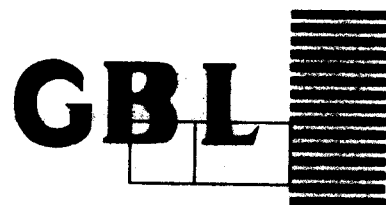


Annual Report 2002-2003



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GLOBAL BOARDS LIMITED

BOARD OF DIRECTORS

Shallesh C. Bagrodia	<i>Managing Director</i>
Girish Kumar Saraf	<i>Director</i>
Rajesh Dadoo /	<i>Director /</i>
Sushil Kumar Jhaveri	<i>Alternate Director</i>
Arvind Rastogi	<i>Whole-time Director</i>
Tejmal Jain	<i>Whole-time Director</i>
B. W. Ramtke	<i>Director (Nominee of IDBI)</i>
Girish Kumar Agarwal	<i>Whole-time Director</i>
Rachana Dogra	<i>Director</i>

ASST. COMPANY SECRETARY

Pankaj Gupta

REGISTERED OFFICE & FACTORY

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

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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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11th ANNUAL REPORT 2002-03**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the Shareholders 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 Thursday, the 25th day of September, 2003 at 12:00 noon to transact, with or without modification, as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended 31st March, 2003 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Rachana Dogra, who retires from office by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of 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 approval, pursuant to Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 be and is hereby accorded to the appointment of and the remuneration payable to Mr. Arvind Rateria as the Managing Director of the Company for a period of two years from 30th day of June 2003 on the terms and conditions (including the terms regarding the payment of remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period), as set out in the Explanatory Statement attached hereto."

"RESOLVED FURTHER THAT the terms and conditions of the said appointment be altered and/or varied from time to time by the Board, as it may, at its discretion, deem fit, within the maximum amount payable in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard."

By Order of the Board

Place: Mahad, Dist. - Raigad
Date: 30th June, 2003

Pankaj Gupta
Asst. Company Secretary

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE (ON POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF COMPANY.
- b) THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of items 4 of the Notice as set out above, is annexed hereto.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 18th September 2003 to Thursday the 25th September 2003 (both days inclusive).
- e) The Company is registered with the National Depository Limited and Central Depository (India) Limited and the Shares of the Company have been de-materialised compulsorily for investors. The ISIN code number of the Company is INE085D01017. Any member desirous of de-materialise his holding may do so through any of the Depository participants.
- f) Members desirous of obtaining any information concerning the accounts and operations of the Company, are requested to send their queries to the Asst. Company Secretary at least Seven Days before the Meeting, so that the information required by the members may be made available at the meeting.
- g) Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.

GLOBAL BOARDS LIMITED**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT UNDER SECTION 173(1) OF THE COMPANIES ACT, 1956.****ITEM NO. 4 :**

The Board has approved the appointment of Mr. Arvind Rateria as Managing Director for a period of two years from 30th June 2003 upon the following terms as to remuneration.

Basic Salary	Rs. 27375/- p.m.
HRA	Rs. 8250/- p. m.
Education Allowance	Rs. 1500/- p. m.

Other Benefits: -

1. Companies Contribution to Provident Fund as per Rules of the Company but not exceeding 12 % of the Basic Salary.
2. Car for official purpose.
3. Earned / Privilege Leave with pay and allowances as per Rules of the Company.

In the absence or inadequacy of profit Mr. Arvind Rateria will be entitled to the remuneration set out above in accordance with Schedule XIII to the Companies Act, 1956 or any modification or re-enactment thereof.

The Board is authorised to revise the remuneration payable to Managing Director Mr. Arvind Rateria from time to time within the limits of Schedule XIII to the Act.

The notice may be treated as abstracts of the terms and conditions governing appointment of Mr. Arvind Rateria as Managing Director under Section 302 of the Companies Act. 1956.

Mr. Arvind Rateria has been associated with the Company since 19th June 1995 & has long executive experience and due to the resignation of Managing Director Mr. Shailesh C. Bagrodia on personal reasons, your Directors recommends the proposed Resolution for your acceptance.

None of the Directors except Mr. Arvind Rateria is interested or concerned in the resolution.

By Order of the Board

Place : Mahad, Dist. - Raigad
Date : 30th June, 2003

Pankaj Gupta
Asst. Company Secretary

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in submitting the Eleventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS

The highlights of the Financial Results are as under :

	Year ended 31.3.2003 (Rs. in lacs)	Year ended 31.3.2002 (Rs. in lacs)
Total Income	1706.14	1688.13
Less : Total Expenditure	1808.49	1864.51
Interest & Finance Charges	(81.39)	332.10
Loss Before Depreciation	20.96	508.48
Add : Depreciation	824.78	833.23
Deferred Revenue Expenses	19.51	19.51
Total Loss Carried to		
Balance Sheet	865.25	1361.22

PRODUCTION 4531 MT 4870 MT

OPERATIONAL PERFORMANCE

Due to continues recession in Paper Board Industries and non-availability of required working capital adversely affected the production & sales of the Company. The production during the year has reduced by 7 % appx. as compared to previous year.

