



# **COSBOARD INDUSTRIES LIMITED**

**FORTY SECOND ANNUAL REPORT 2021-22**

**BOARD OF DIRECTORS\***

Anusuya Devi Agarwal

Bimal Kumar Agarwal

Mamata Agarwal

Garima Chokhani

Managing Director

Whole-time Director

Independent Non Executive Director

Independent Non Executive Director

*\*with effect from 03<sup>rd</sup> February, 2022*

**STATUTORY AUDITORS**

D. M. Rao & Co.

Chartered

Accountants

50-81-23, Flat No-305,

2nd Floor, G.V.K Plaza,

Seethammampeta,

Visakhampatnam-530016, A.P.

**BANKERS:**

The Cosmos Co-Operative Bank

Ltd.Hyderabad

**REGISTERED OFFICE & FACTORY:**

New Industrial Estate,

Phase-II, Jagatpur,

Cuttack- 754021,

Odisha

**CORPORATE OFFICE**

411/412 No.127/1, 2<sup>nd</sup>

Floor, Saikrupa Market,

Malakpet Hyderabad:

500036 (A.P)

**REGISTRAR & SHARE TRANSFER AGENTS:**

Big Share Services Pvt. Ltd.

1<sup>st</sup> Floor, Bharat Tin Works

BuildingOpp. Vasant Oasis

Makwana Road Marol, Andheri

EastMumbai: 400059

**INSOLVENCY RESOLUTION PROFESSIONAL (IRP)**

Mr. Umesh Chandra Sahoo

IBBI No- IBBI/IPA-002/IP-N00621/2018-19/11855



## **NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 42ND ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. COSBOARD INDUSTRIES LIMITED SHALL BE HELD ON A SHORTER NOTICE ON FRIDAY, THE 30TH SEPTEMBER, 2022 AT 01:30 P.M. AT NEW INDUSTRIAL ESTATE, PHASE-II, JAGATPUR, CUTTACK- 754021, ODISHA TO TRANSACT THE FOLLOWING BUSINESSES:**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company as at March 31, 2022 together with the Auditors Report and Director's Report thereon and in regard, pass the following resolution(s) as an **Ordinary Resolution**:

"**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Auditors and Directors thereon laid before this meeting, be and are hereby considered and adopted."

### **SPECIAL BUSINESS:**

2. **To consider the appointment of Ms. Garima Chokhani (DIN: 09642402) as the Independent Director (KMP) of the Company.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed thereunder, as amended from time to time, read with Schedule IV to the Act, and Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Garima Chokhani (DIN: 09642402), who was appointed as the Independent Director of the Company in the Board Meeting of the Company held on 20th June, 2022 as a Non-Executive Non-Independent Director in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years."

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")**

### **ITEM No. 03**

The Board of Directors, at their meeting held on June 20, 2022 appointed Ms. Garima Chokhani (DIN: 09642402), as an Independent Director with effect from June 20, 2022 in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuring Annual General Meeting of the Company. The Board is of the view that the appointment of Ms. Garima Chokhani on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No 3 for approval by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives except Ms. Garima Chokhani herself, in any way concerned or interested, in the said resolution. The board recommends the said resolution to be passed as an ordinary resolution.

**By Order of the Board  
For COSBOARD INDUSTRIES LTD**

**(Anusuya Devi Agarwal)**  
Chairman And Managing Director  
DIN : 02198426

Date: 29.09.2022  
Place: Cuttack

## NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY / PROXIES, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.**
2. SEBI vide its circular dated 3rd November, 2021 in the matter "Common and Simplified Norms for Processing INVESTORS SERVICE", has reiterated that it is mandatory for all holders of physical securities to furnish their PAN as well as KYC to the RTA (Registrar and Share transfer Agent) of the Company in respect of all concerned folios and the folios wherein even any one of the PAN, Address with PIN Code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities are not available on or after 1st April, 2023, shall be frozen by the RTA. SEBI has introduced Form ISR-1 alongwith other relevant forms to lodge any request for registering PAN, KYC details or any change/updation thereof.
3. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.cosboard.com](http://www.cosboard.com). The Notice can also be accessed from the website of the Stock Exchange i.e. Bombay Stock Exchange (BSE) at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
5. Copy of the annual report, notice of 31<sup>th</sup> Annual General Meeting etc. are sent to the members through e-mail who have registered their email-ids with the Company / depository participant (DPs) / Company's Registrar and Transfer Agent (RTA).
6. Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications.
7. Members whose e-mail id is not registered with the Company are being sent physical copies of the Notice of 31<sup>th</sup> Annual General Meeting, abridged version of Annual Report etc. at their registered address through permitted mode.
8. Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the abridged / full version of the Annual Report may send their request to the Company at its registered office address.
9. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address or updation thereof to the Company's RTA. Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in

electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company's RTA.

