



COSBOARD
INDUSTRIES LIMITED

THIRTYFIRST ANNUAL REPORT
2010-2011

BOARD OF DIRECTORS:

Ratan Kumar Gilra
Anil Kumar Gilra
Shiv Shankar Taparia
Lalit Narayan Sarda
Mahadev Rathi
Vijay Kumar

Chairman & Managing Director
Whole Time Director
Executive Director Independent
Independent Non-Executive Director
Independent Non-Executive Director
Nominee Director - BIFR

AUDITORS:

L.N. More & Co.
Chartered Accountants
Professorpara, Canal Road,
Cuttack- 753001

BANKERS:

State Bank of India
ICICI Bank Limited

REGISTERED OFFICE & FACTORY:

New Industrial Estate,
Phase – II, Jagatpur,
Cuttack – 754 021
(ORISSA)

CORPORATE OFFICE :

16-10-1/5/345/1&2,
Saikrupa Market, Malakpet
Hyderabad: 500036 (A.P)

REGISTRARS & SHARE TRANSFER

AGENTS:

Big Share Services Pvt. Ltd.
E-2/3 Ansa Industrial Estate,
Sakivihar Road, Sankinaka,
Andheri (E)
MUMBAI - 400 072

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting of M/s. Cosboard Industries Limited will be held at Regd. Office of the Company Situated At- New Industrial Estate, Phase- II, Jagatpur- 754021, Cuttack, Odisha on Wednesday the 28th day of September, 2011 at 11.30 A. M. to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2011, the profit and Loss account for the year ended on that date and the reports of the auditors and directors thereon.
2. To appoint a Director Sri. Lalit Narayan Sarda, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director Sri. Mahadev Rathi, who retire by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company to hold, office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors, M/s. L.N. More & Co., Chartered Accountants, Cuttack, retire at this ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
5. The Board of Directors has not recommended any dividend for the current financial year

SPECIAL BUSINESS

1. 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, if any of the Companies Act, 1956, the re-appointment of Mr. Anil Kumar Gilra as Whole Time Director of the Company for a period of five years with effect from 01.07.2011 at the following remuneration, perquisites and other benefits be and is hereby approved”.

Salary : Rs. 20,000.00 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 months 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. 4000.00 per annum. |
| vi. | Provident Fund | Companies Contribution towards provident fund to the extent not taxable under the Income Tax Act. |
| 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 & Telephone at Residence | Long distance personals calls on telephone as use of Car for Private purpose shall be billed by the Company. |

FOR & ON BEHALF OF BOARD OF DIRECTORS

PLACE: CUTTACK
DATE: 12th August 2011

RATAN KUMAR GILRA
CHAIRMAN & MANAGING DIRECTOR

NOTES ON AGENDA :

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 21st September, 2011 to 28th September, 2011 (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. Equity Shares of the Company have been placed under compulsory Demat Trading. Members who have not dematerialized their physical holding in the Company are advised to avail the facility of dematerialization of equity shares of the Company.
5. 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.
6. 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.

EXPLANATORY STATEMENT

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

Item No. 1

Members may recall that Mr. Anil Kumar Gilra, was appointed as Whole Time Director of the company for a period of five (5) years w.e.f. 1st July 2006. Accordingly, the tenure of office of Mr. Anil Kumar Gilra as whole Time Director, has expired, on 30th June 2011.

At the meeting held on 20th June, 2011, the Board of Directors re-appointed Mr. Anil Kumar Gilra, Whole time Director for a further period of 5 (five) years w.e.f. 1st July 2011. The remuneration and terms of appointment of Mr. Anil 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 reappointment of whole Time Director is subject to the approval of the Shareholders of the Forthcoming Annual General Meeting.

Your Directors recommend that the resolution be passed.

None of the Directors, except Mr. Ratan Kumar Gilra, Mr. Anil Kumar Gilra who are the Directors of the Company are interested in the proposed Resolution.

Your Directors recommend that the resolution be passed.

None of the Directors, except Mr. Ratan Kumar Gilra, Mr. Anil Kumar Gilra who are the Directors of the Company are interested in the proposed Resolution.

FOR & ON BEHALF OF BOARD OF DIRECTORS

PLACE: CUTTACK

RATAN KUMAR GILRA

DATE: 12th August 2011

CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 31st Annual Report and Audited Accounts for the financial year ended 31st March 2011.

