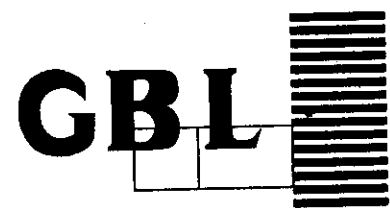


Annual Report 1998-99



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GLOBAL BOARDS LIMITED

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BOARD OF DIRECTORS

| | |
|-----------------------------------|-------------------------------------|
| Shailesh C. Bagrodia | <i>Managing Director</i> |
| Girish Kumar Saraf | |
| Mrs. Santosh Devi Bagrodia | |
| Vimal Kumar Agarwal | |
| Ms. Kavita Pasricha | |
| Rajesh Dadoo / | |
| Sushil Kumar Jhaveri | <i>Director /Alternate Director</i> |
| Sreedhar Subramanian | <i>(Nominee of IDBI)</i> |
| Arvind Rateria | <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 Seventh 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 Thursday, the 30th September, 1999 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, 1999 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 Mr. Rajesh Dadoo, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. 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 modifications the following resolution as an Ordinary Resolution.

"RESOLVED that Mrs. Santosh Devi Bagrodia who was appointed as an Additional Director of the Company with effect from 29-01-1999 under Article 134 of the Articles of Association of the Company and who holds office upto the date of 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 modifications (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 Arvind Rateria, who was appointed by the Board of Directors as an Additional Director 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 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 an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Shri Arvind Rateria as a whole-time Director of the Company for a period of two years with effect from January, 29, 1999 upon the terms and conditions set out in the Letter of Appointment dated January, 29, 1999 and further modified by Letter dated August 14, 1999, copies

of which are placed before the meeting with such modifications thereto as may be agreed by and between the Company and Shri Arvind Rateria."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or expedient to give effect to this resolution."

8. 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 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment and payment of remuneration to Shri Bijay Kumar Sharma, whole-time Executive Director of the Company for the period from October 30, 1998 to March 31, 1999 upon the terms and conditions, as set out in the Board Resolution, a copy whereof is placed before the meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or expedient to give effect to this resolution."

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

"RESOLVED that subject to all applicable provisions of the Companies Act, 1956, (including any statutory modifications, guidelines or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary from Securities and Exchange Board of India (SEBI), Stock Exchange (s), Central Government or such other authorities and subject to such conditions and modifications as may be prescribed or enforced while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to delist the equity shares of the Company from the Ahmedabad, Calcutta, Delhi and Madras Stock Exchanges."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters that may be necessary and desirable or expedient in giving effect to the aforesaid resolution"

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

"RESOLVED that the Resolutions at item Nos. 5 to 7 of the Notice of Sixth Annual General Meeting, relating to increase in Authorised capital and consequential amendment to the capital clauses in Memorandum and Articles of Association passed by the shareholders at their Sixth Annual General Meeting of the Company held on 30th September, 1998 be and are hereby annulled altogether."

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

"RESOLVED to report to the Board for Industrial and Financial Reconstruction in terms of Sick Industrial Companies (Special Provisions) Act, 1985, the 50% or more erosion of peak network of the Company on the basis of the audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 1999 that an application be made to the Board for Industrial and Financial Reconstruction (BIFR) for reporting such erosion and the Company Secretary be and is hereby authorised to submit the necessary application together with relevant information/details and appear before the Board for Industrial and Financial Reconstruction and to take all necessary steps as may be deemed appropriate by it to remedy the situation."

By Order of the Board

J. Y. GUPTA

Company Secretary

Regd. Office :

Plot No. K-5,
Addl. MIDC Indl. Area,
Mahad - 402 302, Dist. Raigad,
Maharashtra.

Place : Mahad

Date : August 14, 1999

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 11 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 24-09-99 to 30-09-1999 (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.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

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

ITEM NO : 5

Mrs. Santosh Devi Bagrodia was appointed as an Additional Director at the Meeting of the Board of Directors held on 29th January, 1999. She holds the office upto the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as a Director, liable to retire by rotation. The Company would benefit by her appointment.

Notice as required under Section 257 of the Companies Act,

1956 together with the requisite deposit of Rs. 500/- has been received from a Member proposing the appointment of Mrs. Santosh Devi Bagrodia as a Director of the Company.

Your Directors commend the resolution for approval.

None of the Directors of the Company except Mrs. Santosh Devi Bagrodia and Shri Shailesh C. Bagrodia being related to Mrs. Santosh Devi Bagrodia may be deemed to be concerned or interested in the resolution.

ITEM NOS. 6 & 7

The Board of Directors have appointed Shri Arvind Rateria as Additional Director of the Company with effect from 29th January 1999. The Board has also appointed Shri Arvind Rateria a whole-time Director for a period of 2 years with effect from the aforesaid date. Prior to his appointment as whole time Director Shri Arvind Rateria was holding the position of Sr. Vice President (Marketing). He has been associated with the Company right from its inception.

