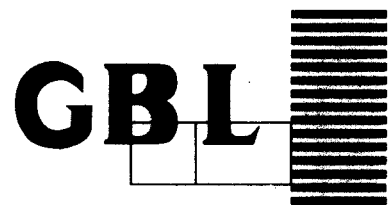


# *Annual Report 2003-04*



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GLOBAL BOARDS LIMITED

**12<sup>th</sup> ANNUAL REPORT 2003-04****GLOBAL BOARD LIMITED****BOARD OF DIRECTORS**

<b>Shailesh C. Bagrodia</b>	<i>Managing Director (up to 30.06.2003)</i>
<b>Arvind K. Rateria</b>	<i>Managing Director (from 30.06.2003)</i>
<b>Girish Kumar Saraf</b>	<i>Director (up to 30.06.2003)</i>
<b>Girish Kumar Agarwal</b>	<i>Whole-time Director</i>
<b>B. W. Ramteke</b>	<i>Director (Nominee of IDBI)</i>
<b>P. V. Risbud</b>	<i>Director (w.e.f. 22.10.2003)</i>
<b>Rachana Dogra</b>	<i>Director</i>

**REGISTERED OFFICE & FACTORY**

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

**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 Twelfth 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 Tuesday, the 7th day of September, 2004 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, 2004 and Profit & Loss Account for the year ended 31st March, 2004 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Girish Kumar Agarwal, 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 reappointment of and the remuneration payable to Mr. Girish Kumar Agarwal as the Whole-Time Director of the Company for a period of two years from 30th day of April 2004 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."

5. 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, Mr. P. V. Risbud, who was appointed by the Board of Directors as a Director to fill in the casual Vacancy on the Board caused by the resignation of Mr. Girish Kumar Saraf 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 along with required deposit 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."

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

"RESOLVED that subject to the Registrars Of Companies approval pursuant to section 21 of the Companies Act 1956, the name of the Company be changed from "GLOBAL BOARDS LIMITED" to "CHROMO BOARDS AND PAPERS INDIA LIMITED".

"FURTHER RESOLVED that necessary application be made to the Registrar of Companies, Maharashtra, for a fresh Certificate of incorporation and that the name of "GLOBAL BOARDS LIMITED" be changed by the new name in the record's of the Company."

**By Order of the Board**

Place : Mahad, Dist. - Raigad  
Date : 29th June, 2004

**Girish Kumar Agarwal**  
Whole-Time Director

### 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) An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of items 4,5 & 6 of the Notice as set out above, is annexed hereto.

**12<sup>th</sup> ANNUAL REPORT 2003-04**

- d) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 1st September 2004 to Tuesday the 7th September 2004 (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 dematerialised compulsorily for investors. The ISIN code number of the Company is INE085D01017. Any member desirous of dematerialise 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 Company 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.

**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. Girish Kumar Agarwal as Whole –Time Director for a period of two years from 30th April 2004 upon the following terms as to remuneration.

Basic Salary	Rs. 11,500/- p.m.
HRA	Rs. 3450/- p. m.
Education Allowance	Rs. 575/- p. m.
Companies Contribution of PF	Rs. 1380/- p.m.

**Other Benefits: -**

1. Furnished House
2. Car for official purpose.
3. Leave with pay and allowances, Leave encashment as per the rules of the Company.

The Board is authorised to revise the remuneration payable to Whole Time Director Mr. Girish Kumar Agarwal 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. Girish Kumar Agarwal as Whole Time Director under Section 302 of the Companies Act, 1956.

The Directors recommend the Resolution for the approval of the Shareholders.

None of the Directors except Mr. Girish Kumar Agarwal is interested or concerned in the resolution.

**ITEM NO. 5**

Mr. P V Risbud was appointed as a Director in the meeting of Board of Directors on 22nd October 2003 to fill the casual vacancy caused by the resignation of Mr. Girish Kumar Saraf. He is commerce graduate. The Company would benefit by her appointment.

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 Mr. P. V. Risbud as a Director of the Company.

Except Mr. P.V. Risbud no other Director is concerned or interested in the Resolution.

**ITEM NO. 6**

The original name at the time of incorporation of the company as CHROMO BOARDS AND PAPERS INDIA LIMITED. As per Numerology's the change was ideally suited to the company, accordingly we have decided to go back to the original name of the company. i.e. CHROMO BOARDS AND PAPERS INDIA LIMITED.

