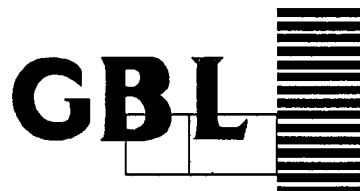


# *16th Annual Report 2007-08*



**GLOBAL BOARDS LIMITED**

**GLOBAL BOARDS LIMITED****BOARD OF DIRECTORS**

Rangarajan Desikachar	Whole-time Director	(upto 27.10.2008)
Anish Modi	Director	(upto 07.04.2008)
Denys Firth	Director	(upto 07.04.2008)
Chetan Jain	Alternate Director of Denys firth	(upto 07.04.2008)
Narayan Seshadri	Director	(upto 28.03.2008)
D. K. Singh	Additional Director	(from 27.10.2008)
Bipin Mhatre	Additional Director	(from 27.10.2008)
Cyrus E. Cooper	Director	(upto 31.07.2007)
Sanjay Hinduja	Director	(upto 31.10.2007)
Dr. G. K. Pillai	Special Director appointed by BIFR	(from 07.11.2007)
Vandana Pakle	Non Executive Director	(upto 27.10.2008)

**REGISTERED OFFICE & FACTORY**

Plot. No. K-5, Addl. MIDC, Industrial Area,  
Mahad – 402 302, District – Raigad, Maharashtra.

**SHARE TRANSFERS**

Sharex Dynamic ( India) Pvt.Ltd.  
Unit No-1, Luthara Ind. Premises,  
Andheri Kurla Road ,Safed pool,  
Andheri ( E), Mumbai 400 072

**AUDITORS****S.R.BATLIBOI & CO**

Chartered Accountants  
Mumbai

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**16TH ANNUAL REPORT - 2007-2008****NOTICE**

NOTICE is hereby given that the sixteenth annual general meeting of the shareholders of the Company will be held on Wednesday the 24<sup>th</sup> day of December, 2008, at the Registered Office of the Company at Plot No. K-5, Additional MIDC Industrial Area, Mahad, 402302 District Raigad, at 09.00 am to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2008 and Profit and loss account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To appoint M/s. S. R. Batliboi & Co., Chartered Accountants, Mumbai, the retiring Auditors as the Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting at the remuneration to be fixed by the Board of Directors.

**SPECIAL BUSINESS :**

3. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Bipin Mhatre, who was appointed as an additional director of the Company by the Board of Directors from 27<sup>th</sup> October, 2008 and who hold office upto the date of this annual general meeting and is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a director liable to retire by rotation.

4. To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Dinesh Kumar Singh, who was appointed as an additional director of the Company by the Board of Directors from 27<sup>th</sup> October, 2008 and who hold office upto the date of this annual general meeting and is eligible for appointment as Director and in respect of whom the Company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a director liable to retire by rotation.

**NOTES:**

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under items 3 to 4 set out above are annexed hereto. The relevant details in respect of directors who are being appointed in this meeting as required by clause 49 of the listing agreement are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will be closed from 22<sup>nd</sup> December, 2008 to 23<sup>rd</sup> December, 2008 both days inclusive.
4. Members/proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the annual report.

**GLOBAL BOARDS LIMITED**

5. 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.
6. Members are requested to bring their copy of the annual report and the attendance slip duly filled in with them at the annual general meeting.
7. Please intimate the changes, if any, in your registered address, to the Company's Registrar & Share Transfer Agent at the following address:-

Sharex Dynamic (India) Pvt. Ltd.  
Unit No-1, Luthara Ind. Premises,  
Andheri Kurla Road , Safed pool,  
Andheri ( E), Mumbai 400 072

Dated : 27.10.2008

**Registered Office:**

Plot K 5, Additional MIDC Industrial Area,  
Mahad, Dist. Raigad  
Pin 402302

**By Order of the Board**

sd/-

Whole-time Director

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT  
AT THE FORTHCOMING ANNUAL GENERAL MEETING.**

(In pursuance of Clause 49 of the Listing Agreement)

<b>Name of Director</b>	Dinesh Kumar Singh	Bipin Mhatre
<b>Date of Birth</b>	16 <sup>th</sup> July 1969	21 <sup>st</sup> June 1973
<b>Date of Appointment</b>	27 <sup>th</sup> October, 2008	27 <sup>th</sup> October, 2008
<b>Qualification</b>	B. Com	B. Com
<b>Experience in special functional areas</b>	More than 18 years working experience in Excise, Service Tax and Dispatch	More than 13 years working experience in Financial Accounts and Secretarial matters
<b>Chairman/ Director in other Companies</b>	Nil	Nil
<b>Chairman/ Member of Committees of the Board of Companies of which he or she is a Director</b>	Nil	Nil

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## EXPLANATORY STATEMENT

The following Explanatory Statements sets out all material facts relating to the business mentioned under item no. 3 & 4 of the accompanying notice dated 27.10.2008.

