



COSBOARD

INDUSTRIES LIMITED

TWENTY - THIRD ANNUAL REPORT
2002 - 2003

BOARD OF DIRECTORS :

Ratan Kumar Gilra

Chairman & Managing Director

Gurucharan Singh Gill

Director

Anil Kumar Gilra

Whole Time Director

HARI SANKAR GILRA
UP TO 31-01-02
PADAM CHAND DHOT

AUDITORS : UP TO 31-01-03

L.N. More & Co .

Chartered Accountants

Cuttack

BANKERS :

State Bank of India

REGISTRARS & SHARE TRANSFER AGENTS :

Big Share Services Pvt. Ltd.

E -2/3 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 23rd Annual General Meeting of **COSBOARD INDUSTRIES LIMITED** will be held at Regd. Office of the Company situated at New Industrial Estate, Phase-II, Jagarpur, Cuttack, on Tuesday the 30th September, 2003 at 12.30 P.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, 2003 together with the Report of Directors' and Auditors' thereon.
02. To appoint a Director of Shri Anil 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(s), the following as a Special Resolution :

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

PLACE : CUTTACK

DATED : 30TH JUNE 2003

BY ORDER OF THE BOARD

SD/-

(RATAN KUMAR GILRA)
Chairman & Managing Director

COSBOARD INDUSTRIES LIMITED**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, 2003 to 30th September, 2003 (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. In accordance with the ammended provisions of Section 205 A (5) of the Companies Act, 1956, the unclaimed dividend pertaining to the year 1995-96, would remain with the Company for a period of 7 years, upon expiry on 28-05-2004 of which they will be transfered "The Investor Education and Protection Fund".
6. Members who have not encashed their dividend warrant (s) so far for the financial year ended 31st March, 1996 are requested to make their claim to the Company.
7. Equity Shares of the Company have been placed under compulsory Demat Trading w.e.f. from 01-04-2002. Members who have not dematerialised their physical holding in the Company are advised to avail the facility of dematerialisation of equity shares of the Company.
8. 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.
9. 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.

PLACE : CUTTACK

DATED : 30TH JUNE 2003

BY ORDER OF THE BOARD

SD/-

(RATAN KUMAR GILRA)
Chairman & Managing Director

COSBOARD INDUSTRIES LIMITED**EXPLANTORY STATEMENTS :****ITEM NO.- 4**

The Board of Directors at their meeting held on 30th June, 2003 have decided to apply to Stock Exchanges at Delhi, Hyderabad, Kolkata & Bhubaneswar except Mumbai for delisting of the company's Equity Shares, subject to the share holders consent by a special resolution. The Company's equity shares are presently 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 Stock Exchanges at Delhi, Hyderabad, Kolkata & Bhubaneswar.

1. Equity Shares of the company are infrequently traded on the stock exchanges at Delhi, Hyderabad, Kolkata & Bhubaneswar. There is hardly any of shares traded on these stock exchanges.
2. The listing fees payable to the Stock Exchanges except Mumbai aggregating to Rs. 41,450/- per annum is not justifiable by the number of transactions and/or number of shares traded on these Stock Exchanges. The Board has taken active steps to reduce and control all costs incurred by your company.
3. As per Securities & Exchange Board of India [SEBI] (Delisting of Securities) Guidelines 2003, there shall not be any compulsion for the existing company to remain listed on any Stock Exchange merely because it is a Regional Stock Exchange. However, our Board of Directors have decided to keep the company listed in Mumbai Stock Exchange as it has got nation-wide terminal for trading for benefit of share holders.

As per the said delisting SEBI guidelines 2003, an exit opportunity is also not required to the members whose address as per the Register of Members in in the states of Delhi, Hyderabad, Kolkata & Bhubaneswar at a price which will be in accordance with the guidelines stipulated by SEBI. Because our company will remain listed in Mumbai Stock Exchange having nationwide trading terminal. Accordingly, after the consent of the shareholders a special resolution, the company will make applications to Stock Exchanges at Delhi, Hyderabad, Kolkata & Bhubaneswar for delisting of its Equity Shares.

