



Date: 05.09.2019

To  
The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street Mumbai — 400001

Dear Sir

**Sub: Submission of Annual Report for the F.Y. 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

With reference to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith Annual Report of the Company for the F.Y. 2018-19.

Kindly take the same on records and do the needful.

Thanking You,

Yours Faithfully,  
For AGIO PAPER & INDUSTRIES LIMITED

*Malay Chakrabarty*  
Malay Chakrabarty  
Executive Director





34th ANNUAL REPORT 2018-2019

# CORPORATE INFORMATION

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## Board of Directors

Mr. Ankit Jalan - Executive Director  
Mr. Kamal Kumar Khetawat - Director  
Mrs. Mohini Agarwal - Director  
Mr. Malay Chakrabarty - Additional Director  
Mr. Umesh Kumar Dhanuka - Director

## Key Managerial Personnel

Mr. Ankit Jalan – CEO  
Mrs. Rashmi Ranjan Debata – CFO

## Statutory Auditors

M/s. J K V S & Co.  
Chartered Accountants  
5-A, Nandalal Jew Road  
Kolkata - 700 026

## Secretarial Auditor

Shristi Garg & Associates.  
Company Secretaries  
50 Weston Street, 1<sup>st</sup> floor  
Room No. 105 Kolkata - 700 012

## Bankers

Allahabad Bank  
Axis Bank  
State Bank of India

## Registrar & Transfer Agent

Maheshwari Datamatics Pvt. Ltd.  
6 Mangoe Lane, Kolkata - 700 001  
Ph. : (033) 2243 5809/5029

## Registered Office

Agio Paper & Industries Ltd.  
41A, AJC Bose Road  
Suite No. 505, Kolkata - 700 017  
Phone : +91-33-66044834  
E-mail : ho@agiopaper.com

## Mill

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

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## NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of Agio Paper & Industries Ltd. (CIN L21090WB1984PLC037968) will be held at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23, R.N. Mukherjee Road, Kolkata – 700001 on Monday the 30<sup>th</sup> September, 2019 at 10:30 A. M. to transact the following Business:

### Ordinary Business

1. To consider and adopt the audited financial statements of the Company for the year ended 31st March 2019, together with the Report of the Directors and Auditors' thereon.
2. To appoint a director in place of Mr. Ankit Jalan (DIN: 02577501), who retires by rotation and being eligible offers himself for re- appointment.

### Special Business:

3. **To appoint Mr. Umesh Kumar Dhanuka (DIN: 01666884) as an Independent Director of the Company**

To consider and, if thought fit, pass the following Resolution with or without modification(s) as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Umesh Dhanuka (DIN: 01666884), who was appointed as an Additional Director on the Board of Directors of the Company, pursuant to Section 161 of the Companies Act, 2013 with effect from 01<sup>st</sup> February, 2019, to hold office up to the date of this Meeting, be and is hereby appointed a Director of the Company.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, the Rules framed thereunder, read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force), the appointment of Mr. Umesh Kumar Dhanuka (DIN: 01666884) as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 01<sup>st</sup> February, 2019 be and is hereby approved.”

4. **To appoint Mr. Malay Chakrabarty (DIN: 03106149) as a Director of the Company**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Malay Chakrabarty (DIN: 03106149), who was appointed as an Additional Director on the Board of Directors of the Company, pursuant to Section 161 of the Companies Act, 2013 with effect from 10<sup>th</sup> September 2018, to hold office up to the date of this Meeting, be and is hereby appointed a Director of the Company and his office will be liable to retirement by rotation.”

5. **Issue of 10% Non-cumulative Redeemable Preference Shares on Private Placement Basis**  
**To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as a Special Resolution.**

**“RESOLVED THAT** in supersession of the Resolution passed through Postal Ballot dated 17.12.2018 and pursuant to the provisions of Sections 42 read with rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014 read along with section 102 and section 108 read with rule 22 of The Companies (Management and Administration) Rules, 2014 and section 110, 117 and 179(3) and all other relevant provisions of the Companies Act, 2013 ('Act'), if any and the rules framed thereunder (including, any statutory modification(s) or amendment thereto or re-enactment thereof); the applicable laws (including, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'); the Memorandum and Articles of Association of the Company; and other applicable statutory provisions and regulations, if any, as amended from time to time and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines and subject to such terms and conditions as may be specified by any of them while granting any such approvals and which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include a duly constituted committee thereof and any person authorized by the Board in this behalf), person authorized by the Board in this behalf), the consent, authority and approval of the members of the Company, including confirmation of actions taken hitherto, be and is hereby accorded, to the Board to offer, Issue and allot by way of private placement offer letter, upto 5,00,000 (Five Lakh only) 10% Non-cumulative Redeemable Preference Shares of the face value of Rs. 100/- each aggregating to a total value of upto Rs. 5,00,00,000 (Rupees Five Corers Only) to M/s BENGAL ORION FINANCIAL HUB LIMITED.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution any of the Director of the Company be and is hereby authorized to take all such action and/ or to give such directions and to do all such acts, deeds and things as may be considered necessary or desirable and to accept any modification(s) in terms of issue of preference shares as may be required by any statutory authority and to settle any question or difficulty that may arise with regards to the issue and allotment of preference shares and to alter, vary, add or delete any of terms / conditions thereof as they may deem expedient in the best interest of the Company.”

28<sup>th</sup> August, 2019

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

By Order of the Board  
**For Agio Paper & Industries Limited**  
Sd/-  
Whole Time Director

**CIN:** L21090WB1984PLC037968

**Phone:** (033) 66286654, **Email:** ho@agiopaper.com, **Website :** www.agiopaper.com

**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy and the proxy need not be a member of the Company.
2. The Proxy form must be deposited at the registered office of the Company not less than 48 hours before the scheduled hour of commencement of the meeting i.e. by 10:30 A. M. on 28<sup>th</sup> September, 2019.
3. Members/Proxies should bring their attendance slips duly filled in for attending the meeting.
4. Members are requested to bring their copy of the Annual Report with them at the Annual General Meeting, as the copies of the report will not be circulated at the meeting.
5. The Register of Members and Share Transfer Registers of the Company will remain closed from 22<sup>nd</sup> September, 2019 to 30<sup>th</sup> September, 2019 (both days inclusive).
6. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No. 4 is Annexed hereto.
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar M/s Maheshwari Datamatics Pvt. Ltd., 23, R.N Mukherjee Road, 5th Floor, Kolkata - 700 001, Phone : 033 2243 5029/ 2248 2248, Fax : 033 2248 4787, E-mail : mdpldc@yahoo.com.
11. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the service of National Securities Depository Limited (NSDL) to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed at this Annual General Meeting. The Board of Directors has appointed Mr. Prateek Kohli, Partner of Prateek Kohli & Associates, Practicing Company Secretaries, as the Scrutinizer for this purpose

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial

Statndard-2 on General Meeting (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 27<sup>th</sup> September, 2019 (9:00 AM) and ends on 29<sup>th</sup> September, 2019 (5:00 PM). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter at 5.00 p.m. on 29<sup>th</sup> September, 2019. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step-1 is mentioned below:**

**How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who holds shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

Click on **“Forgot User Details / Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)**.

**“Physical User Reset Password?”** (you are holding shares in physical mode) option available on **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)**.

If you are still unable to get the password by aforesaid two options, you can send a request at **[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)** mentioning your demat account number / folio number, your PAN, your name and your registered address



Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cspkohli@gmail.com](mailto:cspkohli@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **“Forgot User Details / Password?”** or **“Physical User Reset Password?”** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of

[www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September 2019.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA at mdpldc@yahoo.com.

If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at 022 2499 4738 (Mr. Rajiv Ranjan) or at the toll free no.: 1800-222-990.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.agiopaper.com](http://www.agiopaper.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where shares of the Company are listed.

Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013  
("THE ACT")**

**The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.**

**Item no. 3:**

Mr. Umesh Kumar Dhanuka (DIN: 01666884) was appointed by the Board at its meeting held on 01<sup>st</sup> February, 2019 as an Additional Non – Executive Independent Director of the Company. His appointment is to be regularized in the Annual General Meeting of the Company.

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

The Resolution seeks the approval of members for the appointment of Mr. Umesh Kumar Dhanuka as a Non – Executive Independent Director of the Company for a term of 5 consecutive years w.e.f. 01<sup>st</sup> February, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Umesh Kumar Dhanuka proposed to be appointed, as a Non – Executive Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made hereunder and also the provisions as laid down in SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and he is independent.

The Board recommends to pass this resolution as an Ordinary Resolution.

The nature of concern or interest, financial or otherwise, if any, in respect of each items of—

(i) Every Director: The directors of the company do not have any financial interest in the above item and are only interested to the extent of their shareholding in the company.

(ii) Every other key managerial personnel: NA

(iii) Relatives of the persons mentioned in (i) and (ii): N.A.

#### **Item No. 4**

Mr. Malay Chakrabarty (DIN: 03106149) was appointed by the Board at its meeting held on 10<sup>th</sup> September, 2018 as an Additional Executive Director of the Company. His appointment is to be regularized in the Annual General Meeting of the Company.

The Company has received from Mr. Malay Chakrabarty (i) consent in writing to act as Non Executive Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 (ii) intimation in Form DIR- 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Mr. Malay Chakrabarty as a Executive Director of the Company as per the applicable provisions of the Companies Act, 2013 and the Rules made hereunder. He office is liable to retire by rotation.

The Board recommends to pass this resolution as an Ordinary Resolution.

The nature of concern or interest, financial or otherwise, if any, in respect of each items of—

(i) Every Director: The directors of the company do not have any financial interest in the above item and are only interested to the extent of their shareholding in the company.

(ii) Every other key managerial personnel: NA

(iii) Relatives of the persons mentioned in (i) and (ii): N.A.

#### **Item No. 5**

The Resolution seeks the approval of members for Issue upto 5,00,000 (Five Lakhs Only) 10% Non-cumulative Redeemable Preference Shares of the face value of Rs. 100/- each on private placement basis pursuant to Section 42 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder.

Authority of the members is sought for obtaining a limit of upto Rs. 5,00,00,000/- which will be issued by the Board of Directors of the Company as and when working capital is required. The limit will remain in force for a period of One year from the date of passing of the Resolution.

The Board recommends to pass this resolution as a Special Resolution.

- 1. Particulars of the Offer:** The offer by way of Private Placement is made for issue of upto 5,00,000 , 10% Non-cumulative Redeemable Preference Shares of the face value of Rs. 100/- each for supporting and facilitating the working capital requirements of the company.

**2. Securities offered**

Nature of Securities	Offer Price
10% Non-cumulative Redeemable Preference Shares	Rs. 100/- each

**3. Basis of Justification of Price:**

The above-mentioned securities are being offered at par value i.e. Rs. 100/-. The value of Rs. 100/- is the face value of the securities which is registered with the Registrar of Companies. A certificate of the face value of the Preference shares is obtained from TIBREWALA & CO.

**4. Particulars of the Valuer of the Preference Shares (Certificate of Face Value):**

Name of the CA firm conducted valuation: TIBREWALA & CO.

Firm Registration No.: 325908E

Name of the partner of the firm signing the valuation report: CA Anurag Kumar Khetan

Membership No. of the person signing the valuation report: 068086

Date of Report: 25.06.2019

**5. Amount proposed to be raised by way of the offer:**

The Company intends to raise an amount of upto Rs. 5,00,00,000/- by way of issue of 5,00,000 10% Non-cumulative Redeemable Preference Shares of the face value of Rs. 100/- each.

**6. Other Terms and Conditions:**

<b>Material terms of raising such securities</b>	The Preference Shares are being issues at par value of Rs. 100/- each.
<b>Proposed time schedule,</b>	The allotments will be completed within the time periods as mentioned under the Act. The Special Resolution will remain in force for a period of One Year from the date of passing of the resolution.
<b>Purposes or objects of offer</b>	The capital raising is being done for supporting the working capital needs of the company.
<b>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects</b>	There is no contribution from the promoters or Directors of the Company in any capacity or in furtherance of any objects linked to the purpose of raising of the said money.
<b>Principle terms of assets charged as securities</b>	N.A.

The nature of concern or interest, financial or otherwise, if any, in respect of each items of—

(i) Every Director: The directors of the company do not have any financial interest in the above item and are only interested to the extent of their shareholding in the company.

