Results

Book Closure

The dates of book closure are from 11th September, 2009 to 17th September, 2009 (inclusive of both days).

Dividend Payment

No dividend recommended considering the ongoing project 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 Association Limited (CSE). Although, the company has taken the approval from the members at the annual general meeting of the Company held on 27.07.2007 regarding de-listing of shares from the CSE, the company has not proceeded with the matter till date considering the revival strategy taken by the Calcutta Stock Exchange.

Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd 25th Floor Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai –400001	Physical-16020 Demat Segment-516020
The Calcutta Stock Exchange Association Ltd 7, Lyons Range, Kolkata 700001	Physical –21021 Demat Segment – 10021021

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 30 days from the date of receipt, if the documents are clear in all respect.

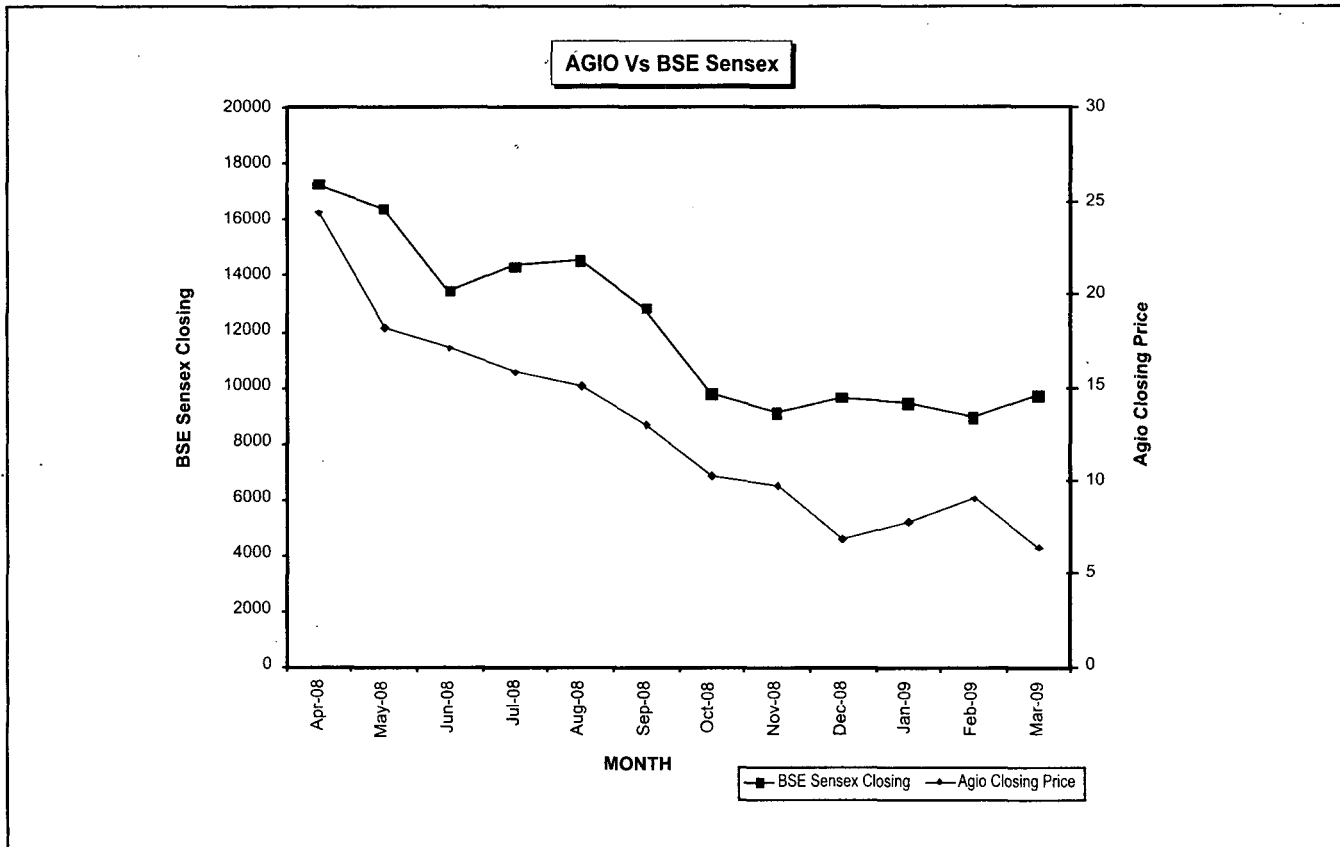
Stock Market Data

Bombay Stock Exchange Limited

Market Price Data as compared to closing Sensex during 2008-2009 :

Month	HIGH (Rs)	LOW (Rs)	Close (Rs)	No of Shares Traded	No of Trades	SENSEX Closing
April, 2008	27.60	16.15	24.40	21280	227	17,287.31
May, 2008	26.20	17.90	18.15	16480	175	16,415.57
June, 2008	21.00	16.40	17.10	31888	254	13,461.60
July, 2008	19.00	14.25	15.80	39634	293	14,355.75
August, 2008	20.95	15.00	15.10	98834	495	14,564.53
September, 2008	17.95	12.30	13.00	36376	338	12,860.43
October, 2008	13.20	8.50	10.24	26010	227	9,788.06
November, 2008	10.10	7.80	9.70	6879	57	9,092.72
December, 2008	9.40	6.24	6.84	20070	139	9,647.31
January, 2009	8.60	7.00	7.75	30909	80	9,424.24
February, 2009	9.02	7.45	9.02	14552	76	8,891.61
March, 2009	8.57	6.10	6.38	46819	158	9,708.50

COMPARATIVE PRICE CHART :