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

PLACE : CUTTACK

DATED : 30TH JUNE 2003

BY ORDER OF THE BOARD

SD/-

(RATAN KUMAR GILRA)
Chairman & Managing Director

COSBOARD INDUSTRIES LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Annual Report and Audited Accounts for the financial year ended 31st march, 2003.

FINANCIAL RESULTS :

	(Rs. in Lakhs)	
	2002-2003	2001-2002
Turnover during the year	1028.52	1054.57
Profits before Depreciation & Tax	(170.34)	74.82
Less ; Depreciation	122.35	65.92
Profits / (Loss) Before Tax	(292.69)	8.90
Provision for Tax	39.63	3.86
Profit/(loss) after Tax	(253.06)	5.04
Add/(less) Past Year Adjustment	0.10	(3.46)
Income Tax for the earlier year	—	(1.17)
Profit brought forward	77.99	77.58
Balance Carried Forward	(174.97)	77.99

OPERATIONS :

The sales turnover of the company for the year was Rs. 1028.52 lakhs as compared to previous year Rs. 1054.57 lakhs. Production for the year was 7690.355 M.T. as compared to previous year 7328.2673 M.T. Company could not achieve targeted Production/Sales due to under-utilisation of capacity.

DIVIDEND :

In view of the Loss incurred, your Directors do not recommend any dividend for the year under review.

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.

COSBOARD INDUSTRIES LIMITED**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-1 to this report.

DIRECTORS :

In accordance with the provision of the Companies Act, 1956 Sri Anil Kumar Gilra retires by rotation and is eligible for re-appointment.

The resignation of Shri Hari Shankar Gilra and Shri Padam Chand Dhoot, Director have been accepted by the Board in the meeting held on 31st January, 2003.

Your Directors wish to place on record their deep sense of gratitude and appreciation of the contribution made by Shri Hari Shankar Gilra and Shri Padam Chand Dhoot during his tenure as Director of the Company.

CORPORATE GOVERNANCE :

Your Company in in process for compliance with the conditions of Corporate Governance as stipulated under the listing agreement with the Stock Exchange.

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 loss 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

PLACE : CUTTACK
DATED : 30TH JUNE 2003

SD/-
(RATAN KUMAR GILRA)
Chairman & Managing Director

COSBOARD INDUSTRIES LIMITED**ANNEXURES - 1 TO DIRECTORS' REPORT :**

Information under section 217 (1) (c) of the Companies Act, 1956 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, 2003.

A. CONSERVATION OF ENERGY :

Energy conservation Measures : Nothing to Report

TOTAL ENERGY CONSUMPTION

I. POWER AND FUEL CONSUMPTION	2002-2003	2001-2002
1. ELECTRICITY		
Purchased Units	4216575	1568928
Total Amount	18969697.00	7805193.00
Rate / Unit	4.50	4.97
2. COAL		
Unit (M.T.)	8224.160	5185.715
Amount	5751865.25	4483179.47
Cost / Unit	699.39	549.50
II. CONSUMPTION PER UNIT OF PRODUCTION		
ELECTRICITY (UNIT / M.T.)	548.29	214.09
COAL (M.T. / M.T.)	1.07	1.11

B. TECHNOLOGY ABSORPTION

: Nothing to Report

C. FOREIGN EXCHANGE EARNINGS & OUTGO

: CIF Value of Imported Raw Material of Rs. 115.42 Lakhs & Foreign Travel of Rs. 1.40 Lakhs during the financial year 2002-03.

for and on behalf of the Board of Directors

PLACE : CUTTACK
DATED : 30TH JUNE 2003

SD/-
(RATAN KUMAR GILRA)
Chairman & Managing Director