(ii) Every other key managerial personnel: N.A.

(iii) Relatives of the persons mentioned in (i) and (ii): N.A.

## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your directors have pleasure in presenting the 34<sup>th</sup> Annual Report together with the Audited Statement of Accounts of Agio Paper & Industries Limited for the year ended March 31, 2019.

### 1. SUMMARISED FINANCIAL HIGHLIGHTS

(Rs.)

	Current Year	Previous Year
Gross Turnover and other receipts	1,16,025	1,87,365
Profit / (Loss) before Exceptional Items and Depreciation	(1,84,79,181)	(1,75,37,974)
Less: Exceptional Items	65,01,70,46	3,21,95,140
Profit/(Loss) Before Depreciation	(8,25,21,212)	(4,97,33,114)
Less: Depreciation	9,75,015	16,77,307
Profit /(Loss) Before Tax	(8,34,96,227)	(5,14,10,421)
Less: Provision for taxation	-	(5596)
Profit /(Loss) After Tax	(8,34,96,227)	(5,14,10,421)

### 2. BUSINESS PERFORMANCE

The Operation of paper factory at Bilaspur is under suspension since 6th October, 2010 because of pollution control issues. Efforts are being made to comply with the norms and alternate means are also explored to start the factory along with new paper mill and power plant. In view of future plans and valuation of fixed Assets of the company, no impairment of fixed assets is envisaged by the management.

### 3. FUTURE OUTLOOK

Being restricted by the Central Pollution Control Board's order the option of exploring other areas of business has always been in the mind of management till the restrictions are lifted. The company is constantly envisaging the avenues related to generation of energy from renewable resources.

### 4. DIVIDEND

In absence of any production activities no operational profit was generated for recommendation of dividend for the financial year ended 31<sup>st</sup> March, 2019.

### 5. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2019 was Rs.16.12 crores and Preference Share Capital is Rs. 32.57 Crores. During the year ended 31st March, 2019 the company has issued total 60,000, 10% Non-Cumulative Redeemable Preference shares of Rs. 100/- each on private placement basis as approved by the shareholders in the Postal Ballot dated 17<sup>th</sup> January, 2019.

### 6. CREDIT FACILITIES

The company is debt free with no debts existing to Banks or Financial Institutions.

### 7. ECONOMIC SCENARIO AND OUTLOOK

In 2018-19 fiscal, ending March 2019, Indian economy is estimated to have grown 7 per cent, lower than 7.2 per cent in 2017-18. The government is in fact taking a lot of measures to strengthen the corporate structure of the country and bringing more transparency in the corporate governance standards.

Indian economy is expected to grow at 7.3 per cent in calendar year 2019 and 2020, and the government spending announced ahead of elections this year which will support near-term growth.

Details of Significant changes in Key financial Ratios: As per the requirement of the guidelines any change in the key financial ratios of 25% or more are to be disclosed in the Corporate Governance Report. During the period under review no such change has occurred in the company.

**8. PAPER INDUSTRY OUTLOOK AND OPPORTUNITIES**

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

Imports of paper and paper products displayed an increasing trend till FY17 but subsequently declined in FY18. The growth in overall imports has been 13.7% for the FY05-FY17 period and 11.3% for the FY05-FY18 period. YTD FY19 imports have also been subdued fell by 11.7% to 2,761 thousand tonnes and increased by 8.6% in value terms to Rs 183.3bn. The decline in quantitative terms is expected to sustain for overall FY19 in the near term as the increase in international pulp price made imports costlier thereby changing the cost economics in favour of domestic paper. Paper and paper products exports grew by 51.5% to 1,599.7 thousand tonnes and by 52.4% to Rs 113.2bn for the April-January 2019 period as compared to the year ago period.

**9. CORPORATE SOCIAL RESPONSIBILITY**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

**10. HUMAN RESOURCES**

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

**11. BUSINESS RISK MANAGEMENT**

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

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

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

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

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

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

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

The system of internal control as well as Internal Financial Controls over Financials which are established are commensurate with the size and nature of business. Detailed procedures are in place to ensure all assets are safeguarded and protected against loss and all transactions are authorized, recorded and reported properly. The internal control system are monitored and evaluated by internal auditors and their reports are reviewed by the audit committee. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

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

Pursuant to Section 177 of the Companies Act, 2013 the Company has complied with the laws and the codes of conduct applicable to it and has ensured that the business is conducted with integrity and accordingly the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of company.

#### 14. SEXUAL HARASSMENT POLICY

The Company has also framed a policy on prevention of Sexual Harassment of Women at Workplace which commits to provide a workplace that is free from all forms of discrimination, including sexual harassment.

As per the Policy, any complaint received shall be forwarded to an Internal Complaint Committee ("ICC") formed under the Policy for redressal. The investigation shall be carried out by ICC constituted for this purpose. There was no such complaint during the year.

a	Number of Complaints Filed during the FY	0
b	Number of Complaints Disposed of during the FY	0
c	Number of Complaints pending as on the end of the FY	0

#### 15. DIRECTORS & COMMITTEES

During the year under review, Mr. Neeraj Kichlu (DIN: 05156014) has resigned from the post of the Non-Executive Independent Director w.e.f. 02<sup>nd</sup> November, 2018 and Mr. Malay Chakrabarty (DIN: 03106149) and Mr. Umesh Kumar Dhanuka (DIN: 01666884) were appointed as the Additional Executive Director and Non Executive Independent Director w.e.f. 10<sup>th</sup> September, 2018 and 01<sup>st</sup> February, 2019 respectively, whose appointment is proposed for regularization at the ensuing Annual General Meeting of the Company.

Mr. Anurag Gupta has also tendered his resignation from the post of Company Secretary/Compliance Officer after the close of office hours on 31<sup>st</sup> March, 2019. He was appointed in the same capacity on 25<sup>th</sup> August, 2018.

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

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

##### 16.1 BOARD EVALUATION

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

##### 16.2 REMUNERATION POLICY

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

##### 16.3 MEETINGS

During the year Nine Board Meetings and One Independent Directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time were adhered to while considering the time gap between two meetings.

##### 16.4 AUDIT COMMITTEE

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

Name	Status	Category
Mr. Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director
Mr. Ankit Jalan	Member	Executive Director
Mrs. Mohini Agarwal*	Member	Non Executive & Independent Director

\*Mrs. Mohini Agarwal has been inducted as a member of the Committee w.e.f. 01.01.2019.

\*Mr. Neeraj Kichlu has resigned from the Board of the company with effect from 02.11.2018.



**16.5 NOMINATION AND REMUNERATION COMMITTEE**

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

Name	Status	Category
Mr. Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director
Mr. Umesh Kumar Dhanuka*	Member	Non Executive & Independent Director
Mrs. Mohini Agarwal	Member	Non Executive & Independent Director

\*Mr. Umesh Kumar Dhanuka has been inducted as a member of the Committee w.e.f. 01.02.2019

**17. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**18. RELATED PARTY TRANSACTIONS**

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

All Related Party Transactions in usual course were placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

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

Further, there were no Related Party transactions with the Promoters of Promoters Group who hold more than 10% Shareholding or Voting rights in the company.

**19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

**20. AUDITORS****20.1 STATUTORY AUDITORS**

As per section 139 and other applicable provisions of the Companies Act, 2013 the Company has appointed M/s. J K V S & Co, Chartered Accountants (ICAI Registration No.: 318086E) as the Statutory Auditors of the Company, for a period of five years till the conclusion of 37<sup>th</sup> Annual General Meeting.

## 20.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shristi Garg & Associates (CP No.: 17447, ACS: 47506), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as '**Annexure 1**'.

**Remarks:** The remark given by the Secretarial Auditor is well noted and it was clarified that in absence of any Company Secretary this delay occurred.

## 20.3 INTERNAL AUDITORS

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

## 20.4 COST AUDITORS

Appointment of Cost Auditors and maintenance of Cost Records is not applicable to the Company.

## 21. CORPORATE GOVERNANCE

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

## 22. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## 23. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT - 9 is annexed herewith as "**Annexure 3**" as well as it is disclosed on the website of the company on the following link <http://agiopaper.com/Compliance.html>.

## 24. PARTICULARS OF EMPLOYEES

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

The company has Two Executive Directors and due to financial constraints being faced by the company the Whole Time Director has forgone remuneration. The Remuneration of the other Executive Director is disclosed in detail in the Extract of Annual Return in form MGT-9 of the Company. Further, no sitting fees has been paid to any director during the year.

In terms of the amended rules the names of the top ten employees in terms of remuneration drawn are provided in "**Annexure 4**".

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

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

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

**25. IMPAIRMENT OF ASSETS & CAPITAL WORK-IN-PROGRESS**

The paper plant was closed on 6th October, 2010 to fulfill certain pollution control measures. The management of the Company has disposed off its entire plant & machinery and substantial portion of CWIP during the last year. The management of the company is considering various alternative business plans to utilize the remaining PPE of the company. Further, the management does not foresee any impairment in the remaining PPE of the company.

**26. FINANCIAL VIABILITY OF COMPANY**

The financial viability of the company is totally dependent on the ability of the company to infuse funds into the company.

**27. ACKNOWLEDGEMENTS**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

We look forward to receiving the continued patronage from all quarters to become a better and stronger Company.

**28. CAUTIONARY STATEMENT**

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

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

**For and on behalf of the Board of Directors**

Kolkata

28<sup>th</sup> August, 2019

**RASHMI RANJAN  
DEBETA  
(CFO)  
PAN:ALSPD3810E**

**ANKIT JALAN  
(Executive Director)  
DIN:02577501**

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

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

Based on our verification of the Agio Paper & Industries Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Agio Paper & Industries Limited ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The EPF & Misc. Provisions Act, 1952;

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

The Unified Listing Agreement entered into by the Company with Bombay Stock Exchange;

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

(i) SS-1 : Meetings of the Board of Directors and

(ii) SS-2 : General Meetings;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except for the timely filings to be made by the company on BSE Listing Portal for appointment of Company Secretary.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Mr. Neeraj Kichlu, Non-Executive Independent Director has resigned w.e.f. 02.11.2018 and Mr. Umesh Kumar Dhanuka appointed as Non-Executive Independent Director (Additional Director) of the company for a period of 5 years w.e.f. 01.02.2019. Mr. Malay Chakrabarty was appointed as Executive Director (Additional) on the board of the company w.e.f. 10.09.2018. Mr. Anurag Gupta was appointed as the Company Secretary/Compliance Officer w.e.f. 25.08.2018 and he resigned from that position on 31.03.2019.

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

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the company has taken the following Major decision(s) having a major bearing on the company's affairs:

(i) The company has passed Special Resolution vide Postal Ballot for obtaining Approval of Allotment of Preference Shares on Private Placement Basis.

Place: Kolkata  
Date: 16.08.2019

**For Shristi Garg & Associates  
Company Secretaries**

**Shristi Garg  
Partner  
C.P. - 17447**

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

**Annexure A**

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

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

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

Place: Kolkata  
Date: 16.08.2019

**For Shristi Garg & Associates  
Company Secretaries**

**Shristi Garg  
Partner  
C.P. - 17447**

**A. CONSERVATION OF ENERGY****Power:****a) Efforts made for conservation of energy :-**

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

**b) Additional investment and proposal, if any:**

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

**c) Impact of above measures on consumption of energy :**

Saving in consumption of electricity & steam.

**d) Capital investment on energy conservation equipments**

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

**e) Power & Fuel Consumption:**

Refer Form 'A' attached

**B. TECHNOLOGY ABSORPTION**

Refer Form 'B' attached.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

(Rs. In Lacs)

	2018 – 19	2017 – 18
Earning: Export	Nil	Nil
Outgo: Imports	Nil	Nil
Outgo on repayment of unsecured loan	Nil	Nil

**FORM A**

	2018-19	2017-18
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY:</b>		
<b>a) Chhattisgarh State Electricity Board</b>		
Units (KWH in lacs)	0.43	0.41
Total Amount (Rs. in lacs)	4.72	4.60
Rate/KWH (In Rs.)	11.10	11.36
<b>b) Own Generation</b>		
i) Through Diesel (KWH in lacs)	NIL	NIL
ii) Through Steam Turbine Generator	NIL	NIL
<b>2. Coal:</b>		
<b>a) Grade E (ROM)</b>		
Quantity (MT)	NIL	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average rate	NIL	NIL
<b>b) ROM (Washery)</b>		
Quantity (MT)	NIL	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average rate	NIL	NIL
<b>3. RICE HUSK</b>		
Quantity (MT)	NIL	NIL
Total Cost (Rs. in lacs)	NIL	NIL
Average rate	NIL	NIL
<b>4. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity (KWH/MT)	NIL	NIL
Coal/Husk (MT/MT)	NIL	NIL

**FORM B**
**TECHNOLOGY ABSORPTION :-**
**I. RESEARCH AND DEVELOPMENT (R & D)**
**Specific areas in which the Company carried out R & D :**

In the current year the company has not undertaken any Research & Development Work as the plant is shut down as a result of orders from relevant authority.