11. Information regarding particulars of the Director to be appointed and the Director seeking appointment / re-appointment requiring disclosure in terms of the Secretarial Standard 2, the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the explanatory statement pursuant to Section 102 of the Companies Act, 2013, are annexed hereto. The directorships held by the Directors considered for the purpose of disclosure does not include the directorships held in foreign companies.
12. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories shall only be entitled to avail the physical voting at the AGM venue.
13. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and documents referred to in the notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.
14. Members having any question on financial statements or on any agenda item proposed in the notice of AGM are requested to send their queries at least ten days prior to the date of AGM of the Company at its registered office address to enable the Company to collect the relevant information.
15. Members / proxies / authorised representatives are requested to bring duly filled admission / attendance slips sent herewith along with the notice of the AGM at the meeting.
16. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution / Authority Letter / Power of Attorney authorising their representative(s) to attend and vote on their behalf at the meeting.
17. For the security and safety of the members, no article / baggage including water bottles and tiffin boxes will be allowed at the venue of the meeting. The shareholders / attendees are strictly requested not to bring any article / baggage etc. at the venue of the AGM.
18. The route map for the AGM Venue is provided at the end of this notice.

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### **ATTENDANCE SLIP**

TO BE HANDOVER AT THE ENTRANCE OF MEETING HALL

I/We hereby record my/our presence at the annual general meeting of the **Cosboard Industries Limited** to be held on registered office of the Company at New Industrial Estate, Phase-II, Jagatpur, Cuttack- 754021, Odisha

Name of the Shareholder /Proxy----- L.F. No. -----  
Address----- No. of shares held-----

\*Strike out whichever is not applicable

**Signature of Member / Proxy**

## **DIRECTORS' REPORT**

To  
**The Members,  
Cosboard Industries Ltd.**

Your Directors are pleased to present herewith the 42<sup>nd</sup> Annual Report on the business and operations of your Company and the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2022 together with the Auditors Report thereon.

### **KEY FINANCIAL HIGHLIGHTS:**

The Company's financial performance, for the financial year ended 31<sup>st</sup> March, 2022 is summarized below:

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Revenue from operations	-	-
Other income	88,974	-
Expenses during the Year	4,60,97,831	3,51,55,840
Profit/(Loss) before Tax	(4,60,08,857)	(3,51,55,840)
Exceptional Items	-	-
Less: Tax expenses (Net)	-	215,566
Profit/(Loss) after Tax	(4,60,08,857)	(3,53,71,406)
Earnings per Share (Basic and Diluted)	(10.72)	(8.24)

### **PROCEEDINGS OF CORPORATE INSOLVENCY RESOLUTION PROCESS UNDER INSOLVENCY ANDBANKRUPTCYCODE 2016 (IBC) A.**

M/s Cos Board Industries Limited ("Abbreviated term" or "the Corporate Debtor") incorporated in 30/12/1980, Corporate Debtor has COS Board Industries Limited is engaged into manufacturing, marketing and distributing paper product. The Hon'ble National Company Law Tribunal ("NCLT"), 16.12.2019 vide order no. CP (IB) NO. 44/CTB/2019 dated 16.12.2019 commenced Corporate Insolvency Resolution Process in the matter of (Abbreviated term of the CD) under the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC"); wherein Mr. Umesh Chandra Sahoo had been appointed as the Interim Resolution Professional.

The Committee of Creditors at its first meeting held on 24/01/2020 resolved to continue the appointment of Mr. Umesh Chandra Sahoo, as the Resolution Professional of the Corporate Debtor. Further, the tenure of Resolution Professional i.e. Mr. Umesh Chandra Sahoo has been extended to 02<sup>nd</sup> July, 2022.

