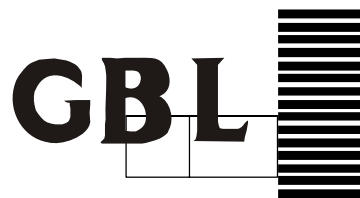


*18th Annual Report 2009-10*



GLOBAL BOARDS LIMITED

## GLOBAL BOARDS LIMITED

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### BOARD OF DIRECTORS

Mr. Dinesh Kumar Singh	Whole time Director
Mr. Bipin Mhatre	Whole time Director
Dr. G. K. Pillai	Special Director appointed by BIFR
Mr. Arvind Bedekar	Appointed as Additional Director and Independent Director w.e.f. 02.07.2010

### REGISTERED OFFICE & FACTORY

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

### REGISTRAR & SHARE TRANSFER AGENT

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

### AUDITORS

#### D.N. KANABAR & CO.

Chartered Accountants  
Mumbai

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## 18th Annual Report - 2009-2010

### NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 30<sup>th</sup> July, 2010 at 9.00 a.m. Plot No. R - 25, GBL Housing Colony Mahad Nagalwadi, MIDC, Mahad, 402302 District Raigad, to transact the following business :

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 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. D. N. Kanabar & 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. Arvind Bedekar, who was appointed as an Additional Director and Independent Director of the Company by the Board of Directors w.e.f. 02<sup>nd</sup> July, 2010 and who hold office upto the date of this Annual General Meeting and being 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 Independent Director liable to retire by rotation.”

#### 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 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.
2. The Register of Members and Share Transfer Books of the Company will be closed from 28<sup>th</sup> July, 2010 to 30<sup>th</sup> July, 2010 (both days inclusive).
3. Members/proxies should bring the enclosed attendance slip duly filled in for attending the meeting along with the annual report.
4. 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.
5. 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.
6. 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 : 02.07.2010

#### **Registered Office:**

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

#### **By Order of the Board**

sd/-

**Dinesh Kumar Singh**  
Whole-time Director

## GLOBAL BOARDS LIMITED

### ANNEXURE TO THE NOTICE 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>	Mr. Arvind Vyankatesh Bedekar
<b>Date of Birth</b>	10 <sup>th</sup> October 1955
<b>Date of Appointment</b>	02 <sup>nd</sup> July, 2010
<b>Qualification</b>	B.Sc, LLB
<b>Experience in special functional areas</b>	More than 20 years working experience in Legal Matters (Civil & Criminal) & appearing before Courts
<b>Chairman/ Director in other Companies</b>	Halcyon Enterprises Private Limited - Director
<b>Chairman/ Member of Committees of the Board of Companies of which he or she is a Director</b>	Nil

Dated : 02.07.2010

**Registered Office:**

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

**By Order of the Board**

sd/-

**Dinesh Kumar Singh**  
Whole-time Director

### EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 sets out all material facts relating to the business mentioned under item no. 3 of the accompanying notice dated 02.07.2010.

**Item No. 3**

Mr. Arvind Bedekar is appointed as an Additional Director and Independent Director by the Board of Directors of the Company w.e.f. 02.07.2010. In accordance with the provisions of section 260 of the Companies Act, 1956 (Act), Mr. Arvind Bedekar will hold office as an Additional 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. Arvind Bedekar is B.Sc, LLB and having more 20 years working experience in Legal Department of the company. Your Directors therefore, recommend for approval the Resolution in item no. 3 of the notice of the meeting.

**By Order of the Board**

sd/-

**Dinesh Kumar Singh**  
Whole-time Director

Dated: 02.07.2010

**Registered Office:**

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

## 18th Annual Report - 2009-2010

### DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors have pleasure in submitting the Eighteen Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

#### FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(Figures in Rupees)		
Particulars	Year 31.03.2010	Year 31.03.2009
Total Income	<b>3,237,456</b>	53,837,603
Less : Total Expenditure	<b>26,732,622</b>	119,029,714
Profit /(Loss) before interest, depreciation and Impairment of Loss	<b>(23,495,166)</b>	(65,192,111)
Less :Interest & Finance Charges	<b>4,053</b>	33,475
Less :Depreciation/Amortization	<b>—</b>	44,819,345
Less: Impairment Loss	<b>53,340,309</b>	118,048,535
Profit /(Loss) Before Tax & Prior period items	<b>(76,839,528)</b>	(228,093,466)
Less : Fringe Benefit Tax	<b>—</b>	(94537)
Profit /(Loss)after tax & Prior period items.	<b>(76,839,528)</b>	(228,188,003)
<b>Prior period items</b>	<b>(471,577)</b>	(332,624)
Profit / (Loss) during the year	<b>(77,311,105)</b>	(228,520,627)
Balance Brought Forward from Previous Year	<b>(1,415,363,723)</b>	(1,186,843,096)
Profit /(Loss) Carried to Balance Sheet	<b>(1,492,674,828)</b>	(1,415,363,723)

#### OPERATIONAL PERFORMANCE

The Company could not resume commercial production during the current year. The management is still evaluating the possibilities of strategic tie-ups.