Distribution of Shareholding as on 31st March, 2009

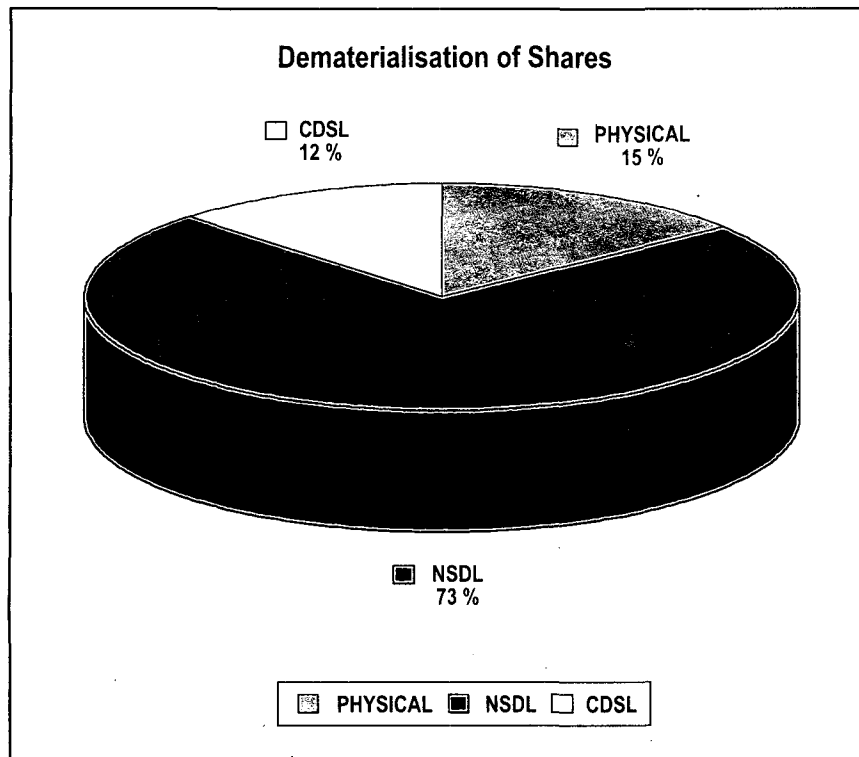
Shareholding	Holders	Percentage %	No of shares	Percentage %
Upto 500	7628	92.5279	11,50,366	18.7803
501 to 1000	344	4.1727	2,80,397	4.5776
1001 to 2000	135	1.6376	2,06,767	3.3756
2001 to 3000	37	0.4488	93,839	1.5320
3001 to 4000	24	0.2911	86,510	1.4123
4001 to 5000	12	0.1456	55,537	0.9067
5001 to 10,000	35	0.4246	2,53,912	4.1452
10001 and above	29	0.3518	39,98,072	65.2704
Grand Total	8244	100.0000	61,25,400	100.0000

Shareholding pattern as on 31st March, 2009

Category code	Category	Total Shares	% of Share Capital
A	Shareholding of Promoter & Promoter Group		
	1. Indian Promoters	3047157	49.7463
	2. Foreign Promoters	103521	1.6900
	Sub - Total	3150678	51.4363
B	Public Shareholding		
	1. Institutions		
	a. Mutual Funds / UTI	6,800	0.1110
	b. Financial Institutions / Banks	300	0.0049
	c. Central Govt. / State Govt.	Nil	Nil
	d. F.I.I	Nil	Nil
	2 Non Institutions		
	a. Bodies Corporate	541236	8.8359
	b. Individual Holding		
	i. Nominal Share Capital up to Rs 1 Lakh	2005362	32.7385
ii. Nominal Share Capital in excess of Rs. 1 Lakh	415806	6.7882	
c. Any other Non resident Individual	5218	0.0852	
C	Shares held by custodians against which deposit receipts have been issued	Nil	Nil
	Sub Total	2974722	48.5637
	Grand Total	6125400	100.00

Physical/NSDL/CDSL/Summary Report as on 31st March, 2009

PARTICULARS	HOLDERS	SHARES	PERCENTAGE (%)
PHYSICAL	4994	889305	14.5183
NSDL	2363	4478039	73.1061
CDSL	887	758056	12.3756
TOTAL	8244	6,125,400	100.00



ADDRESS OF CORRESPONDENCE

Shareholders may contact:

Shri Saikat Ghosh,
(Company Secretary)

Agio Paper & Industries Ltd.
33A, Chowringhee Road
Chatterjee International Centre,
20th Floor, Office # 11
Kolkata – 700 071
Telephone : (033) 4022 – 5900
E-mail : ho@agiopaper.com
E-mail : redressal@agiopaper.com

TO WHOMSOEVER IT MAY CONCERN

I, D. Kumar, the Executive Director 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 Clause 49 of the Listing Agreements with the Stock Exchanges.

Place: Kolkata

Date: 30th June, 2009

D. Kumar

Executive Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

AGIO PAPER & INDUSTRIES LIMITED (Formerly Orion Paper & Industries Limited)

We have examined the compliance of Corporate Governance by Agio Paper & Industries Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the listing Agreement of the said company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's 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.

1-B, Old Post Office Street, Kolkata

Date : 30th June, 2009

For Singhi & Co
Chartered Accountants

Gopal Jain
Partner
Membership No - 59147

AUDITOR'S REPORT

To the Members of

AGIO PAPER AND INDUSTRIES LIMITED

We have audited the attached Balance Sheet of **AGIO PAPER AND INDUSTRIES LIMITED (Formerly Orion Paper & Industries Limited)** as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
6. Attention is invited to:
 - i) Note No. 7 in Schedule "19" regarding non-provision of arrear depreciation of Rs. 357.39 lacs for earlier years. Had the same been provided, Net Fixed Assets would have Rs. 3447.33 lacs as against the reported figure of Rs. 3804.72 lacs, debit balance in Profit and Loss Account would have been Rs.448.92 lacs as against the reported figure of Rs: 91.53 lacs and loss for the year would have been Rs.342.11 lacs as against the reported profit figure of Rs. 15.28 lacs.
 - ii) Note No.9 in Schedule "19" regarding change in accounting policy w.r.t exchange difference arising on long term foreign currency monetary items pursuant to notification no. GSR 225(E) dated 31.03.2009 as issued by the Ministry of Corporate affairs, resulting net profit of the year is being higher by 179.29 lacs and reserve and surplus figure being lower by the same amount as elaborated in the note.
7. We report that, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant Accounting Policies and Notes on Account in Schedule "19" subject to para 6 (i) above give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) In the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Singhi & Co.
Chartered Accountants

1-B, Old Post Office Street, Kolkata.
Date : the 30th Day of June 2009

Gopal Jain
Partner
M.No.- 059147

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

- i. (a) In our opinion, the company has maintained records showing full particulars, including quantitative details and their situation of its fixed assets, however the fixed assets register is under updation.
(b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
(c) There was no substantial disposal of fixed assets during the year.
- ii. (a) According to the explanation given to us, the inventories have been physically verified at reasonable intervals during the year by the management except materials lying with third parties, where confirmations are obtained.
(b) In our opinion, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories. The discrepancies between the physical stocks and book stocks, which are not significant, have been properly dealt with in the books of account.
- iii. (a) As per the information furnished, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the Register maintained U/S 301 of the Companies Act, 1956. Hence Clauses 3(b), (c) and (d) of the order are also not applicable to the company.
(b) As per the information and explanations given to us, the company has taken interest free unsecured loans of Rs. 147 lacs from two parties covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount outstanding during the year and the year-end balance of loans taken from such parties (including opening balance of one additional party) was 1219.41 lacs and Rs. 1151.41 lacs respectively.
(c) In our opinion the terms and conditions of above loans / Advances are not prima-facie, prejudicial to the interest of the company.
(d) The aforesaid loans are repayable on demand and there is no repayment schedule. During the year the company has not paid any amount as interest to the parties covered in register maintained under section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books of accounts and according to the information and explanation given to us, we have not come across any instances of major weaknesses in the aforesaid internal control system.
- v. (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained u/s. 301 of the Companies Act, 1956 have been entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which reasonable having regard to the prevailing market price at the relevant time.
- vi. The Company has not accepted any fixed deposit from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under.
- vii. In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues during the year with the appropriate authorities.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of above statutory dues were in arrears, as at 31st March, 2009 for a period of more than six months from the date they became payable except liability towards provident fund amounting to Rs. 0.34 lacs and Water Cess amounting to Rs. 18.90 lacs are outstanding for more than six months.
- (c) According to the information and explanations given to us, the following statutory dues have not been deposited on account of matters pending before appropriate authorities:

Sl	Name of the Statute	Nature of Dues	Amount (Rs/ Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	7.96	Financial Year 1996 – 97	Kolkata High Court
2	Sales Tax Act	Pending Declaration Forms & other matters	30.47	Financial Year 1999- 00 to 2004 – 05.	Assistant Commissioner – Chattisgarh Commercial Tax & AC-Sales Tax(Appeal), Nagpur
3	Central Excise Act, 1944	Cenvat Claim	50.29	Financial Year 1993 to 2005	Central Excise Authorities

- x. The Company has accumulated losses at the year end and has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions and banks.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. Provisions of any special statute applicable to chit fund are not applicable to the company.
- xiv. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- xv. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from Bank or financial institutions.
- xvi. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment except deployment of cash credit account towards capital work in progress amounting to Rs. 273.26 lacs during the year on overall basis.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix. The company has not issued debentures during the year.
- xx. The Company has not raised any monies by public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Singhi & Co.
Chartered Accountants

1-B, Old Post Office Street, Kolkata.
Date : the 30th Day of June 2009

Gopal Jain
Partner
M.No.- 059147

AGIO PAPER & INDUSTRIES LIMITED
(Refer Note No. 6 in schedule 19)
BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE No.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SOURCES OF FUND			
SHAREHOLDERS FUND :			
Share Capital	1	61,273,500	61,273,500
Reserves & Surplus	2	17,916,006	30,637,000
		<u>79,189,506</u>	<u>91,910,500</u>
DEFERRED TAX LIABILITIES		5,222,384	3,479,927
LOAN FUNDS :			
Secured Loans	3	210,144,130	175,526,510
Unsecured Loans	4	122,136,451	88,405,800
		<u>332,280,581</u>	<u>263,932,310</u>
TOTAL :		<u>416,692,471</u>	<u>359,322,737</u>
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block	5	249,094,203	241,720,399
Less : Depreciation/Amortization		135,371,148	123,448,125
Net Block		<u>113,723,055</u>	<u>118,272,274</u>
Capital Work in Progress		266,748,501	176,247,541
		<u>380,471,556</u>	<u>294,519,815</u>
CURRENT ASSETS, LOANS & ADVANCES :			
Inventories	6	34,077,403	56,777,350
Sundry Debtors	7	15,045,599	20,055,777
Cash & Bank Balances	8	2,190,481	12,518,836
Loan and Advances	9	26,957,076	18,276,605
		<u>78,270,559</u>	<u>107,628,567</u>
LESS: CURRENT LIABILITIES & PROVISIONS :			
Liabilities	10	40,795,556	38,652,099
Provisions	11	10,407,563	9,646,496
		<u>51,203,119</u>	<u>48,298,595</u>
Net Current Assets		27,067,440	59,329,973
PROFIT AND LOSS ACCOUNT		<u>9,153,475</u>	<u>5,472,951</u>
TOTAL :		<u>416,692,471</u>	<u>359,322,737</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	19		

Schedules 1 to 11 & Schedule 19 referred to above form an integral part of the Balance Sheet.

As per our report of even date annexed.
For SINGHI & CO.
Chartered Accountants

Gopal Jain
Partner - Membership No. 59147
Kolkata : 30th June, 2009

SAIKAT GHOSH
(Company Secretary)

M. L. JALAN Chairman

ANKUR JALAN
ANKIT JALAN
D. KUMAR
J. AGRAWAL
S. MUKHERJEE
B. K. TAIMNI Directors

AGIO PAPER & INDUSTRIES LIMITED
(Refer Note No. 6 In schedule 19)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE No.	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
INCOME :			
Gross Sales	12	367,762,792	366,062,276
Less : Excise Duty & Cess		13,039,001	31,517,132
Net Sales		354,723,791	334,545,144
Other Income	13	5,915,600	626,865
Net Increase/(Decrease) in stock	14	(17,922,685)	6,976,978
		<u>342,716,706</u>	<u>342,148,987</u>
EXPENDITURE :			
Raw Materials Consumed		64,385,361	63,617,730
Manufacturing Expenses	15	190,803,583	176,097,173
Payments to & Provision for Employees	16	27,188,819	23,634,939
Administrative, Selling & Other Expenses	17	31,253,958	15,365,938
		<u>313,631,720</u>	<u>278,715,780</u>
Profit/(Loss) before Interest & Depreciation		<u>29,084,986</u>	<u>63,433,207</u>
Interest	18	13,490,310	3,617,153
Profit/(Loss) before Depreciation		<u>15,594,676</u>	<u>59,816,054</u>
Depreciation/Amortization		12,133,963	11,998,260
Net Profit/(Loss) before Tax		<u>3,460,713</u>	<u>47,817,794</u>
Provision for Taxation			
For Current Year (Under Minimum Alternate Tax)		396,333	5,510,076
Less: MAT Credit Entitlement		(396,333)	(5,510,076)
Deferred Tax		1,742,457	3,479,927
Fringe Benefit Tax		188,178	195,000
Wealth Tax		2,234	1,313
Net Profit/(Loss) after Tax		<u>1,527,844</u>	<u>44,141,554</u>
Previous year balance brought forward		(5,472,951)	(50,588,205)
Amount Transferred to foreign Currency Translation Reserve as on 01.04.2008 (Refer note 9 in Schedule 19)		(5,208,368)	-
Add: Adjustment of Employee benefit as per requirement of Accounting Standard - 15		-	973,700
Balance Carried to Balance Sheet		<u>(9,153,475)</u>	<u>(5,472,951)</u>
Earning per Share(Basic & Diluted)		<u>0.25</u>	<u>7.21</u>
(Note No. 19, Schedule No. 19)			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	19		

Schedules 12 to 19 referred to above form an integral part of the Profit & Loss Account.

As per our report of even date annexed.

For SINGHI & CO.