According to Section 21 of the Companies Act, 1956 the change of name by the Company requires the approval of members of the Company by a special resolution. Hence the Directors recommend the resolution at item No. 6 of the notice for approval of shareholders as a special resolution.

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

**By Order of the Board**

Place : Mahad, Dist. - Raigad  
Date : 29th June, 2004

**Girish Kumar Agarwal**  
Whole-Time Director

# GLOBAL BOARDS LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting the Twelfth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2004.

### FINANCIAL RESULTS

The highlights of the Financial Results are as under :

	Year ended 31.3.2004 (Rs. in lacs)	Year ended 31.3.2003 (Rs. in lacs)
Total Income	1561.93	1706.14
Less : Total Expenditure	1785.26	1808.49
Interest & Finance Charges	(426.94)	(81.39)
Loss Before Depreciation	(203.62)	20.96
Add : Depreciation	815.48	824.78
Deferred Revenue Expenses	19.51	19.51
Total Loss Carried to Balance Sheet	631.36	865.25
PRODUCTION	4688 MT	4531 MT

### OPERATIONAL PERFORMANCE

Due to non-availability of required working capital adversely affected the production & sales of the Company. However we increase our production by 3% compared to previous year. We have also restarted our P-10 Machine from January 2004. Which is low value product, hence the net sales realisations go down.

### 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 2003-2004.

### 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 30<sup>th</sup> 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. The management has given restructuring proposal to operating agency in January 2004. Which was not found under RBI norm by operating agency and they are still considering other options including enforcement under Secronisation Act.

### 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 29<sup>th</sup> day of June, 2004 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 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 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 of Rs. 12,00,000/- and above per annum.

### INSURANCE

All insurable interest of the Company including inventories, building, plant & machinery, equipment's and others to the extent necessary is adequately insured.

### DIRECTORS

Mr. Girish Kumar Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Girish Kumar Saraf – Directors of your Company has resigned their office with effect from 30th June 2003. To fill up casual vacancies caused by their resignation, Mr. P. V. Risbud was inducted as Director, pursuant to Section 262 & 269 of Companies Act, 1956. They hold office till the ensuing Annual General Meeting and is eligible for reappointment.

### 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 observations 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  
Dated : 29th June, 2004

Arvind K. Rateria  
Managing Director

**12<sup>th</sup> ANNUAL REPORT 2003-04****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 :-

	<b>Year ended 31/03/2004</b>	<b>Year ended 31/03/2003</b>
<b>A. Power and Fuel Consumption</b>		
<b>Electricity</b>		
(a) Purchased:		
Units (Kwh)	3,970,612	3,446,824
Total Amount (Rs.)	20,374,610	20,878,479
Rate/Unit (Rs.)	5.13	6.05
(b) Own Generation :		
Units (Kwh)	--	--
Total Amount (Rs.)	--	--
Rate/Unit (Rs.)	--	--
<b>Furnance Oil</b>		
(a) Consumption :		
Units (Liters)	954,486	821,582
Total Amount (Rs.)	9,955,893	9,960,291
Rate/Unit (Rs.)	10.43	12.12
<b>B. Consumption per unit of Production</b>		
Electricity (Kwh)	846.97	760.72
Furnance Oil (Liters)	203.60	181.32

**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 :**

	<b>31/03/2004 (Rs. in lakhs)</b>	<b>31/03/2003 (Rs. in lakhs)</b>
Earnings	--	30.58
Outgo :		
Raw Material & Chemicals	168.05	310.00
Foreign Travel	2.39	6.50
Membership and Subscription to Books & Periodicals and Advertisement	Nil	Nil
Quality Compensation	Nil	Nil
Commission on Export	Nil	Nil
<b>Total Outgo</b>	<b>170.44</b>	<b>316.50</b>

For and on behalf of the Board.

Place : Mahad, Dist. Raigad  
Dated : 29th June, 2004

**Arvind K. Rateria**  
Managing Director



## GLOBAL BOARDS LIMITED

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### 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 Cost 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, we have restarted our P-10 machine from January 2004 to increase production quantity of Duplex variety.

#### SEGMENT-WISE PERFORMANCE:

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

#### OPPORTUNITIES & THREATS:

In last three year the company has concentrated on reduction of fixed expenses and has also reduced direct variables particularly in power, steam and water cost. It has concentrated on value added products to achieve better results and optimise on available cash flow.

