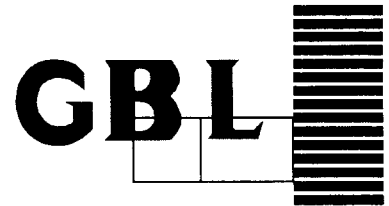


15th Annual Report 2006-07



GLOBAL BOARDS LIMITED

www.reportjunction.com

BOARD OF DIRECTORS

D. Rangarajan	Whole-time Director	
Anish Modi	Director	(from 31.01.2007)
Denys Firth	Director	(from 31.01.2007)
Chetan Jain	Alternate to Denys Firth	(from 31.01.2007)
Narayan K. Seshadri	Director	(from 31.07.2007)
Vandana Pakle	Director	(from 31.10.2007)
U.K. Paine	Director	(upto 27.04.2006)
P. Ayyanar	Whole-time Director	(upto 29.11.2006)
V. B. Shinde	Whole-time Director	(upto 29.11.2006)
K. P. Sharma	Director	(upto 29.11.2006)
Cyrus E. Cooper	Director	(upto 31.07.2007)
Sanjay Hinduja	Director	(upto 31.10.2007)

REGISTERED OFFICE & FACTORY

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

SHARE TRANSFER REGISTRAR

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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NOTICE

NOTICE is hereby given that the fifteenth annual general meeting of the shareholders of the Company will be held on Monday, 31st December, 2007 at the Registered Office of the Company at Plot No.K-5, Additional MIDC Industrial Area, Mahad. 402302 District Raigad, at 9.30 am to transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit and loss account for the year ended on that date together with the reports of Directors and Auditors thereon.
- 2 To appoint a director in place of Shri D.Rangarajan who retires by rotation and being eligible offers himself for re-appointment
- 3 To appoint M/s.S.R.Batlloi & 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

- 4 To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
RESOLVED THAT Mr. Anish Modi, who was appointed as an additional director of the Company by the Board of Directors from 31st January, 2007 and who holds 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.

- 5 To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
RESOLVED THAT Mr. Denys Firth who was appointed as an additional director of the Company by the Board of Directors from 31st January 2007 and who holds 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.

- 6 To consider and, if thought fit, to pass with or without modification the following Resolution as an ordinary resolution:
RESOLVED THAT Mr. Narayan K Seshadri who was appointed in the casual vacancy caused by the resignation of Mr. Cyrus E. Cooper who would have retired at this annual general meeting had he continued 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.

- 7 To consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of Sections 198 and 269 and other applicable provisions if any of the Companies Act, 1956, the consent of the Company is hereby accorded for appointment of Mr. D. Rangarajan as the Whole Time Director of the Company for a period of three years from 1st April, 2007 and subject to the terms and conditions including the remuneration to be paid and provided to him as contained in the agreement proposed to be entered into between the Company and Mr. D. Rangarajan, a draft whereof is placed before the meeting and, for the purpose of identification initialed by the Chairman.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to increase or vary the remuneration to be paid and provided from time to time to Mr. D. Rangarajan in accordance with the provisions of the Companies Act, 1956 and /or any statutory modification or re-enactment thereof and/or the notification issued by the Central Government or any appropriate authority in that behalf as in force and as amended from time to time.

RESOLVED FURTHER THAT pursuant to Section 309(3) read with Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, the remuneration for the time being payable by way of salary and perquisites be paid and provided as minimum remuneration to Mr. D. Rangarajan notwithstanding that in any financial year during his term of office, the Company may have made no profits or its profits may be inadequate.

RESOLVED FURTHER THAT the Board be and hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

NOTES:

- 1 The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under items 4 to 7 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 Saturday, 24th November 2007 to Friday, 30th November 2007 both days inclusive.
- 4 Members/proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the annual report.
- 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 All documents referred to the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m. till the date of this annual general meeting.
- 7 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.
- 8 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

By Order of the Board

Dated: November 16, 2007.