Chartered Accountants

M. L. JALAN

Chairman

ANKUR JALAN

ANKIT JALAN

D. KUMAR

J. AGRAWAL

S. MUKHERJEE

B. K. TAIMNI

Directors

Gopal Jain

Partner - Membership No. 59147

Kolkata : 30th June, 2009

SAIKAT GHOSH

(Company Secretary)

AGIO PAPER & INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items:	3,460,713	47,817,794
Adjustments for:		
Depreciation	12,133,963	11,998,260
Foreign Exchange (Gain) / Loss	6,360,498	(10,504,990)
Liability no longer required written back	(5,276,550)	(193,806)
Provision for Doubtful Debt	569,876	1,075,660
Bad Debt & Advances written off	-	1,244,590
Loss on sale of Fixed Assets	42,060	-
Provision for non moving items	1,080,000	-
Provision for Contingencies	387,173	-
Interest Expense (Net)	13,044,770	-
	<u>28,341,789</u>	<u>3,206,035</u>
	31,802,502	6,825,749
Operating Profit before working capital changes		54,643,543
Adjustments for:		
(Increase)/Decrease in Sundry Debtors	4,440,302	4,410,061
(Increase)/Decrease in Other Receivable	(2,670,395)	(312,577)
(Increase)/Decrease in Inventory	21,619,948	(10,484,856)
Increase/(Decrease) in Sundry Creditors	9,887,373	7,173,658
Increase/(Decrease) in Other Liabilities	(2,191,542)	5,613,657
	<u>31,085,685</u>	<u>6,399,942</u>
Cash generation from operations:	62,888,187	61,043,485
Foreign Exchange Fluctuation	-	515,500
Taxes paid including Fringe Benefit Tax	(6,340,036)	(252,682)
	<u>(6,340,036)</u>	<u>262,818</u>
Net cash flow from Operating Activities	56,548,151	61,306,303
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Increase in Fixed Assets/Capital Work-in-progress	(84,878,517)	(170,604,257)
Interest Received	445,540	411,118
	<u>(84,432,977)</u>	<u>(170,193,139)</u>
	(27,884,826)	(108,886,836)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest Paid	(26,416,872)	(4,664,163)
Proceeds from long term borrowings	34,617,620	175,624,248
Proceeds of unsecured loans	9,355,723	(52,835,500)
	<u>17,556,471</u>	<u>118,124,585</u>
Net Increase/(Decrease) in Cash and Cash equivalents	(10,328,354)	9,237,749
Cash and Cash equivalents as at 1st April, 2008	12,518,836	3,281,086
Cash and Cash equivalents as at 31st March, 2009	<u>2,190,481</u>	<u>12,518,836</u>

- Cash & cash equivalent at the year end represents cash in hand and bank balance with schedule Banks as reflected in schedule 8 and are available for use in the ordinary course of business.
- 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).
- Previous Year's figures have been recast, regrouped and restated where ever necessary.

As per our report of even date annexed.
For SINGHI & CO.
Chartered Accountants

Gopal Jain
Partner - Membership No. 59147
Kolkata : 30th June, 2009

SAIKAT GHOSH
(Company Secretary)

M. L. JALAN Chairman

ANKUR JALAN
ANKIT JALAN
D. KUMAR
J. AGRAWAL
S. MUKHERJEE
B. K. TAIMNI Directors

AGIO PAPER & INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1. SHARE CAPITAL AUTHORIZED		
1,80,00,000 Equity Shares of Rs. 10/- each	180,000,000	180,000,000
2,00,000 10% non-cumulative Redeemable Preference Shares of Rs.100/- each	20,000,000	20,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed & Paid-up		
61,25,400 Equity Shares of Rs.10/- each fully paid-up in cash	61,254,000	61,254,000
Add: Shares forfeited (Amount paid up)	19,500	19,500
	<u>61,273,500</u>	<u>61,273,500</u>
2. RESERVES & SURPLUS		
Capital Redemption Reserve	10,000	10,000
Securities Premium	30,627,000	30,627,000
Foreign Currency Translation Reserve (Refer note 9 in Schedule 19)	(12,720,994)	-
	<u>17,916,006</u>	<u>30,637,000</u>
3. SECURED LOANS		
i) LOANS FROM BANKS		
Term Loan	149,900,271	115,146,528
(Secured primarily by equitable mortgage of land & building and hypothecation of plant & machinery and other fixed assets both present & future) (Repayable within one year Rs. 2,25,00,000/-)		
Cash Credit	58,909,232	59,568,655
(Secured primarily by hypothecation of stock of raw materials, work in progress, finished goods, stores, consumables, and other current assets of the company, both present & future and guaranteed by one Director and secured collaterally by equitable mortgage of free hold land and lease hold land)		
ii) VEHICLE LOAN		
ICICI BANK	48,500	387,676
CITI BANK	269,619	423,651
TATA CAPITAL LTD. (Secured against hypothecation of Assets acquired against loan) (Repayable within one year Rs.6,23,192/-)	1,016,508	-
	<u>210,144,130</u>	<u>175,526,510</u>
4. UNSECURED LOANS		
(Payable on demand)		
Other loans & advances		
From Bodies Corporates		
- In Foreign Currency	108,215,660	83,925,800
- In Indian Rupees	6,995,791	4,480,000
From Directors	6,925,000	-
	<u>122,136,451</u>	<u>88,405,800</u>

AGIO PAPER & INDUSTRIES LIMITED
(Refer Note No.6 in schedule 19)
SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As on 31.03.2008	Additions during the year	Sale/Adjust- ment during the year	Total as on 31.03.2009	As on 31.03.2008	For The Period	Adjustment against Sales /Disposal during the year	Total As on 31.03.2009	Balance As on 31.03.2009	Balance As on 31.03.2008
Land :										
Freehold	958,276	-	-	958,276	-	-	-	-	958,276	958,276
Leasehold	59,541	-	-	59,541	14,434	601	-	15,035	44,506	45,107
Building	35,518,290	-	-	35,518,290	11,434,419	942,306	-	12,376,725	23,141,565	24,083,871
Plant & Machinery	194,936,304	6,175,890	-	201,112,194	105,612,956	10,428,623	-	116,041,579	85,070,615	89,323,348
Furniture & Fittings	2,427,964	188,800	-	2,616,764	1,630,588	175,739	-	1,806,327	810,437	797,376
Computers	2,480,531	52,654	-	2,533,185	2,323,678	33,216	-	2,356,894	176,291	156,853
Office Equipments	800,102	48,611	-	848,713	335,330	50,044	-	385,374	463,339	464,772
Vehicles	4,539,391	1,357,849	450,000	5,447,240	2,096,720	503,434	210,940	2,389,214	3,058,026	2,442,670
TOTAL :	241,720,399	7,823,804	450,000	249,094,203	123,448,125	12,133,963	210,940	135,371,148	113,723,055	118,272,273
PREVIOUS YEAR	239,354,119	2,366,280	-	241,720,399	111,449,865	11,998,260	-	123,448,125	118,272,273	
CAPITAL WORK IN PROGRESS	176,247,541	96,615,050	6,114,090	266,748,501					266,748,501	176,247,541