The Committee of Creditors ("CoC") through Resolution Professional ("RP") is in the process of identifying Resolution Applicant(s) for (Abbreviated term of the CD). Details regarding the Expression of Interest is available on the website of the Company, i.e <https://www.cosboard.com/>

### **STATUS OF PROCEEDINGS OF CORPORATE INSOLVENCY RESOLUTION PROCESS UNDER INSOLVENCY ANDBANKRUPTCYCODE 2016 (IBC) AT THE CLOSURE OF FINANCIAL YEAR**

Its status under the Act remains the Listed Company limited by shares. As the Company was admitted under Corporate Insolvency Resolution Process (CIRP) as per the provisions of Insolvency and Bankruptcy Code 2016 (IBC) vide order no CP(IB) no. 44/CTB/2019 dated 16.12.2019 at National Company Law Tribunal (NCLT), Cuttack Branch. The Hon'ble NCLT vide order 125/CB/2021 dated 3<sup>rd</sup> February 2022 approved the Resolution Plan (ARP) submitted by M/s Bimal Industries, the successful resolution applicant (SRA).

**FINANCIAL PERFORMANCE & HIGHLIGHTS:**

The sales turnover of the Company for the year was NIL as well as compared to previous year Nil.

**DIVIDEND:**

In view of the losses incurred by the Company and the liquidation proceedings under IBC, the Board of Directors of the Company has not recommended any dividend for the financial year under review. As the Company has incurred losses during the year, no amount has been transferred to reserves for the financial year 2021-2022.



## **AMOUNT TRANSFERRED TO RESERVE**

During the year under review the Company has not transferred any amount to reserves.

## **HUMAN RESOURCES DEVELOPMENT:**

The Company continues its focus on development of human resource. The relations of the management with employees during the year continued to be cordial. Learning and development has been strengthened to bring value addition in the employee and to enhance Team Building leading towards success. The Company focuses on providing the employees motivating work environment and excellent career development opportunities.

## **ENVIRONMENT, HEALTH AND SAFETY**

The Company accords the highest importance to Environment, Health and Safety (EHS). Continuous investment in infrastructure, skill building and systems is done to ensure that the EHS of the company is maintained at the highest standards.

## **QUALITY**

The Management of the Company is quality conscious and attaches utmost importance to the quality of the products. The Company continues to maintain industry-best standards in managing the quality of its products and services.

## **FINANCE & ACCOUNTS:**

### **(i) Fixed Deposits:**

During the year under review, the Company has not accepted any fixed deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 during the period under review.

### **(ii) Income Tax Assessments:**

The Company has not received any Assessment order / nor intimation U/S 143(1) of the Income Tax Act, 1961 during the Financial Year 2021-2022.

## **SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:**

Your Company has neither any Subsidiary nor Joint Venture nor Associate Company. During the year under review, none of the Companies have become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies.

## **APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the financial year, there is change in composition of Board of Directors and Key Managerial Personnel of your Company. In accordance with the order of the NCLT along with provisions of the Companies Act, 2013 and Articles of Association of the Company, the office of Mr. Shiv Shankar Taparia, Mr Anil Kumar Gilra, Ms Rekha Bhawsinka, , Mr Akram Abu, Mr Dayanidhi Biswal was vacated w.e.f 03.02.2022 vide NCLT Order No. 125/CB/2021 dated 3rd February 2022 and thereupon the representatives of Resolution Applicant, Ms. Anusuya Devi Agarwal (DIN: 02198426) was appointed as an Chairman and Managing Director of the Company, Ms. Mamata Agarwal (DIN: 08278394) was appointed as Additional Director of the Company and Mr. Bimal Kumar Agarwal (DIN: 01839111) was appointed as Whole Time Director of the Company with effect from 08/02/2022. Furthermore, after the closure of Financial Year, Ms. Garima Chokhani (DIN:

09642402) was also inducted on the Board of the Company with effect from 20.06.2022 as an Independent Women Director.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Detailed Management Discussion and Analysis is enclosed by way of **Annexure 'A'** to this report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In light of the aforesaid and pursuant to the requirements under sub section (3)(c) and (5) of Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement it is hereby confirmed by the Resolution Professional that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis; and
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **CORPORATE GOVERNANCE:**

As per provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the provisions of the Corporate Governance are not applicable to the Companies having paid up equity share capital not exceeding Rs. 10 Crore and Net Worth not exceeding Rs. 25 Crore, as on the last day of previous financial year or on the Companies listed on SME Exchange. Thus, the Company is not falling into the ceiling limit, therefore no reporting is required to be done under the aforesaid provision.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Your Company does not fall in the criteria mentioned under Section 135 of the Companies Act, 2013 for applicability of the provisions of Corporate Social Responsibility. Hence, the Company is not required to constitute CSR Committee and to comply with other provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, information on conservation of energy is given in the **Annexure 'B'** to this Report. There is no Research & Development activity, no import of technology or foreign exchange earnings or outgo hence details of the same are not annexed to this report.

