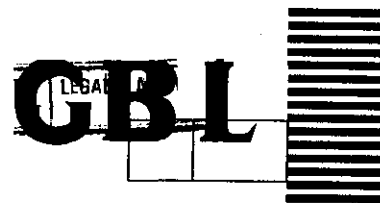


# *Annual Report 1999-2000*



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GLOBAL BOARDS LIMITED

## 8 th ANNUAL REPORT 1999-00

### BOARD OF DIRECTORS

<b>Shallesh C. Bagrodia</b>	<i>Chairman &amp; Managing Director</i>
<b>Girish Kumar Saraf</b>	
<b>Rajesh Dadoo /</b>	
<b>Sushil Kumar Jhaveri</b>	<i>Director /Alternate Director</i>
<b>Arvind Rateria</b>	<i>Whole-time Director</i>
<b>Tejmal Jain</b>	<i>Whole-time Director</i>

### COMPANY SECRETARY

**J. Y. Gupte**

### REGISTERED OFFICE & FACTORY

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

### CORPORATE OFFICE

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

### SHARE TRANSFERS - IN HOUSE

At : The Registered Office

### BANKERS

**State Bank of India**  
**Oriental Bank of Commerce**  
**Punjab National Bank**

### AUDITORS

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

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## GLOBAL BOARDS LIMITED

### NOTICE

Notice is hereby given that the **Eighth 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. MIDC, Industrial Area, Mahad - 402 302, Dist. Raigad on Wednesday, the 30th August, 2000 at 11.30 A.M. to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 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 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 :

4. 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 Tejmal Jain, who was appointed by the Board of Directors as a Director in the casual vacancy on the Board caused by the resignation of Shri Vimal Kumar Agarwal and who holds office upto the date of the ensuing Annual General Meeting under Section 262 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."
5. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :  
"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, the appointment of Shri Tejmal Jain, as Whole-time Director of the Company with effect from 31st May, 2000 for a period of two years be and is hereby approved, on such salary and other perquisites as are set out in the Explanatory Statement attached to the Notice, convening this Annual General Meeting a copy whereof initialled by the Chairman for the purpose of identification is placed before this meeting, with such modification as may be required by any applicable law and as may be agreed to by the Board of Directors of the Company and Shri Tejmal Jain."  
"FURTHER RESOLVED that the Board of Directors be and is hereby authorised, at its discretion to vary or increase, from time to time, the remuneration and perquisites as may be permissible within the limits of Schedule XIII to the Companies Act, 1956."
6. To consider and, if thought fit, to pass with or without modifications (s), the following resolution as an Ordinary Resolution  
"RESOLVED that pursuant to Sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Arvind Rateria be paid with effect from 1st April, 2000 such higher remuneration as to salary and other perquisites as are set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, a copy whereof initialled by the Chairman for the purpose of identification is placed before this meeting, with such modifications as may be required by any applicable law and as may be agreed to by the Board of Directors of the Company and Shri Arvind Rateria."  
"FURTHER RESOLVED that the Board of Directors be and is hereby authorised, at its discretion to vary or increase, from time to time, the remuneration and perquisites as may be permissible within the limits of Schedule XIII to the Companies Act, 1956."

By Order of the Board

J. Y. Gupte  
Company Secretary

Place : Mahad,  
Date : May 31, 2000

#### 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 4 to 6 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 Thursday, 24th August 2000 to Wednesday, 30th August 2000 (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 at least seven days before the Meeting, so that the information required by the Members may be made available at the Meeting.

**8 th ANNUAL REPORT 1999-00****ANNEXURE TO NOTICE****EXPLANATORY STATEMENT**

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

**Item Nos : 4, 5 & 6**

1. With a view to provide for executive participation at the Board level your Directors have at their meeting held on 31-05-2000 appointed Shri Tejmal Jain, President, initially as a Director in the casual vacancy caused by the resignation of Shri Vimal Kumar Agarwal and then as a whole time Director for a period of 2 years with effect from the aforesaid date.

Shri Tejmal Jain is a graduate in commerce from University of Rajasthan. He is a member of the Institute of Chartered Accountants of India. He has vast and varied experience in commerce and finance.

Prior to joining of the Company, he has served in senior executive capacities in well-known organisations such as Grasim Industries, Lloyds Steel, Jain Irrigation, looking after all site based commercial and financial functions.

Under Section 262 of the Companies Act, 1956, Shri Tejmal Jain holds office as a Director only till the date upto which Shri Vimal Kumar Agarwal 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. Notice alongwith a deposit of Rs. 500/- as required under Section 257 of the Act has been received from a Member proposing the appointment of Shri Tejmal Jain as a Director of the Company.

2. Members had at the Seventh Annual General Meeting held on 30th September, 1999, approved the payment of remuneration to Shri Arvind Rateria, whole time Director, as detailed in the Explanatory Statement to the Resolutions under item nos. 6 and 7 of the Notice of the said Annual General Meeting. Subsequently, the Board of Directors at their meeting held on 31st May, 2000, had increased his remuneration with effect from 1st April, 2000 for the remainder of tenure of his office.
3. The terms and conditions governing the appointment of Shri Tejmal Jain and revised remuneration payable to Shri Arvind Rateria as set out in the Letters issued to them and indicated herein below are within the permissible limits of Schedule XIII to the Companies Act, 1956.

