



COSBOARD INDUSTRIES LIMITED

**TWENTY-FIRST ANNUAL REPORT
2000 - 2001**

BOARD OF DIRECTORS :**Ratan Kumar Gilra***Chairman & Managing Director***Hari Shankar Gilra****Gurucharan Singh Gill****Padam Chand Dhoot****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.**

E - 2, 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 21st Annual General Meeting of **COSBOARD INDUSTRIES LIMITED** will be held at Utkal Chamber of Commerce and Industries, Barabati Stadium, Cuttack on Thursday the 20th September, 2001 at 10.30 A.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, 2001 together with the Report of Directors' and Auditors' thereon.
02. To appoint a Director in place of Shri Hari Shankar Kumar Gilra who retires by rotation 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 resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Padam Chand Dhoot be and is hereby appointed as a Director of the Company liable to retire by rotation".

05. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the appointment of Mr. Anil Kumar Gilra as whole time Director for a period of five years with effect from 01.07.2001 on the following terms and conditions, be and is hereby approved."

1. SALARY :

- (i) Rs. 20,000/- (Rupees Twenty thousand only) per month with effect from 01.07.2001 onwards.

2. GRATUITY : Not exceeding half months salary for each completed year of service.**PART - A :**

- i) House rent allowance - 25% of the salary.
- ii) Medical reimbursement for Self and family subject to ceiling of one month's salary in a year or three months' salary over a period of three years.
- iii) Leave Travel Concession - For self and family once a year subject to a limit of one months salary.
- iv) Club Fees - Fees of clubs subject to a maximum of two clubs. This will not include payment of admission and life membership fees.
- v) Personal accident insurance premium not to exceed Rs. 4000/- per annum.

PART - B :

Company's contribution towards Provident Fund as per rules of the company.

PART - C :

Car for use on company's business and free use of telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Director. In addition to salary and perquisites as above, commission 2% of the net profit will be paid to the Director with effect from 01.07.2001 computed in the manner laid down in Sec. 349, 350 and 351.

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Provided further that gross total of remuneration alongwith the commission payable/paid to the Director for a particular year should not exceed the limit provided under Section 198 and 309 of the Companies Act, 1956.

06. To consider and, if thought fit, to pass, with or without modifications the following as a Special Resolution.

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956 including any statutory modifications or re-enactment thereof for the time being in force, the Articles of Association of the company be and are hereby altered in the manner and to the extent as follows :

- A) For the interpretation of Member, the following definition of "Member" be substituted under Clause 13A as :
- a) "Member means the duly registered holder from time to time of the shares of the company and includes the subscribers to the Memorandum of the Company and every person whose name is entered as beneficial owner in the records of the Depository."
- B) Also the following definition are added after the above definition as :
- a) "Beneficial Owner" means a person whose name is recorded as such with a depository."
 - b) "Depository" means a company formed and registered under the Depositories Act, 1996 and which has been granted a certificate of registration to act as a depository by Securities and Exchange Board of India Act, 1992;
 - c) "Depositories Act" means the Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force;
 - d) "SEBI" means the Securities and Exchange Board of India;
 - e) "Security" means such security as may be specified by SEBI from time to time.
- C) Insert the following Heading and Articles as Articles 13A after Article 13.

DEMATERIALISATION OF SECURITIES :

13A(1) Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder.

OPTIONS FOR INVESTORS :

13A(2) Every person subscribing to securities offered by the company shall have the option to receive certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the Law, in respect of any security in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities.

13A(3) If a person opts to hold his security with a Depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

SECURITIES IN DEPOSITORY TO BE IN FUNGIBLE FORM :

13A(4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

COSBORO INDUSTRIES LIMITED**DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY :**

13A(5) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with depository.

RIGHTS OF DEPOSITORY AND BENEFICIAL OWNERS :

13A(6) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

13A(7) Save as otherwise provided in 13A (6) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

13A(8) Every person holding securities of the company and whose name is entered in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

SERVICE OF DOCUMENTS :

13A(9) Notwithstanding anything contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disc.

TRANSFER OF SECURITIES :

13A(10) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entitled as beneficial owners in the records of a depository.

ALLOTMENT OF SECURITIES DEALT WITH IN A DEPOSITORY :

13A(11) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

REGISTER AND INDEX OF MEMBERS :

13A(12) The register and index of beneficial owners maintained by a depository under the Depository Act shall be deemed to be the Register and Index of Members of security holders for the purpose of these Articles.

"RESOLVED FURTHER THAT subject to the approval of the shareholders of the company, the consent of the Board of Directors be and is hereby accorded to register the company with National Securities Depository Limited (NSDL) & Central Depository Services Ltd. (CDSL) as the depository for the purpose of availing the facility of dematerialisation/rematerialisation of the securities of the company and to do all such matters and things as may be required and permissible under the provisions of the law from time to time."

"RESOLVED FURTHER THAT the Board's Share Transfer Committee be and is hereby empowered to do all such acts, deeds and things including the appointment and remuneration of a Depository Transfer Agent, delegation of any of its powers to the executives of the Company and all other matters as may be required in this matter from time to time."

