



**COSBOARD
INDUSTRIES
LIMITED**

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**NINETEENTH
ANNUAL REPORT
1998-1999**

BOARD OF DIRECTORS

Ratan Kumar Gilra

Chairman & Managing Director

Hari Shankar Gilra

Gurcharan 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

New Industrial Estate,

Phase-II

Jagatpur

Cuttack-754021

(ORISSA)

FACTORY

New Industrial Estate

Phase-II

Jagatpur

Cuttack-754021

(ORISSA)

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COSBOARD INDUSTRIES LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of **COSBOARD INDUSTRIES LIMITED** will be held at the Registered Office of the Company at New Industrial Estate, Phase II, Jagatpur, Cuttack: 754021 on Thursday the 30th September, 1999 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited statements of Accounts for the year ended on 31st March, 1999 together with the Report of Directors' and Auditors' thereon.
02. To appoint a Director in place of Shri Gurcharan Singh Gill who retires by rotations and being eligible, offers himself for reappointment.
03. 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.

SPECIAL BUSINESS

04. To consider and, if thought fit, to pass, with or without modification the following as a Special Resolution:

"RESOLVED THAT pursuant to bylaws/ listing agreement(s) with the Stock Exchanges at Delhi and Hyderabad and SEBI and other applicable guidelines and regulations and subject to applicable approvals and procedures, the company be and is hereby authorised to delist its equity shares from the Stock Exchanges at Delhi and Hyderabad being Non-Regional Stock Exchanges where the equity shares of the company are listed and that the Board of Directors' of the company or any other person specifically authorised by the Board in this regard be and is hereby authorised to sign, deliver and pursue and otherwise deal with all necessary applications and/or documents and to do such other act, deed and things as may be necessary in this regards".

By order of the Board

Sd/-

Place : Cuttack

(RATAN KUMAR GILRA)

Date : 06th August, 1999

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 23rd September, 1999 to 30th September, 1999 (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 Dividends 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	29.01.2003
31.03.96	28.05.2004

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.

EXPLANATORY STATEMENTS:

ITEM NO. 4

The Board of Directors at their meeting held on 6th August, 1999 have decided to apply to Non-Regional Stock Exchanges at Delhi and Hyderabad except Mumbai and Calcutta for delisting of the company's equity Shares, subject to the shareholders consent by a special resolution. The Company's equity shares are listed at Mumbai, Calcutta, Delhi, Hyderabad and Bhubaneswar Stock Exchanges.

The Board of Directors of the company have considered the following facts for satisfying themselves that it is in the interest of company to seek delisting of its equity shares from the Non-Regional Stock Exchanges at Delhi and Hyderabad.

1. The equity shares of the company are infrequently traded on the Stock Exchanges at Delhi and Hyderabad. There is a very low volume of shares traded on these stock exchanges.
2. The listing fees payable to the Non-Regional Stock Exchanges except Mumbai and Calcutta aggregating to Rs. 15900/- per annum is not justifiable by the number of transactions and/or number of shares traded on these Non-Regional Stock Exchanges. The Board has taken active steps to reduce and control all costs incurred by your company.
3. The number of shares held by the members in the area covered by the Non-Regional Stock Exchanges at Delhi and Hyderabad is only 6.19% of the total issued and paid up equity capital of the company. Thus, over 93.81% of the equity capital is held by the members who do not reside in the regions covered by this Non-Regional Stock Exchanges. The consequential effect of this geographical spread of the share holders is infrequent and negligible trading in the equity shares of the company which does not justify the quantum of listing fees payable.

The company will ensure that in accordance with the decisions of the SEBI communicated to stock exchanges vide letter date 29th April, 1998 an exit opportunity will be provided to the Members whose address as per the Register of Members is in the states of Delhi and Andhra Pradesh at a price which will be in accordance with the guidelines stipulated by SEBI. Accordingly, after the consent of the shareholders through a special resolution the company will make applications to Non-Regional Stock Exchanges at Delhi and Hyderabad for delisting of its Equity Shares.

None of the Directors of the company is concerned or interested in the said resolution

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

RATAN KUMAR GILRA
Chairman & Managing Director

Place : Cuttack
Date : 06th August, 1999



COSBOARD INDUSTRIES LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Annual Report and Audited Accounts for the financial year ended 31st March, 1999.

FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	1998-1999	1997-98
Turnover during the year	893.44	900.33
Profits before Depreciation and Tax	39.35	38.47
Less: Depreciation	37.77	37.24
Profits before Tax	1.58	1.23
Provision for Tax	0.16	0.40
Profit after Tax	1.42	0.83
Past Year Adjustment	(1.22)	0.63
Profit brought forward	85.43	83.98
Balance carried forward	85.63	85.44

OPERATIONS:

During the year production and sales of the Company are marginally lower in comparison to previous year. Production of our 1st plant was closed near about one month for installation of coating plant. This has resulted in production loss as well as sales Turnover. However, our sales in quantity increases by 3.6% in comparison to previous year. But due to recession in the paper and the paper Board market, there is heavy pressure on selling price. As a result similar increase in turnover could not be achieved.

But now situation is gradually improving and our coating plant production has already commenced during the month June, 1999 and this will add our profitability.

DIVIDEND:

In view of inadequate net earning of the company, Directors' do not recommend any dividend for the year 1998-1999.

YEAR 2000:

There will not be any material adverse impact on the financial position of the company while gearing up for the year 2000. The company is fully equipped to carry out remedial measures for Y2K bug. Whether to replace the existing system by a new software or to rewrite, redevelop the entire system or to repair the existing system, will involve a reasonable expenditure. The company will be able to meet the contingency in this regard.

LISTING:

The Company's equity shares are listed on the Stock Exchange, Mumbai, Hyderabad, Bhubaneswar, Calcutta and Delhi. The Annual Listing fees for the year 1999-2000 have been paid to Mumbai Stock Exchange and Regional Stock Exchange, Bhubaneswar.

The Board decided to delist the Equity Shares of the company from Delhi & Hyderabad Stock Exchange because there have been infrequently trading of Equity Shares of the company.

FUTURE OUTLOOK:

Company's proposal for writing and printing paper plant has been taken up and for this we have approached to the Industrial Promotion and Investment corporation of Orissa Limited (IPCOL) and Bank for the Sanction of Term Loan.

FINANCE

The Board wishes to place on record the appreciation for the support received from its bankers, State Bank of India, Commercial Branch, Khapuria, Cuttack.



COSBOARD INDUSTRIES LIMITED

CONTRIBUTION TO EXCHEQUER

Your company's contribution towards the Government revenue during the year under review by way of Sale tax, Excise duty and Income tax was Rs. 50.28 lacs .

FIXED DEPOSITS

During the year the company has not accepted any fixed deposits within the meaning of Sec. 58 A of the Companies 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 provision of the companies Act, 1956 Shri Gurcharan Singh Gill retires by rotation is eligible for reappointment.

On withdrawal of nomination by OSFC , Mr. Pravat chandra Mohapatra ceased to be the Director of the Company with the effect from 30th April, 1999. Your director wish to place on record their deep sense of gratitude and appreciation of the contribution made by Mr. Pravat Chandra Mohapatra during his tenure as Director of the Company.

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 Institutions and Commercial Banks for their continuing co-operation and assistance.

For and on behalf of the Board of Directors

Sd/

RATAN KUMAR GILRA

Chairman & Managing Director

Place: Cuttack

Date : 06th August, 1999