## COMPOSITION OF BOARD OF DIRECTORS AND KMP

Sl. No.	Name Of The Directors	Designation	Date Of Appointment	DIN/PAN
1	Anusuya Devi Agarwal	Managing Director	08/02/2022	02198426
2	Bimal Kumar Agarwal	Whole Time Director	08/02/2022	01839111
3	Mamata Agarwal	Non- Executive Director	08/02/2022	08278394
4	Garima Chokhani	Non- Executive Independent Director	20/06/2022	09642402
6	Ashok Kumar Jena	Chief Financial Officer	28/05/2016	AORPJ1544F
7	Alka Jain	Company Secretary	01/06/2017	BKRPJ6649G

## VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR THE DIRECTORS AND EMPLOYEES

Your Company believes in promoting a fair, transparent, ethical and professional work environment. The Board of Directors of the Company pursuant to the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has framed "Vigil - Mechanism/ Whistle Blower Policy" for Directors and employees of the Company for reporting the genuine concerns or grievances or cases of actual or suspected, fraud or violation of the Company's code of conduct and ethics policy.

## PARTICULARS OF EMPLOYEES REMUNERATION

- (A) The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not being sent as the Company has no such employee who falls under the criteria specified in the said Rules.
- (B) The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this Report as **Annexure 'C'**.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the Financial Year / period with related parties were in the Ordinary Course of Business and on arm's length basis.

The Company has related party transactions relating to the financial year 2021-22, which is attached with Board Report in Form No. AOC-2 given in **Annexure 'D'**.

Your Directors draw attention of the members to Note 41 to the Financial Statements which sets out related party disclosures.

## RISK MANAGEMENT

During the period under review, your Directors informed that Risk Management Committee have already been formed wherein all material Risks faced by the Company will be identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting risk on a periodic basis.

## INTERNAL FINANCIAL CONTROL SYSTEMS

Details of the Internal Financial Control Systems is explained in the "Management Discussion and Analysis" to this report.

Sl. No.	Name Of The Directors	Designation	Date Of Appointment	DIN/PAN
1	Anusuya Devi Agarwal	Managing Director	08/02/2022	02198426
2	Bimal Kumar Agarwal	Whole Time Director	08/02/2022	01839111
3	Mamata Agarwal	Non- Executive Director	08/02/2022	08278394
4	Garima Chokhani	Non- Executive Independent Director	20/06/2022	09642402
6	Ashok Kumar Jena	Chief Financial Officer	28.05.2016	AORPJ1544F
7	Alka Jain	Company Secretary	01.06.2017	BKRPJ6649G

## INSURANCE

The properties, stocks, stores, assets, etc. belonging to the Company continue to be adequately insured against fire, riot, civil commotion etc.

## DEMATERIALIZATION OF SHARES

The Company's shares are listed on BSE Limited and the Company's Registrar and Share Transfer Agents have connectivity with National Securities Depository Ltd. & Central Depository Services (India) Ltd. The ISIN is INE496D01016 as on March 31, 2022, total dematerialized equity shares are 36,24,125 representing 84.40% of the total paid up share capital of the Company.

## COMPANY'S WEBSITE

The Company has its website namely [www.cosboard.com](http://www.cosboard.com). The website provides detailed information about the business activity, locations of its offices. The Quarterly Results, Annual Reports and Shareholding patterns and various policies are placed on the website of the Company and the same are updated periodically.

## **MEANS OF COMMUNICATION**

The Company has designated Registrar & Share Transfer Agent, [info@bigshareonline.com](mailto:info@bigshareonline.com) as an email id for the purpose of registering complaints by investors and displayed the same on the website of the Company.

## **STATUTORY AUDITOR**

M/s D. M. Rao & Co. Chartered Accountants, (Registration No. 006995S) were appointed as the Statutory Auditors to hold office upto the conclusion of 41st Annual General Meeting (AGM). The Company subject to the approval of members in ensuring AGM, hereby recommend and propose the reappointment of M/s D. M. Rao & Co., Chartered Accountants, as the Statutory Auditors of the Company from the conclusion of 42<sup>nd</sup> Annual General Meeting till the conclusion of 43<sup>rd</sup> Annual General Meeting of the Company, to examine and audit the accounts of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

## **AUDITORS REPORT**

The notes forming part of the accounts referred in the Auditors' Report are self explanatory and give complete information. There are no qualifications, reservation or adverse remarks made by statutory auditors in the Audit Report.