### Item No. 3

Mr. Bipin Mhatre is appointed as an Additional Director by the Board of Directors of the Company w.e.f. 27.10.2008. In accordance with the provisions of section 260 of the Companies Act, 1956 (Act), Mr. Bipin Mhatre will hold office as a Director upto the date of the ensuing annual general meeting. The Company has received a notice in writing with requisite deposit under section 257 of the Act from a member proposing his candidature for the office of Director.

Mr. Bipin Mhatre is B.Com and having more 13 years working experience in Financial Accounts and Secretarial Department of the company. Your Directors therefore, recommend for approval the Resolution in item no. 3 of the notice of the meeting.

None of the Directors except Mr. Bipin Mhatre is concerned or interested in item no. 3 of the notice.

### Item No. 4

Mr. Dinesh Kumar Singh is appointed as an Additional Director by the Board of Directors of the Company w.e.f. 27.10.2008. In accordance with the provisions of section 260 of the Companies Act, 1956 (Act), Mr. Dinesh Kumar Singh will hold office as a Director upto the date of the ensuing annual general meeting. The Company has received a notice in writing with requisite deposit under section 257 of the Act from a member proposing his candidature for the office of Director.

Mr. Dinesh Kumar Singh is B.Com and having more 18 years working experience in Excise, Service Tax and Dispatch Department of the company. Your Directors therefore, recommend for approval the Resolution in item no. 4 of the notice of the meeting.

None of the Directors except Mr. Dinesh Kumar Singh is concerned or interested in item no. 4 of the notice.

**By Order of the Board**

sd/-

Whole-time Director

Dated: 27.10.2008

**Registered Office:**

Plot K 5, Additional MIDC Industrial Area,  
Mahad, Dist. Raigad  
Pin 402302

**GLOBAL BOARDS LIMITED****DIRECTORS' REPORT**

DEAR MEMBERS,

Your Directors have pleasure in submitting the Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2008.

**FINANCIAL RESULTS**

The highlights of the Financial Results are as under:

	(Figures in Rupees)	
	<b>Year 31.03.2008</b>	<b>Year 31.03.2007</b>
Total Income	<b>135,671,809</b>	54,647,296
Less : Total Expenditure	<b>292,288,454</b>	157,007,063
Profit /(Loss) before interest and depreciation	<b>(156,616,645)</b>	(102,359,767)
Less :Interest & Finance Charges	<b>(3,924,362)</b>	(23,030,360)
Less : Depreciation / Amortisation	<b>(81,802,773)</b>	(81,620,856)
Profit /(Loss) Before Tax & exceptional item.	<b>(242,343,780)</b>	(207,010,983)
Add : Exceptional item	—	1,328,983,428
Profit /(Loss) before tax & after exceptional item.	<b>(242,343,780)</b>	1,121,972,445
Less : Fringe Benefit Tax	<b>(213,576)</b>	(313,585)
Profit / (Loss) during the year	<b>(242,557,356)</b>	1,121,658,860
Balance Brought Forward from Previous Year	<b>(944,285,740)</b>	(1,771,505,715)
Capital Reduction	—	739,625,040
Transfer to Special Reserve	—	(1,034,063,925)
<b>Profit /(Loss) Carried to Balance Sheet</b>	<b>(1,186,843,096)</b>	(944,285,740)

**OPERATIONAL PERFORMANCE**

During the year, the company had taken many initiatives in line with the rehabilitation plan in the operational areas ;

- Market – Dealer network was established (8 dealers in West and 8 in South)
- Products – Duplex boards and white top kraft boards successfully marketed to premium customers (Kingfisher, Nokia, HLL, etc.)
- Production – Run-ability of all machines was established and complete refurbishment requirements to improve uptime, quality and costs have been arrived at.
- Operating / marketing team was brought in place – also, external experts were tied in to provide support and guidance on an ongoing basis.
- Wage settlement with the workers was arrived at.