AGIO PAPER & INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
6. INVENTORIES (As taken, valued & certified by the management)		
Raw Materials	4,623,409	6,574,880
Stores & Spares, Chemical etc.	19,298,155	20,908,395
Stock In Process	981,814	4,751,143
Finished Stock (Including in Transit)	9,174,025	24,542,932
	<u>34,077,403</u>	<u>56,777,350</u>
7. SUNDRY DEBTORS (Unsecured)		
Due over six months :		
Considered Good	436,910	596,550
Considered Doubtful	1,645,536	1,075,660
	<u>2,082,446</u>	<u>1,672,210</u>
Other Debts	14,608,689	19,459,227
	16,691,135	21,131,437
Less: Provision For Doubtful Debt	1,645,536	1,075,660
	<u>15,045,599</u>	<u>20,055,777</u>
8. CASH & BANK BALANCES		
Cash in hand	70,598	325,329
With Schedule Banks :		
In Current Account	1,579,167	12,193,507
Fixed deposit with Bank held as margin Money	540,716	-
	<u>2,190,481</u>	<u>12,518,836</u>
9. LOANS & ADVANCES (Unsecured and considered good)		
Advances recoverable in cash or kind or for value to be received	464,087	311,279
Advance against purchase of Raw Materials, Stores etc.	4,041,514	2,573,134
Advance to staff & workers	825,999	569,122
Balances with Central Excise/ Customs Authority	5,345,818	4,785,418
Income Tax Refundable	542,479	542,479
Minimum Alternate Tax Credit Entitlement	5,906,409	5,510,076
Sundry Deposit	9,735,799	9,644,730
Advance Income Tax/TDS (Net)	94,970	(5,659,634)
	<u>26,957,076</u>	<u>18,276,605</u>
10. CURRENT LIABILITIES		
Sundry Creditors for goods, Services & expenses		
- Others	29,044,794	24,287,063
- Dues to micro, small and medium enterprises		
Book Over Draft	1,795,445	3,130,569
Deposit from Customers & Others	4,879,091	4,343,670
Advances from Dealers & Consignment Agents	650,423	1,792,223
Interest Accrued but not due	1,598,868	848,678
Other Liabilities	2,826,935	4,249,896
	<u>40,795,556</u>	<u>38,652,099</u>
11. PROVISIONS		
For Bonus / Gratuity / Leave	9,205,566	8,831,672
For Others (Refer note no. 2C, Schedule no. 19)	1,201,997	814,824
	<u>10,407,563</u>	<u>9,646,496</u>

AGIO PAPER & INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

		For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
12	SALES	367,762,792	366,062,276
	Less : Excise Duty	13,039,001	31,517,132
	NET SALES	354,723,791	334,545,144
13	OTHER INCOME		
	Interest on Deposits (TDS Rs.90,710/-) (Previous year Rs.92,278/-)	445,540	411,118
	Miscellaneous Receipts	193,510	21,941
	Sundry Balances/ Liabilities no longer required written back	5,276,550	193,806
		5,915,600	626,865
14	INCREASE / (DECREASE) IN STOCK		
	Opening Stock		
	Finished Goods	24,542,932	17,880,929
	Stock in Process	4,751,143	3,834,137
		29,294,075	21,715,066
	Closing Stock		
	Finished Goods	9,174,025	24,542,932
	Stock in Process	981,814	4,751,143
		10,155,839	29,294,075
	Increase/(Decrease) in Stock	(19,138,236)	7,579,009
	(INCREASE) / DECREASE IN EXCISE DUTY	1,215,551	(602,031)
	Net Increase / (Decrease) in Stock	(17,922,685)	6,976,978
15	MANUFACTURING EXPENSES		
	Stores, Chemical, Spare Parts etc.	117,904,556	107,621,132
	Power and Fuel	70,936,368	67,119,240
	Repairs & Maintenance	-	-
	Plant & Machinery	1,338,379	1,072,087
	Buildings	415,637	125,393
	Others	208,643	159,321
		190,803,583	176,097,173
16	PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
	Salary, Wages, Bonus, Gratuity & Other Allowances	23,981,837	20,354,344
	Contribution to Provident Fund	2,093,033	2,201,292
	Family Pension Fund etc.	-	-
	Workmen & Staff Welfare Expenses	1,113,949	1,079,303
		27,188,819	23,634,939

AGIO PAPER & INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year ended 31.03.2009	For the Year ended 31.03.2008
	Rs.	Rs.
17 ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	783,000	244,856
Rates & Taxes	375,832	113,080
Travelling & Conveyance	982,787	911,613
Insurance	265,586	411,546
Postage, Telephone & Telex	898,646	690,948
Printing & Stationery	358,402	494,253
Legal & Professional Charges	1,265,484	1,011,139
Security Charges	935,133	1,051,185
Directors Fees	36,000	-
Loss on Sales of Fixed Assets	42,060	-
Auditor's Remuneration :		
For Audit Fee	200,000	200,000
For Certification	112,500	437,500
For Tax Audit	37,500	54,635
Out of Pocket Expenses	43,961	25,811
Sales Tax	5,297,381	6,641,842
Donation	444,400	187,500
Commission & Brokerage	1,361,698	1,200,931
Selling Expenses	6,988,926	6,287,316
Bad Debt & Advances Written off	-	3,918,984
Less: Provision	-	(2,674,395)
Provision For Doubtful Debts further created	569,876	1,075,660
Provision for Non moving Stores	1,080,000	-
Provision for Contingencies	387,173	814,824
Exchange fluctuation (refer note 9 in Schedule 19)	6,360,498	(10,504,990)
Miscellaneous Expenses	2,427,115	2,771,700
	31,253,958	15,365,938
18 INTEREST		
Banks	4,965,410	3,260,381
Loans	8,120,948	-
Others	403,952	356,772
	13,490,310	3,617,153

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

19. NOTES ON ACCOUNTS

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) **Accounting Concept:**

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 notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 1956.

(b) **Fixed Assets, Depreciation & Amortization:**

- i) 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.
- ii) 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.
- iii) Depreciation on assets is provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.
- iv) Leasehold lands are amortized over the lease period.

(c) **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 profit & loss account 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.

(d) **Inventories :**

- i) Finished Goods (including goods in transit) and work-in-process are valued at cost or net realizable value, whichever is lower.
- ii) Raw material and stores are valued at cost or net realizable value, whichever is lower.
- iii) Cost comprises of all cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and conditions. Cost formula used is weighted average cost.

(e) **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.

(f) **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 profit & loss account.

During the year the Company has changed its accounting policy for exchange difference arising on long term foreign currency monetary items 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 account.

(g) **Recognition of Income & Expenditure :**

- i) 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 but inclusive of excise duty, sales tax and cess. However, consignment sales are net of sales tax.

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT(contd.)

ii) Other income and expenditure are accounted for on accrual basis.

(h) Excise Duty:

Excise Duty, Cess & Education Cess payable on finished goods is accounted for on clearance of goods from the factory.

(i) Employee Benefits:

i) 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 compensatory absence and bonus.

ii) Long Term Employee Benefits:

a) 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.

b) 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.

c) 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.

(j) 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".

(k) Accounting for Taxes on Income:

Provision for taxation comprises of current tax, deferred tax and fringe benefit 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 brought 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.

(l) Earning Per Share:

Basic earning per share is calculated by dividing the net profit 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 shares.

(m) 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.