## **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board has appointed M/s. Deepak Dhir & Associates, Company Secretaries, New Delhi, to conduct Secretarial Audit for the financial year 2020-21. The report of the Secretarial Auditors together with the explanations of the management on the qualifying remarks of Secretarial Auditors is enclosed as **Annexure-E** to this Board Report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**

The Company has not given Loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013.

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has a policy on Prohibition/Prevention of Sexual Harassment of Women at workplace and matters connected therewith or incidental covering thereto all the aspects as contained in "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

## **Insolvency and Bankruptcy Code, 2016**

Company has made an application under the Insolvency and Bankruptcy Code, 2016 to the NCLT for Corporate Insolvency Resolution Process ('CIRP) for the approval of Resolution Plan under Section 30(6) of Insolvency & Bankruptcy Code, 2016. The Hon'ble National Company Law Tribunal (NCLT) had admitted the petition for initiating the Corporate Insolvency Resolution (CIR) Process under the provisions of the Insolvency Bankruptcy Code 2016 (IBC). The resolution plan of the Resolution applicant i.e. M/S Bimal Industries Limited was accepted by the committee of creditors along with the requisite approval from NCLT on 03<sup>rd</sup> February, 2022.

**The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof**

The Company has not undertaken any one-time settlement and hence there was no need to undertake valuation also for the same.

**GENERAL INFORMATION:**

**NUMBER OF MEETINGS OF THE BOARD**

Since the power of the Board of Directors of the Company stood suspended, Mr. Umesh Chandra Sahoo was appointed as the Resolution Professional. No meeting of the Board of Directors were held.

**Frauds Reported by Auditor**

No fraud is reported by the Auditor under section 143 of Companies Act, 2013 to the Company or to the Board of Directors of the Company.

**Acknowledgement**

Your Directors wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Your Directors also place on record their sincere appreciation for the assistance and co-operation received from the banks, customers, suppliers and the shareholders from time to time.

**By Order of the Board  
For COSBOARD INDUSTRIES LTD**

**(Anusuya Devi Agarwal)**  
Chairman And Managing Director  
DIN : 02198426

Date: 29.09.2022

Place: Cuttack

## ANNEXURE-A

### MANAGEMENT DISCUSSION AND ANALYSIS

#### **PERFORMANCE REVIEW:**

In the competitive market, the Company was able to achieve Sales and Other Income, in monetary terms for the year to NIL as compared to previous year of Nil in the previous year and the Loss is Rs. 4,60,08,857 as compared to a loss of Rs. 3,59,60,284 in the previous year. The profitability of the Company has been affected drastically due to break down of plant & machinery, boiler and labour unrest, which resulted into a huge loss during the year.

#### **INDUSTRY OVERVIEW:**

The Indian paper industry is highly fragmented. According to estimates, the total number of mills vary from anywhere between 500 to over 1000. The top five producers account for 15 per cent of the total paper capacity in the country. The industry is highly diverse, technical and capital intensive. Further norms relating to environmental pollution such as chlorine free operations and tighter effluent treatment/discharge parameters etc. have restricted rapid expansion of paper industry's capacity. Paper consumption is an indicator of the economic and literacy status of any country. While India accounts for nearly 15% of the world population, it consumes only 1% of the world paper production. India's per capita consumption of paper at about 7 kgs. is very low as compared to the world average of over 50 kgs. The impact of just 1 kg. Increase in per capita consumption would lead to increase in demand by 1.1 million M.T. of paper. Paper demand is inextricably linked to economic growth, industrial production, advertisement expenditure, expenditure on education etc. while industrial paper demand is driven by industrial output and packaging industry growth etc. printing and writing paper demand is determined by public spending on education, expenditure on publicity and general literacy levels. The growing demand of paper has encouraged a gradual improvement in capacity utilizations. Stringent pollution control norms will act as a deterrent to smaller players from adding capacities as it would require significant investment to upgrade the existing facility to meet these norms. Though currently there is no law in force, the company that the Indian paper industry will be compelled to eliminate the use of chlorine for bleaching in the next few years.