From January 2004, the company has restarted PM-10 machine with Duplex Board and has moved forward with Folding Box Board. The company tells that by September 2004, these products would be well established in the market and company restructuring would be possible.

#### RISKS AND CONCERNS:

Though the company has been able to reduce cost but the risk of valuable market remains, also a captive power generation is must to make it more competitive.

#### OUTLOOK:

As per the recent study of paper & paperboard 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. Due to increase in production, additional people need to be inducted.

For and on behalf of the Board.

Place : Mahad, Dist. Raigad  
Dated : 29th June, 2004

Arvind K. Rateria  
Managing Director

12<sup>th</sup> ANNUAL REPORT 2003-04**CORPORATE GOVERNANCE REPORT****CORPORATE GOVERNANCE**

Corporate Governance primarily involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all shareholders & other stakeholders. It essential deals with how companies are run and the manner in which the Board of Directors discharges 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 such system and procedures as are in accordance with the latest global 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 5 Directors and a combination of Executive & Non - Executive Directors. Company has three non-executive directors & two directors comprising of a Managing Director & a Whole Time 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	NIL	NIL
Mr. Girish Kumar Saraf *	Non Executive Director	02	02	NIL	01
Mr. Arvind K. Rateria #	Managing Director – Independent	NIL	NIL	01	01
Mr. B. W. Ramteke	IDBI Nominee Director – Independent	NIL	NIL	NIL	01
Mr. Girish Kumar Agarwal	Whole-time Director – Independent	NIL	NIL	NIL	03
Mrs. Rachana Dogra	Non-executive Director – Independent	NIL	NIL	02	NIL
Mr. Prasad Vaman Risbud @	Non-executive Director – Independent	NIL	NIL	NIL	01

\* Resigned from the Board w.e.f. 30th June, 2003

# Appointed as Managing Director w.e.f. 30th June, 2003

@ Appointed as additional Director w.e.f. 22nd October, 2003



## GLOBAL BOARDS LIMITED

### Directors Interest in the Company & Attendance Record

Global Boards Limited believes that the shareholders must know the details of their Directors' Interest in the Company, their attendance record as well as contribution made by them. Global Boards Limited has therefore, decided to make full disclosure on the Board Meeting as well as attendance record of all Directors on the Board.

Directors	No of Board Meetings		Attended Last AGM	Remuneration Paid During 2003-2004 (All figures in Rupees)			
	Held	Atte-nded		Sitting Fees	Salary & Perks	Contribution to Provident Fund	Total
Mr. S. C. Bagrodia*	5	N.A.	N.A.	NIL	3300	396	3696
Mr. Girish Kumar Saraf*	5	N.A.	N.A.	NIL	NIL	NIL	NIL
Mr. Arvind K. Rateria	5	5	Yes	NIL	445,500	39,420	484,920
Mr. B. W. Ramteke	5	2	No	2,000	NIL	NIL	2,000
Mr. Girish Kumar Agarwal	5	5	Yes	NIL	2,01,496	16,560	2,18,056
Mrs. Rachana Dogra	5	3	No	1,000	N.A.	N.A.	1,000
Mr Prasad Vaman Risbud #	5	1	N. A.	1,000	N.A.	N.A.	1,000

# Appointed to the Board w.e.f. 22nd October, 2003

\* Resigned from the Board w.e.f. 30th June, 2003

© Salary & Perks: Salary & Perks include Basic Salary and perquisites as per the provisions of Income Tax Act,

### (B) AUDIT COMMITTEE :

An Audit Committee of the Board has set up in the year 2001-2002. At present the Committee consists 3 Directors. During the year under review 3 Audit Committee meetings were held and the attendance of members at the meeting was as follows. The Asst. Company Secretary is the Secretary of the Committee.

Name of Member	Category of Director	Status	No. of Meetings Attended
Mrs. Rachana Dogra	Independent & Non-Executive	Chairperson	03
Mr. Girish Kumar Agarwal *	Independent & Executive	Member	01
Mr. B.W. Ramteke (IDBI Nominee)	Independent & Non Executive	Member	02
Mr. Prasad Vaman Risbud #	Independent & Non Executive	Member	02

# Appointed to the Board w.e.f. 22nd October 2003

\* Resigned w.e.f. 22nd October 2003