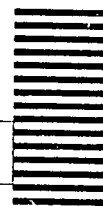


*Annual Report 1996-97*



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**GBL**



GLOBAL BOARDS LIMITED

MD	✓		REG	✓
CS	✓		DRY	✓
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

## 5 th ANNUAL REPORT 1996-97

### BOARD OF DIRECTORS

Reider Oster	Chairman	up to 27.11.1996
Rajkumar Jatia	Vice Chairman	up to 07.07.1997
Shailesh C. Bagrodia	Managing Director	
Satish Chandra	Executive Director	w.e.f. 24.04.1997.
Girish Kumar Saraf	Director	
Vimal Kumar Agarwal		
Mrs. Alka Bharucha		up to 28.11.1997.
Ms. Kavita Pasricha		
Rajesh Dadoo		w.e.f. 28.11.1997.
H. Acharyya	(Nominee of IDBI)	
R. H. Pise	(Nominee of SICOM)	

### REGISTERED OFFICE & FACTORY

Plot No. K-5, Addl, M.I.D.C. Industrial Area,  
Mahad - 402 302, Dist. Raigad,  
Maharashtra.

### CORPORATE OFFICE

2-A, Parekh Mahal,  
80, Veer Nariman Road,  
Churchgate, Mumbai - 400 020.

### BANKERS

State Bank of India  
Oriental Bank of Commerce  
Punjab National Bank

### AUDITORS

D. N. Kanabar & Co.  
Chartered Accountants  
Mumbai.

Contents	Page No.
Notice	2
Directors' Report	5
Auditors' Report	7
Balance Sheet	8
Profit & Loss Account	9
Schedules	10
Notes to the Accounts	17
Cash Flow Statement	20
Abstract of Balance Sheet	21

## GLOBAL BOARDS LIMITED

### NOTICE

Notice is hereby given that the **Fifth Annual General Meeting** of the Members of GLOBAL BOARDS LIMITED will be held at the Registered Office of the Company at Plot No. K-5, Addl. M.I.D.C. Industrial Area, Mahad - 402 302, Dist. Raigad on Tuesday, the 30th December, 1997 at 12.00 noon to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Girish Kumar Saraf, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vimal Kumar Agarwal, who retires by rotation and, being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Rajesh Dadoo who was appointed as a Director of the Company in the casual vacancy caused by the resignation of Shri. Raj Kumar Jatia pursuant to Article 135 of the Articles of Association of the Company and who holds office up to this Annual General Meeting be and is hereby appointed a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956, Shri Satish Chandra, who was appointed by the Board of Directors as a Director in the casual vacancy on the Board caused by the resignation of Mr. Reider Oster and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. 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 Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves, of the appointment and terms of remuneration of Shri Satish Chandra, Wholetime Director of the Company for a period of one year with effect from 24th April, 1997, upon the terms and conditions set out in the Letter of Appointment dated 21st April 1997 submitted to this meeting and signed by the Chairman for the purpose of identification, which Letter is hereby specifically approved with liberty to the Directors to alter and vary the terms and conditions of the said appointment as may be agreed to and decided mutually between the Directors and Shri Satish Chandra."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED that in supersession of the Resolution adopted at the Third Annual General Meeting of the Company held on 28th October, 1995 and pursuant to the provisions of Section 293(1) (d) of the Companies Act, 1956, the consent of the Company in terms of the aforesaid Section and other applicable provisions, if any, of the Act and subject to clearance/approval of the Government of India, as and when necessary, be and the same is hereby accorded to the Board of Directors of the Company borrowing from time to time for the purpose of the Company's business, any sum or sums of monies, internally and/or externally, which together with monies already borrowed excluding the monies borrowed from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount of such borrowing together with the amounts already borrowed and outstanding shall not exceed Rs. 500 crores (Rupees Five Hundred Crores only).

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

"RESOLVED that pursuant to Section 149 (2A) and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded to the Board of Directors for commencing and undertaking the object specified in clause 132 under "Other Objects" of the Memorandum of Association of the Company."

By Order of the Board

Regd. Office : Plot No. K-5  
Addl. MIDC Indl. Area,  
Mahad - 402 302, Dist. Raigad,  
Maharashtra  
Place : Mumbai  
Date : November 26, 1997

J. Y. GUPTE  
Asst. Company Secretary

## 5 th ANNUAL REPORT 1996-97

## Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
3. The relative Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of items 5 to 9 of the Notice, as set out is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26-12-1997 to 30-12-1997 (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the Company, are requested to send their queries to the Company Secretary atleast seven days before the Meeting, so that the information required by the Members may be made available at the Meeting.