**Future Plan of action:**

- a) Installation of ESP in power plant boiler-reduce the Air pollution load in ambient.
- b) Minimum use of fresh water and recycling of such water.

**Expenses on R & D :**

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

**II. Technology absorption, adaptation and innovation :**

NIL

**Annexure 3**

**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2019 of AGIO PAPER & INDUSTRIES LIMITED [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L21090WB1984PLC037968
Registration Date	20.09.1984
Name of the Company	Agio Paper & Industries Ltd.
Category / Sub-Category of the Company	Company having share capital
Address of the Registered Office and contact details	41A, AJC Bose Road, Suit No. 505, Kolkata - 700017 Tel No. : 033 6628 6654
Whether listed company	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001 Tel No. : 033 2248 2248

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

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

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2018				No. of Shares held at the end of the year as on 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual / HUF	115468	-	115468	0.7161	115468	-	115468	0.7161	0
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	2938194	-	2938194	18.2209	2938194	-	2938194	18.2209	0
e) Banks / FI									
f) Any Other...									
<b>Sub-total (A) (1) :-</b>	<b>3053662</b>	<b>-</b>	<b>3053662</b>	<b>18.9370</b>	<b>3053662</b>	<b>-</b>	<b>3053662</b>	<b>18.9370</b>	<b>0</b>
<b>2) Foreign</b>									
a) NRIs-Individuals	7195868	-	7195868	44.6244	7195868	-	7195868	44.6244	0
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2) :-</b>	<b>7195868</b>	<b>-</b>	<b>7195868</b>	<b>44.6244</b>	<b>7195868</b>	<b>-</b>	<b>7195868</b>	<b>44.6244</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>10243025</b>	<b>-</b>	<b>10243025</b>	<b>63.5210</b>	<b>10249530</b>	<b>-</b>	<b>10249530</b>	<b>63.5614</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	-	6800	6800	0.0422	-	6700	6700	0.0415	-0.0007
b) Banks / FI	100	200	300	0.0019	100	200	300	0.0019	Nil
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1) :-</b>	<b>100</b>	<b>7000</b>	<b>7100</b>	<b>0.0441</b>	<b>100</b>	<b>6900</b>	<b>7000</b>	<b>0.0434</b>	<b>-0.0007</b>
<b>2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	294954	22150	317104	1.9665	293611	22150	317104	1.9582	-0.0083
ii) Overseas									
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs.1 lakh	1100228	755503	1855731	11.5081	1107308	749153	1856461	11.5127	0.0046
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3636082	0	3636082	22.5488	3637609	0	3637609	22.5583	0.0095
c) Others (specify)									
Trusts	39900	-	39900	0.2474	39900	-	39900	0.2474	Nil
Custodians / Clearing member	10590	-	10590	0.0657	9776	-	9776	0.0606	-0.0051
NRIs	9363	-	9363	0.0581	9363	-	9363	0.0581	Nil
<b>Sub-total(B)(2) :-</b>	<b>5091117</b>	<b>777653</b>	<b>5868770</b>	<b>36.3946</b>	<b>5097567</b>	<b>771303</b>	<b>5868870</b>	<b>36.3953</b>	<b>0.0007</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>5091217</b>	<b>784653</b>	<b>5875870</b>	<b>36.4387</b>	<b>5097667</b>	<b>778203</b>	<b>5875870</b>	<b>36.4387</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>15340747</b>	<b>784653</b>	<b>16125400</b>	<b>100.00</b>	<b>15347197</b>	<b>778203</b>	<b>16125400</b>	<b>100.00</b>	<b>Nil</b>

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Murari Lal Jalan	7195868	44.6244	Nil	7195868	44.6244	Nil	0
2	Renu Jalan	108963	0.6757	Nil	0	0	Nil	-0.6757
3	Arrow Syntex Pvt. Ltd.	2938194	18.2209	Nil	2938194	18.2209	Nil	Nil
4	Ankit Jalan	6505	0.0403	Nil	115468	0.7161	Nil	0.6757
	<b>Total</b>	<b>8743025</b>	<b>54.219</b>		<b>9493025</b>	<b>58.870</b>		

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Murari Lal Jalan Renu Jalan Arrow Syntex Pvt. Ltd. Ankit Jalan	7195868 108963 2938194 6505	44.6244 0.6757 18.2209 0.0403	7195868 - 29138194 108963	- -0.6757 - 0.6757
	Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus / sweat equity etc.) 27/07/2018 Ankit Jalan (Acquisition of shares)	108963	0.6757	115468	0.7161
	At the end of the year Murari Lal Jalan Renu Jalan Arrow Syntex Pvt. Ltd. Ankit Jalan	7195868 0 2938194 115468	44.6244 0 18.2209 0.7161		

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anand Purohit	1500000	9.3021	1500000	9.3021
2.	Bharat Mekani	1500000	9.3021	1500000	9.3021
3.	Subramanian P	164590	0.9261	164590	1.0207
4.	Brownia Business Ltd	100000	0.6201	100000	0.6201
5.	Mili Consultants & Investment Pvt. Ltd.	83348	0.5169	83348	0.5169
6.	Manish Singh	41900	0.2598	42197	0.2617
7.	Abhay Krishi Udyog Pvt Ltd	64525	0.4001	64525	0.4001
8.	Dinesh Kumar Muktilal Paldiwal	45290	0.2809	45290	0.2809
9.	Rekha Khetawat	41852	0.2595	41852	0.2595
10.	Custodian (Special Court) A/c Rasila Mehta/Sudhir S Mehta	39500	0.2450	39500	0.2450

## (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Mr. Ankit Jalan</b>					
	At the beginning of the year	6505	0.0403	108963	0.6757
	Data wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer / bonus / sweat equity etc.) Transfer 27.07.2018	-	-	108963	0.6757
	At the end of the year			115468	0.7161

## V. INDEBTEDNESS

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	8,37,00,000	16,62,138	8,53,62,138
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>8,37,00,000</b>	<b>16,62,138</b>	<b>8,53,62,138</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	36,43,766	-	36,43,766
• Reduction	-	(53,23,766)	-	(53,23,766)
<b>Net Change</b>	-	<b>(16,80,000)</b>	-	<b>(16,80,000)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	8,20,20,000	16,62,138	8,36,82,138
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>8,20,20,000</b>	<b>16,62,138</b>	<b>8,53,62,138</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Malay Chakrabarty				
1.	Gross Salary					
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,00,835	-	-	-	
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	10,881	-	-	-	
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	
2.	Stock Option	-	-	-	-	
3.	Sweat Equity	-	-	-	-	
4.	Commission	-	-	-	-	
	- as % of profit					
	- others, specify.....					
5.	Others, please specify	-	-	-	-	
	Total (A)	-	-	-	-	
	Ceiling as per the Act					

### B. Remuneration to other directors :

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	36,000	2,29,500	2,65,500
		-	-	10,500	10,500
		-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		36,000	2,40,000	7,17,183

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

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

**Annexure 4**

Information pursuant to Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended displaying the names of the top ten employees in terms of remuneration drawn:

Sr. No.	Name of employees	Designation	Remuneration (Rs.)
1.	Anurag Gupta	Company Secretary	36,000
2.	Rashmi Ranjan Debata	CFO	2,40,000
3.	Manjur Ali	Manager –Accounts	2,50,020
4.	Shashi Bhushan Sahay	Manager-Electrical	51,750
5.	Manoj Giri	Electrician	1,32,960
6.	Nand Kumar Chandravanshi	Executive Raw Material	59,383
7.	Desh Kumar Armo	Driver	1,03,828
8.	Christopher David	Office Assistant	93,730
9.	Kamalesh Bose	Office Assistant	61,490
10.	Ashok Kumar Dubey	Executive Purchase	95,100

Kolkata

28<sup>th</sup> August, 2019

**RASHMI RANJAN  
DEBETA**  
(CFO)

PAN:ALSPD3810E

**ANKIT JALAN**  
(Executive Director)

DIN:02577501

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

#### The company

Corporate Governance is to put in place a system of checks and balances for the benefit of all stakeholders. It rests on the four cornerstones of fairness, transparency, accountability and responsibility. It extends beyond corporate law and encompasses the entire spectrum of functioning of a Company. The Corporate Governance is about commitment to values and integrity in directing the affairs of the Company and it is a collective responsibility of each of the three pillars of an enterprise - the board of directors, shareholders and management. The Company believes and is committed to and always strives for excellence through adoptions of good corporate governance which are founded upon the core values of adherence to the ethical business practices, delegations, responsibilities and accountabilities, honesty and transparency, empowerment, independent monitoring and environmental consciousness in the functioning of the management and the Board; true, complete and timely disclosures and compliance of law, ultimately resulting in maximizing shareholders' value and protecting the interest of the other stakeholders.

### BOARD COMPOSITION

#### Size and Composition of Board of Directors Board of Directors

- i The Company has 5 Directors of which 2 are Executive Directors and 3 are Non-Executive and Independent Directors and also a woman director who falls in the category of Non-Executive and independent director. The composition of the Board is in conformity with regulation 17 of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 requirements.
- ii The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship /Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, section 8 companies, and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee Membership/Chairmanship			No. of shares held in the Company as on 31.03.2019
		Board Meeting	Last AGM	Directorship	Committee Membership	Chairmanship	
Mr. Ankit Jalan	Executive Director,CEO	4	No	1	2	Nil	1,15,468
Neeraj Kichlu*	Independent Director	4	No	Nil	Nil	Nil	Nil
Mr. Kamal Kumar Khetawat@@	Independent Director	9	Yes	1	2	2	Nil
Mrs. Mohini Agarwal	Independent Director	9	No	1	Nil	Nil	Nil
Malay Chakrabarty#	Executive Director	6	Yes	Nil	Nil	Nil	Nil
Umesh Kumar Dhanuka^^	Independent Director	1	No	4	Nil	Nil	Nil

\*Resigned from the post of Director with effect from 02<sup>nd</sup> November, 2018. His positions in the Committees of the Board also ceased from that date.

# Appointed as Additional Non-Executive Independent Director with effect from 10<sup>th</sup> September, 2018.

^^ Appointed as Additional Non-Executive Independent Director with effect from 01<sup>st</sup> February, 2019.

@@ Ceased to be a member of the Stakeholders Relationship Committee w.e.f. 31<sup>st</sup> December, 2018.

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

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 :

- 25 <sup>th</sup> May, 2018	- 12 <sup>th</sup> December, 2018
- 18 <sup>th</sup> August, 2018	- 01 <sup>st</sup> January, 2019
- 25 <sup>th</sup> August, 2018	- 01 <sup>st</sup> February, 2019
- 10 <sup>th</sup> September, 2018	- 14 <sup>th</sup> February, 2019
- 09 <sup>th</sup> November, 2018	



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

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

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

**Code of Conduct for Board members and Senior Management**

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

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

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

#### **BOARD COMMITTEES**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has three committees

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

#### **AUDIT COMMITTEE**

The audit committee is constituted in accordance with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures) Regulations, 2015 as amended from time to time and it continues to perform its tasks under the companies Act, 2013 as well as SEBI (Listing Obligations and Disclosures) Regulations, 2015. The major tasks performed by the audit committee may be grouped under the following heads:

#### **Statutory audit, internal audit, reporting and other aspects**

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

#### **Audit & other duties**

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

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2018-19 are given below:

Name	Status	Category	No of Meetings Attended during the year 2018-19
Mr. Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director	4
Mr. Ankit Jalan	Member	Executive Director	4
Mrs. Mohini Agarwal*	Member	Non Executive & Independent Director	1
Mr. Neeraj Kichlu#	Member	Non Executive & Independent Director	2

# Vacated as member of the Committee w.e.f. 02<sup>nd</sup> November, 2018

\* Appointed on the Committee w.e.f. 01<sup>st</sup> January, 2019

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

- 25<sup>th</sup> May, 2018    - 14<sup>th</sup> August, 2018    - 09<sup>th</sup> November, 2018    - 14<sup>th</sup> February, 2019

The company secretary acts as the secretary to the committee.

