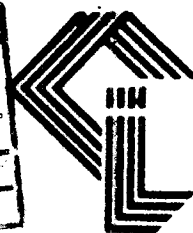
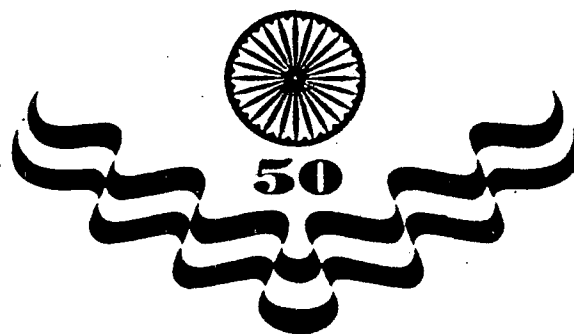


SEVENTEENTH
ANNUAL REPORT
1996-97

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SEI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



COSBOARD
INDUSTRIES LIMITED





BOARD OF DIRECTORS

Ratan kumar Gilra

Chairman & Managing Director

Pravat Ch. Mohapatra

O.S.F.C. Nominee

Hari Shankar Gilra

Gurucharan Singh Gill

Manoj kumar Gilra

Whole Time Director

Anil kumar Gilra

Whole Time Director

AUDITORS

L.N. More & co.

Chartered Accountants

Cuttack

BANKERS

State Bank Of India

REGISTRARS & SHARE TRANSFER AGENTS

BIG SHARE SERVICES PVT. LTD

J/12, ANSA INDUSTRIAL ESTATE,
SAKIVIHAR ROAD, SAKINAKA,
ANDHERI (E)

MUMBAI-400072

REGISTERED OFFICE

Paper palace Building

Bajrakbati Road

Cuttack-753001

FACTORY

New Industrial Estate

Phase II

Jagatpur

Cuttack-753021

(ORISSA)

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COSBOARD INDUSTRIES LIMITED
NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of COSBOARD INDUSTRIES LIMITED will be held on Tuesday the 30th day of September, 1997 at 11.00 A.M. at Utkal Chamber of Commerce and Industries, Barabati Stadium, Cuttack to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Account of the company for the financial year ended 31st March 1997, the Balance Sheet, Profit and Loss Account as at that date and the Reports of Directors and Auditors thereon.
2. To apponit a Director in place of Shri Hari shankar Gilra who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint Auditors to held office from the conclusion of this meeting until the conslusion of next Annual Genera! Meeting and to fix their remuneration.

BY ORDER OF THE BOARD

PLACE : CUTTACK

DATE: 29th August, 1997

Sd/
RATAN KUMAR GILRA
MANAGING DIRECTOR

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and share Transfer Books of the Company will be closed from 16th September, 1997 to 30th September, 1997 (both days inclusive) in connection with the Annual General Meeting.
3. Member / proxies attending this meeting are requested to bring with them the following:
 - i) Copy of the **Notice and Annual Report** (as no copies thereof would be distributed at the meeting).
 - ii) The **Attendance slip** duly completed.
4. Members are requested to communicate all their correspondence including Change of Address and share Transfer to :

REGISTRAR AND SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.
J/12, ANSA INDUSTRIAL ESTATE,
SAKTI VIHAR ROAD,
SAKINAKA, ANDHERI (E),
MUMBAI - 400072.

REGD. OFFICE

COSBOARD INDUSTRIES LIMITED
PAPER PALACE BUILDING,
BAJRAKABATI ROAD,
CUTTACK: 753001.


COSBOARD INDUSTRIES LIMITED
DIRECTORS' REPORT

Your Directors have pleasure in presenting their Annual Report and Audited Accounts of the financial year ended 31st March, 1997.

FINANCIAL RESULTS :

	(Rs. in Lakhs)	
	1996-97	1995-96
Turnover during the year	977.33	717.71
Profits before Depreciation & Tax	38.78	107.11
Less: Depreciation	35.53	21.80
Profits before Tax	3.25	85.31
Provision for Tax	1.00	1.00
Profit after Tax	2.25	84.31
Add: Depreciation Written Back	- -	20.90
Past year adjustment	- -	0.05
Profit & (Loss) Brought Forward	81.73	4.44
less: Dividend	- -	17.97
Transfer to General reserve	- -	10.00
Balance carried forward	83.98	81.73

OPERATIONS

In spite of difficult year, company was able to produce more and sell more all of its products. However, there was considerable reduction in operating margins due to sharp fall in selling prices, increase in interest burden and power charges. Net earnings have also gone down due to increase in provisions for depreciation.

