



COSBOARD INDUSTRIES LIMITED

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**TWENTY-SECOND ANNUAL REPORT
2001 - 2002**

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

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)

CONTENTS	PAGE
Notice	1
Directors' Report	4
Auditors' Report	8
Balance Sheet	11
Profit & Loss Account	12
Schedules Forming Part of the Accounts	13
Notes to Balance Sheet	23
Cash Flow Statement	24

COSBOARD INDUSTRIES LIMITED**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given, that the 22nd Annual General Meeting of **COSBOARD INDUSTRIES LIMITED** will be held at Utkal Chamber of Commerce and Industries, Barabati Stadium, Cuttack on Monday the 30th September, 2002 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 31st March, 2002 together with the Report of Directors' and Auditors' thereon.
02. To appoint a Director in place of Shri Gurcharan Singh Gill 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(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to bylaws/listing agreement(s) with the Stock Exchanges at Delhi, Hyderabad and Kolkata 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, Hyderabad and Kolkata 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".

05. To consider and if thought fit to pass with or without modification (s), the following resolution as a Special Resolution,

"RESOLVED THAT in accordance with the provision of section 198, 269, 309, 310, read with Schedule XIII and other applicable provisions of any of the companies Act 1956, the re-appointment of Mr. Ratan kumar Gilra as Managing Director of the company for a period of five years with effect from 1.10.2000 at the following remuneration, perquisites and other benefits be and is hereby approved "

Salary: Rs.30,000/- Per Month

PERQUISITES :

- | | |
|------------------------------|---|
| i. House Rent Allowance | : 25% of salary |
| ii. Medical Reimbursement | : for self and family subject to ceiling of one month's salary per year or three month's salary over a period of 3 years. |
| iii. Leave Travel Concession | : For self and family once a year subject to a limit of one month's salary. |
| iv. Club Fees | : Fees to clubs, subject to a maximum of two clubs. This will not include payment of admission as life membership fees. |
| v. Personal Accident | : Insurance premium not to exceed Rs.4000/- per annum. |
| vi. Provident Fund | : Companies contribution towards provident fund to the extent not taxable under the Income Tax Act. |

COSBOARD INDUSTRIES LIMITED

- vii. Gratuity : As half month's salary for each completed year of service.(subject to the maximum as per the provision of gratuity)
- viii Provision for Car and Telephone at Residence : Long distance personals calls on telephone as use of Car for private purpose shall be billed by the company.

"FURTHER RESOLVED THAT the above remuneration be paid as minimum remuneration to Mr. Ratan Kumar Gilra in case of absence or inadequacy of profits"

BY ORDER OF THE BOARD

PLACE: CUTTACK
DATED: 29TH JUNE 2002

SD/-
(RATAN KUMAR GILRA)
CHAIRMAN & 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 related Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business above is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2002 to 30th September, 2002 (both days inclusive) in connection with the Annual General Meeting.
4. 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.
5. The unpaid Dividends that are due for transfer to the Central Government are as Follows:-

Financial year ended	Due for transfer on
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.

6. Members are requested to intimate to the company, queries, if any, on the accounts at an early date, so as to enable the Management to keep the information ready.
7. Members are requested to notify any change in their address, and consolidation of folios in identical names immediately to the Registrar & Share Transfer Agent, M/s Big Share Services Pvt Ltd.

BY ORDER OF THE BOARD

PLACE: CUTTACK
DATED: 29TH JUNE 2002

SD/-
(RATAN KUMAR GILRA)
CHAIRMAN & MANAGING DIRECTOR

COSBOARD INDUSTRIES LIMITED**EXPLANATORY STATEMENTS:****ITEM NO. 4**

The Board of Directors at their meeting held on 29th June, 2002 have decided to apply to Non-Regional Stock Exchanges at Delhi, Hyderabad and Kolkata except Mumbai 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, Kolkata, Delhi and 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 the company to seek delisting of its equity shares from the Non-Regional Stock Exchanges at Delhi, Hyderabad and Kolkata.