#### **NOMINATION AND REMUNERATION COMMITTEE**

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

The terms of reference of the committee are as follows:

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

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

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

During the year 3 (Three) committee meetings were held which were chaired during the year by Mr. Kamal Kumar Khetawat who has been appointed as chairman. The details of the composition of the Remuneration Committee are as under:

Name	Status	Category	No. of meeting during the year 2018-19	
			Held	Attended
Mr. Kamal Kumar Khetawat	Chairman	Non Executive & Independent Director	3	3
Mr. Umesh Kumar Dhanuka#	Member	Non Executive & Independent Director	1	1
Mrs. Mohini Agarwal*	Member	Non Executive & Independent Director	3	3
Mr. Neeraj Kichlu#	Member	Non Executive & Independent Director	2	2

\*Ceased to be a member of the Committee w.e.f. 02<sup>nd</sup> November, 2018

#Became a member of the Committee w.e.f. 01<sup>st</sup> February, 2019

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

The Committee performs following functions :

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

The committee meeting was held on 21.03.2018 and the committee meeting was chaired during the year by Mr. Kamal Kumar Khetawat who has been appointed as chairman. The details of the composition of the Remuneration Committee are as under:

The details of composition of the Committee are as under:

Name	Status	Category	No. of meeting during the year 2018-19	
			Held	Attended
Kamal Kumar Khetawat*	Member	Non Executive & Independent Director	0	0
Ankit Jalan	Member	Executive Director	0	0
Mohini Agarwal@	Chairperson	Non Executive & Independent Director	0	0
Neeraj Kichlu#	Member	Non Executive & Independent Director	0	0
Malay Chakrabarty ^	Member	Executive Director	0	0

\*Ceased to be a member of the Committee w.e.f. 31.12.2018.

@Appointed on the Committee w.e.f 01.01.2019 and as a Chairperson from the same day.

# Ceased to be a member of the committee w.e.f. 02.11.2018

^ Appointed as a member on the committee w.e.f 01.01.2019

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

No complaints were received from the shareholders during the year.

**INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on March 31, 2019, inter alia to discuss:

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

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

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

### **1. Criteria of selection of Non Executive Directors**

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

### **2. Remuneration**

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

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

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

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

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

Remuneration for the Managing Director or Whole Time Director

- i. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole Time Director within the overall limits prescribed under the Companies Act, 2013.

- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director or Whole Time Director may be broadly divided into fixed and variable components. The fixed component shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the Committee shall ensure / consider the following:
  - a. the relationship of remuneration and performance benchmarks is clear;
  - b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c. responsibility required to be shouldered by the Managing Director or Whole Time Director, the industry benchmarks and the current trends.

**REMUNERATION POLICY FOR THE SENIOR MANAGEMENT EMPLOYEES**

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

**SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS**

The Board of Directors of the Company comprise of members who have the adequate knowledge about the running of the company and its market conditions.

In compliance with the Listing Regulations, the Board of Directors of the Company has identified the list of core skills / expertise / competencies of the Board of Directors in the context of the Company's business and its sector for effective functioning, which are currently available with the Board:

Marketing and Branding	Experience of accomplishing sales, understanding of market & consumers and contemporary marketing strategy.
Finance and Accounts	Leadership experience in handling financial management. Experience in manufacturing sector accounting.
Product Knowledge, Business Strategies and Planning	Knowledge of product, understanding of diverse business environment, changing socio-economic conditions and regulatory framework.
Regulatory Compliance, Governance and Stakeholders Management	Experience in developing governance practices, protecting and managing all stakeholders' interests in the Company.

### UTILIZATION OF FUNDS

During the year the company has raised funds through Private Placement mode. The full amount is utilized towards working capital expenses and meeting other Legal and regulatory costs of the company.

### RESIGNATION OF INDEPENDENT DIRECTOR

Mr. Neeraj Kichlu (Non-Executive Independent Director) has resigned from the Board of Directors of the company w.e.f. 02.11.2018. The Director confirms that there is no material reason for his resignation apart from becoming busy in other assignments and being unable to dedicate time to future meeting of the Board of the Company.

### PAYMENT TO AUDITORS

During the period under Review the Auditors of the Company have been paid the following remuneration:

Statutory Audit Fees	1,25,000
Certification of Quarterly Limited Review Report	1,25,000

### CERTIFICATE FROM A PRACTICING COMPANY SECRETARY

A certificate in the prescribed format pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received from the Practicing Company Secretary in relation to the fact that none of the Directors on the Board of Directors of the Company are Disqualified/Debarred for re-appointment or continuing as Directors of the Company.

### PERFORMANCE EVALUATION

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

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

### RELATED PARTY TRANSACTIONS

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

All Related Party Transactions whenever it occurs are placed before the Audit Committee as also the Board for approval.

Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

### POLICY FOR PRESERVATION OF DOCUMENTS

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

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

In accordance with regulation 30 (4) of SEBI (Listing Obligations and Disclosures ) Regulations, 2015 a policy has been adopted regarding disclosures of any events or information which, in the opinion of the

board of directors is material and the same is also available on the website of the company.

#### **ARCHIVAL POLICY**

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

#### **WHISTLE BLOWER POLICY**

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

#### **Disclosures**

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

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

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

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

#### **Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to the Company (Accounts) Rules, 2014 as amended from time to time and the relevant provision of the Companies Act, 2013 read with relevant Ind AS as issued by the Institute of Chartered Accountants of India and notified by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

#### **GENERAL BODY MEETING**

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

<b>Financial Year</b>	<b>Location of the Meeting</b>	<b>Date</b>	<b>Time</b>
2015 – 2016	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	13.06.2016	10.30 A.M.
2016 – 2017	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	10.07.2017	10.30 A.M.
2017 – 2018	Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001	28.09.2018	10.00 A.M.

Four special resolutions were passed during the last three Annual General Meetings. One resolution was passed through postal ballot during the financial year.

#### **CEO/CFO CERTIFICATION**

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

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

#### MEANS OF COMMUNICATION

29. Annual Reports in respect of each financial year are mailed to all shareholders in August of each calendar year. However, during the previous year it was done during month of early September. 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:

Financial Calendar (Financial year of the Company is from April to March)

Sl no.	Financial Calendar	Tentative Dates
1	Quarterly Un-audited Financial Statements (1st Quarter 2019-20)	By Mid- August 2019
2	Half – yearly Un-audited Financial Statements (2nd Quarter 2019-20)	By Mid November 2019
3	Quarterly Un-audited Financial Statements (3rd Quarter 2019-20)	By Mid February 2019
4	Annual Audited Financial Results for the financial year 2019-20	By End of May 2020

The quarterly, half-yearly and annual financial results were/will be published in eminent daily news papers like *Financial Express* and *Ekdin* and also displayed on Company's website [www.agiopaper.com](http://www.agiopaper.com).

#### SHAREHOLDER INFORMATION

##### Registered Office

41A, AJC Bose Road

Suite No. 505, Kolkata - 700 017

Telephone No. – (033) 66044834

Email: [ho@agiopaper.com](mailto:ho@agiopaper.com) Email: [redressal@agiopaper.com](mailto:redressal@agiopaper.com)



**PARTICULARS OF DIRECTORS APPOINTED / REAPPOINTED**

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

Name of the Director	Age	Qualification	Experience	Directorship in other Public Limited Companies
Mr. Ankit Jalan	36	MBA-Finance	Mr. 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.	Bengal Orion Financial Hub Ltd.
Mr. Malay Chakrabarty	60	Graduate	Mr. Malay Chakrabarty is a Graduate having vast experience in the field of trade and commerce.	Bengal Orion Financial Hub Ltd.
Mr. Umesh Kumar Dhanuka	54	Graduate	Mr. Umesh Kumar Dhanuka is a Graduate having business experience of Paper Industry.	

**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  
23, R. N. Mukherjee Road, 5th Floor, Kolkata- 700 001  
Telephone No: (033) 2243-5809 / 2248-2248  
E Mail: mdpldc@yahoo.com

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

**Plant Location**

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

**Compliances****Mandatory Requirements**

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

A secretarial audit report for the year 2018-19 carried out by M/s. Shristi Garg & Associates, (CP No.: 17447, ACS: 47506), Company Secretaries is annexed to the Directors Report and forms a part of the Annual Report.

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

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

**Shareholders Rights :**

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

**Audit Qualification :**

No Audit Qualifications are given by the Auditors in their Auditors Report.

**Separate posts of Chairman and CEO:**

There are no separate posts for Chairman and CEO.

**Reporting of Internal Auditor:**

The internal auditor reports to audit committee.

**General Shareholders Information Annual General Meeting**

- ◆ Date : 30<sup>th</sup> September, 2019
- ◆ Day : Monday
- ◆ Time : 10:30 A.M.
- ◆ Venue : Bengal National Chamber of Commerce & Industry, 23, R. N. Mukherjee Road, Kolkata – 700 001

**Book Closure**

The dates of book closure are from 23<sup>rd</sup> September, 2019 to 30<sup>th</sup> September, 2019 (inclusive of both days). No dividend recommended considering the closure of the factory of the company.

**Listing**

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

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

**SHARE TRANSFER SYSTEM**

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

**Stock Market Data**

*Bombay Stock Exchange Limited*

Market Price Data as compared to closing Sensex during 2018-2019:

Month	HIGH (Rs.)	LOW (Rs.)	Close (Rs.)	No of Shares Traded	No of Trades
Apr 18	4.05	4.05	3.85	3.85	740
May 18	3.66	4.04	3.15	3.15	4,836
Jun 18	3.00	3.00	2.85	2.85	986
Jul 18	2.85	2.85	2.85	2.85	2
Aug 18	2.85	2.85	2.85	2.85	298
Sep 18	2.75	2.85	2.71	2.71	350
Oct 18	2.71	2.71	2.71	2.71	60
Nov 18	2.71	2.80	2.71	2.80	164
Dec 18	2.66	2.66	2.66	2.66	121
Mar 19	2.66	2.66	2.55	2.55	213

## Distribution of Shareholding as on 31st March, 2019

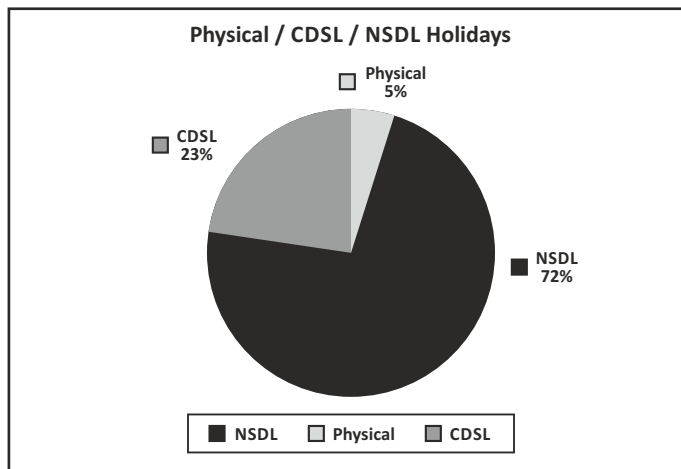
Shareholding	Holders	Percentage %	No of shares	Percentage %
Upto 500	6965	92.4844	1009181	6.2583
501 to 1000	297	3.9437	239470	1.4850
1001 to 2000	125	1.6598	194504	1.2062
2001 to 3000	45	0.5975	113919	0.7084
3001 to 4000	14	0.1859	50614	0.3139
4001 to 5000	22	0.2921	101567	0.6299
5001 to 10,000	28	0.3718	192088	1.1912
10001 and above	35	0.4647	14223757	88.2072
<b>Grand Total</b>	<b>7531</b>	<b>100.0000</b>	<b>16125400</b>	<b>100.0000</b>

