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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



**EIGHTEENTH
ANNUAL REPORT
1997-98**

BOARD OF DIRECTORS

Ratan Kumar Gilra
Chairman & Managing Director
Pravat Ch. Mohapatra
O.S.F.C. Nominee
Hari Shankar Gilra
Gurucharan Singh Gill
Anil Kumar Gilra
Manoj 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 18th Annual General Meeting of COSBOARD INDUSTRIES LIMITED will be held on Monday the 21st day of September, 1998 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 Audited statements of Accounts for the year ended on 31st March, 1998 together with the Reports of Directors' and Auditors' thereon.
2. To apponit a Director in place of Shri Anil Kumar Gilra who retires by rotation and being eligible, offers himself for reappointment.
3. To Appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD

Sd/

PLACE: CUTTACK

RATAN KUMAR GILRA

DATE: 10th August, 1998.

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 remain closed from 16th September, 1998 to 21st September, 1998 (both days inclusive) in connection with the Annual General Meeting.
3. Members/ Proxies attending this meeting are requested to bring with them the followings:
 - 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. The unpaid Dividend's that are due for transfer to the central Government are as Follows:

<u>Financial year ended</u>	<u>Due for transfer on</u>
31.03.95	29.01.99
31.03.96	28.05.2000

Members who have not encashed their Dividend warrants for the above said Financial years are requested to approach the company for obtaining duplicate Dividend warrants.

5. Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Registrar and Share Transfer Agents, M/s. BIG SHARE SERVICES (P) LTD. for Consolidation of all such shares holdings into one account to facilitate better service.

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Annual Report and Audited Accounts for the financial year ended 31st March, 1998.

FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	<u>1997-98</u>	<u>1996-97</u>
Turnover during the year	900.33	977.33
Profits before Depreciation & Tax	38.47	38.78
Less: Depreciation	37.24	35.53
Profits before Tax	1.23	3.25
Provision for Tax	0.40	1.00
Profit after Tax	0.83	2.25
Past year adjustment	0.63	--
Profit Brought Forward	83.98	81.73
Balance carried forward	85.44	83.98

OPERATIONS

During the year production and sales of the company are marginally lower in Comparison to previous year. This is mainly due to lower demand for paper Board manufactured by the Company in its First plant.

DIVIDEND

In view of inadequate net earning of the company, Directors do not recommend any dividend for the year 1997-98.

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 1997-98 versus the projections for the year as indicated in the company's prospectus dated.29.11.94 is given below:

PARTICULARS	ACTUAL	PROJECTED
	(Rs.In Lakhs)	(Rs.In Lakhs)
Turnover	900.33	1371.00
Operating Profit	3.99	278.58
Profit After Tax	0.83	186.23

The variations between the projected and actual performance during the year are due to adverse market conditions, increase in input cost, and reduction in selling price.



FINANCE

During the year company has cleared Term Loan of Orissa state Financial Corporation.

FUTURE OUTLOOK

Company's proposal for writing and printing paper plant will be taken over in due course. In the meantime company has taken up Modernisation Cum-Expansion of its first plant to manufacture light weight coated Board with additional capacity of 5TPD. There is a good demand of light weight coated Board.

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.42.86 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 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 Articles of Association, Shri Anil kumar Gilra, Director of the company retires by rotation from the Board of Directors and being eligible offer himself for reappointment.

AUDITORS

The Auditors of your company M/s L.N. More & Company retire 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

RATAN KUMAR GILRA

Date : 10 August, 1998

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 Directors' Report for the year ended 31st March, 1998.

CONSERVATION OF ENERGY

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 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	<u>1997-98</u>	<u>1996-97</u>
1. ELECTRICITY		
a) Purchased Units	1591406	1264740
Total Amount	7465875.05	76,07,419.75
Rate/ Unit	4.69	6.01
b) Own Generation		
Through Diesel Generator Units	—	1619
Units per ltr of diesel oil	—	8.10
Total cost	—	13110.05
cost/Unit	—	16.89
2. COAL		
Unit (M.T)	6945.650	8247.700
Amount	5293311.01	4564710.98
cost/unit	762.10	553.45

B. CONSUMPTION PER UNIT OF PRODUCTION

	<u>1997-98</u>	<u>1996-97</u>
Electricity (including generation by D.G.Set) (Unit/M.T)	238.31	187.93
Coal (M.T/M.T)	1.04	1.22

For and on behalf of the Board of Directors

Sd/-

Place: Cuttack

RATAN KUMAR GILRA

Date: 10th August, 1998

CHAIRMAN & MANAGING DIRECTOR


COSBOARD INDUSTRIES LIMITED
ANNEXURES - II TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 1998.

NAME	AGE	QUALIFICATION	EXPERIENCE Yrs	DATE OF EMPLOYMENT	DESIGNATION & NATURE OF DUTIES	REMUNERATION GROSS	RECEIVED NETT (In Rupees)
A. Employed throughout the year and in receipt of remuneration not less than Rs.3,00,000/-							
Ratan Kumar Gilra	53	B.Com	31	30.12.80	Chairman & Managing Director	493200/-	361000/-
B. Employed for part of the year and in receipt of remuneration not less than Rs.25000/-PM.							
NIL							

NOTE

- 1) The gross remuneration shown above is subject to tax and comprises salary, house rent allowance and company's contribution to provident fund.
- 2) Net remuneration is arrived by deducting from the gross remuneration. income tax. Company's contribution to Provident fund.
- 3) The nature of employment is contractual.

For and on behalf of the Board of Directors

Sd/-

Place: Cuttack

Date: 10th August 1998

Ratan Kumar Gilra

Chairman & Managing Director