## ANNEXURE TO NOTICE

## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

## ITEM NO. 5

Shri Rajesh Dadoo was appointed by the Board of Directors as a Director of the Company on 28-11-1997 in the vacancy caused by the resignation of Shri. R. K. Jatia before his term of office expired in the normal course. Shri R. K. Jatia being one of the Directors retiring by rotation would have, if he had not resigned, retired at this meeting. Under Section 262 of the Companies Act, 1956, the term of office of Shri R. K. Jatia as Director would expire at this Annual General Meeting.

Shri Rajesh Dadoo, a NRI businessman and a qualified CPA from USA was associated with the Company's Project since its inception as a friend and associate of promoters. His role was significant in tying up funding requirement of the project since its inception.

A notice in writing has been received from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Rajesh Dadoo as a candidate for the office of Director and a deposit of Rs. 500/- has also been received. The Board of Directors are also of the opinion that it would be in the interest of the Company to continue the association of Shri Rajesh Dadoo as a Director of the Company.

Your Directors, therefore, recommend the proposed Resolution for your acceptance.

Except Shri. Rajesh Dadoo, no other Director is concerned or interested in the Resolution.

## ITEM NOS. 6 &amp; 7

The Board of Directors have appointed Shri. Satish Chandra as Director of the Company with effect from 24th April, 1997 in the casual vacancy caused by the resignation of Mr. Reider Oster. The Board has also appointed Shri Satish Chandra a whole time Director for a period of one year with effect from the aforesaid date. Prior to his appointment as a whole time Director Shri. Satish chandra was holding the position of General Manager (Projects). He has been associated with the Company for the Project development and implementation right from its inception.

Shri Satish Chandra is a Chemical Engineer having studied and trained in India, University of Strathclyde, Glasgow, UK and in Germany. He is the member of the Institute of Chemical Engineers of India. He has vast and varied experience in the projects and their implementation as also in operations of various industries including chemical, petrochemical and paper.

Prior to his joining of the Company he has served in senior executive capacities in well-known organisations such as NOCIL, DCM, Somaiya Organics and Kesar Petrochem

Under Section 262 of the Companies Act, 1956, Shri. Satish Chandra holds office as a Director only till the date upto which Mr. Reider Oster in whose place he has been appointed would have held office had he not retired, viz., till the date of the forthcoming Annual General Meeting. Notices under Section 257 of the Act have been received from some Members signifying their intention to propose the appointment of Shri. Satish Chandra as a Director of the Company.

The terms and conditions governing the appointment of Shri Satish Chandra as set out in the Letter issued to him and reproduced herein below are within the permissible limits of Schedule XIII of the Companies Act, 1956.

- i) Salary : Rs. 12,000/- (Rs. Twelve thousand) per month
- ii) Other Allowances : Rs. 10,800/- (Rs. Ten thousand eight hundred) per month
- iii) Medical Reimbursement : Expenses incurred for self and family subject to a limit of Rs. 14,400/-
- iv) Leave Travel Concession : For self and family not exceeding Rs. 14,400/-
- v) Other benefits :
  - a) Free use of car on Company's business
  - b) Telephone facility at residence - Reimbursement of telephone expenses at actuals.

## GLOBAL BOARDS LIMITED

c) Earned / Privilege Leave on full pay and allowances, as per Rules of the Company but not exceeding one month leave for every 11 months' service.

In view of Shri Satish Chandra's professional qualifications and his long and varied experience in the organization, his appointment on the Board of Directors is in the interest of the Company.

Your Directors, therefore, recommend the proposed Resolution for your acceptance.

Except Shri. Satish Chandra, no other Director is concerned or interested in the Resolution.

### ITEM NO. 8

Under Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in General Meeting, borrow moneys apart from temporary loans obtained from the Company's Bankers in the ordinary course of the business in excess of the aggregate of the paid-up capital and free reserves viz. reserves not set apart for any specific purpose.

At the Annual General Meeting held on 28/10/1995, the Board of Directors of the Company was authorised to borrow monies from time to time up to a maximum limit of Rs. 150 crores. The Board considers that the said limit of Rs. 150 crores may not be sufficient to meet the financial requirements of the company as also the General Corporate Objectives of the Company.