## Shareholding pattern as on 31st March, 2019

Category Code	Category	Total Shares	% of Share Capital
A	<b>Shareholding of Promoter &amp; Promoter Group</b>		
	1. Indian Promoters	3053662	18.9369
	2. Foreign Promoters	7195868	44.6244
	<b>Sub – Total</b>	<b>10249530</b>	<b>63.5613</b>
B	<b>Public Shareholding</b>		
	<b>1. Institutions</b>		
	a. Mutual Funds / UTI	6,700	0.05
	b. Financial Institutions / Banks	300	0.00
	c. Central Govt. / State Govt.	Nil	Nil
	d. F.I.I	Nil	Nil
	<b>2 Non Institutions</b>		
	a. Bodies Corporate	315761	1.96
	b. Individual Holding		
	i. Nominal Share Capital up to Rs 1Lakh	1856461	12.69
	ii. Nominal Share Capital in excess of Rs. 1 Lakh	3637609	21.38
	Non Resident Individual	9363	0.06
	Others	49676	0.31
	<b>Sub Total</b>	<b>5875870</b>	<b>36.44</b>
	<b>Grand Total</b>	<b>16125400</b>	<b>100.00</b>

**Physical/NSDL/CDSL/Summary Report as on 31st March, 2019**

PARTICULARS	HOLDERS	SHARES	PERCENTAGE (%)
PHYSICAL	4710	778203	4.82
NSDL	1901	11685711	72.47
CDSL	1064	3662486	22.71
<b>TOTAL</b>	<b>7675</b>	<b>16125400</b>	<b>100.0000</b>



**ADDRESS OF CORRESPONDENCE**

Shareholders may contact:

**Mr. Malay Chakrabarty**  
(Executive Director)

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

**TO WHOMSOEVER IT MAY CONCERN**

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

Place: Kolkata  
Date: 28<sup>th</sup> August, 2019

Ankit Jalan  
Executive Director  
DIN:02577501

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

**TO THE MEMBERS OF  
AGIO PAPER & INDUSTRIES LIMITED**

I have examined the compliance of conditions of Corporate Governance by Agio Paper & Industries Limited ("the Company"), for the year ended on March 31, 2019, as stipulated in:

Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Management, I certify that the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreements and the Listing Regulations as applicable.

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

**For Shristi Garg & Associates  
Company Secretaries**

**Shristi Garg  
Partner  
C.P. - 17447**

## INDEPENDENT AUDITOR'S REPORT

To the Members of AGIO PAPER & INDUSTRIES LIMITED  
**Report on the Audit of the Financial Statements**

### Qualified Opinion

We have audited the accompanying Ind AS financial statements of Agio Paper & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit & Loss (including the Statement of Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS ") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We draw attention to the note no. 34 of the financial statement regarding suspension of the operation at the factory due to reasons mentioned in the note and disposal of substantial portion of the plant & machinery and capital work in progress. These conditions indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the statement has been prepared on a going concern basis for the reasons stated in the above mentioned note. The appropriateness of the said basis is inter alia dependent on the Company's ability to infuse requisite funds for meeting its obligations, and resuming operations.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143(3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - iii. The Balance Sheet, Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - iv. In our opinion, except for the matter referred to in "Basis for Qualified Opinion" section of our report, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
  - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - vi. On the basis of written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.
  - vii. The qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion paragraph above.
  - viii. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- ix. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any managerial remuneration to its Directors.

- x. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigation as on March 31, 2019 on its financial position in its financial statement – refer note no. 32
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For J K V S & CO  
(Formerly Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Registration No.308186E

Place: Kolkata  
Date: May 30, 2019

Abhishek Mohta  
Partner  
Membership No.066653

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Agio Paper & Industries Limited of even date)

**i. In respect of the Company's fixed assets:**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipments.
  - b) *According to the explanation provided to us by the management, due to non-operation of factory during the whole year, physical verification of the property, plant and equipments could not be carried out.*
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.
- ii. According to the information and explanation given to us, the inventories (excluding inventories lying with third parties), have been physically verified by the internal auditors during the year. The discrepancies noted on physical verification between the physical stock and the book records were not material.
  - iii. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
  - iv. In our opinion and according to the information and explanation provided to us, the Company has not made any loans or investments during the year. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
  - v. The Company has not accepted deposits from public within the meaning of section 73 to 76 of the Act and the Rules framed there under to the extent notified.
  - vi. According to the information and explanations given to us, the maintenance of cost records under section 148(1) of the Act has not been prescribed and as such, paragraph 3(vi) of the Order is not applicable to the Company.
  - vii. According to the information and explanations given to us and on the basis of our examination of the books of account:
    - a) The Company has generally been regular in depositing to the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, duty of customs, goods & service tax, cess and other statutory dues. No undisputed statutory dues as above were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, the details of disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise & value added tax, which have not been deposited and the forum where the dispute is pending as on March 31, 2019 are as under :-

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

- i. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks. Based on the audit procedures and on the basis of information and explanations given by the management, the company did not have any outstanding debentures or dues to the financial institution during the year.
- ii. According to the information and explanation given to us and based on our overall examination of the books of accounts, we report that the company has not availed any term loan facility during the year. Furthermore, the company has neither raised moneys through initial public offer nor through further public offer during the year.
- iii. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of material fraud by the Company or on the Company by its officers or employees nor have we been informed of any such cases by the management.
- iv. According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not paid any managerial remuneration accordingly, the provisions of section 197 of the Act read with Schedule V of the Act is not applicable on the Company.
- v. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- vii. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has made preferential allotment of 60,000 preference shares of Rs. 100 each during the year. The requirements of section 42 of the Act have been complied with and the amount raised is used for the purpose of which the funds were raised.

- viii. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- ix. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the company.

For J K V S & CO  
(Formerly Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Registration No.308186E

Place: Kolkata  
Date: May 30, 2019

Abhishek Mohta  
Partner  
Membership No.066653

## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 (vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Agio Paper & Industries Ltd. of even date)

### **Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statement of Agio Paper & Industries Ltd. (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2019, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For J K V S & CO  
(Formerly Jitendra K Agarwal & Associates)  
Chartered Accountants  
Firm Registration No.308186E

Place: Kolkata  
Date: May 30, 2019

Abhishek Mohta  
Partner  
Membership No.066653

**AGIO PAPER & INDUSTRIES LIMITED**  
**CIN No.: L21090WB1984PLC037968**  
**BALANCE SHEET as at 31st March, 2019**

(Amount in Rs.)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	5	13,887,735	35,294,155
Capital Work-In-Progress		217,004,666	308,045,872
Financial Assets			
Trade Receivables	6	-	-
Loans	7	668,000	476,915
Other Financial Assets	8	293,665	270,483
Deferred Tax Assets (net)	9	-	5,906,409
Other Non-Current Assets	10	7,179,272	7,677,743
<b>CURRENT ASSETS</b>			
Inventories	11	3,284,965	6,569,465
Financial Assets			
Cash and Cash Equivalents	12	304,925	2,983,381
Bank balances other than Note 12	13	250,000	1,350,000
Other Financial Assets	8	15,000	15,000
Other Current Assets	10	849,521	3,543,834
Current Tax Assets(net)	14	357,791	20,850
<b>Total Assets</b>		<b>244,095,540</b>	<b>372,154,107</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	15	161,273,500	161,273,500
Other Equity	16	(70,201,123)	8,136,402
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	17	57,693,604	51,471,403
Other Financial Liabilities	18	1,662,138	1,662,138
Provisions	19	4,008,012	3,953,830
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	20	80,820,000	83,700,000
Trade Payables	21		
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		3,694,150	3,127,008
Other Financial Liabilities	18	333,389	326,087
Provisions	19	231,731	201,923
Other Liabilities	22	4,580,139	52,413,962
Current Tax Liabilities ( Net)	23	-	5,887,854
<b>Total Equity and Liabilities</b>		<b>244,095,540</b>	<b>372,154,107</b>
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **J K V S & CO**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

For and on Behalf of the Board

**M Chakrabarty**

Director

DIN:03106149

**Ankit Jalan**

Executive Director

DIN:02577501

**ABHISHEK MOHTA**

Partner

Membership No. 066653

Kolkata

The 30th day of May, 2019

**R R Debata**  
Chief Financial Officer



## AGIO PAPER &amp; INDUSTRIES LIMITED

CIN No.: L21090WB1984PLC037968

## STATEMENT OF PROFIT &amp; LOSS for the year ended 31st March, 2019

		(Amount in Rs.)	
	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>INCOME</b>			
Other Income	24	116,025	187,365
<b>Total Income</b>		<b>116,025</b>	<b>187,365</b>
<b>EXPENSES</b>			
Employee Benefits Expense	25	1,634,232	1,924,185
Finance Costs	26	5,427,134	4,683,050
Depreciation and Amortisation Expense	27	975,015	1,677,307
Other Expenses	28	10,558,825	11,118,104
<b>Total Expenses</b>		<b>18,595,206</b>	<b>19,402,646</b>
<b>Profit before Exceptional Items and Tax</b>		<b>(18,479,181)</b>	<b>(19,215,281)</b>
Exceptional Items	29	65,017,046	32,195,140
<b>Profit before Tax</b>		<b>(83,496,227)</b>	<b>(51,410,421)</b>
Tax Expense:	30		
Current Tax		-	-
Deferred Tax		-	(5,596)
Income Tax for earlier years		-	-
<b>Profit for the year</b>		<b>(83,496,227)</b>	<b>(51,404,825)</b>
<b>Other Comprehensive Income</b>	31		
i. Items that will not be reclassified to profit or loss		(22,529)	21,522
ii. Income tax relating to these items		-	(5,596)
<b>Total Other Comprehensive Income for the Year (Net of Tax)</b>		<b>(22,529)</b>	<b>15,926</b>
<b>Total Comprehensive Income for the period</b>		<b>(83,518,756)</b>	<b>(51,388,899)</b>

**Earnings Per Share**

Nominal Value of Shares (Rs. 10)

Weighted Average Number of Ordinary Shares outstanding during the year

Basic &amp; Diluted Earnings Per Share

16,125,400	16,125,400
(5.18)	(3.19)

Basis of Accounting	2
Significant Accounting Policies	3
Significant Judgements & Estimates	4

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

**For J K V S & CO**

(Formerly Jitendra K Agarwal &amp; Associates)

Chartered Accountants

Firm Registration No. 318086E

**For and on Behalf of the Board****M Chakrabarty**

Director

DIN:03106149

**Ankit Jalan**

Executive Director

DIN:02577501

**ABHISHEK MOHTA**

Partner

Membership No. 066653

Kolkata

The 30th day of May, 2019

**R R Debata**

Chief Financial Officer

**AGIO PAPER & INDUSTRIES LIMITED**  
CIN No.: L21090WB1984PLC037968

**Statement of Change in Equity for the year ended 31st March, 2019**

a Equity Share Capital	No. of Shares	Amount in Rs.
Balance as at 31st March 2017*	16,125,400	161,273,500
Add: Changes in Equity Share Capital during the year	-	-
Balance as at 31st March 2018*	16,125,400	161,273,500
Add: Changes in Equity Share Capital during the year	-	-
Balance as at 31st March 2019*	<b>16,125,400</b>	<b>161,273,500</b>

\* Includes amount Rs. 19,500 received on forfeited shares (FY 1994-95)

**b Other Equity** (Amount in Rs.)

	Reserves & Surplus				Total
	Capital Redemption Reserve	Equity Component of Preference Shares	Security Premium	Retained Earnings	
<b>Balance as at 31st March, 2017</b>	10,000	221,808,928	50,627,000	(267,150,844)	<b>5,295,084</b>
Profit/(Loss) for the Year	-	-	-	(51,404,825)	(51,404,825)
Equity component of Preference Shares	-	54,230,217	-	-	54,230,217
Remeasurement Gain/(Loss)	-	-	-	21,522	21,522
Impact of Tax	-	-	-	(5,596)	(5,596)
<b>Total Comprehensive Income</b>	10,000	276,039,145	50,627,000	(318,539,743)	<b>8,136,402</b>
<b>Balance as at 31st March, 2018</b>	<b>10,000</b>	<b>276,039,145</b>	<b>50,627,000</b>	<b>(318,539,743)</b>	<b>8,136,402</b>

(Amount in Rs.)

