

EC  BOARD®

## Chairman's Communiqué



Dear Shareholders, Members of the Board, Associates, Ladies and Gentlemen,

I welcome you all to this 28th Annual General Meeting of our company. The meeting is taking place in the midst of revival for the company. Company's new products in both divisions i.e. "Bio-Panels" and "Bio-Energy" aimed at new markets, started generating revenues from new Industries. The company's turnover has increased significantly. Company's sincere efforts to monetize its non-core assets have finally progressed in positive direction and substantial payment has been received, which enabled the company to reduce the Bank's exposure. In addition, some more funds have been raised to make the payments of both Banks State Bank of India and Bank of Maharashtra which are irregular.

ECOBOARD's new products like Sustainable Building Materials (Internal Walls, Solid Core Doors, Raised Flooring, Ceiling etc.,) have been installed in Projects of reputed customers. Company could restore its production and executed the projects. Similarly, the Biogas Division has also got large orders from Dairy and Distilleries. Company is aggressively pursuing opportunities in "Swatch-Bharat" mission. These new products and technologies of both divisions have opened up new markets for ECOBOARD.

Awareness among customers about use of Sustainable products is creating significant interest on use of ECOBOARD's Products. With intention of directly reaching to end customers, we have develop customized solutions with advanced technical features like termite-proof, Solid Core, Moisture-resistant. Company's perseverance on its sustainable products highlight our philosophy, capability and dedication towards providing the world with more 'ecologically' and 'economically' viable sustainable products and solutions. I truly thank each one of you for your long-standing support and take pride in being part of this noble mission.

I sincerely acknowledge with thanks your support in our endeavor to Sustain and Grow ECOBOARD Industries.

Thanking You,

Sincerely,  
Ramakrishna Raju Guttumukkala  
Chairman & Managing Director  
DIN: 01516984

# ECOBOARD®

ECOBOARD INDUSTRIES LIMITED

## 28TH ANNUAL REPORT 2018-19

**REGISTERED OFFICE:** 65/1A, "Ecohouse," Akarshak Building, Opp. Nal Stop, Karve Road, Pune – 411 004  
Tel. (020) 41080800

### BOARD OF DIRECTORS

Mr. V.S. Raju, Former Chairman  
(Resigned w.e.f. 10.11.2018)

Mr. Ramakrishna Raju Guttumukkala,  
Chairman & Managing Director

Mrs. Sujani Venkata Indukuri, Director

Mr. Praveen Kumar Raju Gottumukkala,  
Director & Chief Financial Officer

Mr. Uttam Sampatrao Kadam,  
Independent Director

Mr. Siva Sankar Kalive, Independent Director

Mr. Veeravenkata Rama Raju Penmetsa,  
Independent Director

Mr. Satya Narayan Banka  
Independent Director  
(Resigned w.e.f 30.10.2018)

### COMPANY SECRETARY

Mr. Tejas Dabhade  
Contact No : 8600300993  
Email : cs.ecoboard@gmail.com

### AUDITORS

M/S B.M. Chaturvedi & Co., Mumbai  
410, Dev Plaza, S.V. Road, Andheri (W),  
Mumbai-400 058  
Tel (022) 66943452, Fax (022) 66943453

### REGISTERED OFFICE

65/1A, "Ecohouse," Akarshak building,  
Opp. Nal Stop, Karve Road, Pune 411004  
Tel (020) 25432345  
E-mail : info@ecoboard.in,  
cs.ecoboard@gmail.com  
Website : www.ecoboard.in

### REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Private Limited  
202-A, 2nd Floor, "Akshay Complex"  
Off Dhole Patil Road, Pune – 411 001  
Tel (020) 2616 0084  
E-mail : pune@linktime.co.in

### BANKERS

Bank of Maharashtra  
Andhra Bank

### Bio Systems Division

65/1A, "Ecohouse," Akarshak Building,  
Opp. Nal Stop, Karve Road, Pune-411004  
Tel. (020) 25432345 • Fax (020) 25465328

### Factory (Eco Board Division)

Working in Velapur Village, Taluka Malshiras,  
Dist. Solapur, Maharashtra  
Tel. (02185) 245261/62 • Fax (02185) 245203

**Note : All correspondence shall be made to Registered office Address**

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## “ GO GREEN” INITIATIVE BY THE COMPANY

As a step towards “ Green Initiative” in the Corporate Governance, Ministry of Corporate affairs has by allowing paperless compliances by the Companies and has issued Circulars stating that service of notice / documents including Annual Report can be sent by e- mail to its members. To support this green initiative of the Government , Members are requested to register their email addresses with Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd. at the Address:- .

**M/s Link Intime India Pvt. Limited Pune**

Block No. 202, 2nd Floor Akshay complex, Off Dhole Patil Raod, Pune- 411001

Tel: 202-26100684 • Tele Fax : 020- 2616503

Email: pune@linkintime.co.in

**Also Report any change in the email ID that you have already registered with us.**

## NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting (AGM) of the Members of 'Ecoboard Industries Limited' will be held on **Friday, September 27th, 2019 at 11.00 a.m.** (IST) at Conference Hall, President Hotel, 34/11, Prabhat Road, Lane No-8, Off Karve Road, Behind Kohinoor Mangal Karalaya, Pune (M.H.) – 411 004 to transact the following business:

### ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statements, of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors ('The Board') and the Auditors thereon.**
- 2. To appoint a director in place of Mr. Ramakrishna Raju Guttumukkala (DIN: 01516984) who retires by rotation in terms of section 152 (6) of companies act, 2013 and being eligible offers himself for re-appointment.**

### SPECIAL BUSINESS:

- 3. To sale the part of excess land (non-core asset) of the company situated within the premises of the company's land situated at Velapur, Taluka – Malshiras, District - Solapur (MH) – 413113**

Therefore, respected shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions read with the rules and regulations made there under any amendment, re-enactment or statutory modification thereof, approval of the members be and is hereby accorded to sale the part of excess land admeasuring about 40 acres (Non-core asset) of the company situated within the premises of the Company's land situated at Velapur, Taluka – Malshiras, District - Solapur (M.H.) – 413113.

**RESOLVED FURTHER THAT** Mr. Ramakrishna Raju Guttumukkala, Managing Director and/or Mr. Praveen Kumar Raju Gottumukkala, Executive Director of

the Company be and is/are hereby authorized to make representations, submissions, statements, correspondence, replies, sign, modify, alter, execute all such documents, letters, agreements, deeds, etc. related to such sale and finalize, negotiate, deal with prospective buyers and to receive consideration from buyers on behalf of the company.

**RESOLVED FURTHER THAT** Mr. Ramakrishna Raju Guttumukkala, Managing Director and/or Mr. Praveen Kumar Raju Gottumukkala, Executive Director of the Company be and is/are hereby authorized to represent, appear, to appeal, file petition, to attend adjudication, hearing, make submissions, file documents, petitions with all Government and semi-Government authorities and land authorities to complete all the necessary formalities with respect to sale of above mentioned property.

**RESOLVED FURTHER THAT** above mentioned directors are further authorized to authorize, nominate, depute their executives and or to appoint power of attorney on their or Company's behalf to represent, appear, to appeal, file petition, to attend adjudication, hearing make submissions, file documents, petitions and do all such acts and things with respect to the sale of such properties and registration of such sale with Land authorities and all such acts to give effect to the sale."

- 4. Re-appointment of Mr. Uttam Sampatrao Kadam (DIN – 01517289) as an Independent Director for a second term of five consecutive years, in terms of section 149 of the companies act, 2013.**

Therefore, respected shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED FURTHER THAT** Mr. Uttam Sampatrao Kadam (DIN – 01517289), who is an Independent Director of the Company with effect from 26th September, 2016 by the Shareholders in their 25th Annual General Meeting held on 26th September, 2016 and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act'), but who is eligible for re-appointment and in respect of whom the Company has received

a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby re-appointed as an Independent Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the re-appointment of Mr. Uttam Sampatrao Kadam (DIN – 01517289), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed there-under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended, and not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from 01st October, 2019 up to 30th September, 2024 (both days inclusive), be and is hereby approved.”

#### **5. Re-appointment of Mr. Ramakrishna Raju Gottumukkala as Managing Director (DIN – 01516984)**

Therefore, respected shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof] and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Ramakrishan Raju Gottumukkala (DIN: 01516984) as the Managing Director of the Company for a period of 5 years commencing from 01st October, 2019 to 30th September, 2024, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as 'the Board', which term

shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration in such manner as may be agreed to between the Board and Mr. Ramakrishna Raju Gottumukkala.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution.”

***By Order of the Board of Directors,  
For Ecoboard Industries Limited***

**DIN:** 00842835  
**Date:** 14.08.2019

Sd/-  
**Chairman &  
Managing Director**  
Place: Pune

**Notes:**

1. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors, who were appointed for five years in the 26th Annual General Meeting held on 29th September, 2017 to hold office till conclusion of 31st Annual General Meeting to be held in the year 2022.

2. A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered office of the Company, 65/1A, 2nd Floor, Akarshak Building, Above Bank of India, Opp. Nal Stop, Karve Road, Pune - 411001 not less than forty-eight hours before the commencement of the AGM i.e. by 11.00 a.m. on 25th September, 2019.

3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

4. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to forward a certified copy of Board Resolution pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting either to the Company in advance or submit the same at the venue of the General Meeting.

5. Every member entitled to vote at a meeting of the company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the

time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.

6. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

7. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.

Additional information, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to appointment of the Independent Director of the Company, as proposed under Item No. 5 of this Notice under Special Business, is also provided in the Explanatory Statement.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

9. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

10. The Register of Members and Share Transfer Register will remain closed from Thursday, 19th September, 2019 to Friday, 27th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.

11. With a view to using natural resources responsibly, we request shareholders to update their Depository Participants to enable the Company to send communication electronically.

12. In compliance with section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administrative) Rules 2014, as substituted by the Companies (Management and Administration) Amendment, Rules, 2015, the

Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Link Intime India Private Limited. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.

13. The Annual Report 2018-2019, the Notice of 28th AGM and instruction for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all members whose e-mail addresses are registered with the Company / Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

14. Members may also note that the Notice of the 28th AGM and the Ecoboard Industries Limited Annual Report 2018-19 will be available on the Company's website, [www.ecoboard.in](http://www.ecoboard.in). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours and working days. Members who require communication in physical form in addition to e-communication, or have any other queries any, write to us at: [cs@ecoboard.in](mailto:cs@ecoboard.in).

15. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment and re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members

holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

17. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

18. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. While attending the meeting the members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

19. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

20. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

21. Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.

22. Members are requested to address all correspondence, to the Registrar and Share Transfer Agent - M/s Link Intime India Private Limited, Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off, Dhole Patil Rd, Pune, Maharashtra - 411001, Phone: 020 2616 1629.

23. The facility for e-voting will be available at the AGM venue to those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting, may attend the AGM but will not be entitled to cast their votes once again. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Thursday, 19th September, 2019 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting



or e-voting at the AGM venue. The Company is pleased to provide members such e-voting facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Link in time India Private Limited.

**Process for e-voting:**

The Company has signed an agreement with Link in time India Private Limited for facilitating e-voting to enable the Shareholders to cast their vote electronically. Each voter may follow the following steps while e-voting:

The instructions for shareholders to vote electronically:

- (i) The voting period begins on 24th September, 2019 at 9 a.m. (IST) and ends on 26th September, 2019 at 5 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Thursday, September 19th, 2019 i.e. cut-off date may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited (LI IPL) for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)

- (ii) Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- (iii) Click on "Login" tab, available under 'Shareholders' section.
- (iv) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- (v) Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID.

- c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

(vi) Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

	<b>For Shareholders holding shares in Demat Form or Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>• Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT":

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

#### ◆◆◆ Cast your vote electronically

(vii) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

(viii) On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

(ix) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

(x) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES"; else to change your vote, click on "NO" and accordingly modify your vote.

(xi) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

(xii) You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

#### GENERAL GUIDELINES FOR SHAREHOLDERS:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000

**By Order of the Board of Directors  
For Ecoboard Industries Limited**

**Place:** Pune  
**Date:** 14.08.2019

Sd/-  
**G.R.K Raju.**  
**Chairman &  
Managing Director**  
DIN: 01516984

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 and 5 of the accompanying Notice:

### Item No. 3

The company is planning to become debt free and is having excess land admeasuring about 40 acres (Non-core asset) of the company situated within the premises of the Company's land situated at Velapur, Taluka – Malshiras, District - Solapur (M.H.) – 413113. Accordingly, the Board commends the Special Resolution as set out at Item No. 3 of the accompanying Notice in relation to sale the part of excess land (non-core asset) of the company situated within the premises of the company's land situated at velapur, taluka – malshiras, district - Solapur (M.H.) – 413113, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is in any way concerned or interested, financially or otherwise, in the resolution at Item No. 3 of the accompanying notice.

### Item No. 4

At the Board Meeting of the Company held on 14th August, 2019, the Board had, based on the recommendations of the Nomination and Remuneration Committee and the report of performance evaluation of Mr. Uttam Sampatrao Kadam (Present Independent Director) as done by the Board of Directors in its Board meeting held on 13th February, 2019, has formed an opinion that, the Independent Director proposed to be re-appointed fulfils the conditions specified in the Act and the rules made there under and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board is of the opinion to continue his tenure as an Independent Director for the next five years from the date of this 28th Annual General Meeting. In terms of Section 161(1) of the Act, Mr. Uttam Sampatrao Kadam holds office up to the date of this Annual General Meeting and is eligible for re-appointment as an Independent Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing her candidature for the office of Independent

Director. Based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members, Mr. Uttam Sampatrao Kadam has to be re-appointed as an Independent Director of the Company for a period of 5 years commencing from 1st October, 2019 to 30th September, 2024, in accordance with the provisions of Section 149 of the Companies Act, 2013 ('the Act') read with Schedule IV. Mr. Uttam Sampatrao Kadam, aged 68 years, is a Chartered Accountant of 1978 batch, has been in practice for more than 35 years specializing in the field of audit, taxation and management consultancy services including corporate finance, re-structuring, acquisition and merger of companies. He also has rich experience in audits of bank branches, stock audits, besides audit of public sector undertakings and companies. He has rich experience and knowledge in handling matters pertaining to Stock Exchange, Reserve Bank of India, Company Law Board, The Securities and Exchange Board of India, Income Tax and various State Government Departments. He has been a technical Director of Pravara Sahakari Bank for a period two terms as Shareholders Director. He has been Member of Committee of the Institute of Chartered Accountants of India's Ahmednagar Branch on Building. He is on the Boards, as Director, in several reputed companies. Mr. Uttam Sampatrao Kadam has consented to act as Director of the Company and has given his declaration to the Board that he meets the criteria for Independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Mr. Uttam Sampatrao Kadam is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Having regard to the qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Uttam Sampatrao Kadam as an Independent Director. As per the provisions of Section 149 of the Act, Mr. Uttam Sampatrao Kadam shall hold office for a term of five consecutive years on the Board of the Company and is not liable to retire by rotation. The terms and conditions of his appointment shall be open for inspection by the Members at the registered office of the Company during the normal business hours on any working day (except Saturday) and will

also be kept at the venue during the AGM. The same shall also be made available on the website of the Company at [www.ecoboard.in](http://www.ecoboard.in)

Accordingly, the Board commends the Special Resolution as set out at Item No. 4 of the accompanying Notice in relation to the appointment of Mr. Uttam Sampatrao Kadam as an Independent Director for a period of 5 years commencing from 1st October, 2019 to 30th September, 2024 for the approval of the Members. Except Mr. Uttam Sampatrao Kadam, none of the Directors or Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice. Mr. Uttam Sampatrao Kadam is not related to any other Director or KMP of the Company.