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07. Power of company to purchase its own securities to consider and, if thought fit, to pass, with or without modification the following as a Special Resolution :

"RESOLVED THAT a new Article numbered as Article No. 13B be and it is hereby included in the Articles of Association of the Company which shall read as under :

Article 13 B - The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own shares or other securities whether or not redeemable, from out of the sources as permissible under the law.

By order of the Board

Sd/-

(RATAN KUMAR GILRA)

Chairman & Managing Director

Place : Cuttack

Date : ~~31st May, 2001~~

30th May 2002

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 18th September, 2001 to 20th September, 2001 (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.

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Dear Share holders :

The following resolution is being added with the main notice and forming part of the notice dated ~~31st May, 2001~~.

30.5.2001

SPECIAL BUSINESS :

08. To consider and if thought fit to pass with or without notification, the following resolution as a Special Resolution.

"RESOLVED THAT the consent of the Shareholders be and is hereby accorded under Section 81 (1A) and other applicable provisions, if any of the Companies Act, 1956 and as per provisions of SEBI Guidelines on preferential issue, to the issue of 7,00,000 equity shares of Rs. 10/- each for Cash at par to the Promoters and their relatives and Associates."

"RESOLVED THAT the Board of Directors of the Company be and is hereby fully authorised to allot the said shares to the promoters and their relatives and Associates, and who may not be the shareholders at present at a price of Rs. 10/- each for cash at par as there was no trading in the stock Exchanges for more than 6 months".

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby fully authorised to take all residual and consequential action in connection with the proposed issue as may be necessary".

By order of the Board

Sd/-

(RATAN KUMAR GILRA)

Chairman & Managing Director

Place : Cuttack

Date : ~~31st May, 2001~~

COSBOARD INDUSTRIES LIMITED**EXPLANATORY STATEMENT**

Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956.

ITEM NO. 8 :

As per instruction of our Financial Institution IPICOL & SBI, the Promoters have to infuse some amount of promoters contribution for availment of term loan for setting up of writing, Printing and Newsprint plant of 30 TPD, the Board of Directors have proposed to raise a further equity capital of Rs. 70,00,000/- by way of issue of 7,00,000 equity shares to the Promoters, and their relatives and Associates as per provision of Section 81 (1A) of the Companies Act and Provisions of SEBI Guidelines on preferential allotment.

As per the SEBI guidelines the price of the shares has been fixed Rs. 10/- per share each at par as there was no trading of shares in the Stock Exchanges for more than 6 months.

The proposed issue is to be made to the following persons namely Promoters, relatives and their Associates as per the details given below :

Sl. No.	Name	Identification	No. of Shares	Amount	Pre-Issue Holdings%	Post Issue Holdings%
1.	M/s. Zenu Infotech Ltd.	Associates	210000	2100000.00	NIL	4.89
2.	Mr. Deepak Kumar Gilra	Relatives	16500	165000.00	0.41	0.73
3.	Mrs. Mary Jose	Associates	21000	210000.00	0.01	0.49
4.	Pradip Kumar Dash	Associates	15000	150000.00	NIL	0.35
5.	Pradip Kumar Nath	Associates	10000	100000.00	0.13	0.34
6.	Niamat Khan	Associates	15000	150000.00	NIL	0.35
7.	Raj Kumar Thirani	Associates	20000	200000.00	NIL	0.47
8.	Miss Nisha Gilra	Relatives	5000	50000.00	0.32	0.39
9.	Miss Kavita Gilra	Relatives	13000	130000.00	0.57	0.78
10.	Mrs. Sarala Thirani	Associates	25000	250000.00	NIL	0.58
11.	M/s. Dhoot Inds. Ltd.	Associates	50000	500000.00	NIL	1.16
12.	Mrs. Manisha Devi Gilra	Relatives	70000	700000.00	5.60	6.24
13.	Mr. Durga Dutta Thirani	Associates	20000	200000.00	NIL	0.47
14.	Mr. Shyamsunder Lakhota	Associates	20000	200000.00	NIL	0.47
15.	Mr. Ratan Kumar Gilra	Promoters	60000	600000.00	3.99	4.74
16.	Mr. Hari Shankar Gilra	Promoters	50000	500000.00	0.54	1.62
17.	Mr. Anil Kumar Gupta	Associates	35000	350000.00	NIL	0.82
18.	Mrs. Sumitra Devi Gilra	Relatives	32500	325000.00	0.70	1.35
19.	Mr. Ajay Kumar Gilra	Relatives	4000	40000.00	0.43	0.46
20.	Mr. Dayanidhi Biswal	Associates	8000	80000.00	0.07	0.24
			700000	7000000.00		

The allotment of the Shares will be completed within 20th December, 2001 as per the SEBI Guidelines.

The Directors recommend that the resolution be passed.

All the Directors may be deemed to be interested in the above resolution to the extent of their respective shareholdings.

By order of the Board

Sd/-

(RATAN KUMAR GILRA)

Chairman & Managing Director

Place : Cuttack

Date : ~~31st May, 2001~~

~~30th July 2001~~