	Reserves & Surplus				Total
	Capital Redemption Reserve	Equity Component of Preference Shares	Security Premium	Retained Earnings	
<b>Balance as at 31st March, 2018</b>	10,000	276,039,145	50,627,000	(318,539,743)	<b>8,136,402</b>
Profit/(Loss) for the Year	-	-	-	(83,496,227)	(83,496,227)
Equity Component of Preference Shares	-	5,181,231	-	-	5,181,231
Remeasurement Gain/(Loss)	-	-	-	(22,529)	(22,529)
Impact of Tax	-	-	-	-	-
<b>Total Comprehensive Income</b>	10,000	281,220,376	50,627,000	(402,058,499)	<b>(70,201,123)</b>
<b>Balance as at 31st March, 2019</b>	<b>10,000</b>	<b>281,220,376</b>	<b>50,627,000</b>	<b>(402,058,499)</b>	<b>(70,201,123)</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

**For J K V S & CO**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

**For and on Behalf of the Board**

**M Chakrabarty**

Director

DIN:03106149

**Ankit Jalan**

Executive Director

DIN:02577501

**ABHISHEK MOHTA**

Partner

Membership No. 066653

Kolkata

**R R Debata**

Chief Financial Officer

The 30th day of May, 2019

**AGIO PAPER & INDUSTRIES LIMITED**  
**CIN - L21090WB1984PLC037968**  
**Cash Flow Statement for the year ended 31st March, 2019**

(Amount in Rs.)

<b>(A) Cash flow from operating activities:</b>		
Net Profit before tax	(83,496,227)	(51,410,421)
<b>Adjustments for:</b>		
Depreciation and Amortisation Expenses	975,015	1,677,307
Sundry Balances/ Liabilities no longer required written back	(13,944)	(14,112)
Sundry balance written off	502,749	168,461
Provision for non moving items of Inventory	3,284,500	3,284,500
Loss on Sale/ Discard of Property, Plant & Equipment (Net of Exceptional Item)	65,017,046	32,235,529
Interest Expenses	5,427,134	4,683,050
Interest Income	(42,833)	(173,253)
<b>Operating Profit before working capital changes</b>	<b>(8,346,560)</b>	<b>(9,548,939)</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Trade Receivable & Other Assets	9,581	2,791,267
Increase/(Decrease) in Trade Payable & Other Liabilities	563,836	(859,491)
<b>Cash generation from/(used in) operations</b>	<b>(7,773,143)</b>	<b>(7,617,163)</b>
Direct Taxes (paid )/refund	<u>(206,856)</u>	<u>(16,482)</u>
<b>Net cash flow from/(used in) operating activities</b>	<b>(7,979,999)</b>	<b>(7,633,645)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment for Purchase of Property,Plant & Equipment	(114,406)	-
Proceeds from Sale of Capital Work in Progress and Property, Plant & Equipment	-	67,034,839
Bank Fixed Deposit	1,100,000	(1,100,000)
Interest Received	19,651	152,438
	<u>1,005,245</u>	<u>66,087,277</u>
<b>( C ) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	(23,702)	(74,624)
Repayment of Long Term Borrowings	1,200,000	(114,000,000)
Repayment of Short Term Borrowings (Net)	(2,880,000)	(4,700,000)
Proceeds from Issue of Preference Shares	6,000,000	62,800,000
	<u>4,296,298</u>	<u>(55,974,624)</u>
Net Increase/(Decrease) in Cash and Cash equivalents	<u>(2,678,456)</u>	<u>2,479,008</u>
<b>Cash and Cash equivalents as at 1st April</b>	<u>2,983,381</u>	<u>504,373</u>
<b>Cash and Cash equivalents as at 31st March</b>	<u>304,925</u>	<u>2,983,381</u>

Notes:

- Cash and cash equivalent at the year end represents cash in hand and bank balance with schedule banks as reflected in note 12 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 Ind AS 7 on 'Statement of Cash Flow'.

**AGIO PAPER & INDUSTRIES LIMITED**  
**CIN - L21090WB1984PLC037968**  
**Cash Flow Statement for the year ended 31st March, 2019**

(Amount in Rs.)

- 3 Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities

Particulars	As at	Cash Flows	Non Cash Changes		As at
	31st March, 2018		Fair Value	Accrued Interest	31st March, 2019
Long Term Borrowings	51,471,403	6,000,000	(5,181,231)	5,403,432	57,693,604
Other Financial Liabilities	-	1,200,000	-	-	1,200,000
Short Term Borrowings	83,700,000	(2,880,000)	-	-	80,820,000

- 4 Previous year's figures have been rearranged and/or regrouped, wherever necessary.

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed of even date

**For J K V S & CO**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

**For and on Behalf of the Board of Directors**

**M Chakrabarty**

*Director*

DIN:03106149

**Ankit Jalan**

*Executive Director*

DIN:02577501

Partner

Membership No. 066653

Kolkata

The 30th day of May, 2019

**R R Debata**

*Chief Financial Officer*

**1. CORPORATE AND GENERAL INFORMATION**

APIL is engaged in manufacturing of Writing & Printing paper. The paper manufactured by APIL finds application in printing of books, textbooks, brochures, pamphlets, including manufacturing of notebooks and office and computer stationery. The factory unit of APIL was originally set up for manufacturing of Writing, Printing and Kraft Paper with an installed capacity of 13,800 TPA and later increased to 15,500 MT. The unit is situated at Village Dhenka, P.O. Darrighat, Masturi at a distance of approx. 8 km from Bilaspur Distt., Chhattisgarh.

**2. BASIS OF ACCOUNTING****2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

**2.2 Basis of Measurement**

The financial statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities that is measured at Fair value/ Amortised cost;
- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell, and
- Defined Benefit Plans – plan assets measured at fair value.

**2.3 Functional and Presentation Currency**

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information is presented in INR.

**2.4 Use of Estimates and Judgements**

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

**2.5 Current Vs non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

#### **3.1 Inventories**

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Provision is made for obsolete and slow moving stocks where necessary.

#### **3.2 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

#### **3.3 Income Tax**

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

##### **3.3.1. Current Tax**

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

##### **3.3.2. Deferred Tax**

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts

of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 3.4 Property, Plant and Equipment

#### 3.4.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

#### **3.4.2. Subsequent Expenditure**

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

#### **3.4.3. Depreciation and Amortization**

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **3.4.4. Disposal of Assets**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

#### **3.4.5. Capital Work in Progress**

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

### **3.5 Leases**

#### **3.5.1. Company as lessor**

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.



**3.5.2. Company as Lessee**

Leases in which significant portion of risk and rewards of ownership are not transferred to the Company as lease are classified as operating leases. Payments made under operating leases (net of any incentives receipt from the lessor) are charged to profit or loss on a straight line basis over the period of the leases unless the payments are structured to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increases. Leases where the company assumes substantially all risks and rewards incidental to the ownership of the leases assets are classified as finance leases.

**3.6 Revenue Recognition**

The company derives revenue primarily from sale of writing and printing paper.

Effective 1 April 2018, the company has adopted IND AS 115 “Revenue from Contracts with Customers” which establishes a comprehensive framework for determining whether and how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted modified retrospective approach and would apply Ind AS 115 only retrospectively to the current period. The impact of the adoption of the standard on the financial statements of the company is insignificant.

**3.6.1. Interest Income**

For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**3.6.2. Other Income**

All the other income is recognized as and when the same is accrued.

**3.7 Employee Benefits****3.7.1. Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**3.7.2. Post Employment Benefits**

The Company operates the following post employment schemes:

**➤ Defined Benefit Plans**

The liability recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

➤ **Defined Contribution Plan**

Defined contribution plans such as provident fund etc are charged to the statement of profit and loss as and when incurred.

**3.7.3. Termination Benefit**

Expenditure incurred on Voluntary Retirement Scheme is charged to the Statement of Profit & Loss immediately.

**3.8 Borrowing Cost**

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

**3.9 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**3.9.1. Financial Assets**

➤ **Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

➤ **Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

➤ **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 3.9.2. Financial Liabilities

➤ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➤ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➤ **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

**3.10 Impairment of Non-Financial Assets**

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**3.11 Provisions, Contingent Liabilities and Contingent Assets**

**3.11.1. Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

**3.11.2. Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

**3.11.3. Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

### 3.12 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

### 3.13 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

### 3.14 Standards Issued but not yet Effective

The standard issued but not yet effective up to the date of issuance of the Company's financial Statements is disclosed below. The company intends to adopt this Standard when it becomes effective.

Standard	Description
Ind AS 19, Employee Benefits	The amendment clarifies the accounting for defined benefit plans on plan amendment, curtailment and settlement.
Ind AS 28, Investment in Associates and Joint Ventures	The amendment clarifies the accounting for the share of losses of an associate or joint venture after the equity interest has been reduced to nil.
Ind AS 109, Financial Instruments	The amendments enable entities to measure certain financial assets with prepayment features that may yield a negative compensation on prepayment.
Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements	Additional guidance was provided on acquisition accounting, where an entity obtained control of a joint operation (Ind AS 103), or where a participant in a joint control, obtained joint control over the same (Ind AS 111)
Ind AS 23, Borrowing Costs	The amendment clarifies the borrowing costs to be considered for finalisation.
Ind AS 12, Income Taxes – Annual Improvements	The amendment clarifies the accounting for income tax consequences on distribution of profits
Inserted Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments	The appendix provides clarification on the accounting for income taxes, when there is uncertainty over income tax treatments.
Ind AS 116, Leases	The Standard sets out the principles for the recognition, de recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. This standard shall come into force on 01 <sup>st</sup> day of April, 2019.

The management has assessed no material impact of the introduction of the standard on the financial statements.

#### 4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable assets (tangible):** Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

5 PROPERTY, PLANT AND EQUIPMENT (Amount in Rs.)

Particulars	Year Ended 31st March 2019							Net Carrying Amount
	Gross Block			Accumulated Depreciation			As at 31st March 2019	
	As at 31st March 2018	Additions	Disposals	As at 31st March 2019	As at 31st March 2018	For the Year		
Land & Land Development	958,276	-	-	958,276	-	-	-	958,276
Buildings	13,211,323	-	-	13,211,323	1,376,355	614,819	1,991,174	11,220,149
Plant and Machinery	21,698,039	114,406	21,698,039	114,406	1,152,228	7,385	7,385	107,021
Furniture and Fittings	2,669,583	-	-	2,669,583	1,053,768	346,844	1,400,612	1,268,971
Motor Vehicles	92,214	-	-	92,214	37,218	5,967	43,185	49,029
Office Equipments	174,822	-	-	174,822	-	-	-	174,822
Computers & Data Processing Units	109,467	-	-	109,467	-	-	-	109,467
<b>Total</b>	<b>38,913,724</b>	<b>114,406</b>	<b>21,698,039</b>	<b>17,330,091</b>	<b>3,619,569</b>	<b>975,015</b>	<b>1,152,228</b>	<b>13,887,735</b>

Particulars	Year Ended 31st March 2018							Net Carrying Amount
	Gross Block			Accumulated Depreciation			As at 31st March 2018	
	As at 31st March 2017	Additions	Disposals	As at 31st March 2018	As at 31st March 2017	For the Year		
Land & Land Development	958,276	-	-	958,276	-	-	-	958,276
Buildings	13,211,323	-	-	13,211,323	688,179	688,176	1,376,355	11,834,968
Plant and Machinery	21,698,039	-	-	21,698,039	709,208	443,020	1,152,228	20,545,811
Furniture and Fittings	2,669,583	-	-	2,669,583	529,611	524,157	1,053,768	1,615,815
Motor Vehicles	189,603	-	97,389	92,214	15,264	21,954	37,218	54,996
Office Equipments	174,822	-	-	174,822	-	-	-	174,822
Computers & Data Processing Units	109,467	-	-	109,467	-	-	-	109,467
<b>Total</b>	<b>39,011,113</b>	<b>-</b>	<b>97,389.00</b>	<b>38,913,724</b>	<b>1,942,262</b>	<b>1,677,307</b>	<b>3,619,569</b>	<b>35,294,155</b>



**AGIO PAPER & INDUSTRIES LIMITED**  
CIN No.: L21090WB1984PLC037968  
Notes to Financial Statements for the year ended 31st March, 2019

(Amount in Rs.)

