

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

**NOTICE** is hereby given that the 34th **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 Friday the 26<sup>th</sup> day of September, 2014 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 2014, the profit and Loss Statement for the year ended on that date and the reports of the auditors and directors thereon.
2. To appoint Independent Directors Sri. Mahadev Rathi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Independent Directors Sri. Lalit Narayan Sarda, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint statutory Auditors of the company and fix his remuneration & in that connection to consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution

“RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. BRR AND ASSOCIATES., Chartered Accountants, Hyderabad (Bearing Registration No.013012S), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that their remuneration be fixed by the Board of Directors of the Company.”

### **SPECIAL BUSINESS**

#### **5. INCREASING IN BORROWING POWERS OF THE BOARD UPTO AN AMOUNT NOT EXCEEDING RS. 70 CRORES**

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

“RESOLVED that pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and in supersession of all earlier resolutions passed in this regard by the Company in general meetings, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time all such sums of money for the purpose of the business of the Bank notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained or to be obtained from the bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board of Directors and outstanding shall not at any time exceed the sum of Rs. 70 crores (Rupees Seventy Crores Only).”

## **6. CONFIRMATION OF APPOINTMENT OF ADDITIONAL DIRECTOR**

To consider and if thought fit to pass with or without modification(s) as an ordinary resolution:

“RESOLVED THAT Mr. Chava Suresh Babu,( DIN NO 02161692 ) who has appointed by the Board of Directors as an Additional Director of the Company with effect from 13/11/2013 to hold office upto the upcoming Annual General Meeting of the company in terms of section 260 of the Companies Act, 1956 and in respect of whom notice u/s 160 of the Companies Act, 2013 has been received by the company from a member signifying his intention to propose him as candidate for the office of the Director of the company , be and is hereby appointed as an Non Executive Director who is liable to retire by rotation.”

### **NOTES ON AGENDA:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to the Special Businesses under item No.5 and 6 of the Notice as set out above, are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 16th September, 2014 to Friday, 26th September, 2014 (both days inclusive) in terms of provisions of section 91 of the Companies Act, 2013.

4. All the physical shareholders of the Company are requested to dematerialize their shares.
- 5 Non-Resident Indian Shareholders are requested to inform Share Transfer Agent immediately:
  - i. The change in the residential status on return to India for Permanent Settlement.
  - ii. The particulars of NRE Account with Company in India, if not furnished earlier.
- 6 a) Members are requested to notify immediately any change of address:
  - i) to their Depository participants (DPs) in respect of their electronic share accounts; and
  - ii) to the Company/Share Transfer Agent in respect of their physical share folio, if any.

b) In case the mailing address on this Annual Report is without the Pincode, Members are requested to kindly inform their PINCODE immediately.
- 7 A member desirous of getting any information on the accounts or operations of the company is required to forward his/her queries to the company at least seven days prior to the meeting, so that the required information can be made available at the meeting.
- 8 Members/Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
- 9 The members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
- 10 Members have registered their email addresses for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent notice of AGM by email and others have been sent to post.
- 11 The names and address of the stock exchanges where-at the company's Share are listed, are given below:
  - a) Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001
- 12 Members are requested to send all communications relating to shares to the company's Share Transfer Agent. (Physical and Electronic) to Big Share Services Pvt. Ltd. E-2/3, Ansa Industrial Estates, Sakivihar Road, Saki Naka, Andheri(E) Mumbai-400072.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO-5**

For borrowing the fund, the company shall have to provide security to the lender,. It is therefore also proposed to authorised BOD u/s 180(1) A of the Companies Act 2013, to create securities by way of mortgage / charge/ hypothecation otherwise on the moveable / immovable properties and assets / the whole or substantially the whole of the undertaking (s) or any other assets of the company, both present and future, in favour of financial institution , banks , lenders etc, to the extent of Rs.70 crore since creating the foreshore securities, in certain cases regarded as disposal of the whole or substantially the whole of undertaking of the company under above circumstances , it is necessary to obtain approval of the shareholders by passing a special resolution before borrowing and creating securities the proposal to authorise the BOD to borrow the money and create the securities would attract the provision of section 180 (1)C and 180(1a) of the companies act, 2013, respectively inter alia requiring approval of the shareholders by way of special resolution to be passed by way of postal ballots as per the requirements of the section 192A of the companies act, 1956.