FIXED DEPOSITS

During the year under review Company did not accept any deposit from the public under section 58 A & 58 AA of the Companies Act, 1956.

DIVIDEND

Due to the loss suffered during the year, the Directors of your Company regret that they are not in the position to recommend & declare any dividend for the year 2002-2003.

PROVISION OF SICA, 1985

As informed in the previous years Directors' Report, due to accumulated losses exceeding its net-worth the company's reference was registered with BIFR on 05.07.2000. The Board, vide its order 30th August 2001 has declared the company as a Sick Industrial Company under Section 3 (1) (O) of the SIC Act, 1985. The first hearing was held on 22.11.2000, wherein IDBI was appointed as the operating agency.

Management is doing, its optimum efforts for One Time Settlement, which is in advance stage of negotiations.

CORPORATE GOVERNANCE

Your company is fully committed to good corporate governance practices. In this regard your company endeavors to adhere to the standards set out by the Securities & Exchange Board of India (SEBI) Corporate Governance practices. Your directors are pleased to inform you that your company has implemented most of the major stipulation prescribed. Your company's Statutory Auditors Certificate dated 30th June 2003 in line with Clause 49 of the Stock Exchange Listing Agreement validates our claim. This certificate is annexed to and forms part of the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement" and confirm as under :

- That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the directors have selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for that period;
- That the directors 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;
- That the directors have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information relating to energy conservation, technology absorption and foreign earning 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 received remuneration of Rs. 1,00,000/- and above per month or Rs. 12,00,000/- and above per annum.

INSURANCE

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

DIRECTORS

Mrs. Rachana Dogra retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Shailesh C Bagrodia - Managing Director & Mr. Girish Kumar Saraf - Director have resigned on their personal reasons from the Board on 30th June 2003. Your Board do place on record the valuable guidance & services received from Mr. Shailesh C Bagrodia - Managing Director & Mr. Girish Kumar Saraf - Director, to the company during their tenure.

Board appointed Mr. Arvind Rateria as Managing Director for 2 Years from 30th June 2003 at its meeting held on 30th June 2003.

AUDITORS

M/s D. N. Kanabar & Co., Chartered Accountants, the auditors of the Company retire at the conclusion of 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.

AUDITORS' REPORT

The observation made by Auditor in the Auditors' Report are self-explanatory and therefore no further explanation is considered necessary.

APPRECIATION

Your Directors wish to place on record their appreciation of the valuable support and co-operation received from the Financial Institutions, Bankers to the Company and Government Authorities.

For and on behalf of the Board.

Place : Mahad, Dist. Raigad
Dated : 30th June, 2003

Managing Director

GLOBAL BOARDS LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Information 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 and forming part of the Directors' Report.

A) CONSERVATION OF ENERGY

Total energy consumption and energy consumption per unit of production is given in the prescribed form as below :-

	Year ended 31/03/2003	Year ended 31/03/2002
A. Power and Fuel Consumption		
Electricity		
(a) Purchased:		
Units (Kwh)	3,446,824	4,820,430
Total Amount (Rs.)	20,878,479	27,737,402
Rate/Unit (Rs.)	6.05	5.75
(b) Own Generation :		
Units (Kwh)	--	--
Total Amount (Rs.)	--	--
Rate/Unit (Rs.)	--	--
Furnance Oil		
(a) Purchased:		
Units (Kwh)	821,582	1,128,086
Total Amount (Rs.)	9,960,291	9,591,517
Rate/Unit (Rs.)	12.12	8.50
B. Consumption per unit of Production		
Electricity (Kwh)	760.72	989.82
Furnance Oil (Liters)	181.32	231.63

The electricity & Furnance oil consumption per unit of production has reduced to 760.72 Kwh & 181.32 Liters as compared to 989.82 Kwh & 231.63 Liters in the last year respectively, through strict monitoring & timely attention.

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

The Company has in house Research & Development unit. The expenses incurred on Research & Development are debited to respective heads of account.

Your Company has not entered into any technical collaboration.

C) Foreign Exchange Earnings and Outgo**Foreign Exchange earnings and outgo :**

	31/03/2003 (Rs. in lakhs)	31/03/2002 (Rs. in lakhs)
Earnings	30.58	18.36
Outgo :		
Raw Material & Chemicals	310	415.49
Foreign Travel	6.50	7.50
Membership and Subscription to Books & Periodicals and Advertisement	--	4.63
Quality Compensation	--	2.30
Commission on Export	--	0.76
Total Outgo	316.50	430.68

For and on behalf of the Board.