The paper industry in India is dependent on three parameters:

1. The literacy level (which is dependent on government expenditure on education).
2. The GDP growth rates India has witnessed phenomenal development in the field of education – both in quantitative and qualitative terms, since independence. However, the national goals of universal elementary education and total eradication of illiteracy still remain elusive. The Government is committed to achieving these national goals and has been steadily increasing the budgetary allocation for education. The Country has also made significant strides in higher and technical education. With the Indian economy on a growth path and the government increasing emphasis on the education the future of the Indian paper industry looks positive with immense growth potential.
3. The domestic demand of paper has been forecasted over 14 Million M.T. by the year 2020. At present the demand of the paper is witnessing a healthy growth of 6.6% (app.) as compared to 5 percent (pp.) in the past. The Indian paper industry is highly fragmented with a large number of organized and unorganized players operating in the market. Some of the key players in the industry are Ballarpur Industries, ITC, Sirpur Paper Mills, West Coast Paper Mills, J K Paper, Century Paper Mills, Tamil Nadu Newsprint, Hindustan Paper Corporation Limited, Rama Newsprint & Papers Limited etc. Indian paper industry needs the following to be globally more competitive:
  - Sustained availability of good quality of raw materials (forest based) and bulk import of wastepaper to supplement the raw materials supplies.
  - Adequate modernization of the manufacturing facilities.

- Improvement of infrastructure.
- Quality improvements and reduction in cost of production.
- Import policy conducive for import of material, equipment, instruments, raw materials and technologies.
- Achieving Economies of Scale.

However, the Prospects of paper industry appear positive with the existing demand-supply gap, and the Government's focus on education at every level. The further imposition of 1% Higher education Cess and Education Cess of 2% introduced by the Government reflects the focus of the Government towards Education in the Country. The above steps initiated by the Government are expected to further fuel the demand for paper.

Domestic paper prices are linked with international price. Hence, paper prices in India are very much dependent on the international demand supply situation for paper. However, recent stress on education sector and growth in the retail sector has acted as a catalyst for demand in packaging grade paper and therefore the fortunes of the Indian Paper Industry is largely internally driven.

### **OUTLOOK FOR THE COMPANY:**

The paper industry has been showing signs of increasing demand, and the long-term outlook and growth prospects of the industry appear positive.

The rapid industrialization of the country during the previous five years along with the increase in population escalated the country's demand for paper and paperboards. The extent of usages of paper & Packaging Industry in a country is generally taken as parameters of its cultural and industrial activities. It plays an increasingly important role in modern civilized society.

### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:**

Our future results of operations may potentially be affected by the following factors:

- Competitive conditions in the industry.
- Growth of paper sector in India.
- Our ability to continuously operate and maintain our manufacturing facilities optimally.
- Technological changes in the industry.
- Escalation in prices as well as the availability of raw materials.
- General economic and business conditions in India.

### **HUMAN RESOURCES:**

The Company continues its focus on development of human resource. The relations of the management with employees during the year continued to be cordial. Learning and development has been strengthened to bring value addition in the employee and to enhance Team Building leading towards success. The Company focuses on providing the employees motivating work environment and excellent career development opportunities.

### **INTERNAL CONTROL SYSTEMS:**

The Company has effective internal control systems for compliance of laws, rules and regulations to safeguard the interest of the Company. The Company maintains a system of internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and for safeguarding the assets of the Company and for ensuring appropriate recording and reporting of financial information for ensuring reliability of financial controls and for ensuring compliance of applicable laws and regulations. The internal audit covers a wide variety of operational matters and ensures compliance with specific standards with regard to reliability and suitability of policies and procedures. The internal auditor system report to the top management through Chairman & Managing Director and continuously monitors adherence to lay down systems and policies through a structured internal audit process. The systems are regularly reviewed and modified for changes in operating and regulatory requirements. The Audit Committee reviews the adequacy



and effectiveness of internal control systems and suggests improvement for strengthening the same from time to time.

**RISKS & CONCERNS:**

The unprecedented variation in the prices of raw materials, particularly Waste paper, Chemicals, consumables, coal and other inputs for executing paper orders in uncertain market condition. The unutilized capacity in the paper industry and intense competition adversely impact product prices and margins.

The domestic demand supply scenario is expected to be balanced even though a number of capacity expansions are expected to be implemented by various companies the state over the next 1-2 years. In this scenario, the player with lower production costs would be in a position to utilize capacities optimally.

The products prices are subjected to changes with international price. Sharp fall in price will affect the profitability of the unit.

Adverse climatic condition will affect the supply line of the product which will affect the operation and profitability.