Therefore approval of the members of the company is being sought by way of vote in the forthcoming annual general meeting of the company.

None of the Directors are concerned or interested in this resolution

**ITEM NO-6**

The Board of Director of the company (the Board) at its meeting held on 13<sup>th</sup> November 2013 has appointed Mr. Suresh Babu Chava as Additional director of the Company till next Annual General Meeting .

Therefore approval of the members of the company is being sought by way of vote in the forthcoming Annual General Meeting of the Company.

None of the Directors of the Company are concerned or interested in the proposed resolution, except to the extent of their holding of equity shares in the Company.

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

**PLACE: CUTTACK**  
**DATE: 13<sup>th</sup> August, 2014**

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



**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. Lalit Narayan Sarda and Sri. Mahadev Rathi retires by rotation at this meeting, and being eligible, offer themselves for reappointment.

Sri Ratan Kumar Gilra, has resigned due to his health problem and in the Board meeting held on 13.11.2013, his resignation has been accepted. Your Directors wish to place on record the deep sense of attitude and appreciation of the contributions made by Sri. Ratan Kumar Gilra during his tenure as Chairman 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 Profit 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. B R R & Associates, 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 reviewed the matter and decided to take steps 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, 2015. The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2013 has been filed with Ministry of Corporate Affairs.

**AUDITORS:**

The Auditors of the Company M/s. B R R & Associates, 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, 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: 13<sup>th</sup> August, 2014**

**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, 2014.

### 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>TOTAL ENERGY CONSUMPTION</b>		
<b>I. POWER &amp; FUEL CONSUMPTION</b>	<b>2013-2014</b>	<b>2012-2013</b>
<b>1. ELECTRICITY</b>		
Purchased Units	8916407	6625980
Total Amount	51358505	38688320
Rate/Unit	5.76	5.84
<b>2. C O A L</b>		
Unit (M.T)	11506.220	5851.025
Amount	31987307	14513646
Cost/M.T.	2780.00	2480.53
<b>II. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity (Unit/MT)	749.40	817.784
Coal (MT/MT)	0.967	0.722

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 2014 is as follows:

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

- Number includes only Public limited companies.

The Board comprised of Six Directors during the period from 01.04.2013 to 31.03.2014. Out of the above Directors Sri. Ratan Kumar Gilra has given his resignation due to his health problem and his resignation has been accepted in the Board Meeting held on 13.11.2013. Sri. Chava Suresh Babu has been appointed as an Additional Director in the Board meeting held on 13.11.2013.

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

The Board comprises of one Non Executive Director, 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 2013-2014 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 Seven Board Meetings in the year 2013-2014 that is on 26.04.2013, 30.05.2013, 14.08.2013, 25.09.2013, 13.11.2013, 17.12.2013 & 08.02.2014. 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	7	Present
3	Mahadev Rathi	7	Present
4	Shiv Shankar Taparia	7	-
5	Lalit Narayan Sarda	7	-
6	Chava Suresh Babu	1	-

**3) Audit Committee**

Composition of Audit Committee and attendance of each Director during meetings held in financial year 2013-2014:

Sl. No.	Name of members of the Audit Committee	No. of meeting attended
1	Ratan Kumar Gilra	4
2	Mahadev Rathi	5
3	Lalit Narayan Sarda	5
4	Shiv Shankar Taparia	1

Sri. Ratan Kumar Gilra has resigned and his resignation has been accepted in the Board meeting held on 13.11.13. On his resignation the audit committee has been reconstituted in the said Board meeting comprising Mr. Shiv Shankar Taparia, Mr. Lalit Narayan Sarda and Mr. Mahadev Rathi. Mr. Mahadev Rathi acts as Chairman of the Audit Committee.