The Company's paid up capital has increased from Rs. 41.88 Crores to Rs. 74.71 Crores. The Board accordingly recommends that the said limit be increased to Rs. 500 crores. The ordinary resolution set out at this item of the Notice is intended to modify the aforesaid ordinary resolution so that the Board may be empowered to borrow monies as and when considered necessary by the Company, subject however, to the limits specified therein. Accordingly, the approval of the members is being sought pursuant to Section 293 (1) (d) of the Companies Act, 1956.

Your Directors recommend the Resolution for the approval of the Members.

None of the Directors is interested or concerned in the Resolution.

### ITEM NO. 9

As per the provisions of Section 149 (2A) of the Companies Act, 1956, approval of the Shareholders in the General Meeting is required for commencement of any business as set out in the Other Objects under Clause IIIC of the Memorandum of Association.

As a matter of expediency, approval of the Shareholders is sought to enable the Directors at such time or times as they may consider appropriate and in the interest of the Company to commence and undertake the business specified in sub-clause 132 of the Object Clause IIIC of the Memorandum of Association of the Company, herein below :

"To carry on business of rendering services as consultants on management, engineering, technical, industrial, trading, commercial, accountancy, financial, economical, statistical, legal medical, social, advertising, sales promotional, professional, official or other matters, to any person or to industrial, trading, non-trading, commercial, charitable or any other concern, organization, institution or establishment or Government or to public or Semi-Government, institutions, or undertaking or company, to undertake and carry on scientific, industrial, commercial, economic social, advertising, statistical and technical and such other surveys and investigations, and to draw up and prepare reports, plans certificates, opinions and other documents, for the purposes of providing the same to aforesaid person, concern, organisation, institution or establishment, to devise, work out, prepare and provide ways and means and plans to obtain, purchase, sell and make available or provide technical assistance and know-how and information to aforesaid person, concern, organisation institution or establishment."

The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

A copy of the Memorandum of Association is available for inspection at the Registered Office of the Company between 11 a.m. and 1 p.m. on all working days except Saturdays and holidays upto to the date of the meeting.

By Order of the Board

Regd. Office : Plot No. K-5  
Addl. MIDC Indl. Area,  
Mahad - 402 302, Dist. Raigad,  
Maharashtra  
Place : Mumbai  
Date : November 28, 1997

J.Y.GUPTA  
Asst. Company Secretary

## 5 th ANNUAL REPORT 1996-97

## DIRECTORS' REPORT

To The Members,

Your Directors are presenting Fifth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1997.

## FINANCIAL RESULTS :

(Rs. in lakhs)

Total Income	2110.05
Less : Total Expenditure	2349.71
Interest & Lease Rent	1273.12
Loss before Depreciation	1512.78
Add : Depreciation	479.29
Deferred Revenue Expenses	12.61
Total loss carried to Balance Sheet	2004.68

During the period from 8th August, 1996 to 31st March, 1997 the cash loss amounted to Rs. 1512.78 lacs and further, inclusive of depreciation, the loss stands at Rs. 2004.78 lacs. The Company has commenced its commercial production on 8th August, 1996 and accordingly the Profit & Loss Account has been prepared from 08-08-1996 to 31-03-1997 (i.e. for a period of 7 months and 24 days)

## OPERATIONS :

Members are aware that the commercial production of the Company commenced w.e.f. 8th August, 1996. Despite teething problems faced during the period up to March 1997, the Company produced 8127 metric tonnes of chromo, art and cast coated boards and has been successful in marketing 8551 metric tonnes of chromo, art and cast coated boards. A number of dealers have been appointed at various consumption centres to market the Company's product in addition to direct marketing to large consumers of board. In the extremely difficult market condition prevailing globally accentuated by dumping from foreign sources in India, the price scenario for paper board industry remained bleak throughout the period thereby inflicting the cash losses on the Company.

The Company has taken steps to strengthen its manufacturing facilities by modernising both its paper making machines to manufacture various cost effective grades of board. The feedback from market about the quality of the Company's products is extremely encouraging and it is hoped that with the reasonable increase in price of paper board from the present poor conditions, the Company will be able to come out of the temporary difficulties. In spite of the adverse conditions your Directors and employees at all levels are putting their best efforts to achieve excellence in operations to turn around the Company into world class board manufacturing facilities.