	<u>Shri Tejmal Jain</u>	<u>Shri Arvind Rateria</u>
Salary : Basic	Rs. 36,500/- p.m.	Rs. 36,500/- p. m.
Allowances : Education	Rs. 2000/- p. m.	Rs. 2,000/- p. m.
HRA	Nil	Rs. 11000/- p. m.

**Other Benefits :****Shri Tejmal Jain**

1. Company's contribution to Provident Fund as per the rules of the Company
2. Company maintained car for official use.
3. Furnished House
4. One Telephone connection at residence for official use.

**Shri Arvind Rateria**

1. Company's contribution to Provident Fund as per the Rules of the Company.

Earned/ Privilege Leave with pay and allowances as per Rules of the Company.

4. In the event of absence of or inadequacy of profit in any Financial Year during their tenure, the remuneration shall be governed as provided under Section II of Part II of Schedule XIII to the Companies Act, 1956.
5. The Directors are authorised to revise the remuneration payable to these Whole-time Directors from time to time within the limits of Schedule XIII to the Act.
6. The notice may be treated as abstracts of the terms and conditions governing appointments of Shri Tejmal Jain and Shri Arvind Rateria as whole-time Directors under Section 302 of the Companies Act, 1956.
7. In view of Shri Tejmal Jain's professional qualifications and his long and varied experience in the organisation, his appointment on the Board of Directors is in the interest of the Company.

Except Shri Tejmal Jain and Shri Arvind Rateria for themselves no other Director is concerned or interested in the Resolution.

Your Directors commend the proposed Resolutions set out at item No. 4, 5, & 6 for your approval.

**By Order of the Board**

Regd. Office :  
Plot No. K-5, Addl, M.I.D.C. Industrial Area,  
Mahad - 402 302, District Raigad,  
Maharashtra.

**J. Y. Gupte**  
Company Secretary

Date : May 31, 2000

# GLOBAL BOARDS LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors present their Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2000.

## FINANCIAL RESULTS AND PERFORMANCE :

The highlights of the Financial Results are as under :

	Year ended Year ended	
	31.3.2000	31.3.1999
	(Rs. in lacs)	(Rs. in lacs)
Total Income	6277.10	7902.62
Less : Total Expenditure	5939.36	7242.21
Interest & Finance charges	2563.38	2295.95
Loss before Depreciation	2225.64	1635.54
Add : Depreciation	869.50	823.93
Deferred Revenue Expenses	19.50	19.50
Total loss carried to		
Balance sheet	3114.64	2473.97

**PRODUCTION :** 20416 MT 25997 MT

Due to recession in paper industry in general and Working Capital crunch faced by the Company in particular, the production during the year has reduced by 21.5 %. There have been signs of improvement in paper industry from April 2000 onwards and due to innovative measures taken by the Company for use of more recycled pulp (waste paper) , the current year prospects appear promising. With expected sanction of the revival package by FI's/Banks and consequent availability of Working Capital, turn around of the Company's fortune is expected during the year 2000-01.

## FIXED DEPOSITS :

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

## PROVISIONS OF SICA, 1985 :

Based on the audited accounts of the Company for the year ending 31st March 2000, the accumulated losses of the Company have exceeded its net worth as defined under the relevant provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. Consequently the Company has become a sick industrial Company within the meaning of the said Act and your Directors are taking appropriate steps for reporting the matter to the Board for Industrial and Financial Reconstruction for determination of measures which shall be adopted with respect to restructuring of the Company.

## RESTRUCTURING PACKAGE :

The Company's application for restructuring the existing term loans is still under active consideration of the Industrial Development Bank of India, the lead institution. The proposal is expected to be discussed in the second OLM (Officers Level Meeting) of the participating financial institutions and banks.

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

The information relating to technology absorption, conservation

of energy, foreign exchange earnings and outgo required to be disclosed 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.

## PERSONNEL :

Information required to be disclosed u/s 217 (2A) of the Companies Act, 1956 is not applicable as none of the employee was in receipt of a remuneration of Rs. 50,000/- and above per month.

## DIRECTORS :

Mrs. Santosh Devi Bagrodia, Mrs. Kavita Pasricha and Shri Vimal Kumar Agarwal resigned from the Board of Directors with effect from 17-2-2000, 20-4-2000 and 11-4-2000 respectively.

The Board wishes to place on record its sincere appreciation of the valuable contribution made by these Directors during their respective tenure as Directors of the Company.

Shri Girish Kumar Saraf, Director of the Company, retire by rotation at the 8<sup>th</sup> Annual General Meeting and is eligible for reappointment.

Shri Tejmal Jain, President has been appointed as a Whole-time Director.

## INSURANCE :

All insurable interests of the Company including inventories, building, plant & machinery, equipments and others to the extent necessary are adequately insured.

## AUDITORS' REPORT

The observations made by the Auditors in their Report with reference to Notes in the audited Accounts for the year ended 31st March, 2000 are self-explanatory and hence do not call for any further clarifications.

## 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 fix their remuneration.

## ACKNOWLEDGEMENT :

Your Directors wish to express their appreciation of the unstinted support and co-operation received from the Financial Institutions, Bankers to the Company, Government Authorities and the forbearance shown by suppliers. The Directors recognise the dedicated and devoted services rendered by the employees at all levels.

For and on behalf of the Board.

**SHAILESH C. BAGRODIA**  
Chairman & Managing Director

Place : Mahad

Dated : May 31st, 2000