	Refer Note No.	As at	
		31st March 2019	31st March 2018
<b>6 TRADE RECEIVABLES</b>			
Trade Receivables-Credit Impaired			
Less: Provision for doubtful receivables	6.1 & 6.2	2,983,320	2,983,320
<b>Total Trade Receivables</b>		<b>2,983,320</b>	<b>2,983,320</b>
<b>6.1</b> Trade receivables are non-interest bearing.			
<b>6.2</b> No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.			
<b>7 LOANS</b>			
<b>Other Loans and Advances</b>			
Loan to Employees - unsecured, considered good		668,000	476,915
Loan to Employees - Credit Impaired		6,000	6,000
Less: Provision for Doubtful Advance		(6,000)	(6,000)
<b>Total Loans</b>		<b>668,000</b>	<b>476,915</b>
<b>7.1</b> No Loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.			

	Refer Note No.	Long Term		Short Term	
		As at	As at	As at	As at
		31st March 2019	31st March 2018	31st March 2019	31st March 2018
<b>8 OTHERS FINANCIAL ASSETS</b>					
Security & Other Deposits		83,098	83,098	15,000	15,000
Interest Accrued on Deposits		210,567	187,385	-	-
		<b>293,665</b>	<b>270,483</b>	<b>15,000</b>	<b>15,000</b>

	Refer Note No.	As at	
		31st March 2019	31st March 2018
<b>9 DEFERRED TAX ASSETS (NET)</b>			
<b>Deferred Tax Liabilities</b>			
Arising on account of :			
Property, Plant & Equipment		(382,430)	5,025,014
		<b>(382,430)</b>	<b>5,025,014</b>
<b>Less: Deferred Tax Assets</b>			
Arising on account of :			
Section 43B of Income-tax Act		192,509	170,671
Provision for doubtful debts		1,226,555	1,226,555
Brought Forward Unabsorbed Losses		29,725,434	629,729
MAT Credit Entitlement		-	5,906,409
Others		3,852,029	2,998,059
		<b>34,996,527</b>	<b>10,931,423</b>
Deferred Tax Assets (Net)		<b>35,378,957</b>	<b>5,906,409</b>
<b>Less: Not Recognized in the Statement of Profit &amp; Loss</b>			
<b>Deferred Tax Asset(Net) as at Balance Sheet date</b>	9.10	<b>(35,378,957)</b>	<b>5,906,409</b>

9.1 The company has not recognized deferred tax in the Statement of Profit & Loss on account of prudence

9.2 Movement in deferred tax assets and liabilities during the year ended 31st March, 2018 and 31st March, 2019

	As at 31st March, 2018	Movement generated but not recognized	As at 31st March, 2019	Not Recognized	As at 31st March, 2019
<b>Deferred Income Tax Liabilities</b>					
Property, Plant & Equipment	5,025,014	(5,407,444)	(382,430)	(382,430)	-
	<b>5,025,014</b>	<b>(5,407,444)</b>	<b>(382,430)</b>		
<b>Deferred Income Tax Assets</b>					
Section 43B of Income-tax Act	170,671	21,838	192,509	192,509	-
Provision for doubtful debts	1,226,555	-	1,226,555	1,226,555	-
Brought Forward Unabsorbed Losses	629,729	29,095,705	29,725,434	29,725,434	-
MAT Credit Entitlement	5,906,409	(5,906,409)	-	-	-
Others	2,998,059	853,970	3,852,029	3,852,029	-
	<b>10,931,423</b>	<b>48,130,208</b>	<b>34,996,527</b>	<b>34,996,527</b>	<b>-</b>

	As at 1st April, 2017	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2018
<b>Deferred Income Tax Liabilities</b>				
Property, Plant & Equipment	4,889,776	135,238	-	5,025,014
	<b>4,889,776</b>	<b>135,238</b>		<b>5,025,014</b>
<b>Deferred Income Tax Assets</b>				
Section 43B of Income-tax Act	201,434	(25,167)	(5,596)	170,671
Provision for doubtful debts	1,214,761	11,794	-	1,226,555
Brought Forward Unabsorbed Losses	1,350,108	(720,379)	-	629,729
MAT Credit Entitlement	5,906,409	-	-	5,906,409
Others	2,123,473	874,586	-	2,998,059
	<b>10,796,185</b>	<b>140,834</b>	<b>(5,596)</b>	<b>10,931,423</b>

9.3 Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.



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Notes to Financial Statements for the year ended 31st March, 2019

(Amount in Rs.)

**15.4 Reconciliation of the number of shares at the beginning and at the end of the year**

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

**15.5 Terms/ Rights attached to Equity Shares :**

The Company has only one class of Ordinary shares having a face value of Rs. 10 per share and each holder of Ordinary shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors (except interim dividend) is subject to the approval of the shareholders in the Annual General Meetings. The claim of Ordinary Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

**15.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company**

The Company does not have any Holding Company or Ultimate Holding Company.

**15.7 Details of Equity Shareholders holding more than 5% shares in the Company**

	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Ordinary Shares of Rs. 10/- each fully paid</b>				
Murari Lal Jain	7,195,868	44.62%	7,195,868	44.62%
Arrow Syntex Private Limited	2,938,194	18.22%	2,938,194	18.22%
Anand Purohit	1,500,000	9.30%	1,500,000	9.30%
Bharat Mekani	1,500,000	9.30%	1,500,000	9.30%

**15.8** No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

**15.9** The Company has not allotted any equity shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

**15.10** No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

**15.11** No calls are unpaid by any Director or Officer of the Company during the year.

**16 OTHER EQUITY**

	Refer	As at	As at
	Note No.	31st March 2019	31st March 2018
Capital Redemption Reserve		10,000	10,000
Equity Component of Preference Shares		281,220,376	276,039,145
Security Premium		50,627,000	50,627,000
Retained Earnings		(402,058,499)	(318,539,743)
		<b>(70,201,123)</b>	<b>8,136,402</b>

The Description of the nature and purpose of each reserve within equity is as follows:

- a **Capital Redemption Reserve:** Capital Redemption reserve can be used as per the guidelines provided under Companies Act, 2013.
- b **Equity Component of Preference Shares:** This represents the equity component of the preference shares calculated based on the guidelines provided under Ind AS 32.
- c **Security Premium:** The amount received in excess of face value of equity shares is recognized in Securities Premium.
- d **Retained Earnings:** Retained earnings are the profits that the company has earned till date less any transfers to any reserves or dividend or distribution to shareholders.

**17 BORROWINGS**

**17.1 Non-Cumulative Redeemable Preference Shares  
(Face Value of Rs. 100/- each)**

Preference Shares of Rs. 100 each

	Refer	Non-Current Portion	
	Note No.	As at 31st March 2019	As at 31st March 2018
	17.3		
		57,693,604	51,471,403
		<b>57,693,604</b>	<b>51,471,403</b>
<b>Total</b>		57,693,604	51,471,403
Amount disclosed under the head "Other Financial Liability"		-	-
		<b>57,693,604</b>	<b>51,471,403</b>
<b>Break Up of Security Details</b>			
Secured		-	-
Unsecured		57,693,604	51,471,403
		<b>57,693,604</b>	<b>51,471,403</b>

**17.3 Rights, Preferences and Restrictions attached to Non Cumulative Redeemable Preference Shares**

- a The Company has issued total 32,56,605, 10% Non-cumulative Redeemable Preference Shares having par value of Rs. 100 each per share including 60,000 shares issued during the year. The entire preference shares have been issued on private placement basis to M/s Bengal Orion Financial Hub Limited in order to increase and strengthen the capital base of the company and to meet working capital requirement and general corporate purpose.
- b **Non Cumulative Redeemable Preference Shares held by each shareholder holding more than 5% shares**

	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>10% Non Cumulative Redeemable Preference Shares</b>				
Bengal Orion Financial Hub Limited	3,256,605	100.00%	3,196,605	100.00%



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		w	(Amount in Rs.)
		-	-
	Refer Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>24</b>	<b>OTHER INCOME</b>		
	Interest Income		
	On Banks Deposits	37,361	166,379
	On Other Deposits,etc	5,472	6,874
	Excess Provision/ Liabilities written back	13,944	14,112
	Insurance and Other Claims (Net)	59,248	-
	Other Miscellaneous Income	-	-
		<b>116,025</b>	<b>187,365</b>
<b>25</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries & Wages	1,363,786	1,673,271
	Contribution to Provident and Other Funds	203,430	196,361
	Staff Welfare Expenses	67,016	54,553
		<b>1,634,232</b>	<b>1,924,185</b>
<b>26</b>	<b>FINANCE COST</b>		
	<b>Interest Expenses</b>		
	Dividend on Preference Share Capital	5,403,432	4,608,426
	On Others	23,702	74,624
		<b>5,427,134</b>	<b>4,683,050</b>
<b>27</b>	<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
	On Property, Plant & Equipment	975,015	1,677,307
		<b>975,015</b>	<b>1,677,307</b>
<b>28</b>	<b>OTHER EXPENSES</b>		
	Stores, Spare Parts & Packing Materials Consumed	3,284,500	3,284,500
	Power & Fuel	472,129	460,436
	Repairs to Buildings	155,653	93,322
	Repairs to Machinery	9,357	21,568
	Repairs to Other Assets	21,312	16,750
	Auditors' Remuneration	225,000	234,000
	Rent, Rates & Taxes	90,193	176,879
	Insurance	3,920	141,460
	Bad debt & Advances written off	502,749	168,461
	Loss on Sale/ Discard of Property, Plant & Equipment (Net)	-	40,389
	Legal and Professional Charges	516,260	351,087
	Security Services	2,139,972	2,393,488
	Commission on Sale of Property, Plant & Equipment	1,500,000	1,000,000
	Travelling & Conveyance Expenses	259,454	124,433
	Listing & Filing Fees	413,671	1,310,752
	Other Expenses	964,655	1,300,579
		<b>10,558,825</b>	<b>11,118,104</b>
<b>28.1</b>	<b>Auditors' Remuneration</b>		
<b>a</b>	Statutory Auditors		
	Audit Fees	125,000	125,000
	Issue of Certificates	100,000	100,000
	Reimbursement of Expenses	-	9,000
		<b>225,000</b>	<b>234,000</b>
<b>29</b>	<b>EXCEPTIONAL ITEM</b>		
	Loss on Sale/ Discard of Property, Plant & Equipment/Capital Work in Progress (Net)	65,017,046	32,195,140
		<b>65,017,046</b>	<b>32,195,140</b>
<b>30</b>	<b>TAX EXPENSE</b>		
	Current Tax	-	-
	Deferred Tax	-	(5,596.00)
		<b>-</b>	<b>(5,596.00)</b>
<b>30.1</b>	<b>Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of profit &amp; loss</b>		
	Income before Income Taxes	(83,496,227)	(51,410,421)
	Indian Statutory Income Tax Rate	26.00%	25.75%
	Estimated income Tax Expenses	<b>(21,709,019)</b>	<b>(13,238,183)</b>
	<b>Tax effect of adjustments to reconcile expected Income tax expense to reported Income Tax Expenses</b>		
	Exempt Income	14,766	14,766
	Tax Payable at different rate	16,904,432	8,370,736
	Expenses not allowed under Income Tax	3,868,503	4,214,935
	Deferred Tax not recognized on unabsorbed losses	921,318	632,150
	Others	<b>21,709,019</b>	<b>13,232,587</b>
	Income Tax Expenses as per Statement of Profit & Loss	-	(5,596)
<b>30.2</b>	Applicable Indian Statutory Income Tax rate for Fiscal Year 2019 & 2018 is 26.00% & 25.75% respectively.		
<b>31</b>	<b>OTHER COMPREHENSIVE INCOME</b>		
	<b>Items that will not be reclassified to profit or loss</b>		
	Remeasurement of the defined benefit plans	(22,529)	21,522
	Less: Tax expense on the above	-	(5,596)
		<b>(22,529)</b>	<b>27,118</b>
	<b>Total</b>	<b>(22,529)</b>	<b>27,118</b>

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**Notes to Financial Statements for the year ended 31st March, 2019**

(Amount in Rs.)