DIVIDEND

Having regard to the considerable reduction in the net earnings of the company the Directors do not recommend any dividend for the year 1996-97 (previous year 5%) on the company's equity shares with a view to conserving the resources for the future.

PERFORMANCE VERSUS PROJECTION

In compliance with clause 43 of the listing agreement with the Stock Exchange, the actual performance of the Company for the year 1996-97 versus the projections for the year as indicated in the company's prospectus dated.29.11.94 is given below :


COSBOARD INDUSTRIES LIMITED

PARTICULARS	ACTUAL (Rs.In Lakhs)	PROJECTED (Rs.In Lakhs)
TURNOVER	977.33	1272.00
OPERATING PROFIT	6.01	242.59
PROFIT AFTER TAX	2.25	165.28

The variations between the projected and actual performance during the year are due to adverse market conditions, reduced selling price, higher interest charges, and liquidity crunch.

FINANCE

The company has fully met its commitments regarding payment of interest and repayment of loans to financial institutions.

FUTURE OUTLOOK

It is a pleasure of the Board to inform you that the installation of writing and printing paper plant is in the pipe line, and the same has not been taken up due to adverse scenario in the paper market during the year 1996-97. However, your Directors feel that it will be considered upon the situation improves in the coming years.

CONTRIBUTION TO EXCHEQUER

Your Company's contribution towards the Government revenue during the year under review by way of sales tax, Excise duty and income tax was Rs.57.47 lakhs.

FIXED DEPOSITS

During the year the company has not accepted any fixed deposits within the meaning of Sec.58 A of the Company Act, 1956.

EXPENDITURE ON R&D

Research development and improvement of products is an inbuilt on going activity within the existing manufacturing operation of the Company. Expenditure on R & D is not separately allocated and identified.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company does not require any technical know-how as the process of manufacturing is conventional one. The company does not have any separate technical arrangement for running the unit.

PARTICULARS OF EMPLOYEES AND INDUSTRIAL RELATIONS

Disclosure of particulars of employees as required under Section 217(2a) of the Companies Act 1956 are given in Annexure -II to this report.

Your Directors are proud to state that like the past years the industrial relationship throughout the period is quite satisfactory. The Directors wish to record their sincere appreciation of



COSBOARD INDUSTRIES LIMITED

the diligence co-operation and support rendered by the employees of your company.

CONSERVATION OF ENERGY

As required under Companies (disclosure of particulars in the Report of Board of Directors) Rule 1988 the necessary particulars regarding conservation of energy are given in Annexure-I to this report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Article of association, Shri Hari shankar Gilra, Director of the company retires by rotation from the Board of Directors and being eligible offer himself for reappointment.

Mr. Anil kumar Gilra, whole time Director has resigned from the office of whole time Director with effect from 1.9.1997. He will continue as a Director not in whole time basis from that date.

AUDITORS

The Auditors of your company M/s. L.N. More & Company retires at the forthcoming Annual General meeting and being eligible, offer themselves for reappointment.

APPRECIATION

Your Company and the Directors wish to extend their sincere thanks to the Government, the Financial institution and Commercial Banks for their continuing co-operation and assistance.

For and on behalf of the Board of Directors

sd/-

Place: Cuttack

Date: 29th August, 1997

RATAN KUMAR GILRA

CHAIRMAN AND MANAGING DIRECTOR


ANNEXURES - I TO DIRECTORS' REPORT

Information under Section 217 (1) (c) of the Companies Act read with companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 1997.

CONSERVATION OF AGENCY

Energy conservation measures taken- Energy conservation continues to receive top priority in the company. The company follows a strict schedule of preventive maintenance and servicing of all its energy intensive machines and equipment to ensure that they operate at optimum energy consumption level.

- (i) Additional capacitor Bank installed for improvement of power factor.
- (ii) Rationalisation of transformer capacity.
- (iii) Installation of fluidised combustion boiler resulting use of high & low grade of coal simultaneously.

IMPACT OF MEASURES TAKEN

Energy conservation measures stated above have resulted in gradual savings Total energy consumption and energy consumption per unit of production as per prescribed in Form A.

FORM A

Form for disclosure of particulars with respect of conservation of energy.

A. POWER AND FUEL CONSUMPTION		1996-97	1995-96
1. ELECTRICITY			
a) Purchased Units		1264740	1473681
Total Amount		76,07,419.75	4178596.95
Rate/Unit		6.01	2.84
b) Own Generation			
Through Diesel Generator Units		1619	10359
Units per lit of diesel oil		8.10	8.10
Total cost		13110.05	83903.95
cost/Unit		16.89	16.88
2. COAL			
Unit (M. T)		8247.700	5393.100
Amount		4564710.98	4091403.10
cost/unit		553.45	758.64