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (contd.)**2. Contingent and disputed liabilities not provided for:-****(Rs. in Lacs)**

A	Claims against the Company not acknowledged as debts	As at 31st March, 2009	As at 31st March, 2008
1.	Disallowance of Modvat Credit on input items Felts & etc from 1993 – 2005 (Show Cause Notice issued by Excise Department).	50.29	66.43
2.	Disputed income tax liability relating to disallowance of depreciation in calculation of book profit under MAT provisions pending before Kolkata High Court for the financial year 1996- 1997.	7.96	7.96
3.	Disputed sales tax liability for pending Declaration Forms & etc. for 1999-2000 to 2004-05.	30.47	94.20
4.	Disputed ESI liabilities for the period 1995-96 to 2005-06, Order received from labour court.	Nil	157.33
5.	Disputed provident fund liabilities 1990-91 to 2000 -2001 & 2003 - 2004, stay granted from provident fund Appellate Tribunal (net of advance).	2.64	6.79
6.	Disputed employee liabilities for temporary stoppage case for the year 2002-03, Gratuity & other matters pending at Industrial & Labour Court.	Nil	26.15

B Civil Cases Pending

SL	Name of Party	Before the Court	Nature	Brief Description
1	Rajlakshmi Chemicals Industries	Learned Civil Judge (Sr. Division) - Pune	Against Supply of Material	Suit claiming a decree for Rs. 2.41 lacs with interest from the date of suit till completion.
2	Harsh Industries	Learned Third Civil Judge, Bilaspur (Chattisgarh)	Against Supply of Material	Party has instituted a suit for Rs. 0.36 lacs and summon issued by the court.

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

C. Disclosures required by AS-29 "Provisions, Contingent Liabilities and Contingent Assets" Movement in provisions :**(Rs. in Lacs)**

Sl	Particulars of disclosure:	Amount
1	Balance as on 01-04-2008	8.15
2	Provision during the Year	6.54
3	Provision used during the year	-
4	Provisions reversed during the year	2.67
5	Balance as on 31.03.2009 (1+2-3-4)	12.02

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.

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (contd.)

3. Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) Rs.192.47 lacs (Previous Financial Year Rs. 215.52 lacs).

4. Capital work- in- progress includes. (Rs. in Lacs)

Sl	Particulars	For the year 2008-09*	For the year 2007-08 ^{na}
1	Power & Fuel	71.07	44.76
2	Salary & Wages	47.08	19.73
3	Rates & Taxes	-	2.74
4	Insurance	0.50	1.30
5	Interest & Financial Charges	132.49	32.48
6	Administrative & Others Charges	4.19	12.90

*Represents addition during the year

5. The following are included under other heads of expense in the Profit & Loss Account (Rs. in Lacs)

Sl	Particulars	As on 31.03.2009	As on 31.03.2008
1	Salary & Wages	71.44	68.59
2	Workmen & Staff welfare	0.71	2.11

6. By virtue of the Company's application and the certificate issued by the Registrar of the Companies pursuant to section 23(1) of the Companies Act, 1956 the name of the company has been changed from "Orion Paper & Industries Ltd" to "Agio Paper & Industries Ltd" w.e.f. 12th day of February, 2009.

7. Arrear depreciation amounting to Rs. 357.39 lacs from the financial year 1996-1997 to 1999-2000 remains to be provided. The Company has already taken necessary approvals from the shareholders in the earlier Annual General Meeting regarding adjustment of arrear depreciation with securities premium account. The Company is in the process of complying with necessary formalities in this regard.

8. Unsecured Loan in foreign currency represents money brought in earlier years by the promoters of the company in the process of rehabilitation. The board had decided to retain the amount for the proposed right issue of the company. However in view of unfavorable market situation, the Company did not launch the right issue and the loan of Rs. 1082.15 lacs has been kept as interest free long term loan.

9. During the year the Company has adopted the option granted vide notification no. GSR 225(E) dated 31.03.2009 issued by the Ministry of Corporate affairs wherein the exchange difference arising on long term foreign currency monetary items can be recognized over the shorter of the maturity period of monetary items or 31st March 2011. Accordingly w.e.f 2007-08, the exchange difference on the long term foreign currency loans has recognized on the basis of option granted in the notification.

Foreign Exchange fluctuation loss of Rs. 190.81 lacs (net) on the above loans for the year 2007-08 and 2008-09 has been considered for recognition as above and a sum of Rs. 63.60 lacs has been amortized as foreign exchange fluctuation in the current year and balance of Rs. 127.21 lacs has been kept as foreign currency translation reserve and will be amortized in the balance period. As the amortization has been effective from 2007-08, Rs. 52.08 lacs has been adjusted with opening balance of profit & loss account as on 01.04.2008. Due to change in the accounting policy of recognition of foreign exchange fluctuation, the profit of the year is higher by 179.29 lacs.

10. During the year the power plant has been commissioned and started generating power from 16th October, 2008 and was operated until 19th February, 2009. As the power plant is not running at the desired level of parameters and with a view of lower capacity utilisation which can be met with the upcoming additional paper production capacity, the power plant is considered under trial run and has been shown under capital work in progress. However, all the operating loss including interest beyond the commissioning of the power plant has been charged to profit & loss account.

11. Balance confirmations from some of the parties of sundry debtors, unsecured loans, advances and creditors are yet to be received.

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (contd.)

12. The Company has no amount due to suppliers under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2009. The disclosure as required under the said act is as under: (Rs. in Lacs)

Sl.	Particulars	Amount
1	Principal Amount due to Suppliers under-MSMED Act	Nil
2	Interest due to Suppliers on above	Nil
3	Any Payment made to suppliers beyond appointed date (u/s 16 of the Act)	Nil
4	Interest due and payable to suppliers under MSMED Act	Nil
5	Interest Accrued and remaining unpaid as at 31.03.2009	Nil
6.	Interest remaining due and payable as per section 23 of the Act	Nil

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

13. **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 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 retirement benefit 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.

The amount recognized in financial statements for defined contribution plans are as under

(Rs. in Lacs)

Defined Contribution Plans	Amount recognised during the year	
	2008-09	2007-08
Provident Fund Contribution	15.50	14.78
ESIC Contribution	5.43	7.24

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. 3.50 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.

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (contd.)

(Rs. in Lacs)

A	Expenses recognized in the statement of Profit & Loss Account for the year ended 31st March, 2009	Gratuity (Unfunded) 2008-09	Gratuity (Unfunded) 2007-08
i)	Current Service Cost	3.74	4.32
ii)	Interest Cost	5.25	5.00
iii)	Expected Return on Plan Assets	-	-
iv)	Expected Return on any reimbursement right recognized as an asset	-	-
v)	Actuarial (Gain) / Losses	(4.40)	(2.47)
vi)	Past Service Cost	-	-
vii)	Effect of any Curtailment /Settlement	-	-
viii)	Unrecognized defined benefit obligation	-	-
ix)	Expenses Recognized in Profit & Loss Account	4.59	6.85
x)	Actual return on Plan assets	-	-
B	Net (Asset) / Liabilities Recognized in Balance Sheet as at 31st March, 2009		
i)	Present Value of Defined Benefit Obligation	70.74	69.28
ii)	Fair Value of Plan Assets	-	-
iii)	Unrecognized Defined Obligation	-	-
iv)	Net (Asset)/ Liabilities recognized in Balance Sheet	70.74	69.28
C	Changes in Present Value of Defined Benefit Obligation during the year ended 31st March, 2009		
i)	Present Value of Defined Benefit Obligation as at 1st April, 2008	69.28	64.14
ii)	Current Service Cost	3.74	4.32
iii)	Interest Cost	5.25	5.00
iv)	Actuarial (Gain) / Losses	(4.40)	(2.47)
v)	Past service cost	-	-
vi)	Losses/(gains) on curtailments	-	-
vii)	Liabilities extinguished on settlements	-	-
viii)	Benefit Paid	(3.13)	(1.71)
ix)	Present Value of Obligation as at 31st March, 2009	70.74	69.28
D	Principle Actuarial Assumptions used		
i)	Discount Rate as at 31st March, 2009	7.50%	7.50%
ii)	Expected Salary increase	5.00%	5.00%
iii)	Mortality	LIC (1994-96), ultimate table	

a) Amount not recognized as an asset, because of the limit prescribed in Accounting Standard 15 (Revised 2005) i.e. Employees Benefits is Rs. Nil.