#### **Item No. 5**

At the AGM held on 29th September, 2017, the Members of the Company had approved of the appointment and terms of remuneration of Mr. Ramakrishna Raju Gottumukkala, Managing Director of the Company for a period of 3 years from 15th November, 2016 to 14th November, 2019, including, inter alia, salary of Rs. 1,20,000 per month in the scale of 1,00,000-10,000-1,50,000, with authority to the Board to fix his salary within the above mentioned scale. Taking into consideration the remaining tenure of appointment of Mr. Ramakrishna Raju Gottumukkala, size of the Company and the responsibilities cast on Mr. Ramakrishna Raju Gottumukkala, Managing Director, on the recommendation of the Nomination and Remuneration Committee of the Board, the Board at its meeting held on 14th August, 2019 has, subject to the approval of the Members of the Company, the remuneration and all other terms and conditions of appointment of Mr. Ramakrishna Raju Gottumukkala, Managing Director of the Company, as approved at the AGM of the Company held on 29th September, 2017, remain unchanged. The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V as amended and as in force from time to time. In compliance with the provisions of Sections 197, 198 read with Schedule V and other

applicable provisions of the Act, the revised terms of remuneration specified above are now being placed before the Members for their approval. The Directors are of the view that the remuneration payable to Mr. Ramakrishna Raju Gottumukkala as Managing Director is commensurate with his abilities and experience, and accordingly, commend the resolution at Item No. 5 of the accompanying Notice for approval of the Members of the Company. Other than Mr. Ramakrishna Raju Gottumukkala, Mr. PravennKumar Raju Gottumukkala and Mrs. Sujani Indukuri, none of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is in any way concerned or interested, financially or otherwise, in the resolution at Item No. 5 of the accompanying Notice.

***By Order of the Board of Directors  
For Ecoboard Industries Limited***

**Place:** Pune  
**Date:** 14.08.2019

**G.R.K Raju.  
Chairman &  
Managing Director  
DIN: 01516984**

**BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT**

Name in Full & DIN	Mr. Ramakrishna Raju Guttumukkala (01516984)
Birth Date	14-08-1957
Qualification	
Status	Managing Director
Shareholding in Ecoboard Industries Limited	2176225 Shares
Date of Appointment	27-06-2003
Other Directorship	Jisnu Infra Ventures Private Limited
Brief Profile covering experience	<p>Mr. G. R. K. Raju is Managing Director of EIL. He is worked with Chairman V.S. Raju from the beginning of the company and has taken the Company to new heights. He is technocrat with more than 35 years of experience in the field of administration of business affairs and strategic decisions.</p> <p>He introduced the “CSTR technology” for treating industrial waste, which is adopted by all sugar industries as proven technology. He also actively involved in bio gas division to design and implement customized solutions for treating waste in generating energy and power. In Particle Board division, he was instrumental in implementation of world’s largest engineered panel unit facility at Velapur factory. He is also an active member of various social institution and having good relationship with all sugar factories.</p>

Name in Full & DIN	Uttam Sampatrao Kadam (01517289)	
Birth Date	21-07-1951	
Qualification	Chartered Accountant	
Status	Non-Executive - Independent Director	
Shareholding in Ecoboard Industries Limited	0 (Zero) Shares	
Date of Appointment	20-07-1992	
Other Directorship	<ol style="list-style-type: none"> <li>1. Kaivalya Finance And Investments Ltd.</li> <li>2. Sat Kabir Consultants Pvt. Ltd.</li> <li>3. Pushpalata Logistics Pvt. Ltd.</li> <li>4. Pushpalata Investments Ltd</li> <li>5. Pushpalata Estate Pvt. Ltd.</li> <li>6. Zenesca Ventures Pvt. Ltd.</li> <li>7. Dattatrayapushpalata Properties Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>8. Siddhivinayakpushpalata Properties Pvt. Ltd.</li> <li>9. Saipushpalata Properties Pvt. Ltd.</li> <li>10. Moryapushpalata Properties Pvt. Ltd.</li> <li>11. Zenlog Supply Chain Pvt. Ltd.</li> </ol>
Brief Profile covering experience	<p>Mr. Uttam Sampatrao Kadam, aged 68 years, is a Chartered Accountant of 1978 batch, has been in practice for more than 35 years specializing in the field of audit, taxation and management consultancy services including corporate finance, re-structuring, acquisition and merger of companies. He also has rich experience in audits of bank branches, stock audits, besides audit of public sector undertakings and companies. He has rich experience and knowledge in handling matters pertaining to Stock Exchange, Reserve Bank of India, Company Law Board, The Securities and Exchange Board of India, Income Tax and various State Government Departments. He has been a technical Director of Pravara Sahakari Bank for a period two terms as Shareholders Director. He has been Member of Committee of the Institute of Chartered Accountants of India’s Ahmednagar Branch on Building. He is on the Boards, as Director, in several reputed companies.</p>	

## BOARD'S REPORT

To,  
The Members of  
**Ecoboard Industries Limited**

The directors submit annual report of Ecoboard Industries Limited (the "Company") along with the audited financial statements for the financial year (FY) ended March 31, 2019. Consolidated performance of the Company has been referred to wherever required.

Directors have tried to maintain coherence in disclosures and flow of the information by clubbing required information topic-wise, and thus certain information which is required in directors' report is clubbed elsewhere and has to be read as a part of boards' report.

### 1. FINANCIAL SUMMARY / HIGHLIGHTS

(Amounts in Lakhs)

Particulars	Current Year 2018-19	Previous Year 2017-18
<b>Income:</b>		
Revenue from operations	2,038.20	883.21
Other Income	38.08	18.53
<b>Total Income:</b>	<b>2,076.28</b>	<b>901.74</b>
<b>Expenditure:</b>		
Cost of materials consumed	1,544.11	614.56
Changes in inventories of finished goods, work-in-progress	212.14	161.61
Employee benefits expense	159.35	198.53
Finance costs	498.14	636.27
Depreciation	106.95	122.68
Other expenses	474.88	555.41
	<b>2,995.57</b>	<b>2,289.06</b>
<b>Profit / (Loss) before exceptional items and tax</b>	(919.29)	(1387.32)
Add/(Less): Exceptional items	199.05	0.00
<b>Profit / (Loss) before tax</b>	(720.24)	(1387.32)
Less: Tax expenses	0.00	0.00
<b>Profit / (Loss) for the period</b>	<b>(720.24)</b>	<b>(1387.32)</b>
<b>Other Comprehensive Income</b>		
Items that will not be reclassified into profit or loss	0.46	11.29
<b>Other Comprehensive income for the year (net of tax)</b>	0.46	11.29
Total comprehensive income for the year	(719.78)	(1,376.03)
<b>Earnings / (Loss) per Share (Rs.)</b>		
- Basic	(4.04)	(7.72)
- Diluted	(4.04)	(7.72)

## Financial Performance

During the year 2018-19 your company has made turnover of Rs 2,038.20 Lakhs as compared to turnover of the previous financial year of Rs. 883.21 Lakhs, whereas Loss for the year is Rs.719.78 Lakhs as against Rs. 1,376.03 Lakhs in the previous financial year. Boards of Directors are very confident that the business of the Company will continue to grow in upcoming years.

Year	Sales performance (Rs. Lacs)	PBT (Rs. Lacs)	PAT (Rs. Lacs)	EPS (Rs. Lacs)
2014	2807.82	(810.75)	(898.13)	(5.04)
2015	1693.28	(673.20)	(698.81)	(3.92)
2016	2,205.48	(1,468.07)	(1,489.82)	(8.35)
2017	1633.84	(975.13)	(996.21)	(5.59)
2018	883.21	(1387.32)	(1376.32)	(7.72)
2019	2,038.20	(720.24)	(720.24)	(4.04)

Company faced good tail-winds in “Bio-Energy” engineering division with new projects in distilleries, a traditional market. The turnover of “Bio-Panels” division was marginal, as we couldn’t procure raw material due to shortage of working capital. The Bio-panels division of the Company continues to upgrade the existing machineries. The implementation of GST of 12 % has reduced the Ecoboard price deferential with its unorganized players and increased market share of Ecoboard and company is having a positive effect.

Based on internal financial control framework and compliance systems established in the Company, the work performed by statutory, internal and secretarial auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company’s internal financial controls were adequate and effective during the financial year 2018-19.

### 2. DIVIDEND

In view of paucity of funds in the current year and due to counting losses the, the Board of Directors does not recommend any dividend for the F.Y. 2018-19.

The unclaimed dividend pertaining for the year ended March, 2009 transferred to the Investor Education & Protection Fund.

### 3. DIRECTORS AND KMP:

The details of Appointment, re-appointment and retiring by rotation of Directors and Key Managerial Personnel (KMP) are included in Corporate Governance Report, and forms part of the board’s report as “**Annexure B**”.

### 4. SEGMENT WISE AND PRODUCT-WISE OPERATIONAL PERFORMANCE:

The details are given under Notes to Accounts of financial statements.

### 5. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

There are no such orders except those which have been appropriately challenged before the judiciary

and no impact on going concern status and Company's operation in future of such matters are expected or visualized at the current stage at which they are.

**6. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

Your Company has an internal Control System which commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function lies with the Audit Committee of Directors. The Audit Committee monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies. The Company has not appointed Internal Auditors yet.

**7. DETAILS OF HOLDING/SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company has no subsidiary/joint venture/associate company and hence consolidation and applicable provision under the Companies Act, 2013 and Rules made there under are not applicable to the Company.

**8. BOARD EVALUATION**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board carried out an annual performance evaluation of the Board, its Committees, Individual Director and Chairperson. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**9. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has a Vigil Mechanism Policy in place to deal with instances, if any, of the fraud, mismanagement, misappropriations, if any and the same is placed on the Company's website.

**10. MANAGERIAL REMUNERATION**

Details as required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are contained in Corporate Governance Report.

**11. NUMBER OF PERMANENT EMPLOYEES**

During the period under review, there are 54 permanent employees of the Company.

**12. DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had 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 and loss of the company for that period;



- c. the directors had taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. the directors had laid down proper internal financial controls which were in place and that the financial controls were adequate and were operating effectively.
- f. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**13. MEETINGS OF THE BOARD OF DIRECTORS**

Name of Directors	Category	Attendance of meeting during 2017-18		*No. of other Directorship
		Board	Last AGM	
Mr. V.S. Raju	Chairman	2	Yes	1
Mr. G. R. K. Raju	Managing Director	5	Yes	1
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	6	Yes	0
Mr. U.S Kadam	Non-Executive & Independent	7	Yes	11
Mr. Satya Narayan Banka	Non-Executive & Independent	0	Yes	0
Ms. Venkata Sujani Indukuri	Executive Director	5	Yes	0
Mr. Siva Sankar Kalive	Non-Executive & Independent	7	Yes	0
Mr. P. V. V. Rama Raju	Non-Executive & Independent	1	Yes	0

**# Mr. V.S. Raju Ceased to be Director w.e.f. 10.11.2018**

**# Mr. Satya Narayan Banka ceased to be Director w.e.f. 30.10.2018**

**14. PARTICULARS OF LOANS, ADVANCES, GUARANTEES AND INVESTMENTS**

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), disclosure on particulars relating to Loans, advances, guarantees and investments are provided as part of the financial statements.

**15. LISTING REGULATIONS COMPLIANCE**

Your Company’s Equity Shares are listed on BSE Ltd. and their listing fees for the Financial Years 2018-19 and 2019-20 is pending and the provisions of the Listing Obligation and Disclosures Requirement, Regulations, 2015 have been complied with.

**16. DEPOSITS**

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## 17. RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.

## 18. ANNUAL REVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

## 19. INDEPENDENT DIRECTORS AND DECLARATION

Composition of the independent director is in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## 20. CODE OF CONDUCT

- Code of Conduct for Director and Senior Management of the Company: The Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code as on March, 2015.
- Code of Conduct for prevention of Insider Trading: The Company has its own Code of Conduct for Prevention of Insider Trading which has now been amended according to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## 21. CORPORATE GOVERNANCE:

As the listed Company, necessary measures are taken to comply with provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Report on Corporate Governance

along with the certificate as stipulated confirming compliance with the conditions of Corporate Governance, the Managing Director's declaration as stipulated under the aforesaid Clause, Regulation and Management Discussion and Analysis Report forms part of Annual Report.

## 22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREX EARNING AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure A**".

## 23. EXTRACT OF ANNUAL RETURN IN FORM MGT-9

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure B**". The link of annual report as per the Companies Amendment Act, 2017 is as below: [www.ecoboard.in](http://www.ecoboard.in).

## 24. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items since there were no transactions in these matters and/or they are not applicable to the Company during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under ESOS.
4. No significant or material orders were passed by the Regulators / Courts or Tribunals which would impact the going concern status of the Company and its future operations.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.

## 25. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards on Board Meetings (SS-1) and on General Meetings (SS-2) have been duly followed by the Company.

## 26. SHARE CAPITAL

The Paid up capital of the company is Rs.5,30,00,000. The Company issued Rs. Nil Equity Shares either with or without differential rights during the F.Y. 2018-2019 and hence, the disclosure requirements under section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014, is not applicable.

## 27. COMPENSATION AND DISCLOSURE ANALYSIS:

The Companies Act, listing Regulations through various provisions require disclosure and analysis on executive, director's, KMP's and other employees' compensation. The said information forms part of board's report annexed herewith as "**Annexure C**".

## 28. RELATED PARTY TRANSACTIONS:

Related party disclosures pursuant to sub-section (1) of section 188 of the Companies Act, 2013 are forming part of the Board report and is annexed herewith as "**Annexure D**".

**29. STATUTORY AUDITORS:**

The Company's Auditors, B. M. Chaturvedi & Co., Chartered Accountants, Mumbai, (Firm Regn. No. 114317W). For the period of five consecutive years i.e. 01.04.2017 to 31.03.2022 subject to approval in the ensuing Annual General Meeting and ratification by members in each subsequent Annual General Meeting.

**30. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. R. Siddheshwar & Co., Pune, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. Secretarial Audit Report for the financial year March 31, 2019 is annexed herewith as "**Annexure E**" in FORM MR-3.

**31. COMMENTS ON OBSERVATIONS ON SECRETARIAL AUDIT REPORT**

The observation and qualification is annexed with as "Annexure-E"

**32. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

**33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

**34. INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2014**

The Company has constituted an internal complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2014. During the year no complaint was filed before the said Committee.

