

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd **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 Saturday the 29th day of September, 2012 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 2012, 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. Shiv Shankar Taparia, who retire by rotation and being eligible, offers himself for reappointment.
3. 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.
4. The Board of Directors has not recommended any dividend for the current financial year

FOR & ON BEHALF OF BOARD OF DIRECTORS

PLACE: CUTTACK
DATE: 30th August 2012

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 24th September, 2012 to 29th September, 2012 (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.

FOR & ON BEHALF OF BOARD OF DIRECTORS

PLACE: CUTTACK
DATE: 30th August 2012

RATAN KUMAR GILRA
CHAIRMAN & MANAGING DIRECTOR

Your Directors have pleasure in presenting their 32nd Annual Report and Audited Accounts for the financial year ended 31st March 2012.

FINANCIAL RESULTS:	<u>2011-2012</u>	<u>2010-2011</u>
Turnover during the year	2541.08	2270.65
Profits/(Loss) before Depreciation & Tax	70.75	2112.75
Less: Depreciation	65.64	97.73
Profits/(Loss) before Tax	5.11	2015.02
Provision for Tax		
: Current Tax	(0.95)	(5.04)
: Deferred Tax	(7.85)	17.06
Profit/(Loss) after tax	(3.69)	2027.04
Add/(Less) past Year Adjustment	(1.28)	--
Profit brought forward	(409.47)	(2436.51)
Balance carried forward	(414.44)	(409.47)

The sales turnover of the Company for the year was Rs.2541.08 lakhs as compared to previous year Rs.2270.65 lakhs. Production for the year was 9425.025 M.T as compared to previous year 10144.113 MT.

DIVIDEND:

PUBLIC DEPOSITS:

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

In accordance with the provision of the Companies Act, 1956 Sri. Shiv Shankar Taparia retires by rotation at this meeting, and being eligible, offer themselves for reappointment.

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 in coming years 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. Your Directors recommend the same for your consideration.

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: 30th August, 2012

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, 2012.

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.

(Amount in Rupees)

TOTAL ENERGY CONSUMPTION		
I. POWER & FUEL CONSUMPTION	2011-2012	2010-2011
1. ELECTRICITY		
Purchased Units	7951200	5965290
Total Amount	42516893	28091719
Rate/Unit	5.35	4.71
2. C O A L		
Unit (M.T)	8349.535	10872.000
Amount	13462709	16004723
Cost/M.T.	1612.39	1472.10
II. CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (Unit/MT)	843.626	588.054
Coal (MT/MT)	0.886	1.072

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

ANNEXURE II TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of Listing Agreement)

1) Company's philosophy on code of Governance.

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, empowerment, accountability, motivation in all operations and all interactions with its shareholders, investors, lenders, employees and customers.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

2) Board of Directors

A) The Composition of the Board of Directors as at 31st March 2012 is as follows:

S No	Name of Director	Category	Number of other*	
			Director ship	Committee membership
1	Ratan Kumar Gilra	Promoter-Executive Director	1	--
2	Anil Kumar Gilra	Promoter-Executive Director	1	--
3	Shiv Shankar Taparia	Executive Director	--	--
4	Mahadev Rathi	Independent Non-Executive Director	--	--
5	Lalit Narayan Sarda	Independent Non-Executive Director	--	--
6	Vijay Kumar	Nominee Director - BIFR		

- Number includes only Public limited companies.

The Board comprised of Six Directors during the period from 01.04.2011 to 31.03.2012. Therefore the Board comprises 50% Executive Director and 50% Non-Executive Independent Director.

B) Composition of the Board of Directors:

The Board comprises of three Independent Directors.

None Director is a member of more than ten Committees or Chairman of more than five Committees across all Companies in which they are Directors.

C) Meeting held in the financial year 2011-2012 and attendance of Directors.

The Board meets at least once in a quarter in order to consider amongst other business, the quarterly performance of the Company and its financial results. The gap between any two meetings does not exceed 4 months.

The Company held Five Board Meetings in the year 2011-2012 that is on 13.05.2011, 20.06.11, 12.08.11, 14.11.11 and 11.02.12. The attendance of each Director at these meeting was as follows:

Sl.No	Name of the Director	No. of Board Meeting attended	Attendance at the last AGM
1	Ratan Kumar Gilra	5	Present
2	Anil Kumar Gilra	5	Present
3	Mahadev Rathi	5	Present
4	Jagdish Velamala	1	-
5	Shiv Shankar Taparia	5	-
6	Lalit Narayan Sarda	1	-
7	Vijay Kumar	1	

3) Audit Committee

Composition of Audit Committee and attendance of each Director during meetings held in financial year 2011-2012.

Sl.No.	Name of members of the Audit Committee	No. of meeting attended
1	Ratan Kumar Gilra	4
2	Mahadev Rathi	4
3	Lalit Narayan Sarda	4

Mr. Mahadev Rathi acts as Chairman of the Audit Committee.

Brief description of the terms of reference to the Audit committee.

- i) Overview of Company's Financial Reporting process and disclosure of its Financial Information to ensure that Financial Statement reflects true and fair position and that sufficient and credible information is disclosed.
- ii) Recommending the appointment, re-appointment of statutory Auditors.
- iii) Reviewing with the management of the adequacy of Internal Control System.
- iv) Reviewing the adequacy of Internal Audit functions.
- v) To review the unaudited quarterly/half yearly and annual financial statements before submission to the Board, focusing on
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft Audit Report
 - Disclosure of related party transaction.
 - The Going Concern assumption.
 - Compliance with Accounting Standards.
 - Matters required to be included as per section 217(2AA) of the Companies Act,1956.
 - Compliance with Stock Exchange and Legal Requirements concerning financial statements.
- vi) Reviewing the Company's financial and risk management policies.

4) Remuneration Committee.

Composition of Remuneration Committee:

Sl.No.	Name of members of the Remuneration Committee	Member/Chairman
1	Ratan Kumar Gilra	Member
2	Anil Kumar Gilra	Member
3	Shiv Shankar Taparia	Chairman

The Committee has reviewed and recommended the remuneration package for Whole time Directors. One meeting was held during the year 11.02.2012.

**Remuneration/Commission paid to Directors during the financial year 2011-12
(In Rupees)**

Name of Director	Sitting fees				Salary & Perquisites	Total
	Board Meeting	Audit Committee	Remuneration Committee	Share holders Grievance Committee		
Anil Kumar Gilra	--	--	--	--	300000.00	300000.00

5) Share Transfer/Investors Grievance Committee:

The Share Transfer/Investors Grievance Committee Comprises of the following members:

Sl.No.	Name of members of the Grievance Committee	Member/Chairman
1	Ratan Kumar Gilra	Chairman
2	Shiv Shankar Taparia	Member
3	Anil Kumar Gilra	Member

In view of compulsory trading of shares in Demat form and consequent lowering of volume of physical transfers there were very few complaints which were sufficiently addressed to at the level of the Compliance Officer and M/s. Bigshare Services Pvt. Ltd. the Registrar & Transfer Agent of the Company for shares both in physical and demat modes.

Name, Designation and Address of the Compliance Officer

Mr. Anil Kumar Gilra
Whole-time Director

Cosboard Industries Limited
New Industrial Estate, Phase II
Jagatpur: 754021, Cuttack.
Tel: 0671-2491966 Fax: 0671-2491295
e-mail: cosboardind@yahoo.co.in