Shri Arvind Rateria is a commerce graduate. Prior to his joining of the Company he has served in senior positions.

Under Section 260 of the Companies Act, 1956, Shri Arvind Rateria holds office as a Director only till the date of the forthcoming Annual General Meeting. Notice under Section 257 of the said Act has been received from a Member alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Arvind Rateria as a Director of the Company.

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

| | Remuneration | |
|--------------------------------------|--|---|
| | As per letter Dt. 29 01.99 | Revised as per letter Dt. 14 08.99 |
| i) Salary | Rs. 17,580/- p. m | Rs. 33,800/- p. m. |
| ii) Allowances : HRA Education | Rs. 5,250/- p. m. Rs. 900/- p. m. | Rs. 10,000/- p. m. Rs. 2,000/- p. m. |
| iii) Medical Reimbursement | Expenses incurred for self and family subject to a limit of Rs. 21,096/- p.a. | --- |
| iv) Leave Travel Concession | For self and family not exceeding Rs. 21,096/- p.a. | -- |
| v) Other benefits | Company's contribution to Provident Fund as per the rules of the Company but not exceeding 12% of the salary as laid down in the Income Tax Rules 1962. | |
| a. P.F. | | |
| b. | Free use of car for the Company's business. | --- |
| c. | Leave with pay and allowances as per Rules of the Company but not exceeding one month's leave for every eleven months service. | |

The revised remuneration is effective from 1st April, 1999.

GLOBAL BOARDS LIMITED

In terms of Schedule XIII to the Companies Act, 1956, the Salary and Perquisites shall not exceed a sum of Rs. 87,500/- per month.

In the event of absence of or inadequacy of profit in any Financial Year during his tenure, the remuneration shall be governed as provided under Section II of Part II of Schedule XIII to the Companies Act, 1956.

This notice may be treated as an abstract of the terms & conditions governing appointment of Shri Arvind Rateria as a whole-time Director under Section 302 of the Companies Act, 1956.

In view of his long and varied experience and his association with the Company since its inception, 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 Arvind Rateria no other Director is concerned or interested in the Resolution.

ITEM NO. 8

At the Meeting of the Board of Directors of the Company held on 30th October 1998, Shri Bijay Kumar Sharma, Senior Vice President (Finance) was appointed as wholetime Executive Director of the Company for a period of one year w.e.f. from 30.10. 1998 subject to terms and conditions as set out herein below. Shri Bijay Kumar Sharma, however, resigned as such w.e.f. 31st March, 1999. As his appointment and payment of remuneration by the Board of Directors was subject to consent of the shareholders, the Resolution at Item No. 8 is placed for necessary approval.

- (i) Salary : Rs. 14,300/- per month.
- (ii) HRA : Rs. 4,290/- per month.
- (iii) Education Allowance : Rs. 715/- per month
- iv) Leave travel concession for self and family upto Rs. 17,160/- p.a.
- v) Reimbursement of medical expenses for self and family not exceeding Rs. 17,160/- p.a.

Other Benefits :

- a. Company's contribution to Provident Fund as per the rules of the Company but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962.
- b. Free use of car for the Company's business.
- c. Leave with pay and allowances as per Rules of the Company but not exceeding one month's leave for every eleven months service.

This notice may be treated as an abstract of the terms and conditions governing appointment of Shri B. K. Sharma as a whole-time Director under Section 302 of the Companies Act, 1956.

The Board commends the Resolution for acceptance by the members. None of the Directors except Shri B. K. Sharma is interested in the Resolution.

ITEM NO. 9

The equity shares of the Company are listed at The Mumbai (Regional Stock Exchange), Ahmedabad, Calcutta, Delhi, and Madras Stock Exchanges. The trading volume of the Company's shares at the above Stock Exchanges is very low since December 1996. With the introduction of Bombay On-Line Trading (BOLT) facility available from many parts of the country, the importance of regional Stock Exchanges is reduced substantially. In view of this, it is proposed to de-list our securities from Stock Exchanges other than The Mumbai Stock Exchange.

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

ITEM NO. 10

In the previous Annual General Meeting held on 30th September, 1998, the shareholders had unanimously resolved to increase the Company's Authorised Capital from Rs. 75 crores to Rs. 100 crores. As the Directors on second thoughts felt that increase was not necessary at this stage they did not act on the resolution but decided to withdraw the increase. Accordingly, the resolution at Item no. 9 is recommended for the members consent for annulling the earlier Resolutions passed for increasing the capital.

ITEM NO. 11

The Company's accumulated losses have eroded more than 50% of peak networth. As per the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, the Company is required to refer to Board for Industrial and Financial Reconstruction (BIFR) about the erosion of the Company's peak net worth. So your Directors have decided to intimate the same through Form - A to the BIFR. Since this decision requires reference to be made to Shareholders and their approval therefor the resolution is placed for approval."

By Order of the Board

J. Y. GUPTA

Company Secretary

Place : Mahad
Date : August 14, 1999