**35. ACKNOWLEDGEMENTS AND APPRECIATION**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment. Their dedication and competence has ensured that the Company will definitely overcome from such turbulent situation and emerge as significant and leading player in the industry.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Sd/-

**Ramakrishna Raju Guttumukkala**  
**Chairman & Managing Director**

DIN: 01516984

Place: Pune  
Date: 14.08.2019

**“ANNEXURE A”**

**TO BOARD’S REPORT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

<p><b>1.</b></p>	<p><b>(A) Conservation of Energy :</b>                  (i) the steps taken or impact on : conservation of energy                  (ii) the steps taken by the company for utilizing alternate sources of energy                  (iii) the capital investment on energy conservation equipments;</p>	<p>During the year Your Company had taken various steps to control the power cost in Company.                  • More LED lights were installed, replacing CFL and filament bulbs.                  • Belt conveyors are used in Conveying systems to reduce electricity load.</p>
<p><b>2.</b></p>	<p><b>(B) Technology Absorption :</b>                  (i) the efforts made towards technology absorption and R &amp; D.                  (ii) the benefits derived from technology absorption and R &amp; D like product improvement, cost reduction, product development.</p>	<p>“Pre-Engineered Multi-level Buildings”, “Raised Flooring” “Ceiling” and HDUMR grade material of different thicknesses are developed for new segments.                  The Company has been able to successfully develop sustainable products using bio-degradable materials to substitute wood based applications.</p>
<p><b>3.</b></p>	<p><b>Foreign Exchange Earnings &amp; Outgo:</b></p>	
	<p>A) Activities relating to exports initiative taken for exports, development of new export markets for products and services.</p>	<p>N.A</p>
	<p>B) Total Foreign exchange used</p>	<p>N.A</p>
	<p>1. Raw Material</p>	
	<p>2. Capital Equipment (Including Advance)</p>	<p>Rs. Nil</p>
	<p>3. Stores &amp; Spares</p>	<p>Rs. Nil</p>
	<p>4. Foreign travel &amp; other expenditure</p>	<p>Rs. Nil</p>
	<p>5. Royalty &amp; Consultancy fees</p>	<p>Rs. Nil</p>
	<p>6. Earned Deemed Export</p>	<p>Rs. Nil</p>

**“ANNEXURE B”  
FORM NO. MGT.9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2016**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L24239MH1991PLC064087
2.	Registration Date	20/11/1991
3.	Name of the Company	ECOB <sup>®</sup> BOARD INDUSTRIES LIMITED
4.	Category/Sub-Category of the Company	Public Company limited by shares
5.	Address of the Registered office and contact details	65/1A, “Ecohouse”, “Akarshak Building” Opp. Nal Stop, Karve Road, Pune-411004 Tel.:(020) 41080800 Fax:(020) 254465328 E-mail: info@ecoboardindia.com
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited, 202-A, 2nd Floor, “Akshay Complex”, off Dhole Patil Road, Pune – 411 001. Tel.: (020) 26161629 Fax: (020) 26163503 Email: pune@linkintime.co.in

**II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1.	EcoBoard Board	20213	15.55
2.	Biogas Division	40107	84.45

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The company does not have any holding, subsidiary, associate, joint venture Company of its own.

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	N.A				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1. Indian									
a. Individual/ HUF	10950913	-	10950913	61.41	10973092	-	10973092	61.5360	0.126
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	100400	-	100400	0.56	100400	-	100400	0.5630	0.003
<b>Sub-total(A)(1):-</b>	<b>10739124</b>	<b>-</b>	<b>10739124</b>	<b>61.97</b>	<b>11073492</b>	<b>-</b>	<b>11073492</b>	<b>62.0990</b>	<b>0.129</b>
2. Foreign									
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Other Individual	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
<b>Sub-total(A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>10739124</b>	<b>-</b>	<b>10739124</b>	<b>60.28</b>	<b>11073492</b>	<b>-</b>	<b>11073492</b>	<b>62.0990</b>	<b>0.129</b>
<b>B. Public Shareholding</b>									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	1900	1900	0.01	-	1900	1900	0.01	0.00
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	7800	7800	0.04	-	7800	7800	0.04	0.00
i. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	-	-	-	-	-	-	-	-	-
<b>Sub- Total –B(1)</b>	<b>-</b>	<b>9700</b>	<b>9700</b>	<b>0.05</b>	<b>-</b>	<b>9700</b>	<b>9700</b>	<b>0.05</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a. Body Corp.	651776	293700	1009133	5.30	654824	293700	948524	5.32	0.02
b. Individual									

i. Individual shareholders holding nominal share capital upto Rs 2 lakh	2792746	1463512	4246358	23.81	2772871	1438212	4211083	23.61	(0.2)
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1011546	20100	1031646	5.78	1029127	20100	1049227	5.88	0.10
c. Others	7455	-	7455	0.04	2910	-	2910	0.02	(0.02)
1. (clearing member)									
2. (Market Maker)	4650	-	4650	0.02	2650	-	2650	0.015	(.005)
(i) NRI (Rep)	33486	4100	37586	0.21	33383	4100	37483	0.2102	0.01
(ii) NRI (Non-Rep)	10389	400	10789	0.060	11289	400	11689	0.065	0.005
(iii) Foreign National	-	-	-	-	-	-	-	-	-
(iv) OCB	-	250000	250000	1.40	-	250000	250000	1.40	0.00
(v) Hindu Undivided Family	236038	989	237027	1.32	234253	989	235242	1.3192	(0.0008)
(vi) In Transit	-	-	-	-	-	-	-	-	-
<b>Sub-total B (2)</b>	<b>4748086</b>	<b>2022901</b>	<b>6770987</b>	<b>37.97</b>					<b>(1.23)</b>
<b>Net Total B = (B)(1)+(B)(2)</b>	<b>4748086</b>	<b>2032601</b>	<b>6780687</b>	<b>38.03</b>	<b>4741307</b>	<b>2017201</b>	<b>6758508</b>	<b>37.9010</b>	<b>(1.75)</b>
<b>C. Shares held by Custodians for GDR's and ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>15789499</b>	<b>2042501</b>	<b>17832000</b>	<b>100.00</b>	<b>15814799</b>	<b>2017201</b>	<b>17832000</b>	<b>100.00</b>	

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1.	Jayalakshmi Gottu-mukkala	3307414	18.55	-	3329593	18.6720	-	1.39
2.	GRK Raju	2176225	12.20	-	2176225	12.2040	-	0.00
3.	Satyavathi Vegesna	1172736	6.58	-	1172736	6.5766	-	0.00
4.	Sujani Venkata Indukuri	1170553	6.56	0	1170553	6.5643	-	0.3
5.	Praveen Kumar Raju Gottumukkaia	890500	4.99	0	890500	4.9938	-	0.00
6.	Subba Raju Vegesna	872255	4.89	0	872255	4.8915	-	0.00
7.	P Satyanarayana Raju	844600	4.74	0	844600	4.7364	-	0.00



Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
8.	Ramakrishna Raju Gottumukkala (HUF)	300000	1.68	0	300000	1.6824	-	0.00
9.	Prithvi Raju Venkata P	90300	0.51	0	90300	0.5064	-	0.00
10.	Lalita Rajeshwari P	59430	0.33	0	59430	0.3333	-	0.00
11.	P Anuradha	50100	0.28	0	50100	0.2810	-	0.00
12.	Srinivas Raju P	16800	0.09	0	16800	0.0942	-	0.00
13.	P Srinivas Raju (HUF)	89900	0.50	0	89900	0.5041	-	0.00
14.	Vegesna Subba Raju (HUF)	10500	0.06	0	10500	0.0589	-	0.00
	<b>Total</b>	<b>11051313</b>	<b>61.97</b>	<b>Total</b>	<b>11073492</b>	<b>62.0990</b>	<b>-</b>	<b>0.129</b>

(i) Change in Promoters' Shareholding (please specify, if there is no change): promoters shareholding increased by 0.129 % during the year 2018-19.

(ii) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2016)		Shareholding at the end of the year (31/03/17)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	G R K Raju	2463225	13.81	2463225	13.8135
2.	Sujani Venkata Indukuri	1110642	6.22	1170553	6.5643
3.	Praveen Kumar Raju Gottumukkala	1170553	6.5643	890500	4.9938

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2017				
1) Principal Amount	2576.70	1312.72	35.99	3925.41
2) Interest due but not paid	318.68	-	-	318.68
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>2895.38</b>	<b>1312.72</b>	<b>35.99</b>	<b>4244.09</b>

(Amount in Lakhs)

Change in Indebtedness during the financial year	-	-	-	-
+ Addition	-	140.25	-	-
-Reduction	191.8	-	1.15	-
<b>Net change</b>	-	-	-	-
Indebtedness at the end of the financial year 31.03.2018				
1) Principal Amount	2384.90	1452.97	34.84	3872.71
2) Interest due but not paid	615.40	-	-	615.40
3) Interest accrued but not due	-	-	-	-
<b>Total of (1+2+3)</b>	<b>3000.3</b>	<b>1452.97</b>	<b>34.84</b>	<b>4488.11</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Name of MD/WTD/Manager	Name of MD/WTD/Manager
		MD	Executive Director and CFO	Executive Director
		Mr. G. R. K. Raju	Mr. G. P. K. Raju	Mrs. Venkata Sujani Indukari
1.	Gross Salary	17,88,000/-	16,86,000/-	0/-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act.	17,88,000/-	16,86,000/-	0/-
	(b) Value of perquisites u/s 7(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of Profit - Others, specify	1%	1%	-
5.	Others, please specify Sitting Fees	-	-	-
	<b>Total</b>	<b>17,88,000/-</b>	<b>16,86,000/-</b>	<b>0/-</b>
	Ceiling As per Act			As per Section 197 a Company profits in a financial year may pay remuneration to a managerial person not exceeding 5 % of the Net profit of the Company.

B. Remuneration to other directors:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of the Director					
		Mr. V. S. Raju	Mr. U.S. Kadam	Mr. Siva S. Kalive	Mr. P. V. V. Rama Raju	Mr. S.N Banka	
1	<b>Independent Directors</b>						
	- Fee for attending board committee meetings	-	10,000	10,000	5,000	-	-
	- Commission	-	-	-	-	-	-
	- Others	-	-	-	-	-	-
	<b>Total (1)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>	-	<b>25,000</b>
2	<b>Other Non Executive Directors</b>						
	- Fee for attending board committee meetings	5,000	-	-	-	-	-
	- Commission	-	-	-	-	-	-
	- Others	-	-	-	-	-	-
	<b>Total (2)</b>	<b>5,000</b>	-	-	-	-	<b>5,000</b>
	<b>Total (A) = (1+2)</b>	<b>5,000</b>	<b>10,000</b>	<b>10,000</b>	<b>5,000</b>	-	<b>30,000</b>
	Total Managerial Remuneration						
	Overall Ceiling as per the act						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount (In Rs.)
		*Mrs. Shruti Gupta	#Mr. Tejas Dabhade	
1.	Gross Salary	Rs.		Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	<b>1,50,000/-</b>	<b>1,50,000/-</b>	<b>3,00,000/-</b>
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-		-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission - As % of Profit - Others, specify	-		-
5.	Others, please specify	-		-
	<b>Total (A)</b>	<b>1,50,000/-</b>	<b>1,50,000/-</b>	<b>3,00,000/-</b>

i. \*Resigned from the post of Deputy General Manager, Company Secretary and Compliance Officer w.e.f. 03.10.2018.

# Appointed as Company Secretary and Compliance Officer w.e.f. 03.10.2018.

ii. Penalties/punishment/compounding of offences:

There were no penalties/punishment/compounding of offences during the financial year 2018-19.

**“ANNEXURE C”**  
**Director Remuneration**

Disclosure in Board's Report:-

- 1) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-

- Median Remuneration of the employees of the company for the financial year is Rs. 1.63 Lac/-

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Mr. G. R. K. Raju	10.91
2.	Mr. G. P. K. Raju	10.29
3.	Mrs. Sujani V. Indukuri	8.83

- 2) The percentage increase in remuneration of each director, CFO, CS in financial year:

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Mr. G. R. K. Raju	-
2.	Mr. G. P. K. Raju	-
3.	Mrs. Shruti Gupta	-

- 3) The percentage increase in the median remuneration of employees in the financial year:- NIL
- 4) Comparison of the remuneration of the KMP against the performance of the company:-  
- It is commensurate with the turnover and profits of the Company and performance of the individual.
- 5) The Number of permanent employees on the rolls of the Company: 54
- 6) Comparison of each remuneration of KMP against the performance of the company
- 7) Key parameters for any variable component of remuneration availed by the directors
- 8) There are no employees getting remuneration higher than that of the MD. Similarly there is no employee getting remuneration exceeding Rs. 60 lakhs in the aggregate during the financial year ended on 31<sup>st</sup> March, 2019.
- 9) The Nomination and Remuneration committee and the board of directors affirm that the remuneration is as per the remuneration policy of the company.

**For Ecoboard Industries Limited**

**Place:** Pune  
**Date:** 14.08.2019

**Ramakrishna Raju Guttumukkala**  
**Chairman & Managing Director**  
DIN: 01516984

**“ANNEXURE D”  
Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts, arrangements entered into by the company with related parties referred to in sub-section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangement or transactions at arm’s length basis:**

There were no transactions entered by the Company with its related party which are not at arm’s length.

**2. Details of contracts or arrangement or transactions at arm’s length basis:**

Sr. No.	Name of Related Party	Nature of Relationship	Duration of Contract	Salient terms	Date of approval by the Board	Amount paid as advances	Transaction during the year Amount (Rs.)
1.	Mr. Pravin Kumar Raju Gottumukkala	Executive Director		Deposit Repaid			3,57,000/-
2.	Mr V.S. Raju	Ex - Chairman		Deposit Repaid			2,95,830/-
3.	Mr. Pravin Kumar Raju Gottumukkala	Executive Director		Deposit Outstanding			12,128,693/-
4.	Mr. Ramakrishna Raju Gottumukkala	Chairman & Managing Director		Deposit Outstanding			105,693,684/-
5.	Mr. V.S. Raju	Ex - Chairman		Deposit Outstanding			14,682,948/-
6.	Mrs. Indukari Sujani	Daughter of Mr. Ramakrishna Raju Gottumukkala		Deposit Outstanding			12,227,123/-
7.	Mrs. Indukari Sujani	Daughter of Mr. Ramakrishna Raju Gottumukkala		Rent Paid given for her accommodation.			4,20,000/-
8.	Mrs. Indukari Sujani	Daughter of Mr. Ramakrishna Raju Gottumukkala		Rent Paid given for her accommodation.			3,60,000/-
9.	Western Bio System Pvt. Ltd.	Associate Company		Purchases			10,640,000/-
10.	Western Bio System Pvt. Ltd.	Associate Company		Intercorporate Deposit Taken			57,909,407/-
11.	Vesar Furnitek Pvt. Ltd.	Associate Company		Intercorporate Deposit Taken			39,85,000/-
12.	Mr. Pravin Kumar Raju Gottumukkala	Executive Director		Remuneration			8,19,626/-
13.	Mr. Ramakrishna Raju Gottumukkala	Managing Director		Remuneration			8,44,700/-
14.	Mrs. Indukari Sujani	Daughter of Mr. Ramakrishna Raju Gottumukkala		Remuneration			18,05,677/-

**Advantages by dealing with Western Bio System India Pvt. Ltd. are**

- Cost reduction: Greater control on the inputs processing by the contractee party thereby ensuring cost reduction.
- In-time delivery: To ensure timely supplies of materials thereby ensure smooth production flow.
- Flexibility: To ensure flexibility in production system, thereby maximizing the sales.
- Locational Advantages: To ensure that the supplies are located close to the works thereby ensuring faster delivery.