Whole time Director

Registered Office:

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

**Details of Directors seeking appointment/reappointment at the annual general meeting
(in pursuance of Clause 49 of the Listing Agreement).**

Name of the Director	Narayan K. Seshadri	Anish Modi	Denys Firth	D. Rangarajan
Date of Birth	13 th April 1957	21 st March 1966	26 th May 1951	14 th May 1948
Date of Appointment	31 st July 2007	31 st January 2007	31 st January 2007	29 th November 2006
Qualification	Chartered Accountant	Masters in Finance (from London School of Business) and Masters in Economics from Delhi School of Economics)	B.A in Physics (Oxford)	B.Tech
Experience in special functional areas	<i>Over 25 years of international experience in various aspects of business including, consulting, manufacturing, financial services and infrastructure projects.</i>	<i>More than 18 years in corporate finance (fund raising, M & As, restructuring, etc)</i>	<i>More than 35 years in corporate finance (fund raising, derivatives, structured finance, restructuring, etc)</i>	<i>More than 30 years International experience in Industrial Management, Power Plant, Water Desalination Project, etc</i>
Chairman/Director in other Companies	<ol style="list-style-type: none"> 1 Halcyon Enterprises Pvt. Ltd. 2 Halcyon Resources and Management Consulting Pvt. Ltd. 3 Halcyon GB Holdings Pvt. Ltd. 4 DHFL Venture Capital India Pvt. Ltd. 5 Development Credit Bank Ltd 6 PI Industries Ltd. 7 Haldyn Glass Gujarat Ltd. 8 Magma Leasing Ltd. 9 Kalpataru Power Transmission Ltd. 10 The Baroda Rayon Corporation Ltd. 	<ol style="list-style-type: none"> 1 Tarang Advisory P Ltd 2 India Debt Management Ltd 3 Saurashtra Cements Ltd 4 Uniflex Cables Ltd 5 Bakelite Hylam Ltd 6 S.kumar Nationwide Ltd 	<ol style="list-style-type: none"> 1 Tarang Advisory P Ltd 2 India Debt Management Ltd 3 Saurashtra Cements Ltd 4 Uniflex Cables Ltd 	NIL
Chairman/Member of Committees of the Board of Companies of which he or she is a Director	<ol style="list-style-type: none"> 1 Development Credit Bank Limited. Chairman – Audit Committee Chairman – Risk Management Committee 2 PI Industries Limited. Member – Audit Committee. 3 Haldyn Glass Gujarat Limited. Member - Audit Committee. 	<ol style="list-style-type: none"> 1 India Debt Management Limited. Member - Share and Debenture Transfer Committee. 2 Saurashtra Cements Limited. Member - Audit Committee. 3 Uniflex Cables Limited. Member - Share Transfer and Investor Grievance Committee. 	<ol style="list-style-type: none"> 1 India Debt Management Limited. Member - Remuneration Committee Member - Audit Committee. 	NIL

EXPLANATORY STATEMENT

The following Explanatory Statement sets out all material facts relating to the business mentioned under items 4 to 7 of the accompanying notice dated November 16th, 2007.

Item No.4

Mr. Anish Modi was appointed as an Additional Director by the Board of Directors of the Company from 31st January 2007. In accordance with the provisions of Section 260 of the Companies Act, 1956 (Act), Mr. Anish Modi 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. Anish Modi is Masters in Finance from London Business School and Master in Economics from Delhi School of Economics. He has more than 18 years' experience in corporate finance. Your directors are of the view that the Company would be immensely benefited by the wealth of experience and expert guidance of Mr. Anish Modi and therefore, commend for approval the Resolution in item No.4 of the notice of the meeting.

None of the Directors except Mr. Anish Modi is concerned or interested in item No.4 of the notice.

Item No.5

Mr. Denys Firth was appointed as an Additional Director by the Board of Directors of the Company from 31st January, 2007. In accordance with the provisions of Section 260 of the Companies Act, 1956(Act), Mr. Denys Firth 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. Denys Firth has wide experience of more than 35 years in corporate finance especially in fund raising, structured finance, restructuring, etc. Your directors are of the view that the Company would be immensely benefited by the varied experience and guidance of Mr. Denys Firth and therefore, commend for approval the Resolution in item No.5 of the notice of the meeting.

None of the Directors except Mr. Denys Firth is concerned or interested in item No.5 of the notice.