The management continued its efforts to obtain waivers and concessions as granted by BIFR order dated 4<sup>th</sup> December, 2006 and the directions issued under subsequent proceedings of the review hearing held on 22<sup>nd</sup> October, 2007.

During the year, the company had approved the transformation strategy and planned to change its product portfolio. The implementation plan included the process reengineering and refurbishment plans. The installation

**16TH ANNUAL REPORT - 2007-2008**

of Coal Fired Boiler had started and the management made continuous efforts for to bring in additional finance.

However, subsequent to 31<sup>st</sup> March, 2008 the turmoil in economic environment has rendered it difficult to continue production and implementation of transformation strategy.

**DEBENTURES ISSUED TO ASSET RECONSTRUCTION COMPANY INDIA LIMITED (ARCIL)**

Due to paucity of working capital, the Company could not service the debentures issued under rehabilitation scheme approved by BIFR. The Company was *in arrears in regard* to payment of interest and redemption of part of the debentures which became due in April 2007. On a representation made by the Company, ARCIL agreed to extend the redemption of debentures till 30<sup>th</sup> October 2008.

**FIXED DEPOSITS**

During the year under review, the Company has neither invited nor accepted/ renewed any deposit from the public within the meaning of section 58 A & 58 AA of the Companies Act, 1956.

**CORPORATE GOVERNANCE**

The Corporate Governance practices followed by the Company are indicated separately in the annexure forming part of this report. A certificate from the statutory auditors of the Company, regarding the conditions of corporate governance as stipulated under clause 49 of the listing agreement is annexed to this report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your directors place on record a Responsibility Statement, subject to the notes to accounts, stating that :

- i.) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii.) Accounting policies selected were applied consistently and have made judgments and estimates that are reasonable and prudent ;
- iii.) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv.) The annual accounts of the Company have been prepared on a going concern basis.

**DIRECTORS**

Mr. Narayan K. Seshadri resigned as director from 28<sup>th</sup> March 2008. Mr. Anish Modi and Mr. Denys Firth resigned as directors from 7<sup>th</sup> April 2008. Mr. D. Rangarajan, Whole Time Director and Mrs. Vandana Pakle resigned from Board of Directors w.e.f. 27.10.2008. The Directors place on record their appreciation of the guidance and advice received from them.

Mr. Bipin Mhatre and Mr. D. K. Singh has been appointed w.e.f. 27.10.2008, as an Additional Directors on the Board pursuant to section 260 of the Companies Act, 1956 upto the conclusion of the forthcoming Annual General Meeting of the company.

**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.

**PARTICULARS OF EMPLOYEES**

Information required to be disclosed u/s 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable as none of the employee was in receipt of a

**GLOBAL BOARDS LIMITED**

remuneration of Rs. 2,00,000/- and above per month or Rs. 24,00,000/- and above per annum during the year.

**INSURANCE**

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

**LISTING OF EQUITY SHARES :**

The Company's equity shares are listed on The Bombay Stock Exchange Limited and the Company is in arrears of payment of listing fee for the year 2008-09 due to very tight liquidity position. The Company obtained approval from BSE for listing its shares issued after reduction of capital and consolidation pursuant to rehabilitation scheme. These approvals were received after 31<sup>st</sup> March 2008. The Company has approached BSE for resumption of trading of its shares.

**EXTENSION OF TIME FOR HOLDING ANNUAL GENERAL MEETING & ADOPTION OF ANNUAL ACCOUNTS**

The Board of Directors made an application with Registrar of Companies (ROC) for extension of time for holding Annual General Meeting & adoption of annual audited accounts for 31.03.2008. The company received approval from ROC upto 31.12.2008.

**INDUSTRIAL RELATIONS :**

During the year, industrial relations with employees were cordial. The Board of Directors in its meeting held on 27.10.2008 has given its consent to launch a Voluntary Retirement Scheme (VRS).

**AUDITORS**

M/s S.R. Batliboi & Co., Chartered Accountants, the auditors retire at the conclusion of the ensuing annual general meeting. They have furnished the certificate of eligibility under Section 224(1B) of the Companies Act, 1956 in case of reappointment. The members are requested to consider their re-appointment for the current year and fix their remuneration.