Place : Mahad, Dist. Raigad
Dated : 30th June, 2003

Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE:**

Different types of paperboard i. e. Coated Board, Chromo Board, Duplex Board, Art Board, Folding Box Board & Liquid Bleached Board are manufactured by Global Boards Limited. Also the Company is manufacturing Cast Coated Paper & Boards. These products are mainly used in Packaging, Publishing and Graphic Industries.

PERFORMANCE:

Non-availability of required working capital & continues recession in Paper Board Industries adversely affected the Production & Sales of the Company during the year under review. However, as a result of various austerity measures adopted, losses before depreciation / interest on loan of the Company have reduced by 96 % appx. as compared to previous year thus resulting improved contribution.

SEGMENT-WISE PERFORMANCE:

The Company is not manufacturing different products but only one segment i. e. Paper Board only.

OPPORTUNITIES & THREATS:

During the year under review. The Company has introduced better range of Art Paper / Art Boards, which have been well accepted in the market. According to CRIS INFAC, demand for paperboard is expected to increase at a compounded annual growth rate (CAGR) of 5.8 % and industry's profitability is expected to improve over the next year.

However as already stated in Directors' Report, the company has been declared "Sick Company". As a result, the company is not able to get working capital assistance from expected corners & hence has not been able to operate at expected levels of capacity utilisation.

RISKS AND CONCERNS:

Due to the shortage of working capital, the company could use only 6.58 % of its installed capacity. In addition, not having it's own pulp unit and captive power plant have also been effecting it's operations and profitability.

OUTLOOK:

As per the recent study of paper & paper board industry by CRIS, INFAC, sale realisation and demand – both have started growing. This will improve the margins of paperboard manufacturers – including the company, as a result of which, it's cash losses have started coming down. In addition to this, future prospects of the company can further be improved by having it's own captive power plant, approving the rehabilitation scheme and providing the needed working capital.

INTERNAL CONTROL SYSTEM:

In spite of "SICK" status of the company, the management is ensuring effective internal control system to safeguard the assets of the company and that the financial statements and reports give a true and fair view.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Your company believes in a work environment that is congenial to on job learning and encourages teamwork. It has, therefore, continued to focus on developing the competence of it's staff and employees, hence all the vacancies during the year – were filled by promoting it's own staff.

For and on behalf of the Board.

Place : Mahad, Dist. Raigad
Dated : 30th June, 2003

Managing Director

GLOBAL BOARDS LIMITED

CORPORATE GOVERNANCE REPORT

Corporate Governance primarily involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all shareholders & other stakeholders. It essentially deals with how companies are run and the manner in which the Board of Directors discharge its mission and responsibility to ensure proper management, with accountability, in the best interest of the shareholders & other stakeholders.

CORPORATE GOVERNANCE AT GLOBAL BOARDS LIMITED

The object of your company is not only to meet the statutory requirements of the code but also to go well beyond it by instituting systems and procedures - as are in accordance with the latest trend of making management completely transparent.

Your company has complied with the requirement of the corporate governance code, the disclosure requirements of which are given below:

(A) Board of Directors :

Composition :

The Company has total 6 Directors and a combination of Executive & Non - Executive Directors. Company has three non-executive directors & three executive directors including a Managing Director & a Jt. Managing Director.

None of the Directors on the Board is a Member on more than 10 Committees & Chairman of more than 5 Committees, across all the companies in which they are Director. All the Directors have made the requisite disclosures regarding Committee position occupied by them in other companies.

NAME OF DIRECTOR	CATEGORY OF DIRECTORSHIP	NO. OF OTHER DIRECTORSHIP(S) HELD IN COMPANIES		NO. OF OTHER COMMITTEE MEMBERSHIP	
		PUBLIC	PRIVATE	CHAIRMAN	MEMBER
Mr. S. C. Bagrodia	Managing Director	NIL	NIL	01	NIL
Mr. Girish Kumar Saraf	Non Executive Director	02	02	NIL	01
Mr. Arvind Rateria	Jt. Managing Director - Independent	NIL	NIL	NIL	02
Mr. B. W. Ramteke	IDBI Nominee Director - Independent	NIL	NIL	NIL	01
Mr. Tejmal Jain*	Whole-time Director - Independent	NIL	NIL	NIL	03
Mr. Sushil Kumar Jhaveri (Alternate to Mr. Rajesh Dadoo) *	Non-executive Director - Independent	NIL	NIL	02	NIL
Mr. Girish Agarwal #	Whole-time Director - Independent	NIL	NIL	NIL	03
Mrs. Rachana Dogra #	Non-executive Director - Independent	NIL	NIL	02	NIL

* Resigned from the Board w.e.f. 18th April, 2002

Appointed to the Board w.e.f. 30th April, 2002