**Advantages by dealing with VESAR FURNITEK PVT. LTD. are**

- Cost reduction: Greater control on the inputs processing by the contractee party thereby ensuring cost reduction.
- In-time delivery: To ensure timely supplies of materials thereby ensure smooth production flow.
- Flexibility: To ensure flexibility in production system, thereby maximizing the sales.
- Locational Advantages: To ensure that the supplies are located close to the works thereby ensuring faster delivery.

**For Ecoboard Industries Limited**

Sd/-

**Rama Krishna Raju Guttumukkala**  
**Chairman & Managing Director**

DIN: 01516984

**Place:** Pune

**Date:** 14.08.2019

**“ANNEXURE E”****Form No. MR-3****SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE YEAR ENDED ON MARCH 31<sup>st</sup> 2019**

To  
The Members,  
**ECOBE INDUSTRIES LIMITED.**  
65/1A, “ECOHOUSE”, AKARSHAK BUILDING,  
OPP. NAL STOP, OFF. KARVE ROAD,  
PUNE 411004.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ECOBOARD INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

***Management’s Responsibility***

Management is responsible for the preparation and filing of all the forms, returns, documents for the compliances under the Companies Act, 2013, regulations laid down by Securities and Exchange Board of India, Environment (Protection) Act, 1986 and Rules made there under listed hereinafter, and to ensure that they are free from material non-compliance, whether due to fraud or error.

***Secretarial Auditor’s Responsibility***

Secretarial Audit is a process of verification of records and documents on sample basis to check compliance with the provisions of laws and rules/procedures under the Companies Act, 2013, regulations laid down by Securities and Exchange Board of India, Environment (Protection) Act 1986 and Rules made there under listed hereinafter. The procedure for secretarial audit is selected on the secretarial auditor’s judgment, including the assessment of the risks of material non-compliance of the documents filed. In making those risks assessments, the secretarial auditor considers internal control relevant to the Company’s preparation and fair presentation of the documents in order to design secretarial audit procedures that are appropriate in the circumstances. My responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. I have conducted my audit solely on the basis of the compliances and filing done by the Company under the aforesaid laws. Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also as represented to me by the management of the company, that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under: The Company is a Listed Public Company and around 88.69% of the shares are in dematerialized form and the Company

has complied with the provision of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. Payment of Gratuity Act, 1972
- vii. Payment of Wages Act, 1936
- viii. Employees State Insurance Act, 1948
- ix. Payment of Bonus Act, 1965
- x. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the Audit Period)**;
  - c) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable to the Company during the Audit Period)**;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. Secretarial Standards have been approved by the Government of India for implementation during the financial year 2015-16. Hence the current para is applicable for the year under audit.
- ii. The erstwhile Listing Agreement entered into by the Company with stock exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1st December 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the observations/ qualifications mentioned in "**Annexure I**":

**I further report that,**

The Board of Directors of the Company is duly constituted with optimum balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notices were given to all directors to schedule the Board Meetings, agenda and notes to agenda were sent at-least seven days in advance except for a board meeting held as on 21st July 2018 which was scheduled on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions/major decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be, while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has not taken any action/events having major bearing on the company's affairs.

**FOR S. R. SIDDHESHWAR & CO.**

**CS SAMEER SIDDHESHWAR**

**Proprietor**

ACS: 41842

CP: 15564

**Place:** Pune

**Date:** 23.08.2019

**"ANNEXURE I"**

**OBSERVATIONS / QUALIFICATION, RESERVATION OR ADVERSE REMARKS  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2019**

**COMPANIES ACT, 2013 AND RULES MADE THEREUNDER**

Sr. No.	Qualifications/Observations By Secretarial Auditor	Comments By The Board of Directors
1.	Company has adopted the new set Memorandum of Association under section 13(6) and Article of Association under section 14(2) for which company is required to file Form MGT-14 within 30 days of passing the resolution and the same were not filed by the company within time stipulated under the Act.	Your company is always regular in filing all the forms within the prescribed time limit. Somehow, this form was missed out to be filed. The company is in a process to file this form as soon as possible with the Registrar of Companies.
2.	Company has not complied with provision section 91 and Rule 10 of Companies (Management and Administration) Rules, 2014, under which company is required to close register of members and shall give at least seven days previous notice by advertisement at least once in a vernacular newspaper in the principal vernacular language and English newspaper circulating in that district.	Your company has complied with provision of this section 91 and Rule 10 of Companies (Management and Administration) Rules, 2014, and has given Notice of 27th Annual General Meeting for the F.Y. 2017-2018 at least seven days previous notice by advertisement in at least once in a vernacular newspaper in the principal vernacular language and English newspaper circulating in Pune district. During the Secretarial audit, we are unable to show Secretarial Auditor, the newspaper cutting as we have misplaced it but we have submitted our ledger extracts to him and assured him that we will submit him the newspaper cutting as soon as possible.

3.	Company has not complied with the provision of section 92(3) under which company is required to provide Web-Link of Annual Return in the Board's Report.	Your company always strives to comply with all applicable laws but due to inadvertence this compliance has been missed out and will be taken care that it should be complied always in the future.
4.	Company has not complied with the provision of Rule 18 of Companies (Management & Administration) Rules, 2014, under which the notice of the general meeting of the company shall be simultaneously placed on the website of the company.	Your company has complied with the same but during the Secretarial audit, we are unable to show Secretarial Auditor in our website that it is updated there as we are in a process of migrating to a new version of its website that's why in our current website, few items are yet to be updated. All the requirements will be updated as soon as possible.
5.	Company has not complied with the provision Rule 20 of Companies (Management & Administration) Rules, 2014, under which the company shall publish a public notice by way of an advertisement, regarding the details of business transacted through e-voting and manner in which member can vote electronically.	Your company has complied with provision of Rule 20 of Companies (Management & Administration) Rules, 2014, under which the company shall publish a public notice by way of an advertisement, regarding the details of business transacted through e-voting and manner in which member can vote electronically.
6.	Company has not complied with Indian Accounting Standard which mandates every listed company to provide three year comparative figures of financial statement on Annual Report copy disseminated to shareholders.	Your company has complied with the applicable Indian Accounting Standards in the financial accounts and has submitted the same to the Registrar of Companies also but due to printing mistake of the third party (engaged for printing), the figures of the financial year 2015-2016 were missed out in the Annual report which was given to the respected shareholders. Those figures are already in the notice of our respected shareholders two year's back at that time, thus it will not hamper the interest of our shareholder's in any manner.
7.	As required under Section 117, company has not filed Form MGT-14 for adoption of un-audited financial statements under Section 179 (3) for the quarter ended June 2018 and September 2018.	Your company is always regular in filing all the forms within the prescribed time limit. Somehow, these forms were missed out to be filed. The company is in a process to file these forms as soon as possible with the Registrar of Companies.
8.	As required under the provisions of Section 138 and Companies (Accounts) Rules, 2014 company was required to appoint internal auditor. During the audit period Company has failed to provide us report of internal Auditor hence we reserve our comment on the same.	Because of the low volume of the business, presently your company is not having Internal Audit.

#### SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Sr. No.	Qualifications/Observations By Secretarial Auditor	Comments By The Board Of Directors
1.	During the year company has not paid listing fees to the Stock Exchange as required under Regulation 14.	Because of the low volume of the business, the company was not able to pay it within time but now we are planning to pay it as soon as possible because now the cycle of business is moving for the company and the company is able to generate volume of business.
2.	It has been observed during the Audit period that, there were few instances where members of Audit Committee as disclosed to the Stock Exchange were not the members of said committee in that particular quarter, however the composition of Audit Committee was duly constituted during the year.	The company has to file corporate governance report in every quarter and specifically in one quarter, in the details about the composition of Audit committee – the name of one Independent Director was mentioned wrong. This came into our notice during the Secretarial audit period and now we are in a process to file the corporate governance report for that particular quarter.

3.	As required under Regulation 27(2), company is required to submit Corporate Governance Report on quarterly basis to the Stock Exchange within Fifteen days from close of each quarter; the same has not been complied for 1st Quarter ended 30th June 2018.	Your company is always punctual in submissions to the Stock exchange. For this particular quarter, due to inadvertence the corporate governance report was filed to the stock exchange but beyond the prescribed time limit. Hence, your company has done late compliance.
4.	As required under sub-regulation (6) of regulation 30, the company shall give disclosures to stock exchange(s) of all events as specified in Part A of Schedule III. Company has not informed to the Stock Exchange Change in key managerial personnel (Company Secretary) and Compliance Officer as prescribed in para (A) sub para (7) of Part A of schedule III.	Your company has updated the stock exchange about the resignation of Company Secretary within the prescribed time. The company has also intimated the stock exchange about the appointment of new Company Secretary and the same can be seen in the section of "Corporate information" on the BSE web portal by searching the name of your company. However, the same information has inadvertently missed out to be filed to the stock exchange under sub-regulation (6) of regulation 30 read with Part A of Schedule III of SEBI (LODR) Regulations, 2015. This observation is particular about the non-compliance of the said regulation and the stock exchange already has the updated information about the present Company Secretary of your company.
5.	As required under sub-regulation (6) of regulation 30 the company shall give disclosures to stock exchange(s) of all events as specified in Part A of Schedule III. Company has not informed to the Stock Exchange about proceedings of General Meeting as prescribed in para (A) sub para (12) of Part A of schedule III.	The said compliance was missed out inadvertently by the Secretarial Department of your company due to transition phase in the said department after Annual General Meeting. However, the company has no specific intention for the said non-compliance.
6.	Company has not complied with the Regulation 30 (8) which prescribes to disclose on company's website all such events or information which has been disclosed to stock exchange(s) under that regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years.	Your company is in a process of migrating to a new version of its website that's why in our current website; few items are yet to be updated. All the requirements will be updated as soon as possible.
7.	As prescribed under Sub Regulation (1) of Regulation 31; Company was required to submit Shareholding Pattern within 21 days from close of each quarter; the same has been submitted later than the due date for fourth Quarter ended March 2018.	Your company is always punctual in submissions to the Stock exchange. For this particular quarter, due to inadvertence the Shareholding Pattern was filed to the stock exchange but beyond the prescribed time limit. Hence, your company has done late compliance.
8.	Company does not have a functional website therefore has failed to comply with the regulation 46.	Your company is in a process of migrating to a new version of its website that's why in our current website; few items are yet to be updated. All the requirements will be updated as soon as possible.
9.	During the year under review Company has not published any advertisement in the newspaper as required under Regulation 47.	Your company has complied with Regulation 47 partially i.e. we have published in some quarters. During the Secretarial audit, we are unable to show Secretarial Auditor, the newspaper cutting as we have misplaced it in our records but we have assured him that we will submit him the newspaper cutting as soon as possible.



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
**ECOBBOARD INDUSTRIES LIMITED.**  
65/1A, "ECOHOUSE"; AKARSHAK BUILDING,  
OPP. NAL STOP, OFF. KARVE ROAD,  
PUNE 411004

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ECOBBOARD INDUSTRIES LIMITED** having CIN L24239MH1991PLC064087 and having registered office at 65/1A, Ecohouse, Akarshak Building Opp. Nal Stop, Karve Road Pune 411004 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Related Party	DIN	Date Of Appointment In Company
1.	Ramakrishna Raju Guttumukkala	01516984	27/06/2003
2.	Uttam Sampatrao Kadam	01517289	20/07/1992
3.	Venkata Sujani Indukuri	01868347	27/03/2015
4.	Praveen Kumar Raju Gottumukkala	05180152	12/11/2011
5.	Siva Sankar Kalive	07354617	14/11/2015
6.	Veeravenkata Rama Raju Penmetsa	07464714	14/11/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR S. R. SIDDHESHWAR & CO.**  
Company Secretaries

**Place:** Pune  
**Date:** 29.05.2019

**SAMEER SIDDHESHWAR**  
Company Secretary  
Mem. No: 41842  
CP: 15564

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

[Under Regulation 34(3) and Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members,  
**ECOB<sup>®</sup>BOARD INDUSTRIES LIMITED.**  
65/1A, "ECOH<sup>®</sup>HOUSE", AKARSHAK BUILDING,  
OPP. NAL STOP, OFF. KARVE ROAD,  
PUNE 411004

We have examined the compliance of conditions of Corporate Governance by Eco<sup>®</sup>board Industries Limited (The Company), for the year ended March 31, 2019, as stipulated in Regulation 34 (3) read with Schedule IV of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the company has complied with most of the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR S. R. SIDDHESHWAR & CO.**  
Company Secretaries

**CS SAMEER SIDDHESHWAR**  
Proprietor  
Mem. No: 41842  
CP: 15564

**Place:** Pune  
**Date:** 23.08.2019

## ANNEXURE TO BOARDS' REPORT

### A. MANAGEMENT DISCUSSION AND ANALYSIS

#### About The Company

Ecoboard deals in laminated EcoBoard boards made from agri-residues and anaerobic waste water treatment plants for distilleries.

The Ecoboards are 100% wood free and a versatile all purpose board meant to be a alternative to conventional wood based MDF, Particle boards, plywood and other panel products.

With technical assistance from Sulzer Chemtech Ltd., Switzerland the company manufacturers waste water treatment plants which handle toxic residues spent wash and effluent of obnoxious nature from distilleries and transform bio gas, by product of the treatment process into fuel, i.e turning waste water to wealth.

#### Manufacturing Process Of Baggasse Boards:

A lot goes into the process of manufacturing Ecoboards. Bales of agro-waste, received from agro-processing factories are elaborately processed, blended, resin with fibers, machine pressed, screened, layered into sheets, checked and graded to reconfirm quality. This is followed by a secondary process of decorative covering with textured melamine gas treated design using short cycle laminating process. The end product, manufactured from agro residue such as sugarcane baggasse, stalk of cotton, bajra, tur, corn etc. is cent-percent wood free, sturdy, durable, easy to maintain, abrasion resistant, eco friendly, moisture resistant, dimensionally stable, termite resistant, fire retardant, and also cost effective.

#### Manufacturing facilities:

The company had initially set up two manufacturing facilities situated at Velapur near Solapur district and at Jambhulwadi in Sangli district respectively keeping in mind the assured raw material supply. However due to unavailability of baggasse for reasons recorded elsewhere, the Plant at Jambhulwadi had been closed down since April 2010.

The Velapur plant is spread over 90 acres of land and has a production capacity of 36 lacs m<sup>2</sup> per annum. Furthermore it has sophisticated and automated plant and machinery imported from Germany and UK. Your Company has taken up the work of setting a new production line at its Velapur unit for production of 8'x4' size EcoBoard boards from agro-waste and of improving material preparation section of existing line of 13.5'x6' size EcoBoard boards production line.

#### The case for Ecoboard

##### *Philosophy and Environmental outlook*

Ecoboards are made from any form of agricultural waste and converted into good quality EcoBoard/fibre board for application to the doors, office furniture, home furniture, school furniture, wall paneling, commercial buildings, floors etc. as against the wood based boards use of which has caused enormous depletion of forest cover thus damaging the environment and contributing to adverse climate change.

#### Risks – Agro-waste as a raw material

The main risk is of availability of raw material in required quantity and at economic price, agro-waste is being used captively by the sugar factories for steam generation and for generation of electricity. With a power shortage in Maharashtra State the pressure on sugar factories to generate electricity would be high and to that extent availability of agro-waste and its price would be a constant concern.