1. The Equity Shares of the company are infrequently traded on the stock exchanges at Delhi, Hyderabad and Kolkata. 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 aggregating to Rs. 24650/- 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, Hyderabad and Kolkata is only 12.97 % of the total issued and paid up equity capital of the company. Thus, over 87.03 % of the equity capital is held by the members who do not reside in the regions covered by these Non-Regional Stock Exchanges. The consequential effect of this geographical spread of the shareholders 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 dated 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, Hyderabad and Kolkata 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, Hyderabad and Kolkata for delisting of its Equity Shares.

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

ITEM NO. 5

Members may recall that Mr. Ratan Kumar Gilra, was appointed as Managing Director of the Company for a period of 5 years w.e.f. 1st October, 1995. Accordingly, the tenure of office of Mr. Ratan Kumar Gilra as Managing Director, has expired on 1st October 2000.

COSMOBOND INDUSTRIES LIMITED

At the meeting held on 29th June, 2002, the Board of Directors re-appointed Mr. Ratan Kumar Gilra, Managing Director for a period of 5 years with retrospective effective from 1st October 2000. The remuneration and terms of appointment of Mr. Ratan Kumar Gilra, remain the same as was existing during the earlier tenure.

According to section 198, 269, 309, 310 of the Companies Act, 1956 read with Schedule XIII of the said Act, the re-appointment of Managing Director is subject to the approval of the Shareholders of the General Meeting.

Your Directors recommend that the resolution be passed.

None of the Directors except Mr. Ratan Kumar Gilra, Mr Harishankar Gilra and Mr Anil Kumar Gilra, who is a Director of the company are interested in the proposed resolution.

For the special Business Item No.4 & 5 as above all the relevant documentary are available at the Registered Office of the Company for inspection by members of the Company during office hours on any working day prior to meeting date.

By Order of the Board of Directors

Sd/-

RATAN KUMAR GILRA
CHAIRMAN AND MANAGING DIRECTOR

Place : Cuttack

Date : 29th June, 2002.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Annual Report and Audited Accounts for the financial year ended 31st March, 2002.

FINANCIAL RESULTS :

	2001-2002	2000-2001
	(Rs. in Lakhs)	
Turnover during the year	1054.57	1056.40
Profits before Depreciation & Tax	74.82	94.28
Less: Depreciation	65.92	52.84
Profits/(Loss) before Tax	8.90	41.44
Provision for Tax	3.86	3.51
Profit/(loss) after tax	5.04	37.93
Add/(less) Past Year Adjustment	(3.46)	(4.62)
Income Tax for earlier year	(1.17)	(5.14)
Profit brought forward	77.58	74.41
Balance available for Appropriation	77.99	102.58
Transfer to General Reserve	14	25.00
Balance Carried Forward	77.99	77.58

COSBORO INDUSTRIES LIMITED**OPERATIONS**

The sales turnover of the company for the year was Rs.1054.57 lakhs as compared to previous year Rs.1056.40 Lakhs. But sales in Quantity has been increased by 7.31% as compared to previous year. Production for the year was 7328.267 M.T. and compared to previous year 7002.093 M.T.

DIVIDEND

In view of inadequate profits, no dividend is proposed for the year.

FINANCE

The Profitability of the Company for the year has been effected due to recessionary trend in the paper market, additional depreciation and interest cost on new factory.

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. 26.26 Lacs.

PUBLIC 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 are 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 knowhow 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

None of the employees has been in receipt of remuneration as envisaged in Section 217 (2A) of the Companies Act 1956

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.

COSABOND INDUSTRIES LIMITED**DIRECTORS**

In accordance with the provision of the Companies Act, 1956 Sri. Gurcharan Singh Gill retires by rotation and is eligible for re-appointment.

CORPORATE GOVERNANCE

Your Company has always followed the philosophy of conducting its business with due compliance of laws, rules, regulations and sound internal control system and procedures. The company will implement the mandatory requirement of corporate governance code as prescribed by Securities and Exchange Board of India at the time of its prescribed time schedule.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:-

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed.
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

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 Governments, 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 AND MANAGING DIRECTOR

Place : Cuttack

Date : 29 June, 2002.