## FINANCE

To strengthen the working capital base of the Company which was eroded due to loss the Company has successfully negotiated and availed external commercial borrowing of US \$3 Millions tantamount to Rs. 10.75 crores from a foreign corporate body on extremely competitive terms. In July 1997 the Company in terms of the directions and advice from IDBI, the lead Financial Institution and RBI approval with SEBI clearance allotted 3,28,30,000 equity shares of Rs. 10/- each for cash at par on preferential basis to core promoters, OCB and FCB equity holders thereby increasing the paid up capital of the Company to Rs. 74.71 crores. The Company has obtained permission from all competent authorities for borrowing of further external commercial borrowing to the tune of US\$ 10 Million from foreign corporate bodies (FCBs) and equity holders.

## DIRECTORS

Shri G. K. Saraf and Shri Vimal Kumar Agarwal, the Directors of the Company, retire by rotation at the 5th Annual General Meeting and are eligible for reappointment. During the year under report, Mr. Reider Oster, Shri Raj Kumar Jatia and Ms. Alka Bharucha resigned from the office of Director and Shri Satish Chandra and Shri Rajesh Dadoo were appointed as Directors to fill the casual vacancies caused by their resignation.

## AUDITORS

M/s D. N. Kanabar & Co., Chartered Accountants, Mumbai, who were appointed as the Auditors of your Company at the last Annual General Meeting retire at the ensuing Annual General Meeting and offer themselves for re-appointment. The Members are requested to consider their re-appointment for the current year and to authorise the Managing Director to fix their remuneration.

## FIXED DEPOSITS

During the year the Company did not accept any deposits from the public under Section 58A of the Companies Act, 1956

## GLOBAL BOARDS LIMITED

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information required under section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is set out in the Annexure forming part of this Report.

#### PROJECTIONS V/s. PERFORMANCE

Due to delay in commencement of commercial production, viz. 8th August, 1996, as reported to you last year, your Directors regret that the projections are not comparable with the actuals.

#### PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Reports and Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company.

#### ACKNOWLEDGEMENT

Your Directors wish to place on record the appreciation of the valuable support and co-operation received from the financial institutions, Bankers to the Company, Government Authorities and valued clients of the Company. The Directors also wish to place on record their appreciation of the dedicated and devoted services rendered by the executives, staff and the workers of the Company.

For and on behalf of the Board

Place : Mumbai

Date : November 28, 1997

SHAILESH C. BAGRODIA  
Managing Director

SATISH CHANDRA  
Executive Director

### ANNEXURE FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997

#### A. CONSERVATION OF ENERGY

To achieve results in energy conservation, study by expert team of Confederation of Indian Institutes (CII) has been conducted in January and March 1997 and the results are encouraging. A few of the savings achieved in energy conservation during the year are as follows :

- a) By changing the stock chest agitator motors from 30 kw to 15 kw, the annual savings achieved are about Rs. 5.0 lakhs.

- b) By changing the hot air fan motor of 110 kw with 55 kw, the annual savings are about Rs. 4.11 lakhs.

The efforts are still on to achieve further savings through energy conservation to the tune of Rs. 20 lakhs per annum by replacing the conventional suction return drum with the latest extractor mould in P-10 Machine.

In addition to the above, some more energy conservation activities are being carried out to achieve maximum savings.

#### B. TECHNOLOGY ABSORPTION

Your Company has not entered into any technical collaboration.

### FOREIGN EXCHANGE EARNINGS AND OUTGO :

	31/03/1997	31/03/1996
	Nil	Nil
Earnings :		
Outgo :		
Import :		
Raw Materials & Chemicals	1146.88	2124.98
Capital goods	2.32	37.09
Stores & Spares	24.14	-
Foreign Travel :	22.84	3.18
Technical Services Fees :	-	36.87
Membership and Subscription to Books and Periodicals :	0.93	2.41
Total Energy Consumption and energy consumption per unit of production as per Form - A		

#### A. Power and Fuel Consumption

Electricity	
(a) Purchased :	
Units (Kwh)	16,718,365
Total Amount (Rs.)	6,30,42,892/-
Rate/Unit (Rs.)	3.77
(b) Own Generation :	Nil

#### B. Consumption per unit of Production

Electricity (Kwh)	1384
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#### Form - B

#### Research and Development (R&D)

Expenses incurred on Research & Development are debited to respective heads of account.