b) There is no reimbursement right at the balance sheet date

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.

d) In respect of provident funds in the nature of defined benefits plan, pending the issuance of Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs. 20.93 lacs (previous year Rs. 22.01 lacs) during the year is recognized as expenses and included in 'Payments to and Provision for Employees'.

14. During the year borrowing cost amounting to Rs. 132.49 lacs has capitalized and grouped under Capital Work-in-Progress. This includes Rs. 27.71 lacs being interest of cash credit account which has been capitalized based on the utilization towards capital work in progress

15. The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

(Rs. in Lacs)

Particulars	Amount in Foreign Currency		Equivalent Rupees	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Unsecured Loan (USD)	2,114,000	2,114,000	1082.15	839.26

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (contd.)

16. a) Provision for current taxes represents minimum alternate tax (MAT) since the company is not liable to pay normal income tax in view of carry forward losses/ unabsorbed depreciation under the Income Tax Act, 1961. Related MAT credit entitlement for the year 2008-2009 has also been recognized in view of prevailing indication that the company would be in a position to pay normal tax within the period specified under the related provisions of Income Tax Act 1961.

- b) Major components of deferred tax arising on account of temporary differences are as below:

(Rs. in Lacs)

Sl	Particulars	As At 31.03.2009	As At 31.03.2008
A.	Deferred Tax Liabilities		
1	Difference of Written Down Value of Fixed Assets *	121.29	140.82
	Sub Total (A)	121.29	140.82
B.	Deferred Tax Assets		
1	Unabsorbed Losses and Depreciation	17.60	60.78
2	Others	51.47	45.24
	Sub Total	69.07	106.02
	Net Deferred Tax Liabilities	52.22	34.80

* Net Assets as per The Companies Act, 1956 has been arrived at after considering arrear depreciation of Rs. 357.39 lacs in view of note no.7 in this schedule.

17. 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.

18. Related party's disclosures under AS- 18

Sl	Name of Parties	Relationship
A.	1. Arrow Syntax Pvt Ltd	Associate Company and having significant influence over the Company
B.	1. Foto Exim FZE, Dubai 2. Orion IT Parks Pvt Ltd	Common Director
C.	1. D. Kumar – Manager	Key Management Personnel

Related party transactions under Accounting Standard (AS)- 18

(Rs. in Lacs)

SL	Particulars	Enterprises having Common Director	Key Management Personnel	Total
1.	Managerial Remuneration		4.34(4.18)	4.34(4.18)
2.	Loans & Advances Taken/(Paid)	70.00/(70.00)		Nil
Year End Balances				
1.	Loan / Advances credit balance	Nil	Nil	Nil

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (contd.)

19. Earning Per Shares (Basic & Diluted)

(Rs. in Lacs)

Particulars	2008-2009	2007-2008
Net Profit/ (Loss) after tax for the year (A)	15.28	441.41
Weighted average no. of Equity Shares (B)	6,125,400	6,125,400
Earning per share (Basic /Diluted)	0.25	7.21

20. Information pursuant to the provision of paragraph 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956 :-

A) Particulars in respect of goods manufactured

(Rs. in Lacs)

Particulars	2008-2009		2007-2008	
	Qty (MT)	Value	Qty (MT)	Value
Licensed Capacity	15500.00		15500.00	
Installed Capacity	15500.00		15500.00	
Class of goods	PAPER		PAPER	
Production	9629.39		10988.36	
Purchase (Trading)	-	-	210.02	69.43
Opening Stock	888.56	245.43	610.48	178.81
Sales (including wrapper)	10,236.11	3,677.63	10,710.29	3,660.62
Closing Stock	281.84	91.74	888.55	245.43

- (i) Quantity of Sales includes trading sales of paper NIL MT (Previous Year Nil MT).
- (ii) Closing stock includes stock with consignment Agent 83.1860 M.T. (Previous Year: 188.8271 MT) of paper.
- (iii) Pulp plant is an integral part of the Paper plant and therefore capacity and actual production of pulp are not separately shown.

B) Particulars of Raw Materials consumed :

(Rs. in Lacs)

SI	Items	2008-2009		2007-2008	
		Qty (M.T.)	Value	Qty (M.T.)	Value
i)	Straw	28057.00	291.81	31163.00	313.12
ii)	Gunny	1432.77	100.37	1529.02	100.49
iii)	Waste Paper	1159.37	229.19	1123.33	195.31
iv)	Wood Pulp	90.06	22.49	109.24	27.26
	Total	30739.20	643.85	33924.59	636.18

SCHEDULE OF NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (contd.)

C) Break up of raw materials, stores and spares consumed :

(Rs. in Lacs)

Sl	Items	2008-2009		2007-2008	
		Value	%	Value	%
A.	Raw Materials				
i)	Indigenous	519.42	80.67	445.75	70.07
ii)	Imported	124.43	19.33	190.43	29.93
	Total	643.85	100.00	636.18	100.00
B.	Stores, Spares including Chemicals and Dyes				
iii)	Indigenous	1085.06	100.00	987.52	100.00
iv)	Imported	Nil	Nil	Nil	Nil
	Total	1085.06	100.00	987.52	100.00

D) C. I. F. Value of Imports :

(Rs. in Lacs)

Sl	Items	2008-2009	2007-2008
i)	Raw Materials	90.13	141.11
ii)	Capital Goods	Nil	Nil
	Total	90.13	141.11

E) Payment made to Manager :

(Rs. in Lacs)

Sl	Items	2008-2009	2007-2008
i)	Salary	3.60	3.60
ii)	Perquisites	0.31	0.15
iii)	Company's Contribution to Provident fund	0.43	0.43
	Total	4.34	4.18

Note : The above Remuneration does not include provision for post retirement benefits under Accounting Standard 15, since the same is not available for individual employees.

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

Signature to Schedules "1" to "19"

As per our report of even date annexed.
For **SINGHI & CO.**
Chartered Accountants

Gopal Jain
Partner - Membership No. 59147
Kolkata : 30th June, 2009

SAIKAT GHOSH
(Company Secretary)

M. L. JALAN Chairman

ANKUR JALAN
ANKIT JALAN
D. KUMAR
J. AGRAWAL
S. MUKHERJEE
B. K. TAIMNI Directors

INFORMATION PURSUANT TO PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract of Company's General Business Profile.