(Rs. in Lakhs)

FINANCIAL RESULTS:	2010-2011	2009-2010
Turnover during the year	2270.65	1843.42
Profits/(Loss) before Depreciation & Tax	2112.75	(64.79)
Less: Depreciation	97.73	98.10
Profits/(Loss) before Tax	2015.02	(162.89)
Provision for Tax		
: Current Tax	(5.04)	33.95
: Deferred Tax	17.06	--
Profit/(Loss) after tax	2027.04	(128.94)
Add/(Less) past Year Adjustment	--	(0.24)
Profit brought forward	(2436.51)	(2307.33)
Balance carried forward	(409.47)	(2436.51)

OPERATIONS:

The sales turnover of the Company for the year was Rs.2270.65 lakhs as compared to previous year Rs.1843.42 lakhs. Production for the year was 10144.113 M.T as compared to previous year 10318.686 MT.

The Sales turnover of the Company has been increased due to increase in value of finished products and production was marginally less as compared to previous years. The Profit before tax during the year includes Rs. 1987.83 the amount written back as per Rehabilitation Scheme Sanctioned by BIFR related to Bank, Financial Institutions and Unsecured Creditors.

DIVIDEND:

The Company has incurred marginally Profit during the financial year and no dividend has been declared.

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 in built on going activity within the existing manufacturing operation of the company. Expenditure on R & D is not separately allocated and identified.

TECHNOLOGY ABSORPTION, ADAPTATION & 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.

COMPANIES (PARTICULARS OF EMPLOYEES OF GOVERNMENT COMPANIES & OTHER COMPANIES), AMENDMENT RULE, 2011

There are no employees who have received remuneration more than Rs. 60,00,000/- (Rupees Sixty Lacs) p.a. being employed throughout the year or more than Rs. 5,00,000/- (Rupees Five Lacs) p.m. for part of the year as specified under Section 217 (2A) (a) and 217 (2A) (b) of the Companies Act, 1956 read with the (Particulars of Government Companies and Companies) Amendment Rules, 2011.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance and the Company Secretary Certificate in this regard form part of this report and are annexed herewith in Annexure-II.

DIRECTORS

The Board of Industrial and Financial Reconstruction (BIFR) has appointed Special Director Mr. Vijay Kumar under Section 16 (4) of the Sick Industrial Companies (Special Provisions) Act 1985 and the same has been appointed Special Director in the Board Meeting held on 20.06.2011.

Mr. Velamala Jagdish and Mr. Venkateswarlu Velamala has resigned from the Board and the same has been accepted in the Board Meeting held on 12.08.2011. Your Directors wish to place on record their deep sense of gratitude and appreciation of the contributions made by Mr. Velamala jagdish and Mr. Venkateswarlu Velamala during his tenure as a Director of the Company.

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 except AS-15 (Revised) is not in conformity.

- ii. THAT the Directors had selected such accounting policies and applied them consistently and made judgments 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 has 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.

ACCOUNTING STANDARD - 15 (Revised)

The Statutory Auditors, M/s. L.N. More & Co., in the Audit Report has pointed out that the Company has made provision in the Books of Account for retirement benefits of employees (i.e. Gratuity and Leave Cash encashment) but the same are not in conformity with Accounting Standard - 15 (Revised).

The Board of Directors has again reviewed the matter and decided to take steps shortly in Complying the provision of Accounting Standard - 15 (Revised).

AUDITORS:

The Auditors of the Company M/s. L.N. More & Company, retire at this ensuing Annual General Meeting and being eligible, offer themselves for reappointment as auditors of the Company.

APPRECIATION:

Your Directors express their sincere thanks and place on record their deep appreciation for the patronage extended by the shareholders, valued customers, financial institutions, Bankers, Government authorities and the investors for their continued support and confidence in the Company.

FOR & ON BEHALF OF BOARD OF DIRECTORS

PLACE: CUTTACK

DATE: 12th August 2011

*** RATAN KUMAR GILRA**

CHAIRMAN & MANAGING DIRECTOR

ANNEXURES - 1 TO DIRECTORS' REPORT

Information under Section 217/(i) (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, 2011.

A. CONSERVATION OF ENERGY:

Energy Conservation Measures : The company is taking step for conservation of energy and to ensure that the company uses the most suitable modern technology.

TOTAL ENERGY CONSUMPTION		
I. POWER & FUEL CONSUMPTION	2010-2011	2009-2010
1. ELECTRICITY		
Purchased Units	5965290	8001720
Total Amount	28091719	28645508
Rate/Unit	4.71	3.30
2. C O A L		
Unit (M.T)	10872.000	10134.770
Amount	16004723	10480053
Cost/Unit	1472.10	1034.07
II. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (Unit/MT)	588.054	775.459
Coal (MT/MT)	1.072	0.98

B. FOREIGN EXCHANGE EARNINGS & OUTGO :	4.74	3.12
	Lacs	Lacs