**AUDITORS' REPORT**

The observations made in the Auditors' Report are self-explanatory. As regards point no vi, vii, viii and ix of the Auditors' Report please refer to Notes 1.2 and 2.10 given in Schedule 19 attached to and forming part of the financial statements for the year ended 31<sup>st</sup> March, 2008.

**APPRECIATION**

Your directors also place on record their appreciation of the contribution made by all the employees at all levels during the year.

**For and on behalf of the Board**

Sd/-

Director

Sd/-

Director

Place : Mahad

Date : 27.10.2008



**16TH ANNUAL REPORT - 2007-2008****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.

**CONSERVATION OF ENERGY**

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

		(Figures In Rs. )	
		<b>Year ended</b>	<b>Year ended</b>
		<b>31/03/2008</b>	<b>31/03/2007</b>
<b>A. Power &amp; Fuel Consumption</b>			
(1)	(i) Electricity		
	Purchased :		
	Units (Kwh)	<b>5,968,080</b>	3,360,080
	Total Amount (Rs.)	<b>35,156,594</b>	21,884,816
	Rate / Unit (Rs.)	<b>5.89</b>	6.51
	(ii) Own Generation :	<b>Nil</b>	Nil
	Units (Kwh)		
(2)	Furnace Oil		
	Consumption :		
	Units (Liters)	<b>1,302,500</b>	703,914
	Total Amount (Rs.)	<b>23,214,187</b>	11,542,235
	Rate / Unit (Rs.)	<b>17.82</b>	16.40
<b>B. Consumption per unit of Production</b>			
	Electricity (Kwh)	<b>973.11</b>	1073.17
	Furnace Oil (Liters)	<b>212.38</b>	224.82

**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.

		(Figures In Rs. )	
		<b>Year ended</b>	<b>Year ended</b>
		<b>31/03/2008</b>	<b>31/03/2007</b>
Earnings :			
	Exports at F.O.B. value	<b>19,534,339</b>	4,267,625
Outgo :			
Value of imports calculated on C.I.F. basis:			
	Raw Material & Chemicals	<b>94,978,756</b>	53,800,357
	Foreign Travel	<b>NIL</b>	NIL

**For and on behalf of the Board**

Sd/-

Sd/-

Director

Director

Place : Mahad

Date : 27.10.2008

**GLOBAL BOARDS LIMITED****CORPORATE GOVERNANCE REPORT****1. COMPANY PHILOSOPHY:**

The Company firmly believes in corporate governance to ensure transparency, timely disclosures and independent monitoring the functioning of the Company to enhance the value of its shareholders.

**2. BOARD OF DIRECTORS****(A) Composition**

The Board of the Company as at March 31, 2008 comprised five directors. The Company was a sick Company and as per rehabilitation scheme approved by the Board for Industrial and Financial Reconstruction (BIFR), five directors were appointed on the Board to implement and monitor the rehabilitation scheme.

The details of directors and their other directorship (including alternate directorship)/ membership on other boards or board committees are as under.

Name of Director	Category of Directorship	No. of other Directorship(s) held in Companies		No. of other Committee Membership	
		Public	Private	Chairman	Member
Mr. Narayan K. Seshadri [*&]	Non-executive Director	6	4	1	2
Mr. D Rangarajan	Executive Director	—	—	—	—
Mr. Anish Modi	Independent Nominee Director	6	3	—	6
Mr. Denys Firth	Independent Nominee Director	5	3	—	7
Mr. Chetan Jain	Independent Alternate Director to Mr. Denys Firth	2	1	—	—
Ms. Vandana Pakle [\$]	Non-executive Director	—	1	—	—
Dr. G.K. Pillai [#]	Special Director appointed by BIFR (Independent)	—	—	—	—
Mr. Cyrus Cooper [@]	Non-executive Director	—	3	—	—
Mr. Sanjay Hinduja [%]	Non-executive Director	—	2	—	—

\*& Appointed from 31<sup>st</sup> July 2007; Resigned from 28<sup>th</sup> March 2008

\$ Appointed from 31<sup>st</sup> October 2007

# Appointed from 7<sup>th</sup> November 2007. Provisions of Clause 49 are not applicable to the special director appointed by the BIFR.

@ Resigned from 31<sup>st</sup> July 2007

% Resigned from 31<sup>st</sup> October 2007