Today agro-waste in Maharashtra is available for particle board industry at over Rs. 3300/T excluding landing cost plus GST which is industry irrelevant. It is ironical to note that the by product itself is now available at a higher price than sugar cane where once the disposal of baggasse itself was a problem. Plywood which

is conventionally used is still encouraged and continued by the public at the cost of depleting forest cover and tree resources due to lack of Govt. clear direction despite ban on expansion of plywood industry by the Hon'ble Supreme Court.

### Industry synopsis

Over the period globally plywood industry is losing its base and alternative materials are getting used over wood products due to development of a conscious public mind to conserve forest wealth. Industry aims to reduce 50% plywood use in this decade while substituting particle board industry to reach 50% requirement.

Agro residue boards Industry if allowed to survive and sustain, shall help the country encourage to set up at least 1000 units in rural India wherein use of non conventional renewable agri-residues shall replace wood/tree resources in next 20 years. In addition to serve the environmental cause, the industry supports and encourages rural employment and rural development and brings sizeable revenue to the poor farmers through sale of agro-residue which is otherwise burnt in the field causing enormous carbon emissions.

### Risk aversion initiatives

In view of High Bagasse price your Company has taken up the works of for improving material preparation section of particle boards of 13.5'x6' size production line and has been completed.

Management's decision of Modification of existing line of 13.5' x 6' boards resulted in:-

- a) Reduction in our cost of Production on account of reduction in power consumption by at least 25%.
- b) Reduction in ratio of Raw material consumption and inputs.
- c) Reduction in manpower on account of automation.

Efforts are made through the all India agro board association which has asked the government to allot / ensure adequate supply of baggasse for particle board industries.

Optimal capacity utilization, logistics, connectivity of distribution system by setting up nodal service centers at strategic locations across India and a swift delivery module by maintaining stock of finished goods at centers these are the key elements in our road map for achieving growth targets. The GST implication in near future will further help the Companies growth prospects by easy logistics points in other states.

### Trends – technological challenges, new developments

The developed countries like Japan USA, had imposed formaldehyde free norms/directions for living environments due to the importance of lowering CO2 emissions and reducing toxicity. Other countries are following with the support of local/national governments.

The production process will have to be in conformity with the ISO 2001 certification norms in future. New techniques are being invented to produce boards which are both fire and water resistance.

The boards are being made are fully (100%) recyclable or reusable to an equal product in order to fulfill the **Cradle to Cradle (C2C)** concept.

With the increasing globalization there is a need to standardize the product at par with the international standards. This would enhance the product life, meet the users need and benefit economically for the user.

Process improvement in par with ISO standards would bring environmental consciousness among the users groups and aid in Internationalization of R & D to in the industries.

Company has already started the process to increase in the revenue by overcoming raw material problems and by adopting new technology which helps to minimize production cost. Your Company is in process of Finalizing the Prospective Buyer to sale out Jambhulwadi plant and sale proceeds for the same shall be utilized to modernize facilities at Velapur plant and to reduce working capital loans.



### Internal Control Systems

Adequate internal control systems are in place in all areas of operation to ensure safeguarding of assets against loss from unauthorized use or disposition and the same are being continually reviewed and strengthened wherever necessary. Such systems have also been developed to ensure adherence to policies and systems and mitigation of the operational risks covering each area under review. The organization is well structured and the policy guidelines are well documented with pre defined authorities. The company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with the accuracy and there is a strict compliance with all applicable laws and regulations.

### Corporate Social Responsibility

As a matter of fact there is no formulated written CSR Policy in place. The Board invariably has

- 1) Planted trees as part of Govt of Maharashtra's drive.
- 2) Schools furniture for Government schools.
- 3) Medical and Food camps for the annual event "Wari" attended by lakhs of pilgrims.

The Company developed a strategy to provide a roadmap for its CSR activities over the period and after passing of the Companies Act, 2013 in particular, which has become an integral part of our business strategy over a decade or so.

As a good corporate citizen, we recognize and perform the obligations towards our employees, investors, customers, suppliers, competitors and the community as a whole. We believe our reputation, together with the trust and confidence of those with whom we deal, to be one of our most valuable assets. We strongly believe that integrity in dealings with stakeholders is a prerequisite for a successful and sustained business relationship.

### Environment

As the products of the Company are eco-friendly and fired by a passion of protecting the environment, the company believes that, by nature, our operations have a minimal impact on the environment. In the course of our operations we seek to identify opportunities to reduce/ keep it at minimum consumption of energy, water and other natural resources. We also strive to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing impact on the environment.

### Human Resources / Industrial Relations

The Company has a fully functional human resource department taking care of human force in the Company. Company has taken effort for human resource development. Company has arranged various training programs during the year. Company has a proper team for recruitment of employees and keeps compensation structure in line with the market developments.

## FINANCIAL PERFORMANCE

### SHARE CAPITAL AND RESERVES AND SURPLUS

During the year Authorized capital of the Company stands at Rs. 2500 Lacs and Reserves & Surplus of Rs. -2,925.02/- Lakhs it includes Depreciation on fixed assets whose residual useful life is nil is adjusted against retained earnings as per provisions of Schedule II to the companies Act, 2013. And paid up capital was 1783.20/- Lakhs.

### FIXED ASSETS

During the year 2018-2019 Company has purchased Furnitures of Rs. 70/- Lakhs, whereas the value of Fixed Assets decreased from Rs.3653.80 /- Lakhs to Rs 3,527.33/- Lakhs.

**CURRENT ASSETS LOANS AND ADVANCES AND CURRENT LIABILITIES AND PROVISIONS**

Loans and advances as at 31st March, 2019 was Rs. 105.4 Lakhs significant item of loans and advances includes advance towards Capital Expenditure. Company has Rs. 1,288.85 Lakhs of Inventories of Raw Material, Stores and packing Material, Finished goods etc.

Other Current Liabilities as at 31.03.2019 were Rs. 1320.99 Lakhs.

**OPERATIONAL PERFORMANCE**

Particulars	Current Year 2018-19	Previous Year 2017-18
<b>Income:</b>		
Revenue from operations	2,038.20	883.21
Other Income	38.08	18.53
<b>Total Income:</b>	<b>2,076.28</b>	<b>901.74</b>
<b>Expenditure:</b>		
Cost of materials consumed	1,544.11	614.56
Changes in inventories of finished goods, work-in-progress	212.14	161.61
Employee benefits expense	159.35	198.53
Finance costs	498.14	636.27
Depreciation	106.95	122.68
Other expenses	474.88	555.41
	<b>2,995.57</b>	<b>2,289.06</b>
<b>Profit / (Loss) before exceptional items and tax</b>	(919.29)	(1,387.32)
Add/(Less): Exceptional items	199.05	0.00
<b>Profit / (Loss) before tax</b>	(720.24)	(1,387.32)
Less: Tax expenses	0.00	0.00
<b>Profit / (Loss) for the period</b>	<b>(720.24)</b>	<b>(1387.32)</b>

**Cautionary Statements**

Statements made in the Management discussion and analysis report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations may include:

- 1) Supply and demand conditions affecting selling prices, input availability.
- 2) Company's ability to successfully implement Company's strategy, growth and expansion plans and technological initiatives.
- 3) Changes in government policies, changes in political conditions.
- 4) Changes in laws and regulations including tax laws.
- 5) General economic developments and business conditions in India and other countries.  
Other factors such as litigation and industrial relations.

**CORPORATE GOVERNANCE REPORT**  
**(As required under Regulation 34(3) of SEBI (LODR) Regulations 2016)**

**1. COMPANY'S GOVERNANCE PHILOSOPHY**

Corporate Governance safeguards and adds value to the interest of its stakeholder's viz. investors, creditors, customers, employees and Government etc. The company pursues the process of Corporate Governance in compliance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and submits a report on the matters mentioned in the said regulation and followed in practice by the Company. The Company remains committed to the core aspects of Corporate Governance, viz. fairness, transparency, accountability and responsibility.

**2. POLICIES**

In compliance with the requirements of SEBI (LODR) Regulations, 2015 and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

**a. Whistle Blower & Vigil Mechanism Policy:**

As per Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, a comprehensive Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization. The web link to the policy is – [www.ecoboard.in](http://www.ecoboard.in).

**b. Code of Conduct**

- i) Code of Conduct for Director and Senior Management of the Company: The Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code as on March, 2014.
- ii) Code of Conduct for prevention of Insider Trading: the Company has its own Code of Conduct for Prevention of Insider Trading

**c. Related Party Transaction Policy**

In compliance with the requirements of Regulation 23 of SEBI(LODR) Regulations, 2015 the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The web link to the policy is – [www.ecoboard.in](http://www.ecoboard.in)

**d. Policies & Code as per SEBI Insider Trading Regulations**

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

Mr. Tejas Dabhade, Compliance Officer & Company Secretary of the Company was the Compliance officer for the purposes of Insider Trading Code till the date he remains in employment or the Board authorize any other person for the same. For the period before 03.10.2018, Mrs. Shruti Gupta was the Compliance officer for the purposes of Insider Trading Code.

### e. Familiarisation Program for Independent Directors

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company.

## 3. BOARD OF DIRECTORS

### Composition and Category of Directors

The Company has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Board comprises of 4(Four) independent Directors i.e. Directors, who, apart from receiving sitting fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management, which may affect independence of judgment of the Directors.

### Composition of the Board and directorship held during the year 2018-19

Name of Director	Category	Relationship between Directors inter-se	Attendance of meeting during 2017-18		*No. of other Directorship
			Board	Last AGM	
Mr. V.S. Raju	Chairman	Father in-law of Mr. Ramakrishna Raju Gottumukkala	2	Yes	1
Mr. Ramakrishna Raju Gottumukkala	Managing Director	Father of : 1. Mr. Praveen Kumar Raju Gottumukkala 2. Mrs. Venkata Sujani Indukuri	5	Yes	1
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	Son of : Mr. Ramakrishna Raju Gottumukkala	6	Yes	0
Mr. Uttam Sampatrao Kadam	Non-Executive & Independent	NA	7	Yes	11
#Mr. Satya Narayan Banka	Non-Executive & Independent	NA	0	No	0
Ms. Venkata Sujani Indukuri	Executive Director	Daughter of : Mr. Ramakrishna Raju Gottumukkala	5	Yes	0
Mr. Siva Sankar Kalive	Non-Executive & Independent	NA	7	Yes	0
Mr. P. V. V. Rama Raju	Non-Executive & Independent	NA	1	No	0

\* In accordance with Regulation 26 of Listing Regulation, Membership / Chairmanship of only the Audit Committees and the Share Transfer & Shareholders / Investors Grievance Committees of all Public Limited Companies have been considered. None of the Directors serve as members of more than 10 committees or are chairman of more than 5 committees across all the Companies in which they are Directors.

The Board met 7 (Seven) times during the financial year under review on the following dates:

- |                        |                    |                        |
|------------------------|--------------------|------------------------|
| 1) 25th May, 2018      | 2) 21st July, 2018 | 3) 14th August, 2018   |
| 4) 1st Sept, 2018      | 5) 12th Oct, 2018  | 6) 15th November, 2018 |
| 7) 13th February, 2019 |                    |                        |

The maximum time gap between any two meetings was not more than 120 days. The details of familiarization programmes imparted to Independent /directors is disclosed at [www.ecoboard.in](http://www.ecoboard.in)

### **Brief Profile of Directors**

A brief list of core skill/expertise/competencies as identified by the Board of Directors are as follows:

#### **1. Mr. Ramakrishna Raju Gottumukkala – Chairman & Managing Director**

Mr. G. R. K. Raju is Managing Director of EIL. He has worked with Chairman V.S. Raju from the beginning of the company and has taken the Company to new heights. He is technocrat with more than 35 years of experience in the field of administration of business affairs and strategic decisions.

He introduced the “CSTR technology” for treating industrial waste, which is adopted by all sugar industries as proven technology. He also actively involved in bio gas division to design and implement customized solutions for treating waste in generating energy and power. In Particle Board division, he was instrumental in implementation of world’s largest engineered panel unit facility at Velapur factory. He is also an active member of various social institution and having good relationship with all sugar factories.

#### **2. Mr. Praveen Kumar Raju Gottumukkala**

He actively involved in Particle Board business as Executive Director from 2010 to till date. He was instrumental in developing new products like HDHMR, Ecodoors, Zero formaldehyde panels. He played active role machinery upgradation project for Velapur Factory to reduce raw material consumption. He also takes active role in Market research, budgeting and frequently interacts with customers. He has taken over the responsibility of All India Agro Board Association to convince both Central and State Governments to apply lower GST on Agro-Based Panels.

Mr. G. P. K. Raju has completed MBA from Bentley University(Boston) with Distinction. Later, he worked as Analyst at International Data Corporation(IDC) in Boston. He did Masters in Electrical Engineering from Southern Illinois University. And was elected as a Senator for Student Government at SIU.

He likes designing new products. In 2006, He also has developed an electronic product in collaboration with IIT, Hyderabad “e-Stick for Blind” that will enable them to use public transportation like Buses and other. His paper on “Cell Phone for Senior Citizens” has been awarded first prize by IIT, Bombay in 2005.

His other areas of interest include Graphic designing, Photography and participating in Half-marathon, Triathlon and Cycling (He got 2nd position at 100 Km Cycling Race event in Hyderabad, 2015).

#### **3. Mrs. Sujani V. Indukuri**

Mrs. Sujani V. Indukuri is Executive Woman Director on Board. She has MBA and a Graduate Degree in Electronics & Communication.

She has held various executive positions in IT companies. She served as HR Manager at Zensar Technology. Currently, She is involved in various HR and promotional activities in EIL. She has held various executive positions in IT companies. She served as HR Manager at Zensar Technology. Currently, She is involved in various HR and promotional activities in EIL.

**5. Mr. Uttam S. Kadam (Independent Director)**

A Chartered Accountant with several years experience in audit and consultancy services.

**7. Mr. Siva Sankar Kalive (Independent Director)**

He is a consultant and faculty in various Management schools and previously served to Indian Navy as manager in charge, programme manager at DRDO and head in DIAT.

**8. Mr. P. V. V. Ramaraju (Independent Director)**

He has served to several Banks as advisor and manager and revenue advisor to Ministry of Finance (Islamic Republic of Afganistan).

**Board Procedure**

The Board Meetings of the Company are governed by a structured agenda. The Board Meetings are generally held at the Registered and Corporate office of the Company at Pune. The Company Secretary in consultation with Chairman, and the Managing Director & Chief Executive Officer finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision.

Any Board Member may, in consultation with the Chairman, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited from time to time to the Board meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

**4. Board Committees**

Particulars of Meetings of Board Committees held during the year along with details of Director's attendance at such Committee Meeting(s) is detailed herein:

	*Audit Committee	Nomination & Remuneration Committee	*Stakeholders Relationship Committee
No of Meetings held Directors attendance	4	1	1
Mr. Uttam Sampatrao Kadam	4	1	1
Mr. Satyanarayan Banka	1	0	0
Mr. Siva Sankar Kalive	3	1	1
Mr. Ramakrishna Raju Gottumukkala.	3	NA	1

Note: NA denotes that the director is not a Member of such Committee.