Item No. 6

The Board has appointed Mr. Narayan K. Seshadri at the meeting held on 31st July 2007 as a director in the casual vacancy caused by the resignation of Mr. Cyrus E. Cooper. Had Mr. Cyrus E. Cooper continued, he would have retired at this 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. Narayan K. Seshadri is a Chartered Accountant. He has more than 25 years of international operational experience in various aspects of business including manufacturing, financial services and infrastructural projects. He was Managing Director and Head of KPMG Consulting and Business Advisory Services. Prior to this, he was Country Head, Andersen Business Consulting.

The Directors feel that the Company would greatly benefit from the rich and varied experience of Mr. Narayan K. Seshadri. They commend for your approval the resolution at item No.6.

Except Mr. Narayan K. Seshadri and Mr. D. Rangarajan who is his relative no other director is concerned or interested in the resolution.

Item No 7

The Board of Directors appointed Mr. D. Rangarajan as Whole Time Director from 1st April, 2007. The Board of Directors at the meeting held on 31st July 2007 approved the terms of appointment of Mr. Rangarajan on the recommendation of the Remuneration Committee.

Important Terms and Conditions of appointment :

- Period of Appointment: Three years from 1st April 2007
- Remuneration:
 - a Salary : Rs 70,000 (Rupees seventy thousand only) per month Rs.8,40,000 (Rupees eight lacs forty thousand only) per annum with power to the Remuneration Committee & Board of Directors to review the same from time to time as they may deem fit and proper.

- b In addition to salary, Mr. Rangarajan will be entitled to benefits, perquisites and allowances which in the aggregate at present shall not exceed Rs.15,00,000 (Rupees fifteen lacs) per annum and which may be revised from time to time by the Board.
- c Minimum remuneration: Where in any financial year during his tenure, if the Company has no profits or its profits are inadequate, the Company will pay to Mr. Rangarajan remuneration by way of salary, benefits, perquisites and allowances as specified above.

The Company shall provide a car for use of Mr. Rangarajan for official purpose.

• **Powers and Duties**

Mr. D. Rangarajan shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him subject to the superintendence, control and direction of the Board.

• **Termination**

The employment of the Whole Time Director may be terminated by the Company without notice or payment in lieu of notice:

- If the Whole Time Director is found guilty of any gross negligence default or misconduct in connection with or affecting the business of the Company; or In the event of any serious or repeated breach(after prior warning) or non observance by the Whole Time Director of any of the terms and conditions of his appointment; or
- In the event the Board expresses its loss of confidence in him.

Termination due to physical/mental incapacity

In the event the Whole Time Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate this arrangement on such terms as the Board may consider appropriate in the circumstances.

In compliance with the requirement of section 302 of the Act, the above may be taken as an abstract of the terms and conditions of the appointment

The draft agreement proposed to be entered into between the Company and the Whole Time Director is available for inspection at the registered office of the Company during week days between 11.00 a.m. to 1.00 p.m.

Besides Mr. Rangarajan, Mr. Narayan K. Seshadri, being his relative may be deemed to be concerned or interested in the resolution. None of the other directors is concerned or interested. In the above appointment.

On behalf of the Board of Directors

Dated :- November 16, 2007.

Whole time Director

Registered Office:

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

DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors have pleasure in submitting the Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2007.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:

	(Rs. in Lacs)	
	Year	Year
	31.03.2007	31.03.2006
Total Income	546.47	1804.72
Less : Total Expenditure	1563.17	2217.32
Profit /(Loss) before interest and depreciation	(1016.70)	(412.60)
Less :Interest & Finance Charges	230.30	9.00
Prior Year Adjustment (Extra Ordinary Item)	(13289.83)	9.71
Profit /(Loss) Before Depreciation	12042.83	(431.31)
Less : Depreciation & Deferred Revenue Expenses	823.10	835.13
Fringe Benefit Tax	3.14	—
Profit /(Loss) Carried to Balance Sheet	11216.59	(1266.44)
PRODUCTION (in metric tons)	2647	10218

OPERATIONAL PERFORMANCE

As reported in the report for the last year, the Company has been implementing the rehabilitation scheme approved by the Board For Industrial And Financial Reconstruction (BIFR) for revival of the Company. Pursuant to the BIFR Order dated 4th December 2006, the following steps were taken:

- A new board of directors has been constituted
- The paid-up value of the share of the Company has been reduced by 99%
- Fresh infusion of equity and debt
- Substantial reduction in the liabilities has taken place in respect of old secured and unsecured lenders
- Allotment of non-convertible and optionally convertible debentures

With a view to streamline the operations of the Company, with a strong organization structure and financial engineering, your Directors have initiated the following steps:

Organisation restructuring

- Putting in place key management team
- Active management by Halcyon team including transfer of roles to the new team of the Company.
- Performance linked rewards structure

Financial restructuring

- Share capital write down by 99%
- One time settlement of all debts at Rs.544 million with upfront payment of Rs.120 million and rollover of balance amount of Rs.424 million by issue of debentures to be redeemed in a phased manner.
- Equity based fund infusion by Halcyon associates amounting to Rs. 110 million

- Debt infusion of Rs.398 million by India Debt Management Ltd.(IDM) as per rehabilitation scheme approved by BIFR
- Additional working capital from banks for which discussions are in advanced stage.
- Providing liquidity to the shares issued by the Company by applying for listing on the Bombay Stock Exchange of new shares after reduction of capital.

Operational Restructuring

Streamlining of support processes like inventory management, quality assurance, spares management, maintenance, procurement, etc.

DIVIDEND

The Directors do not recommend any dividend for the financial year ended 31st March, 2007.

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

Your company is fully committed to achieving the highest standards of corporate governance set out by the Securities & Exchange Board of India (SEBI). 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 stating that :

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Accounting policies selected were applied consistently and have 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 as at 31st March, 2007 and of the profit of the Company for that date;
- 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;
- The annual accounts of the Company have been prepared on a going concern basis.

DIRECTORS

Mr. D. Rangarajan retires by rotation and being eligible offer himself for reappointment.

The Board has appointed Mr. D. Rangarajan as the Whole time Director of the Company for a period of 3 years from 1st April, 2007. A resolution has been included in the notice for approval of the shareholders.

Mr. Anish Modi and Mr. Denys Firth, who were appointed as additional directors hold the office till the date of ensuing annual general meeting. The Company has received from members notices proposing their candidature with requisite deposits.

Mr. Cyrus Cooper resigned as Director from 31st July, 2007. The Board places on record its sincere appreciation of the valuable contributions made by Mr. Cooper during his tenureship. The Board has appointed Mr. Narayan K. Seshadri as a Director in place of Mr.Cyrus Cooper.

Mr. Sanjay Hinduja resigned as Director from 31st October, 2007. The Board places on record its appreciation of the valuable contribution made by Mr. Hinduja as Director. The Board has appointed Ms.Vandana Pakle in place of Mr. Sanjay Hinduja

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 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 Stock Exchange, Mumbai and the Company has paid the listing fees for the year 2007-08 with the arrears of the earlier years to The Stock Exchange, Mumbai. However due to non payment of listing fees, trading in shares has been suspended. The Company has already initiated steps to revoke suspension of trading so that the new shares issued after reduction of capital as well as new shares issued as per BIFR order may be traded.

INDUSTRIAL RELATIONS :

During the year, industrial relations with employees were cordial. The Company has entered into a new long term settlement agreement with the unions for a period of 4 years from 1st September 2006. Your directors place on record their sincere appreciation of the cooperation from the employees at all levels.

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 and therefore no further explanation is considered necessary. As regards the observation of the Auditors in their report about non-submission of declaration under section 274(1)(g) of the Act, by a Director, the Directors state that the concerned director has ceased to be director.

APPRECIATION

Your directors take this opportunity to place on record their deep sense of gratitude to the Financial Institutions, Bankers, Central and State Government Departments, Customers, Suppliers, Business Associates and Local Authorities for their continued support and co-operation from time to time to the Company.

Your directors also place on record their appreciation of the contribution made by all the employees at all levels during the year and look forward to their continued support. Lastly, your directors are deeply grateful for the confidence and faith shown by the members of the Company in them.

For and on behalf of the Board

Place : Mahad
Date : October 31, 2007

Whole time Director