I. Registration Details

Registration No. 21-37968 of 1984 (CIN NO: L21090WB1984PLC037968)
 State Code 21
 Balance Sheet Date 31.03.2009

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	431,010	Total Assets	431,010
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Sources of Funds

Paid-up Capital	61,274	Reserves & Surplus	30,637
Deferred Tax Liabilities	5,222	Secured Loans	211,741
Unsecured Loans	122,136		

Application of Funds

Net Fixed Assets	380,472	Investments	NIL
Net Current Assets	28,664	Accumulated Losses	21,874
Misc. Expenditure	NIL		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	354,724	Total Expenditure	286,727
Profit/ (Loss) before tax	3,461	Profit/ (Loss) after tax	1,528
Earning Per Share	0.25	Dividend Rate %	NIL

V. Generic Name of the Principal Product of the Company

Item Code No. 480252-09
 (ITC Code)

Product Description : WRITING AND PRINTING PAPER

M. L. JALAN *Chairman*

ANKUR JALAN
ANKIT JALAN
D. KUMAR
J. AGRAWAL
S. MUKHERJEE
B. K. TAIMNI *Directors*

SAIKAT GHOSH
(Company Secretary)

Kolkata : 30th June, 2009

FINANCIAL OVERVIEW

(Rs. in Lacs)

Parameters	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
PROFIT & LOSS :							
Gross Sales	3,677.63	3,660.62	3,712.14	3,561.22	3,347.93	2,115.69	1,387.50
Net Sales	3,547.24	3,345.45	3,402.68	3,224.65	3,004.34	1,888.93	1,341.94
Other Income	59.16	6.27	160.67	50.58	25.21	68.38	4.19
Operating Profit	231.69	628.06	428.35	255.59	149.07	104.28	(415.19)
Profit/(Loss) before IDT	290.85	634.33	589.02	306.17	174.28	172.66	(411.00)
Interest	134.90	36.17	17.00	47.90	39.46	62.78	144.12
Depreciation	121.34	119.98	116.03	104.65	102.02	99.96	97.93
Profit before Tax	34.61	478.18	455.99	153.62	32.80	9.92	(653.05)
Taxation	19.33	36.76	23.73	1.27	-	-	-
Profit After Tax	15.28	441.42	432.26	152.35	32.80	9.92	(653.05)
BALANCE SHEET :							
Equity	612.74	612.74	612.74	612.74	612.74	612.74	612.74
Reserves	179.16	306.37	306.37	306.37	306.37	306.37	306.37
Profit & Loss	(91.53)	(54.73)	(505.88)	(938.15)	(1,090.50)	(1,123.30)	(1,133.22)
Loan Fund	3,322.81	2,639.32	1,519.82	1,623.36	2,117.31	1,932.52	1,149.84
Fixed Assets	3,804.72	2,945.20	1,346.42	1,431.99	1,476.63	1,420.66	1,486.21
Net Current Assets	270.67	593.30	586.62	172.33	469.29	304.99	(555.85)
STATISTICS & RATIOS							
Net Worth	700.37	864.38	413.23	(19.04)	(171.39)	(204.19)	(214.11)
EPS	0.25	7.21	7.06	2.49	0.54	0.16	(10.66)
Operating Margin (%)	6.53	18.77	12.59	7.93	4.96	5.52	(30.94)
Gross Margin (%)	0.42	12.06	11.64	4.28	0.98	0.47	(47.07)
Net Margin (%)	0.43	13.19	12.70	4.72	1.09	0.53	(48.66)
Interest Cover (Times)	2.16	17.54	34.65	6.39	4.42	2.75	(2.85)
Net Sales/Total Assets (Times)	0.93	1.14	2.53	2.25	2.03	1.33	0.90
Current Ratio (Times)	1.53	2.23	2.43	1.27	1.80	1.32	0.51



NOTES

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Agio Paper & Industries Ltd.

Regd. Office: "Chatterjee International Centre", 20th Floor, Office-11

33A, Chowringhee Road, Kolkata - 700 071

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 24th Annual General Meeting of the Company at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National House, 23 R. N. Mukherjee Road, Kolkata - 700 001 on Thursday, 17th September, 2009 at 11.30 A. M.

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

PROXY FORM



Agio Paper & Industries Ltd.

Regd. Office: "Chatterjee International Centre", 20th Floor, Office-11

33A, Chowringhee Road, Kolkata - 700 071

No. of Shares	Regd. Folio No. :
	DP ID NO. :
	Client ID No. :

I/We _____
of _____
being a member / members of AGIO PAPER & INDUSTRIES LIMITED hereby appoint

_____ of _____ or failing him _____

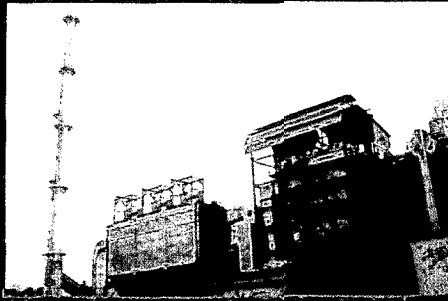
as my/our proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23 R. N. Mukherjee Road, Kolkata - 700 001 on Thursday, the 17th September, 2009 at 11.30 A. M.

As witness my / our hand this _____ day of _____ 2009

Signed by the Said _____

Re. 1.00
Revenue
Stamp

Note : The proxy from must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



New Creation - The Power Plant



For Better Future - The New Paper Machine

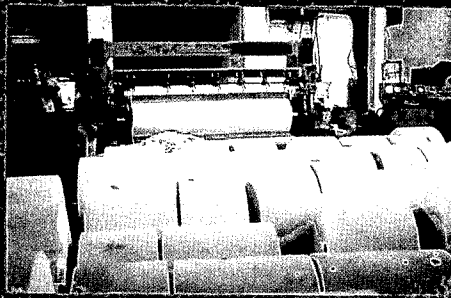


Administrative Building - Our Control Centre

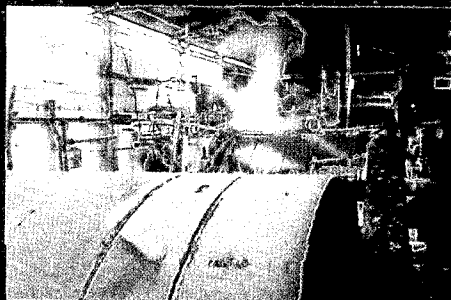
Promise - Focus on Green Environment



Production - Abundance in Quality & Quantity



Operation in Process - Pulp Mill



Regd. Off. : Agio Paper & Industries Ltd.

Chatterjee International Centre
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Office -11, Kolkata - 700 071
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Fax : +91-33-4022 5999
E-mail : ho@agiopaper.com



Mill : Agio Paper & Industries Ltd.

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Bilaspur - 495 551 (Chhattisgarh)
Phone : +91-7752-257 010/011/014
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E-mail : mill@agiopaper.com