**32 Contingent Liabilities**

**32.1 Claims/Disputes/Demands not acknowledged as debts -**

Sl. No.	Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
a	Disallowance of Modvat Credit on input items Felts & etc from November, 1991 to May, 1992	320,192	320,192
b	Income Tax demand for the assessment year 2010-11	1,273,395	-

**32.2 Civil Cases Pending**

Sl. No.	Party	Before the Court	Nature	Brief Description	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
a	Rajakshmi Chemical Industries	Learned Civil Judge (Sr. Division)-Pune	Against Supply of Material	Suit claiming a decree with interest from the date of suit till completion	241,000	241,000

**32.3** In respect of the matters in note no. 32.1 & 32.2, future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/authorities. Furthermore, there is no possibilities of any reimbursements to be made to the company from any third party.

**33 Operating Leases**

The Factory land at Bilaspur is obtained on operating lease. The lease terms are for 99 years and are renewable for further period either mutually or at the option of the Company. There are neither any restrictions nor any escalation clause in lease arrangements. There are no subleases. The leases are cancellable.

Particulars	2018-19	2017-18
Lease Payment made for the Year	10,462	10,462

**The Minimum Rentals Payable under Operating Leases for non-cancellable arrangements are as follows:**

Particulars	2018-19	2017-18
Within One Year	10,462	10,642
After one Year but not more than Five Years	42,568	42,568
More than Five Years	617,258	627,720

**34** The Operation of the paper factory at Bilaspur is under suspension since 6th October, 2010 due to pollution control issues. The company has disposed off its entire plant & machinery and substantial portion of CWIP during the year. The management of the company is considering various alternative business plans to utilize the remaining PPE of the company. In view of the same and on the basis of comfort letter received from a promoter company confirming their financial support, the going concern basis is maintained. Further the management does not foresee any impairment in the remaining PPE of the company.

**35 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013**

**35.1 Defined Contribution Plan:**

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

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Provident Fund	74,858	69,931
Employee State Insurance Scheme	44,496	40,985

**35.2 Defined Benefit Plan:**

The following are the types of defined benefit plans:

**a Gratuity Plan**

15 days salary for every completed year of service. Vesting period is 5 years and payment is restricted to Rs. 10 lacs. 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.

**b Risk Exposure**

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

<b>Interest Rates Risk</b>	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
<b>Salary Inflation Risk</b>	Higher than expected increases in salary will increase the defined benefit obligation.
<b>Demographic Risks</b>	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

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<b>Actuarial Risk</b>	It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons: <b>Adverse Salary Growth Experience:</b> Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected. <b>Variability in mortality rates:</b> If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate. <b>Variability in withdrawal rates:</b> If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
<b>Liquidity Risk</b>	Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.
<b>Market Risk</b>	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa.

**c Reconciliation of the net defined benefit (asset)/ liability**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	656,428	782,267
Current Service Cost	39,112	35,197
Interest Cost on Defined Benefit Obligation	44,965	50,248
Actuarial Gain and Losses arising from		
Changes in demographic assumptions	(274)	3,059
Changes in financial assumptions	12,785	(4,811)
Experience Adjustment	10,018	(19,770)
Benefits Paid	(22,615)	(189,762)
Balance at the end of the year	740,418	656,428

**d Expenses recognized in the Statement of Profit & Loss**

Particulars	Gratuity	
	2018-19	2017-18
Current Service Cost	39,112	35,197
Interest Cost	44,965	50,248
Expenses recognized in Statement of Profit & Loss	84,077	85,445

**e Remeasurements recognized in other comprehensive income**

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (gain)/ Loss on defined benefit obligation	22,528	(21,522)

**f Asset-Liability Matching Strategy**

The Company has not funded its gratuity liability as a very few of its employees are being continued for gratuity being accrued to them and moreover, the company's financial health is not permitting such funding. Hence, the scheme is unfunded and the company has planned out that the payment of gratuity to the employees will be made from the operating cash generated by the company.

**g Actuarial Assumptions**

Particulars	Gratuity	
	2018-19	2017-18
<b>Financial Assumptions</b>		
Discount Rate	6.97%	7.31%
Salary Escalation Rate	5%	5%
<b>Demographic Assumptions</b>		
Mortality Rate	(% of IALM 2006-08)	(% of IALM 2006-08)
Withdrawal Rate	5%	5%

**h** 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.

**i Maturity Profile of Defined Benefit Obligations**

Expected benefits payment	As at	As at
	31st March, 2019	31st March, 2018
Year 1	231,731	201,923
Year 2	15,284	182,762
Year 3	10,994	16,129
Year 4	10,553	15,051
Year 5	92,560	14,043
Above 5 years	379,296	226,520

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Notes to Financial Statements for the year ended 31st March, 2019

(Amount in Rs.)

**j Sensitivity Analysis**

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity	
	2018-19	2017-18
Effect on DBO due to 1% increase in Discount Rate	716,278	638,156
Effect on DBO due to 1% decrease in Discount Rate	752,475	676,303
Effect on DBO due to 1% increase in Salary Escalation Rate	752,749	676,887
Effect on DBO due to 1% decrease in Salary Escalation Rate	715,748	637,272
Effect on DBO due to 1% increase in Attrition Rate	734,186	657,517
Effect on DBO due to 1% decrease in Attrition Rate	733,216	655,277

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the

36 Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

**37 Related Party Disclosures**

37.1 Related parties with whom transactions have taken place during the year and previous year are:

Party having significant influence over the Company	Arrow Syntax Private Limited
Key Management Personnels	Ankit Jalan (Whole Time Director)
	Kamal Kumar Khetawat
	Umesh Kumar Dhanuka
	Mohini Agarwal
	Malay Chakrabarty

**37.2 Related Party Transactions**

Particulars	2018-19		2017-18	
	Parties having significant influence over the Company	Key Management Personnel	Parties having significant influence over the Company	Key Management Personnel
Unsecured Loan taken during the year	-	1,200,000	5,066,575	-
Unsecured Loan repaid during the year	3,080,000	1,000,000	9,766,575	-
Remuneration Paid		111,716		-

**37.3 Balance Outstanding as at the balance sheet date**

Particulars	As at	As at
	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Unsecured Loan Payable	80,820,000	83,700,000

**37.4 Terms and Conditions of transactions with Related Parties**

The Company has taken loan from Enterprises owned/influenced by Key Management Personnel (KMP) or their relatives as well as from KMP's. The loan is unsecured, repayable on demand and interest free.



## AGIO PAPER &amp; INDUSTRIES LIMITED

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Notes to Financial Statements for the year ended 31st March, 2019

(Amount in Rs.)

## 38 Fair value of Financial Assets and Financial Liabilities

Particulars	31st March 2019		31st March 2018	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Non-Current Financial Assets</b>				
Trade Receivables		-		-
Loans		668,000		476,915
Other Financial Assets		293,665		270,483
<b>Current Financial Assets</b>				
Trade Receivables		-		-
Cash and Cash Equivalents		304,925		2,983,381
Bank Balances other than above		250,000		1,350,000
Loans		-		-
Other Financial Assets		210,567		187,385
<b>Total Financial Assets</b>	-	<b>765,492</b>	-	<b>4,520,766</b>

Particulars	31st March 2019		31st March 2018	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Non-Current Financial Liabilities</b>				
Borrowings		57,693,604		51,471,403
Other Financial Liabilities		1,662,138		1,662,138
<b>Current Financial Liabilities</b>				
Borrowings		80,820,000		83,700,000
Trade Payables		3,694,150		3,127,008
Other Financial Liabilities		333,389		326,087
<b>Total Financial Liabilities</b>	-	<b>333,389</b>	-	<b>326,087</b>

## Note:

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

## 39 Fair Values

- 39.1 The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

**AGIO PAPER & INDUSTRIES LIMITED**  
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(Amount in Rs.)

**40 Financial Risk Management**

The Company's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The Company's financial assets include trade and other receivables, cash and cash equivalents and deposits.

The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**40.1 Credit Risk**

**Trade Receivables**

Ageing schedule	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due
Gross carrying amount	-	-	-	-	2,983,320
Expected loss rate	-	-	-	-	100%
Expected credit losses (Loss allowance provision)	-	-	-	-	2,983,320
Carrying amount of trade receivables (net of impairment)	-	-	-	-	-

Reconciliation of loss allowance provision –	Trade Receivables	Loans and Deposits
Loss allowance on 31st March 2017	2,983,320	6,000
Changes in loss allowance	-	-
Loss allowance on 31 March 2018	2,983,320	6,000
Changes in loss allowance	-	-
Loss allowance on 31 March 2019	2,983,320	6,000

**40.2 Liquidity Risk**

a The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Trade payables	3,694,150					3,694,150
Borrowings						-
Preference Shares					57,693,604	57,693,604
Rupee Term Loan	-					-
Short Term Borrowings	80,820,000					80,820,000
Other financial liabilities	333,389			1,662,138		1,995,527
<b>Total</b>	<b>84,847,539</b>	<b>-</b>	<b>-</b>	<b>1,662,138</b>	<b>57,693,604</b>	<b>144,203,281</b>

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
<b>Non-derivative</b>						
Trade payables	3,127,008					3,127,008
Borrowings						-
Preference Shares					51,471,403	51,471,403
Rupee Term Loan	-	-	-			-
Short Term Borrowings	83,700,000					83,700,000
Other financial liabilities	326,087			1,662,138		1,988,225
<b>Total</b>	<b>87,153,095</b>	<b>-</b>	<b>-</b>	<b>1,662,138</b>	<b>51,471,403</b>	<b>140,286,636</b>

**40.3 Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, etc

**40.3.1 Foreign Exchange Risk**

The company does not have any exposure in foreign currency at the year end of 31st March 2019 and 31st March 2018. Hence the risk of foreign exchange fluctuation is nil.

**40.3.2 Interest Rate Risk**

The company does not have any exposure to Interest Rate risk as on 31st March 2019 and 31st March 2018

**AGIO PAPER & INDUSTRIES LIMITED**

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Notes to Financial Statements for the year ended 31st March, 2019

(Amount in Rs.)

**41 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

**42 Segment Reporting**

The Company's business activities fall within a single primary reportable segment viz., Writing & Printing Paper. Accordingly, pursuant to Indian Accounting Standard-108 on Segment Reporting, Segmental Information is not given.

**43** The previous year figures are reclassified where considered necessary to conform to this year's classification.

The accompanying notes are an integral part of the Financial Statements

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As per our Report annexed of even date

**For J K V S & CO**

(Formerly Jitendra K Agarwal & Associates)

Chartered Accountants

Firm Registration No. 318086E

**For and on behalf of the Board of Directors****M Chakrabarty**

Director

DIN:03106149

**Ankit Jalan**

Executive Director

DIN:02577501

**ABHISHEK MOHTA**

Partner

Membership No. 066653

Kolkata

**R R Debata**

Chief Financial Officer

The 30th day of May, 2019

Route map to the venue of the 34th AGM of Agio Paper & Industries Ltd.



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



## AGIO PAPER & INDUSTRIES LTD.

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

CIN: L21090WB1984PLC037968

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

### ATTENDANCE SLIP

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

I hereby record my presence at 34th Annual General Meeting to be held on Monday the 30th September, 2019 at 10:30 A. M at Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23 R. N. Mukherjee Road, Kolkata - 700 001

Regd. Folio No:	Name of the Share Holder/Proxy (in Block letters)	Signature
DP ID No		
Client ID No.		



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### PROXY FORM

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

Name of the member (s): \_\_\_\_\_  
Registered address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Folio No/ Client Id: \_\_\_\_\_  
DP ID: \_\_\_\_\_

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

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the company to be held on Monday the 30<sup>th</sup> September, 2019 at 10:30 A. M at Auditorium of Bengal National Chamber of Commerce & Industry, Bengal National Chamber House, 23, R.N. Mukherjee Road, Kolkata – 700001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution Proposed
	<b>Ordinary Business</b>
1	To consider and adopt the audited financial statements of the Company for the year ended 31st March 2019, together with the Report of the Directors and Auditors' thereon.
2	To appoint a director in place of Mr. Ankit Jalan (DIN: 02577501), who retires by rotation and being eligible offers himself for re- appointment.
	<b>Special Business</b>
3	To appoint Mr. Umesh Kumar Dhanuka (DIN: 01666884) as an Independent Director of the Company
4	To appoint Mr. Malay Chakrabarty (DIN: 03106149) as a Director of the Company
5	Issue of 10% Non-cumulative Redeemable Preference Shares on Private Placement Basis

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

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

**2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 34th Annual General Meeting dated 28th August, 2019.**



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

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**Mill : Agio Paper & Industries Ltd.**

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