## 5. DETAILS OF BOARD COMMITTEES ARE AS MENTIONED HEREIN:

### a) Audit Committee

#### Constitution

As at March 31, 2019, the Audit Committee of the Board comprised of three (3) Directors including Mr. Uttam Sampatrao Kadam, Independent Director as Chairperson, Mr. Siva Sankar Kalive, Independent Director and Mr. Ramakrishna Raju Gottumukkala, Managing Director as its Members. During the year under review, Four (4) meetings of the Audit Committee were held on:

- |                        |                        |
|------------------------|------------------------|
| 1) 25th May, 2018      | 2) 14th August, 2018   |
| 3) 15th November, 2018 | 4) 13th February, 2019 |

#### Terms of reference

The Terms of reference and role of the Audit Committee are as per guidelines set out in Regulation 18 of SEBI (LODR) Regulations 2015 and Section 177 of Companies Act, 2013. The Committee meets periodically and inter alia reviews:

Accounting and financial reporting process of the Company; Audited and Un-audited financial results; Internal Audit reports, risk management policies and reports on internal control system; Discusses the larger issues that are of vital concern to the Company including management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations; Transactions proposed to be entered into by the Company with related parties and approves such transactions including any subsequent modifications thereto; Functioning of Vigil Mechanism Policy; and Recommends proposals for appointment and remuneration payable to the Statutory Auditor, Internal Auditors and Chief Financial Officer.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to these, in compliance with requirements of Listing Regulations.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/others management information.

### b) Nomination and Remuneration Committee

#### Constitution

In compliance with requirements of Regulation 19 of SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013, during financial year 2018-19, 'Nomination and Remuneration Committee' which comprises of Mr. Uttam Sampatrao Kadam, Independent Director as Chairperson, Mr. Siva Sankar, Independent Director, Mr. V. S. Raju, Independent Director as its Members.

During the year under review the Committee met once on 13th February, 2019.

#### Terms of reference

The terms of reference of the Nomination and Remuneration Committee include:

Formulation of guidelines for evaluation of candidature of individuals for nominating and/ or appointing as a Director on the Board including but not limited to recommendation on the optimum size of the Board, age / gender / functional profile, qualification /experience, retirement age, number of terms one individual can serve as Director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets, etc.

Formulation of the process for evaluation of functioning of the Board – individually and collectively and making recommendation as to the Board remuneration including the salary and/or commission

payable to the Directors;

Recommend nominations / appointments to the Board, including Executive Directors /Independent Directors and suggest the terms of such appointments;

Recommend all elements of remuneration package of Whole-time Directors including Increment / incentives payable to them within the limits approved by the Board /Members;

#### Performance evaluation criteria for Independent Directors

The performance of Independent Directors has been done on the basis of following criteria by the Board members excluding Independent Directors are as follows:

- No. of Board meetings attended
- Member of which committee
- No. of committee meetings attended
- Attendance in 27th Annual General meeting
- Attendance in the meeting of Independent Directors, conducted in the F.Y. 2018-2019
- Attended the Familiarisation Programmes organised by the company
- Complied with the provisions of the Companies Act, 2013; SEBI (LODR) Regulations, 2015 and any other laws governing them.

#### Remuneration of Directors

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company. An extract of the Remuneration Policy approved by the Nomination & Remuneration Committee of the Board has been included as a part of this Annual report.

#### Remuneration payable to Executive Directors

Your Board currently comprise of 3 Executive Directors viz. Mr. Ramakrishna Raju Gottumukkala, Managing Director and Mr. Praveen Kumar Raju Gottumukkala, Executive Director and Ms. Sujani Venkata Indukuri, Executive Director.

**The details of the remuneration paid to Executive Directors of the Company during the year ended March 31, 2019 is as under:**

Particulars	Mr. G. R. K. Raju	Mr. G. P. K. Raju	Ms. Sujani Venkata Indukuri
Salary & Allowances	17,88,000/-	16,86,000/-	0
Perquisites	-	-	-
Provident Fund Contribution	1,72,800/-	1,44,000/-	0
<b>Total</b>	<b>19,60,800/-</b>	<b>1,83,000/-</b>	<b>0/-</b>

#### Remuneration payable to Non-Executive Directors

During financial year 2018-19 Non-Executive Directors were paid sitting fee at the rate of Rs. 5,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee and Nomination and Remuneration Committee.

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in normal course of business.



### c) Stakeholders Relationship Committee

#### Constitution

In compliance with Regulation 20 of SEBI (LODR) Regulation 2015 and Section 178 of the companies Act, 2013, during financial year 2018-19, the 'Stakeholders Relationship Committee', which currently comprise of Mr. U.S. Kadam, Independent Director as Chairperson, Mr. G. R. K. Raju, Managing Director as member and Mr. Siva Sankar Kalive as Member.

Name & Designation of compliance officer: Mr. Tejas Dabhade, Company Secretary.

**Details of number of requests received from investors and resolved as on the year ended March 31, 2018, are as under:**

Nature of Correspondence Request	Received	Resolved	Pending
Stop Transfer / Procedure for Duplicate Share Certificate	2	2	0
Issue of Duplicate Share Certificate	1	1	0
Procedure for Transmission / Deletion Transposition	3	3	0
Dematerialisation of Shares	1	1	0
Stop Transfer and procedure for name deletion	1	1	0
Others / Confirmation of details	3	3	0
Complaints	0	0	0
<b>TOTAL Request/ Complaints</b>	<b>11</b>	<b>11</b>	<b>0</b>

So far, zero complaints were received during the year from our shareholders.

During the year under review, 1 (One) meeting of the Stakeholders Relationship Committee were held on:

- 1) 13th February, 2019

#### Terms of reference

Terms of reference of the Stakeholders Relationship Committee is to supervise and ensure efficient transfer of equity and preference shares of the Company and proper and timely attendance of investors' grievances. Mrs. Shruti Gupta , Company Secretary was the Compliance Officer of the Company till 3rd October, 2018. Mr. Tejas Dabhade is the Compliance Officer w.e.f. 03.10.2018.

The terms of reference of the above Committee are as follows:

- a. To consider and approve transfer / transmission of shares, consolidation / split of share certificates and issuance of duplicate share certificates; etc.
- b. Redressal of shareholders'/investors' complaints relating to transfer, transmission, transposition, splitting, consolidation, dematerialization of shares, non receipt of annual reports etc. As on 31st March 2019, there were no pending requests for transfer of shares as per company's records.

#### d) Independent Directors Meeting

##### Constitution

In compliance with Regulation 25 of SEBI (LODR) Regulations 2015 the Independent Directors of the Company meet once on 13.02.2019 during the financial year 2018-19.

##### Terms of reference

The purpose of the above meeting are as follows:

- a. to review the performance of non-independent directors and the Board as a whole,
- b. to review the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors; and
- c. to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

## 6. GENERAL MEETINGS

The 28th Annual General Meeting of the Company for the Financial Year 2018-19 will be held on Friday, 27th September, 2019 at 11.00 a.m. at Conference Hall, The President Hotel, 34/11, Erandwane, Prabhat Road, Pune – 411 004.

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed at these meetings are:

##### Particulars of AGM/EGM for the last three years:

AGM/EGM	Date	Time	Venue	Number of special resolutions passed.
25th	26/09/2016	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil
26th	26/09/2017	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	3
27th	28/09/2018	11.00 A.M.	Conference Hall, President Hotel, 34/11, Prabhat Road, Lane No-8, Off Karve Road, Behind Kohinoor Mangal Karalaya, Pune – 411 004	2

All the above resolutions were passed with requisite majority.

No Special resolution was passed through Postal Ballot during the Financial Year 2017-18. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

## 7. Disclosures

The Vigil Mechanism Policy approved by the Board has been implemented and no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit

Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

### Means of Communication

The Board of Directors of the Company approves and takes on record the quarterly unaudited financial results and announces the said results to the Stock Exchange Mumbai where the shares of the Company are listed. These quarterly unaudited results were also published in Free Press (English Edition) and Navshakti (Marathi Edition) news papers in the prescribed format as required by Regulation 47 of SEBI (LODR) Regulation 2015. Management discussion and analysis report is published in annual report. The Company followed statutory norms for dissemination of information in given period.

## 8. Shareholder General Information:

### a) Forthcoming Annual General Meeting:

Date & Time: 27th September, 2019 at 11.00 a.m.

Venue: Conference Hall, The President Hotel, 34/11, Erandwane, Prabhat Road, Pune – 411 004

### b) Dates of Book Closure:

From : 19th September, 2019 to 27th September, 2019 (both days inclusive)

### c) Financial Calendar of the Company relating to future immediate reporting:

The Financial year covers the period from 1st April 2018 to 31st March 2019.

Financial Reporting for:

Quarter ending 30th June, 2018	By 14th August, 2018
Half Year ending 30th September, 2018	By 15th November, 2018
Quarter ending 31st December, 2018	By 13th February, 2019
Year ending 31st March, 19	By 29th May, 2019
Annual General Meeting for the year ended March 31, 2019	August / September 2019/any extended period.

d) Face Value of the equity Share Rs. 10 per share.

e) Dividend Payment Details: N.A.

f) Dividend Payment Date N.A.

g) Listing on Stock Exchange & Stock Code:

Stock Exchange	Stock Code
BSE LIMITED Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	523732

Your Company's Equity Shares are listed on BSE Ltd. and their listing fees for the Financial Years 2018-19 and 2019-20 is pending and the provisions of the Listing Obligation and Disclosures Requirement, Regulations, 2015 have been complied with. The ISIN Number of company on both NSDL & CDSL is INE 866A01016.

**h) Share Transfer System**

The applications for transfer of shares and other requests from shareholders holding shares in physical form are processed by M/s Link Intime India Private Limited, Pune. Share Transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) within 15 days. Connectivity with NSDL & CDSL is maintained through M/s. Link Intime India Private Limited, Pune. The Board has delegated the power to approve transfers to the Share Transfer, Finance and Investors Grievance Committee.

**i) Registrar and Share Transfer Agents:**

M/s Link Intime India Private Limited Pune  
(Formerly 'Intime Spectrum Registry Limited)  
Block NO. 202, 2nd Floor Akshay Complex,  
Off Dhole Patil Road Pune – 411 001  
Tel. : (020) 26160084  
Telefax : (020) 26163503  
Web site : [www.linkintime.co.in](http://www.linkintime.co.in)  
Email: [pune@linktime.co.in](mailto:pune@linktime.co.in)

**j) Address for the Correspondence**

Registered office & Corporate Office of the Company:  
65/1A' Ecohouse" Akarshak Building Opp. Nal Stop,  
Off Karve Road, Pune- 411004  
Tel:020-41080800/ Fax(020)25465328  
E-mail : [cs.ecoboard@gmail.com](mailto:cs.ecoboard@gmail.com), [rajugpk@gmail.com](mailto:rajugpk@gmail.com)  
Website : [www.ecoboard.in](http://www.ecoboard.in)  
Compliance Officer – Mr. Tejas Dabhade

**k) Bio System Division:**

65/1A, ECOHOUSE  
"Akarshak Building" Opp Nal Stop  
Off Karve Road Pune- 411004.

**l) Factory:**

a) Village Velapur, Taluka Malshiras, Dist-Solapur, Maharashtra.

**m) Shareholding Pattern as on 31st March 2019**

Shareholders	Number of shares held	% Shareholding
CLEARING MEMBER	2910	
OTHER BODIES CORPORATE	948524	
FOREIGN INST. INVESTOR	7800	
FOREIGN INST. BANKS	1900	
HINDU UNDIVIDED FAMILY	235242	
INDIVIDUALS	5260310	
MARKET MAKER	2650	
NON RESIDENT INDIANS	11689	
NON RESIDENT (NON REPATRIABLE)	37483	
OVERSEAS CORPORATE BODIES	250000	
PERSONS ACTING IN CONCERT	100400	
PUBLIC	6758508	
PROMOTERS	11073492	
<b>TOTAL:</b>	<b>17832000</b>	<b>100.00</b>

**n) Dematerialization of Shares**

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) by virtue of which, in NSDL: 5758651 Equity Shares and in CDSL 10056148 Equity shares of the Company forming 88.69% of total share capital of the Company, have been dematerialized by on 31st March 2019.

**By Order of the Board of Directors,  
FOR ECOBOARD INDUSTRIES LIMITED**

**Place:** Pune  
**Date:** 14.08.2019

**Ramakrishna Raju Guttumukkala**  
**Chairman**  
DIN: 01516984

**COMPLIANCE CERTIFICATE**

To  
The Board of Directors,  
**ECOB<sup>®</sup>BOARD INDUSTRIES LIMITED.**  
65/1A, "ECOH<sup>®</sup>HOUSE", AKARSHAK BUILDING,  
OPP. NAL STOP, OFF. KARVE ROAD,  
PUNE 411004

**Subject:** Compliance certificate in pursuance to Regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Respected Board members,

I have reviewed the financial statements and the cash flow statement for the financial year ended on 31st March 2019 and that to the best of my knowledge and belief, I hereby certify in pursuance to Regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that –

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(2) These statements together present a true and fair view of the affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.

(3) The company has not entered into any transactions during the year which are fraudulent, illegal or violative of the company's code of conduct.

(4) I accept my responsibility for establishing and maintaining internal controls for financial reporting.

(5) I have indicated significant changes in internal control over financial reporting during the year

**FOR ECOBOARD INDUSTRIES LIMITED**

**Place:** Pune  
**Date:** 29.05.2019

**Praveen Kumar Raju Gottumukala**  
**Chief Financial Officer**

**DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with the schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, I G.R.K. Raju, Managing Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

**For and On Behalf of Board of Directors**

**Place:** Pune  
**Date:** 14.08.2019

**Ramakrishna Raju Guttumukkala**  
**Managing Director**  
DIN: 01516984

**B.M. CHATURVEDI & CO.**  
CHARTERED ACCOUNTANTS  
32, Jolly Maker Chamber, Nariman Point, MUMBAI 400 021  
Phone: (+9122) 2285 4274

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ECOBOARD INDUSTRIES LIMITED

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Ecoboard Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, including the statement of Other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its loss, total comprehensive income, its cash flows and the statement of changes in Equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

## A. Going Concern

### Description of Key Audit Matter

The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.

### Description of Auditor's Response

We have used our own expertise in evaluating the assumptions and forecasts made by the management. We have specifically devoted attention to the assumptions made with respect to the future cash flow in order to assess the Company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead.

*We draw attention to Note 27 to the financial statements relating to the uncertainty about the Going Concern assumption. The Company has accumulated losses in excess of its paid up capital and reserves. Its net worth has been fully eroded. The Company is incurring continuous losses for past few years. Capacity utilisation in its particle board business is insignificant. Company is struggling to mobilise funds for its working capital. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated below:*

- (i) Company has entered into Agreement for sale of its land and buildings at Jambhulwadi. Money raised from this sale will be available for reduction of bankers dues and augmenting working capital funds and net worth of the Company.*
- (ii) Company has repaid during the year dues of one bank as per settlement arrived at with the bank and also given One Time Settlement proposal to another bank which is under consideration of the said bank.*
- (iii) Company's Bio-Systems division has performed well during the current year and is having orders in hand for the next year.*

### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report (the "reports"), but does not include the financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.



### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate,

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Material uncertainty related to Going Concern**

We draw attention to Note 27 to the financial statements relating to the uncertainty about the Going Concern assumption. The Company has accumulated losses in excess of its paid up capital and reserves. Its net worth has been fully eroded. The Company is incurring continuous losses for past few years. Capacity utilisation in its particle board business is insignificant. Company is struggling to mobilise funds for its working capital. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated below:

- (i) Company has entered into Agreement for sale of its land and buildings at Jambhulwadi. Money raised from this sale will be available for reduction of bankers dues and augmenting working capital funds and net worth of the Company.
- (ii) Company has repaid during the year dues of one bank as per settlement arrived at with the bank and also given One Time Settlement proposal to another bank which is under consideration of the said bank.
- (iii) Company's Bio-Systems division has performed well during the current year and is having orders in hand for the next year.

*Our opinion is not modified in respect of the above matter.*

**Material uncertainty related to Going Concern**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31(A)(b) to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts that may result in material foreseeable loss.
    - (iii) Currently there are no amounts held by the Company that are required to be transferred to the Investor Education and Protection Fund hence we do not comment on the same.

For **B. M. CHATURVEDI & CO.**  
Chartered Accountants  
ICAI FRN: 114317W

**Animesh Kumar Dutta**  
Partner  
ICAI M.N. 132389

**Place:** Pune  
**Date:** 29.05.2019

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of **Ecoboard Industries Limited** for the year ended 31st March 2019.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, except one office property situated at Ahmedabad which is yet to be registered in the name of the Company, title deeds of other immovable properties are held in the name of the Company.
2. According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.
3. The Company has not granted any loans, secured and unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii)(a),(b) and (c) of the Order are not applicable.
4. The Company has not given loans, investments, guarantees and security. Accordingly, Paragraph 3(iv) of the Order is not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder are not applicable.
6. We are informed that the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company's products.
7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Value Added Tax, Service-tax, Goods and Service tax and other material statutory dues applicable to it and in many cases, payments were made after due dates. According to the information and explanations given to us, Tax deducted at Source of Rs.56.38 lakh, Service tax of Rs. 26.53 lakh, Excise duty of Rs 1.87 lakh, Value Added Tax and Central Sales Tax of Rs. 240.52 lakh, Goods and Service tax of Rs. 0.20 lakh and Provident Fund of Rs. 21.52 lakh, ESIC Rs 0.02 lakh and Profession tax Rs 1.16 lakh were in arrears as at 31/03/2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, following amounts of duty were under dispute, hence not paid:

Nature Of Dues	Period	Amount Rs. in lakhs	Forum where the dispute is pending
Central Excise duty	2003-04	28.45	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	2.98	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	1.52	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2006-09	2.29	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2006-09	402.14	Commissioner of Central Excise (Appeals)
Central Excise duty	2009-10	13.19	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2008-10	343.98	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2010-13	207.60	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2012-14	77.00	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2012-14	28.97	Commissioner of Central Excise (Appeals)
Central Excise duty	2015-16	41.59	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	28.35	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	2.37	Commissioner of Central Excise (Appeals)
Central Excise duty	2004-05	2.26	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2016-18	28.93	Custom, Excise & Service Tax Appellate Tribunal
Central Sales tax	2006-07	63.27	Commissioner of Sales tax (Appeals)
Central Sales tax	2011-12	61.79	Commissioner of Sales tax (Appeals)
Maharashtra Value Added Tax	2011-12	23.76	Commissioner of Sales tax (Appeals)
Central Sales tax	2012-13	24.24	Commissioner of Sales tax (Appeals)
Maharashtra Value Added Tax	2012-13	264.68	Commissioner of Sales tax (Appeals)
		<b>1649.36</b>	

8. According to the information and explanations given to us by the management, the Company has received Notice u/s 13 (2) of the Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 from one of its bankers namely, Bank of Maharashtra, recalling the loans of Rs. 1243.32 lakh plus interest. Outstanding balance as on 31/03/2019 is Rs 1112.93 lakh (excluding interest). Company has submitted One Time Settlement proposal with the bank and the same is under consideration of the banks.
9. According to the information and explanation provided to us, Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid/ provided managerial remuneration during the year in accordance with the provisions of section 197 read with Schedule V to the Companies Act 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to register under Section 45-IA of the Reserve Bank of India Act 1934.

For **B. M. CHATURVEDI & CO.**  
Chartered Accountants  
ICAI FRN: 114317W

**Animesh Kumar Dutta**  
Partner  
ICAI M.N. 132389

**Place:** Pune  
**Date:** 29.05.2019

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial Controls over financial reporting of **ECOB<sup>®</sup>BOARD INDUSTRIES LIMITED** ('the Company') as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### ***Management's Responsibility for Internal Financial Controls***

The Company's management is responsible for the establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the

Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### ***Meaning of Internal Financial Controls over Financial Reporting***

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### ***Inherent Limitations of Internal Financial Controls over Financial Reporting***

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Opinion***

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

For **B. M. CHATURVEDI & CO.**  
Chartered Accountants  
ICAI FRN: 114317W

**Animesh Kumar Dutta**  
Partner  
ICAI M.N. 132389

**Place:** Pune  
**Date:** 29.05.2019

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2019**

Rs. in Lakhs

	Note No.	As at 31.03.2019		As at 31.03.2018	
<b>ASSETS</b>					
<b>I NON-CURRENT ASSETS</b>					
a. Property, Plant and Equipments	1	3,527.33		3,653.80	
b. Intangible assets	1	0.00		0.00	
c. Capital work in progress		236.28		236.28	
		<u>3,763.61</u>		<u>3,890.08</u>	
d. Financial Assets					
(i) Loan	2	47.37		40.36	
e. Other non current assets	3	69.17	3,880.15	65.04	3,995.48
		<u>6,309.61</u>		<u>6,055.67</u>	
<b>II CURRENT ASSETS</b>					
a. Inventories	4	1,288.85		1,442.61	
b. Financial Assets					
(i) Trade receivables	5	526.48		130.48	
(ii) Cash and cash equivalent	6	81.33		33.64	
(iii) Loans	7	307.10		247.98	
c. Non Current Assets held for sale	8	225.70	2,429.46	205.48	2,060.19
		<u>6,309.61</u>		<u>6,055.67</u>	
<b>EQUITY AND LIABILITIES</b>					
<b>1. Equity:</b>					
a. Equity Share Capital	9	1,783.20		1,783.20	
b. Other Equity	10	(2,925.02)	(1,141.82)	(2,205.24)	(422.04)
<b>2. Non-current Liabilities</b>					
a. Financial Liabilities					
(i) Borrowings	11	2,065.39		1,452.97	
b. Provisions	12	58.65		47.79	
c. Other non current liabilities	13	34.84	2,158.88	34.84	1,535.60
<b>3. Current Liabilities</b>					
a. Financial Liability					
(ii) Borrowings	14	2,721.30		3,000.30	
(i) Trade payables	15	1,230.53		582.18	
b. Other current liabilities	16	1,320.99		1,337.43	
c. Provisions	17	19.73	5,292.55	22.20	4,942.11
		<u>6,309.61</u>		<u>6,055.67</u>	
Significant Accounting Policies	1				
Other Notes on Financial Statements	1 to 41				

As per our report of even date

For an on behalf of the Board of Directors

For **B. M. CHATURVEDI & CO.**  
Chartered Accountants  
ICAI FRN: 114317W

**V. S. Raju**  
Chairman

**G. R. K. Raju**  
Managing Director

**Animesh Kumar Dutta**  
Partner  
ICAI M.N. 132389

**U. S. Kadam**  
Directors

**Tejas Dabhade**  
Company Secretary

Place: Pune

Date: 29.05.2019



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

Rs. in Lakhs

	Note No.	For the Current Year ended 31/03/2019	For the Previous Year ended 31/03/2018
<b>INCOME:</b>			
Revenue from operations	18	2,038.20	883.21
Other income	19	38.08	18.53
Total revenue		<u>2,076.28</u>	<u>901.74</u>
<b>EXPENDITURE:</b>			
Cost of materials consumed	20	1,544.11	614.56
Changes in inventories of finished goods, work-in-progress	21	212.14	161.61
Employee benefits expense	22	159.35	198.53
Finance costs	23	498.14	636.27
Depreciation	1	106.95	122.68
Other expenses	24	474.88	555.41
		<u>2,995.57</u>	<u>2,289.06</u>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(919.29)</b>	<b>(1,387.32)</b>
Add/(Less): Exceptional items		199.05	0.00
<b>Profit / (Loss) before tax</b>		<b>(720.24)</b>	<b>(1,387.32)</b>
Less: Tax expenses			
Current tax		0.00	0.00
Deferred tax		0.00	0.00
<b>Profit / (Loss) for the period</b>		<b>(720.24)</b>	<b>(1,387.32)</b>
<b>Other Comprehensive Income</b>			
Items that will not be classified into profit or loss		0.46	11.29
Income tax relating to items that will not be classified into Profit or loss		0.00	0.00
Items that will be classified into profit or loss		0.00	0.00
Income tax relating to items that will be classified into Profit or loss		0.00	0.00
<b>Other Comprehensive income for the year (net of tax)</b>		<b>0.46</b>	<b>11.29</b>
<b>Total comprehensive income for the year</b>		<b>(719.78)</b>	<b>(1,376.03)</b>
<hr/>			
Earnings / (Loss) per Share (Rs.) - Basic	26		
From Continuing Operations:-			
-Basic		(4.04)	(7.72)
-Diluted		(4.04)	(7.72)
Significant Accounting Policies			
Other Notes on Financial Statements	1 to 41		

As per our report of even date

For **B. M. CHATURVEDI & CO.**  
Chartered Accountants  
ICAI FRN: 114317W

**Animesh Kumar Dutta**  
Partner  
ICAI M.N. 132389

**Place:** Pune  
**Date:** 29.05.2019

For an on behalf of the Board of Directors

**V. S. Raju**  
Chairman

**U. S. Kadam**  
Directors

**G. R. K. Raju**  
Managing Director

**Tejas Dabhade**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019****A. EQUITY SHARE CAPITAL**

Rs. in Lakhs

**Balance as at 1st April, 2017**

Paid up Equity Share Capital 1783.20

Changes in Equity Share Capital during the year 0.00

**Balance as at 31st March 2018** 1783.20

Changes in Equity Share Capital during the year 0.00

**Balance as at 31st March 2019** 1783.20**B. OTHER EQUITY**

Rs. in Lakhs

	Capital reserve	Security premium	General reserve	Amalgamation reserve	IND AS transition reserve	Retained earnings	Total
Balance as at 1st April, 2017	21.31	2,618.78	2,526.06	0.30	2,540.68	(8,536.34)	(829.21)
Total Comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	(1,376.03)	(1,376.03)
Balance as at 1st April, 2018	21.31	2,618.78	2,526.06	0.30	2,540.68	(9,912.37)	(2,205.24)
Total Comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	(719.78)	(719.78)
Balance as at 31st March 2019	21.31	2,618.78	2,526.06	0.30	2,540.68	(10,632.15)	(2,925.02)

As per our report of even date

For **B. M. CHATURVEDI & CO.**  
Chartered Accountants  
ICAI FRN: 114317W

**Animesh Kumar Dutta**  
Partner  
ICAI M.N. 132389

Place: Pune

Date: 29.05.2019

For an on behalf of the Board of Directors

**V. S. Raju**  
Chairman

**G. R. K. Raju**  
Managing Director

**U. S. Kadam**  
Directors

**Tejas Dabhade**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

Rs. in Lakhs

	Year ended 31.03.2019		Year ended 31.03.2018	
<b>A. Cash flow from operating activities:</b>				
Net profit before tax and extra-ordinary items		-720.24		-1,387.32
Adjustments for non cash expenses :-				
Depreciation	106.95		122.68	
Prior period expenses-reclassified	0.00		0.00	
Other comprehensive income	0.46		11.29	
Provision for doubtful debts	-3.22		62.67	
Loss on sale of fixed assets	0.00		4.99	
Provision for doubtful advances	0.00	104.19	0.05	201.68
Adjustment for non operating incomes:-				
Profit on sale of fixed assets	0.00	0.00	0.00	0.00
Adjustment for expenses considered separately:-				
Interest expenses	487.67	487.67	629.61	629.61
Operating profit before working capital changes		-128.38		-556.03
Adjustment for changes in working capital:-				
Change in inventories	153.76		176.50	
Change in debtors	-392.78		90.97	
Change in other receivables	-70.26		-106.68	
Change in trade payables and other liabilities	469.60		487.12	
Change in customers deposits	0.00	160.32	-1.15	646.76
Cash generated from operation		31.94		90.73
Direct taxes	0.00		0.00	
		0.00		0.00
<b>Net cash from operating activities... A</b>		<b>31.94</b>		<b>90.73</b>
<b>B. Cash flow from investing activities</b>				
Sale of assets		0.00		2.80
Advance against sale of property		170.70		281.00
Purchase of fixed assets (including capital work in progress)		-0.70		-0.32
<b>Net cash used in investing activities...B</b>		<b>170.00</b>		<b>283.48</b>
<b>C. Cash flow from financing activities:</b>				
Repayment of working capital from banks		-423.05		-191.79
Loan from directors		0.00		156.69
Repayment of loan to directors		-6.53		-16.44
Repayment of inter-corporate deposit		618.95		0.00
Changes in margin deposit		-24.84		13.37
Interest paid		-343.62		-332.92
<b>Net cash from financing activities...C</b>		<b>-179.09</b>		<b>-371.09</b>
<b>D. Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>		<b>22.85</b>		<b>3.12</b>
Cash & cash equivalents - Opening balance		<b>19.99</b>		<b>16.87</b>
Cash & cash equivalents - Closing balance		<b>42.84</b>		<b>19.99</b>

**Note: (1) Figures in brackets represent cash outflow.**

As per our report of even date

For **B. M. CHATURVEDI & CO.**

Chartered Accountants

ICAI FRN: 114317W

**Animesh Kumar Dutta**

Partner

ICAI M.N. 132389

**Place:** Pune

**Date:** 29.05.2019

For an on behalf of the Board of Directors

**V. S. Raju**

Chairman

**G. R. K. Raju**

Managing Director

**U. S. Kadam**

Directors

**Tejas Dabhade**

Company Secretary

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 31<sup>st</sup> March 2018****A. CORPORATE INFORMATION:**

Ecoboard Industries Limited 'the Company' was incorporated in India on 20th November, 2011.

Ecoboard deals in two business lines- (i) Laminated particle boards made from agri-residues mainly bagasse and (ii) Anaerobic waste water treatment plants for distilleries and other industries.

The bagasse boards are 100% wood free and versatile all purpose board meant to be an alternative to conventional wood based particle boards, plywood and other panel products.

**B. SIGNIFICANT ACCOUNTING POLICIES:**

- a) **Basis of preparation of financial statements:** These financial statements have been prepared in accordance with IND AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements have been prepared on accrual basis under historical cost convention except for certain assets and liabilities which have been measured at fair value amount.

Company's financial statements are presented in Indian Rupees, and values are rounded to the nearest lakh, except when otherwise indicated.

**b) Summary of Significant accounting Policies**

- i) **Use of estimates:** The preparation of financial statements in conformity with Ind AS requires that the management of the company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans and fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known. The preparation of financial statements requires estimates and assumptions. Differences between the estimates and actual results are recognized in the period in which the same are known.