During the previous year, the Company has entered into a Settlement Agreement dated January 5, 2009 under section 2(P) read with section 18 (1) of the Industrial Disputes Act, 1947 & Rule 62 of the Industrial Disputes (Bombay Rules, 1957) with the employees. The Company had paid all the dues of all the employees in accordance with this Settlement Agreement. There were no employees employed by the Company in the current year.

#### DEBENTURES ISSUED TO ASSET RECONSTRUCTION COMPANY INDIA LIMITED (ARCIL), INDIA DEBT MANAGEMENT PVT. LTD. AND OTHERS

Due to the turmoil in economic environment, the Company could not resume production and generate any cash flow to 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. In light of this ARCIL has served a notice under section 13 (2) of the SARFAESI Act on the Company. Subsequently ARCIL has taken over the possession of the assets of the Company vide Possession notice dated July 2, 2009.

#### STATUS OF BIFR REFERENCE

Subsequent to the possession notice dated July 2, 2009 served by ARCIL to take over the possession of the assets of the Company, BIFR vide its summary record of review proceedings of the hearing dated July 16, 2009 abated the BIFR reference of the Company.

## GLOBAL BOARDS LIMITED

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### 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 58A & 58AA of the Companies Act, 1956.

### CORPORATE GOVERNANCE

The Corporate Governance Report & practices followed by the Company are indicated separately in the **Annexure B** 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 alongwith Corporate Governance 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.

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

During the year, the Company ;

- has not incurred any expenses on Research & Development.
- has not entered into any technical collaboration.
- there were no foreign exchange earnings and outgo.

The information relating to energy conservation, 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 A** 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

During the year all insurable interests of the Company including inventories, building, plant & machinery, equipments and others to the extent necessary were adequately insured. However subsequent to the aforesaid possession notice from ARCIL, the assets are in the possession of ARCIL.

### 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 years 2008-2009, 2009-2010 & 2010-2011 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's shares still remains suspended from trading on Stock Exchange.

## 18th Annual Report - 2009-2010

### AUDITORS:

M/s D. N. Kanabar & Co., Chartered Accountants have been appointed as statutory auditors until the conclusion of the next 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.

### COMMENTS ON AUDITORS' REPORT :

The remarks or qualifications given at point no. vi in Auditors Report and point no. (ia), (iia) (vii), (viii), (ix)(a) & (b), (x) & (xi) to the Annexure to Auditors Report are self – explanatory. However, in light of the precarious financial condition, the management has done its best to address the issues raised. Please refer Notes to accounts and the explanation given herein above.

For and on behalf of the Board

Sd/-

Sd/-

**Arvind Bedekar**  
Director

**Mr. Dinesh Kumar Singh**  
Whole - Time Director

Place : Mumbai  
Date : 02.07.2010

## ANNEXURE A

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:

Particulars	Year ended 31/03/2010	Year ended 31/03/2009
<b>A. Power &amp; Fuel Consumption</b>		
(i) Electricity		
(i) Purchased :		
Units (Kwh)	NIL	621,680
Total Amount (Rs.)	NIL	3,955,634
Rate / Unit (Rs.)	NIL	6.36
(ii) Own Generation :		
Units (Kwh)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Rate / Unit (Rs.)	NIL	NIL
(ii)Furnace Oil	NIL	NIL
(iii) Consumption :		
Units (Liters)	NIL	10,615
Total Amount (Rs.)	NIL	413,746
Rate / Unit (Rs.)	NIL	38.98
<b>B. Consumption per unit of Production</b>		
Electricity (Kwh)	No production during the year	
Furnace Oil (Liters)		

## GLOBAL BOARDS LIMITED

### ANNEXURE B

#### CORPORATE GOVERNANCE REPORT

##### 1. COMPANY PHILOSOPHY:

Though the Company believes in corporate governance to ensure transparency, timely disclosures and independent monitoring of the functioning of the Company to enhance the value of its shareholders, the critical financial condition of the Company has forced limitations on its ability to implement practices of good governance.

##### 2. BOARD OF DIRECTORS

###### (A) Composition

The Board of the Company as at 31<sup>st</sup> March, 2010 comprised of three directors, two directors being whole-time directors and one director being special nominee independent director appointed by BIFR.

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
Dr. G.K. Pillai	Special Director appointed by BIFR (Independent)	—	—	—	—
Mr. Bipin Mhatre	Whole time director	—	—	—	—
Mr. Dinesh Kumar Singh	Whole time director	—	—	—	—

###### (B) Directors Interest in the Company & Attendance Record

The details of the Board Meetings held and the attendance record of directors as well as their fees/remunerations paid are given in the following table.

