

## **NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 33rd **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 25<sup>th</sup> day of September, 2013 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 2013, the profit and Loss Statement for the year ended on that date and the reports of the auditors and directors thereon.
2. To appoint a whole time Director Sri. Anil Kumar Gilra, who retire by rotation and being eligible, offers himself for reappointment.
3. To Appoint a Director Sri. Ratan Kumar Gilra, who retires by rotation and being eligible, offers himself for reappointment and change his designation from Executive Director to Non-Executive Director.
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.

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

**PLACE: CUTTACK**  
**DATE: 14<sup>th</sup> August, 2013**

**ANIL KUMAR GILRA**  
**WHOLETIME 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 16th September, 2013 to 25<sup>th</sup> September, 2013 (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: 14<sup>th</sup> August, 2013**

**ANIL KUMAR GILRA**  
**WHOLETIME DIRECTOR**

The Auditor Report has been placed before the Board of Directors, after discussion it has been confirmed that the company has received Rs. 20.00 lacs as Security Deposit from Proprietary concern for supply of finished products and in our opinion, the company does not attract provisions of Section 58A 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**

In accordance with the provision of the Companies Act, 1956 Sri. Ratan Kumar Gilra and Sri. Anil Kumar Gilra retires by rotation at this meeting, and being eligible, offer themselves for reappointment.

Sri Ratan Kumar Gilra, will be appointed as Non-Executive Chairman from the post of Executive Chairman of the Company subject to approval by the shareholders in this ensuing Annual General Meeting.

Sri. Shiv Shankar Taparia has been appointed as Managing Director in the Board Meeting held on 10.12.2012 and the same has been confirmed in the Extra Ordinary General Meeting on 07.01.2013.

The Special Director appointed by BIFR has been withdrawn by BIFR with effect from 20.03.2013 as per the BIFR Minutes due to company's networth has been positive. The BIFR has deregistered the case and the company is not a sick company with effect from 20.03.2013.

**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).

**COST AUDITORS**

In terms of the provisions of Section 233B of the Companies Act, 1956, the Board of Directors of your Company have on recommendation of the Audit Committee, appointed M/s. RAY, NAYAK & ASSOCIATES, Cost Accountants, Bhubaneswar as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31<sup>st</sup> March, 2014. The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2012 has been filed with Ministry of Corporate Affairs.

**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: 14<sup>th</sup> August, 2013**

**ANIL KUMAR GILRA**  
**WHOLETIME 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 31<sup>st</sup> March, 2013.

### 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)

<b><u>TOTAL ENERGY CONSUMPTION</u></b>		
<b>I. POWER &amp; FUEL CONSUMPTION</b>	<b>2012-2013</b>	<b>2011-2012</b>
<b>1. ELECTRICITY</b>		
Purchased Units	6625980	7951200
Total Amount	38688320	42516893
Rate/Unit	5.84	5.35
<b>2. C O A L</b>		
Unit (M.T)	5851.025	8349.535
Amount	14513646	13462709
Cost/M.T.	2480.53	1612.39
<b>II. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity (Unit/MT)	817.784	843.626
Coal (MT/MT)	0.722	0.886

B. FOREIGN EXCHANGE EARNINGS & OUTGO : -- --

## 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 31<sup>st</sup> March 2013 is as follows:

S No	Name of Director	Category	Number of other*	
			Director ship	Committee membership
1	Ratan Kumar Gilra	Promoter-Non-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 01.04.2012 to 31.03.2013. Out of the above Directors Mr. Vijay Kumar, Special Director appointed by BIFR has been withdrawn with effect from 20.03.2013 as the company's networth has been positive and BIFR has deregistered, the company is not a Sick company and issued order vide their Minutes dated 01.04.2013. Further, Mr. Ratan Kumar Gilra has resigned from Executive Chairman and will continue as non executive Chairman of the company. The Board of Directors has accepted the resignation of Mr. Ratan Kumar Gilra as executive Chairman in the Board Meeting held on 30<sup>th</sup> May 2013 and will continue as non executive chairman of the Company.

**B) Composition of the Board of Directors:**

The Board comprises of one Non Executive Director (Chairman), two Executive Directors and two 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 2012-2013 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 Six Board Meetings in the year 2012-2013 that is on 08.05.2012, 14.08.12, 30.08.12, 12.11.12, 10.12.12 and 14.02.13. 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	6	Present
2	Anil Kumar Gilra	6	Present
3	Mahadev Rathi	6	Present
4	Shiv Shankar Taparia	6	-
5	Lalit Narayan Sarda	5	-
6	Vijay Kumar	1	-

**3) Audit Committee**

Composition of Audit Committee and attendance of each Director during meetings held in financial year 2012-2013.

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

There was no Remuneration Committee meeting held during the year 2012-13 as there was no review of package of Directors.

**Remuneration/Commission paid to Directors during the financial year 2012-13  
(In Rupees)**

Name of Director	Sitting fees				Salary & Perquisites	Total
	Board Meeting	Audit Committee	Remuneration Committee	Shareholders 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	Mahadev Rathi	Chairman
2	Lalit Narayan Sarda	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](mailto:cosboardind@yahoo.co.in)