## ANNEXURE - B

### CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information to Section 134(3)(m) of the Companies Act, 2013 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, 2022.

#### **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>		
<u>POWER &amp; FUEL CONSUMPTION</u>	<u>2021-2022</u>	<u>2020-2021</u>
<b><u>ELECTRICITY</u></b>		
Purchased Units	0	0
Total Amount	0	0
Rate/Unit		0
<b><u>COAL</u></b>		
Unit (M.T)	0	0
Amount	0	0
Cost/M.T.	0	0
<b><u>HUSK</u></b>		
Unit (M.T)	0	0
Amount	0	0
Cost/M.T.	0	0
<b><u>CONSUMPTION PER UNIT OF PRODUCTION</u></b>		
Electricity (Unit/MT)	0	0
Coal (MT/MT)	0	0
Husk (MT/MT)	0	0

#### **B. FOREIGN EXCHANGE EARNINGS & OUTGO: Nil**

**ANNEXURE - C**

**DIRECTORS REMUNERATION**

Name of Director	Sitting Fees				Salary & Perquisites	Total
	Board Meeting	Audit Committee	Remuneration Committee	Shareholders Grievance Committee		
Bimal Kumar Agarwal	--	--	-	--	0	0
Anusuya Devi Agarwal	--	--	-	--	0	0
Mamata Agarwal	--	--	-	--	0	0
Garima Chokhani	--	--	-	--	0	0

**ANNEXURE-D**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis :

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	-	-	-	-	-	-
2	-	-	-	-	-	-

## ANNEXURE-E

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

**COS BOARD INDUSTRIES LIMITED**

At-New Industrial Estate, Jagatpur

Phase II, Cuttack, Odisha-754021

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **COS BOARD INDUSTRIES LIMITED** (here in after called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

**(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made the re under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the audit period);**

(v) The following Regulations and Guide lines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

**(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period);**

**(b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period);**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during to the company during the audit period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period);**

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The following other laws specifically applicable to the Company to the extent applicable to it—

- a) The Factories Act, 1948.
- b) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- c) The Industrial Disputes Act, 1947.
- d) The Payment of Wages Act, 1936.
- e) The Minimum Wages Act, 1948.
- f) Employees State Insurance Act, 1948.
- g) The Payment of Bonus Act, 1965.
- h) Indian Boilers Act, 1923.
- i) Air (Prevention and Control of Pollution) Act, 1981.
- j) Water (Prevention and Control of Pollution) Act, 1974.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The listing agreements entered into by the Company with the Bombay Stock Exchange Limited;

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above except to the extent as mentioned below:

- a) *During the audit period the Company has not appointed any Internal Auditor as per Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.*
- b) *During the audit period, the Company's operations were shut down since 3rd May, 2019 due to Fani Cyclone followed by Labour Strike and non- payment of Labour and Employees dues till date.*

**M/s Cos Board Industries Limited .....3**

- c) *The Company was admitted under Corporate Insolvency Resolution Process (CIRP) as per the provisions of Insolvency and Bankruptcy Code 2016 (IBC) vide order no CP(IB) no. 44/CTB/2019 dated 16.12.2019 at National Company Law Tribunal (NCLT), Cuttack Branch. The Hon'ble NCLT vide order 125/CB/2021 dated 3rd February 2022 approved the Resolution Plan (ARP) submitted by M/s Bimal Industries, the successful resolution applicant (SRA). The consequential effect of ARP is as follows:*
- (a) Pursuant to the approved resolution Plan, the SRA and its associates have brought in Rs. 549.38 Lakhs upto 31st March, 2022 out of which Rs 120 lakhs has been considered as Unsecured Loans and the balance Rs 429.38 lakhs has been shown as Share suspense under "Other Equity" pending allotment. As per the ARP, the SRA is required to bring further Rs. 1,910.62 lakhs within 90 days for successful implementation of the ARP. The SRA is further required to bring amounts for the future capex requirement and working capital as proposed in the ARP.*
- (b) Out of the amounts received from SRA, payments of the CIRP costs of Rs 120 lakhs and secured financial secured creditor of Rs. 429.38 lakhs has been made.*
- (c) Pending completion of the implementation of the ARP, the Board of Directors of the Company has not yet been constituted and the management of the Company is being handled by Monitoring Committee appointed as per the ARP. However, on 8th February 2022, the Monitoring Committee meeting took note of the following nominees of SRA for the reconstruction of the Board of Directors:*
- i) Anusuya Devi Agarwal*  
*ii) Bimal Kumar Agarwal*  
*iii) Mamata Devi Agarwal*
- (d) Existing 42,93,800 shares have still not been cancelled and also not been delisted from Bombay Stock Exchange (BSE)*
- d) *Pursuant to the NCLT Order dated 03.02.2022, the shares held by erstwhile shareholders shall be relinquished once the approved resolution Plan is implemented, and the new shares are allotted to the Successful Resolution Applicant which is under process as per information received from management of the Company.*
- e) *The Annual Secretarial Compliance Report under Regulation 24A of SEBI (LODR), Regulations, 2015 for the financial year ended 31/03/2022 has not been filed with BSE Listing Centre within specified time limit.*
- f) *The factories of the Company have remained closed on 3rd May, 2019. The Company shall take necessary steps to restart the factories and resume operations after infusing such funds for its revival and smooth running as per the ARP.*