Directors	No. of Board Meetings		Attendance at the Last AGM	Remuneration Paid During 2009-2010 (All figures in Rupees)			
	Held	Attended		Sitting Fees	Salary & Perks @ Provident Fund	Contribution on to	Total
Mr. Bipin Mhatre	5	5	Yes	NIL	420000	--	
Mr. Dinesh Kumar Singh	5	5	Yes	NIL	600000	--	
Dr. G.K. Pillai	5	5	No	20000	--	--	--

###### (C) Board Procedure

During the year under review, the Board of the Company met 5 times. Notices along with Agenda papers were sent to Directors in advance of each Board Meeting. The necessary information including agenda, the workings & statements containing status of various matters were placed before the Board of the Company.



## 18th Annual Report - 2009-2010

The details of Board meetings held and the Directors' attendance in each meeting are given in the following table.

Meeting Held At	Date of Board Meeting	No. Of Directors Present
Mumbai	20.04.2009	3
Mumbai	30.04.2009	3
Mumbai	15.07.2009	3
Mumbai	30.11.2009	3
Mumbai	16.02.2010	3

Brief resume summary of the directors seeking appointment / re-appointment during the year have been disclosed in the Annexure to the notice to the Annual General Meeting.

### 3. AUDIT COMMITTEE:

The role and the powers of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange. The Audit Committee consists of one (independent) special director (appointed by the BIFR) and two whole-time directors as at 31<sup>st</sup> March 2010. During the year under review, four audit committee meetings were held on 30<sup>th</sup> April, 2009, 15<sup>th</sup> July, 2009, 30<sup>th</sup> November, 2009 and 16<sup>th</sup> February, 2010 and the attendance of the members at the meeting is follows:

Name of Member	Category of Director	Status	No. of Meetings Attended
Dr. G.K. Pillai	Special Director appointed by BIFR Member	Member	4
Mr. Bipin Mhatre	Whole Time Director	Member	4
Mr. Dinesh Kumar Singh	Whole Time Director	Member	4

### 4. CODE OF CONDUCT

The Board of Directors has laid down the Code of Conduct, applicable to all Board members and senior executives of the Company. All Board members and senior management executives have affirmed compliance with the Code of Conduct.

### 5. REMUNERATION COMMITTEE

The Remuneration Committee consists of following members: -

1. Dr. G.K. Pillai
2. Mr. Bipin Mhatre
3. Mr. Dinesh Kumar Singh

During the year, two meetings of the Remuneration Committee were held on 30<sup>th</sup> April, 2009 and 30<sup>th</sup> November, 2009 and the attendance of the members at the meeting is follows:

Name of Member	Category of Director	Status	No. of Meetings Attended
Dr. G.K. Pillai	Special Director appointed by BIFR Member	Member	2
Mr. Bipin Mhatre	Whole Time Director	Member	2
Mr. Dinesh Kumar Singh	Whole Time Director	Member	2

## GLOBAL BOARDS LIMITED

### 6. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

1. Dr. G.K. Pillai
2. Mr. Bipin Mhatre
3. Mr. Dinesh Kumar Singh

During the year, four Shareholders/Investors Grievance committee Meetings were held on 30<sup>th</sup> April, 2009, 15<sup>th</sup> July 2009, 30<sup>th</sup> November, 2009 and 16<sup>th</sup> February 2010.

The attendance of the members at the meeting are as follows: -

Name of Member	Category of Director	Status	No. of Meetings Attended
Dr. G.K. Pillai	Special Director appointed by BIFR Member	Member	4
Mr. Bipin Mhatre	Whole Time Director	Member	4
Mr. Dinesh Kumar Singh	Whole Time Director	Member	4

During the year under review, the Company has looked into the redressal of shareholders and investors' complaints like transfer / transmission of shares, non -receipt of balance sheet, demat etc. The details of complaints received and solved are given in the following table.

Complaints Received	Complaints Cleared	Pending on 31st day of March, 2010
34	34	NIL

### 7. DETAILS OF GENERAL BODY MEETINGS:

- (i) Date, Time & Location of the last three Annual General Meetings and details

AGM and date	Time	Location	No. of Special Resolution passed
17 <sup>th</sup> AGM 30 <sup>th</sup> December 2009	9.00 am	R-25, GBL Housing Colony, Mahad, Nagalwadi, MIDC, Mahad – 402 302, Dist. – Raigad	Two
16 <sup>th</sup> AGM 24 <sup>th</sup> December 2008	9.00 am	Plot No. K-5, Addl. MIDC, Industrial Area, Mahad – 402 302, Dist. – Raigad	NIL
15 <sup>th</sup> AGM 31 <sup>st</sup> December 2007	9.30 am	Plot No. K-5, Addl. MIDC, Industrial Area, Mahad – 402 302, Dist. – Raigad	NIL

- (ii) Postal Ballot

No postal ballot was conducted during the year.

### 8. DISCLOSURES:

- (A) Related party transactions

Particulars of related party transactions are listed out in Note 20 of the Schedules forming part of the Balance Sheet. During the year, there were no transactions of material nature with the directors or the management or their relatives that had potential conflict with the interest of the Company.