I further report that as far as I have been able to ascertain-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**M/s Cos Board Industries Limited .....4**

I further report that as far as I have been able to ascertain-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Further it is Reported that Company does not have a Compliance officer in terms of Regulation 6 of SEBI (LODR) Regulations 2015.

**Composition of Board as per provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015 as on F.Y. 2021-22**

Sl. No.	Name of the Directors	Designation	Date of appointment	DIN/PAN
1	Shiv Shankar Taparia <sup>#</sup>	Managing Director	16.12.2009	00566650
2	Anil Kumar Gilra <sup>#</sup>	Whole Time Director	01.07.2006	00883125
6	Bimal Kumar Agarwal	Wholetime Director	08.02.2022	01839111
7	Anusuya Devi Agarwal	Managing Director	08.02.2022	02198426
8	Mamata Agarwal	Director	08.02.2022	08278394
9	Garima Chokhani	Director	20.06.2022	09642402
10	Ashok Kumar Jena <sup>*</sup>	Chief Financial Officer	28.05.2016	AORPJ1544F
11	Alka Jain <sup>**</sup>	Company Secretary	01.06.2017	BKRPJ6649G

<sup>#</sup>Resigned w.e.f. 03.02.2022

<sup>\*</sup>Mr. Ashok Kumar Jena had taken back his resignation from the post of Chief Financial Officer and continued to at such position.

<sup>\*\*</sup>Ms. Alka Jain has resigned from her post with effect from 31.03.2020, but the Company has not accepted and filed her resignation in e-Form DIR-12 with ROC, Cuttack in prescribed time.

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

**For Deepak Dhir & Associates  
Company Secretaries**

Place: New Delhi  
Date: 29.09.2022

**UDIN: F011633D001966476**

Deepak Kumar Dhir  
M. No. FCS 11633  
CP No. 17296

(This report is to be read with my letter of event date which is annexed as Annexure- A and forms an integral part of this report.)



**“Annexure –A”**

**To,**

**The Members**

**COS BOARD INDUSTRIES LIMITED**

At-New Industrial Estate, Jagatpur

Phase II, Cuttack, Odisha-754021

My Report of event date is to be read alongwith this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on such secretarial records based on my audit.
2. I have followed the audit practices and processes as I considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. My verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements. I believe that the processes and practices we followed for this purpose provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, I have been informed by the management with respect to compliance of laws, rules and regulations and of significant events during the financial year.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations is the responsibility of the management. My examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Deepak Dhir & Associates  
Company Secretaries**

Place: New Delhi  
Date: 29.09.2022

Deepak Kumar Dhir  
M. No. FCS 11633  
CP No. 17296

**UDIN: F011633D001966476**

### **Management's explanation on the qualifying remarks of Secretarial Audit Report**

The qualifying remarks, reported by the Secretarial Auditor in their report for the Financial Year ended 31st March, 2022 and the explanations of the management are tabulated below:

<b>S. No.</b>	<b>Qualifying remarks of Secretarial Auditor</b>	<b>Management's explanation</b>
1.	During the audit period the Company has not appointed any Internal Auditor as per Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014.	The management has seen profiles of several Chartered Accountant firms and planning for appointment of the Internal Auditor.
3.	In terms of Point No. 16 Part A of Schedule III to the SEBI (LODR) 2015) the Company was required to intimate Stock exchanges about various events happened during corporate insolvency resolution process, the Company could not comply with the same.	The Company is in a process of reporting the various statutory compliance with the concerned authorities and the Company will ensure the due diligence in future.