**ii) Property, Plant and Equipments:**

Property, Plant and Equipments are stated at cost, net of recoverable taxes, trade discount and rebate less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any other directly attributable to bringing the assets to its working conditions for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. In case of land the Company has availed fair value as deemed cost on the date of transition to Ind AS. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

**iii) Depreciation:**

Depreciation on Property, Plant and Equipment is provided at the rates determined in accordance with the provisions of the Companies Act, 2013. Depreciation on tangible assets is provided on the straight line method as prescribed in Schedule II to the Companies Act, 2013 over the remaining useful life of the assets.

**iv) Lease**

Lease are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other lease are classified as operational lease.

Leased Assets:- Assets held under finance lease are initially recognised as Assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as the finance lease obligation. Lease payments are apportioned between finance expenses and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss as, unless they are directly attributable to

qualifying assets, in which case they are capitalised. Contingent rentals are recognised as expenses in the year in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is reasonable certainty that the Company will obtain ownership by the end of lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expenses in the statement of Profit and Loss on straight line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from leased assets are consumed.

v) **Finance Cost**

Borrowing cost include exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing cost that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the statement of Profit and Loss for the period for which they are incurred.

vi) **Inventories**

(a) Stocks of raw-materials, packing materials, stores & spares are valued at cost.

(b) Stock of work-in progress is valued at cost.

(c) Finished goods are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost of work-in-progress and finished goods comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and conditions.

vii) **Impairment**

**(i) Financial Assets (Other than at fair value)**

The Company assess at each reporting date as to whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowances for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(ii) Non-Financial Assets-Property, Plant and Equipment and Intangible Assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of asset of CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the assets belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated cash flow, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

viii) **Provisions**

Provisions are recognised when the Company has present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**ix) Employee Benefits Expenses****Short Term Employee Benefits**

Employee benefits payable wholly within twelve months of rendering of service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

**Post-Employment Benefits****Defined Contribution Plans**

Contribution to Provident fund and superannuation fund, which are defined contribution schemes, are recognised as an employee benefit expenses in the statement of Profit and Loss in the period in which the contribution is due.

**Defined Benefit Plans**

The liability in respect of gratuity and other post employment benefits is determined on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the assets ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

**x) Tax Expenses**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

**i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

**ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the financial statement and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax assets is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised.

**xi) Foreign currency transactions and balances**

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transaction. Exchange difference arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding as at reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of Profit and Loss.

Non monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of transaction.

**xii) Provisions and Contingencies**

A provision is recognised when the company has present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not possible that an outflow of resources will be required to settle the obligation.

- Present obligation arising from past events, when no reliable estimate is possible.

- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**xiii) Non current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less cost of sell. The determination of fair value less cost to sell includes use of the Management's estimates and assumptions. The fair value of assets held for sale has been estimated using valuation techniques (including income-and-market approach) which include unobservable inputs. Non-current assets and disposal group that ceases to be classified under 'Held for Sale' shall be measured at the lower of carrying amount before the non-current asset and disposal group were classified under 'Held for Sale' and its recoverable amount at the date of subsequent decision not to sell. Recoverable amount of assets reclassified from 'Held for Sale' have been estimated using the Management's assumptions which consist of significant unobservable inputs.

**xiv) Revenue recognition**

Revenue from sale of goods is recognised when the significant risk and reward of ownership have been transferred to the buyer, recovery of consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or management involvement with the goods, and the amount of revenue can be measured reliably.

Effective 1st April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1st April, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the Statement of Profit and Loss is not restated-i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

In respect of fixed price contract, Company uses the percentage of completion method of accounting. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Contract assets are recognised when there is excess of revenue earned over billing on contracts. Contract assets are classified as unbilled receivable (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("Contract liability") is recognised when there is billing in excess of revenues.

Revenue from operations is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excluding taxes or duties collected on behalf of government.

**Interest income**

Interest income from financial assets is recognised using effective interest rate method.

**Dividend Income**

Dividend income is recognised when the Company's right to receive the amount has been established.

- xv) **Derecognition of financial liabilities:** The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

xvi) **Earning per share**

Basic earning per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.



Notes Forming Part of The Financial Statements For the year ended 31st March, 2019

Rs. in Lakhs

1. PROPERTY, PLANT AND EQUIPMENTS: 11

Particulars	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As at 31.03.18	Additions	Deductions	Assets held for sale	As at 31.03.19	Upto 31.03.2018	Written back 18-19	For the Year 18-19	Upto 31.03.19	As at 31.03.19	As at 31.03.18
<b>Tangible Assets</b>											
Freehold land	2,092.00	0.00	0.00	0.00	2,092.00	0.00	0.00	0.00	0.00	2,092.00	2,092.00
Building	998.51	0.00	0.00	(3.48)	967.03	131.03	0.00	59.24	179.01	788.02	867.48
Plant & Machinery	5,816.88	0.00	0.00	0.00	5,816.88	5,171.39	0.00	44.97	5,216.36	600.52	645.49
Electrical installations	340.90	0.00	0.00	0.00	340.90	323.86	0.00	0.00	323.86	17.04	17.04
Furniture & Fixtures	104.67	0.00	0.00	0.00	104.67	97.89	0.00	0.31	98.20	6.47	6.78
Equipments	131.24	0.70	0.00	0.00	131.94	109.83	0.00	2.38	112.21	19.73	21.41
Vehicles	65.84	0.00	0.00	0.00	65.84	62.59	0.00	0.04	62.63	3.21	3.25
Tools & Patterns	5.82	0.00	0.00	0.00	5.82	5.47	0.00	0.01	5.48	0.34	0.35
	9,555.86	0.70	0.00	(31.48)	9,525.08	5,902.06	(11.26)	106.95	5,997.75	3,527.33	3,653.80
Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>GRAND TOTAL :</b>	9,555.86	0.70	0.00	(31.48)	9,525.08	5,902.06	(11.26)	106.95	5,997.75	3,527.33	3,653.80
Previous Year	10,196.08	91.60	26.60	(620.01)	9,555.86	6,206.66	(414.57)	122.68	5,902.06	3,653.80	3,989.42

Notes:

- Conveyance for office building valued Rs. 703 lakh is pending execution.
- Depreciation on fixed assets is provided at the rates determined in accordance with the provisions of the Companies Act, 2013. Depreciation on tangible assets is provided on the straight line method as prescribed in Schedule II to the Companies Act, 2013 over the remaining useful life of the assets.

Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2019

Rs. in Lakhs

	As at 31.03.2019	As at 31.03.2018
<b>2. LOAN-NON CURRENT:</b>		
Security deposits		
Secured, considered good	0.00	0.00
Unsecured		
Considered good		
to director	3.60	3.60
to others	43.77	36.76
	<u>43.77</u>	<u>40.36</u>
Doubtful	11.60	11.60
	<u>58.97</u>	<u>51.96</u>
Less: Provision for doubtful advances	11.60	11.60
	<u><b>47.37</b></u>	<u><b>40.36</b></u>
<b>3. OTHER NON CURRENT ASSETS</b> (Unsecured considered good)		
Capital Advances	69.17	65.04
	<u><b>69.17</b></u>	<u><b>65.04</b></u>
<b>4. INVENTORIES</b>		
Stores, spares and consumables	163.04	145.10
Packing material	0.32	0.58
Raw materials	104.18	63.48
Work-in-progress	140.59	244.52
Finished goods	880.72	988.93
	<u><b>1,288.85</b></u>	<u><b>1442.61</b></u>
<b>5. TRADE RECEIVABLES</b>		
Secured:	0.00	0.00
Unsecured:		
Considered good	526.48	130.48
Considered doubtful	455.14	464.12
	981.62	594.60
Less: Provision for doubtful debts	455.14	464.12
	<u><b>526.48</b></u>	<u><b>130.48</b></u>
<b>6. CASH AND BANK BALANCE</b>		
<i>Cash and cash equivalents</i>		
Cash on hand	3.24	5.17
Balances with banks	39.60	14.82
	<u><b>42.84</b></u>	<u><b>19.99</b></u>
Other bank balances		
Balances in dividend and refund accounts	2.90	2.90
Fixed deposits with banks (given as margin money for issue of LCs)	35.59	10.75
	<u><b>81.33</b></u>	<u><b>33.64</b></u>

**Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2019**

Rs. in Lakhs

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>7. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Advance for goods		
Considered good	94.41	88.44
Considered doubtful	79.45	79.45
	<u>173.86</u>	<u>167.89</u>
Less: Allowance for credit losses	79.45	79.45
	<u><b>94.41</b></u>	<u><b>88.44</b></u>
Prepaid expenses	2.41	0.82
Advance income tax	18.21	14.14
Other Advances:		
Considered good	192.07	144.58
Considered doubtful	321.43	335.78
	513.50	480.36
Less: Provision for doubtful loans and advances	321.43	335.78
	<u>192.07</u>	<u>144.58</u>
	<u><b>307.10</b></u>	<u><b>247.98</b></u>
<b>8. NON CURRENT ASSETS HELD FOR SALE</b>	<u><b>225.70</b></u>	<u><b>205.48</b></u>

The Company has decided to dispose off/ sell its particle board plant including land and buildings situated at village Jambhulwadi, near Islampur in District Sangli. Production in this plant was discontinued in April 2010. Proposal was approved by shareholders on 8th February 2013. Plant and machinery and some of the movable assets of this Unit were sold during the year ended 31.03.2015. Efforts for sale of remaining immovable assets including land and building of this Unit are in progress.

Accordingly, As per Ind AS-105 “Non Current Assets Held for Sale and Discontinued Operations,” Land and building situated at Village Jambhulwadi, near Islampur in District Sangli, is classified as held for sale at its carrying amount of Rs 205.48 lakhs.

During the current year, Company has entered into memorandum of understanding for sale of office premises at Pune. The same is classified as held for sale at its carrying amount of Rs. 20.22 lakh.

## Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2018

### 9. SHARE CAPITAL

	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Authorised:	23,000,000	2,300.00	23,000,000	2,300.00
Equity Shares of Rs. 10 each	200,000	200.00	200,000	200.00
Preference Shares of Rs. 100 each		2,500.00		2,500.00
Issued:	17,832,000	1,783.20	17,832,000	1,783.20
Equity Shares of Rs. 10 each	0	0.00	0	0.00
Preference Shares of Rs. 100 each		1,783.20		1,783.20
Subscribed and paid up:	17,832,000	1,783.20	17,832,000	1,783.20
Equity Shares of Rs. 10 each, fully paid	0	0.00	0	0.00
Preference Shares of Rs. 100 each		1,783.20		1,783.20

#### Rights, preferences and restrictions attached to shares

The Company has only one class of Equity shares. Each Share has a paid up value of Rs.10/-. Every shareholder is entitled to one vote per share. Each share is entitled to dividend at the rate as may be declared by the Board and approved by the shareholders at the Annual General Meeting.

#### Details of shareholders holding more than 5% equity shares in the Company:

	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Percentage of holding	No. of Shares	Percentage of holding
1. Jayalakshmi Gottumukkala	3,329,593	18.67%	3,307,414	18.55%
2. Ramakrishna Raju Gottumukkala	2,176,225	12.20%	2,176,225	12.20%
3. Satyavathi Vegesna	1,172,736	6.58%	1,172,736	6.58%
4. Venkata Sujani Indukari	1,170,553	6.56%	1,170,553	6.56%

**Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2018**

Rs. in Lakhs

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>10. OTHER EQUITY</b>		
Capital reserve	21.31	21.31
Amalgamation reserve	0.30	0.30
Securities premium	2,618.78	2,618.78
General Reserve	2,526.06	2,526.06
Ind AS Transition Reserve	2,540.68	2,540.68
Retained earnings	(10,632.15)	(9,912.37)
Total Reserves and Surplus	<u><b>(2,925.02)</b></u>	<u><b>(2205.24)</b></u>

**11. LONG TERM BORROWINGS**

<i>Secured:</i>	0.00	0.00
<i>Unsecured loans:</i>		
Intercorporate deposit	618.95	0.00
From directors	1,446.44	1,452.97
	<u><b>2,065.39</b></u>	<u><b>1,452.97</b></u>

No repayment date is stipulated for directors' deposit. However, it is agreed by the directors that the deposits shall not be repayable before 31/03/2019 or during the currency of bank loans whichever is later.

**12. LONG TERM PROVISIONS**

Provision for employee benefits	58.65	47.79
	<u><b>58.65</b></u>	<u><b>47.79</b></u>

**13. OTHER LONG TERM LIABILITIES**

Trade deposits	34.84	34.84
	<u><b>34.84</b></u>	<u><b>34.84</b></u>

**14. SHORT TERM BORROWINGS**

<i>Loans repayable on demand (Secured):</i>		
Cash credit facilities from banks-See Note 28 below	1,961.86	2,384.90
Interest accrued and due on cash credit facility	759.44	615.40
	<u><b>2,721.30</b></u>	<u><b>3,000.30</b></u>

**15. TRADE PAYABLES**

Creditors for goods	1,230.53	582.18
	<u><b>1,230.53</b></u>	<u><b>582.18</b></u>

a) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management under the MSME Act 2006.

b) MSME Disclosure

Details of dues to micro and Small Enterprises as defined under MSME Act, 2006

i) Principal amount dues	0.00	0.00
ii) Interest due on above	0.00	0.00

**Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2019**

Rs. in Lakhs

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
iii) Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal amount paid beyond due date	0.00	0.00
- Interest paid thereon	0.00	0.00
iv) Amount of interest due and payable for the period of delay	0.00	0.00
v) Amount of interest accrued and remaining unpaid as at the year end	0.00	0.00
vi) Amount of further interest remaining due and payable in the succeeding year	0.00	0.00
<b>16. OTHER CURRENT LIABILITIES</b>		
Income received in advance	162.04	13.63
Other payables	83.54	0.00
Customers' credit balances	108.44	85.14
Advance against sale of property	451.70	0.00
Employees related payables and contributions	166.11	458.79
Other liabilities	0.00	281.00
	115.14	156.73
	250.08	342.14
	<b><u>1,320.99</u></b>	<b><u>1,337.43</u></b>
<b>17. PROVISIONS</b>		
Provision for employee benefits	19.73	22.20
	<b><u>19.73</u></b>	<b><u>22.20</u></b>
<b>18. REVENUE FROM OPERATIONS</b>		
Sale of goods	2,038.20	886.10
Income from services	0.00	5.52
Other operating revenue	0.00	0.00
	2,038.20	891.62
Less Excise duty	0.00	0.00
	<b><u>2,038.20</u></b>	<b><u>883.21</u></b>
Out of above:		
Revenue from Particle Board business	316.91	656.82
Revenue from Bio-gas Systems business	1,721.29	226.39
<b>19. OTHER INCOME - (NON OPERATING)</b>		
Rent received	0.65	0.57
Sale of scrap	4.64	12.89
Sale of Compost	0.00	0.22
Foreign exchange translation difference	4.28	1.29
Interest received	3.11	1.04
Miscellaneous Income	0.00	1.78
Excess provision written back	25.40	0.74
	<b><u>38.08</u></b>	<b><u>18.53</u></b>

Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2018

Rs. in Lakhs

	As at 31.03.2019	As at 31.03.2018
<b>20. COST OF MATERIALS</b>		
Opening stock	63.48	65.53
Add: Purchases	1,584.81	612.51
Less: Closing stock	104.18	63.48
	<u><b>1,544.11</b></u>	<u><b>614.56</b></u>
Out of above:		
Bagasse	105.14	312.22
Chemicals	63.88	138.71
Paper	37.76	74.18
Others	1,337.33	89.45
<b>21. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
Opening Stock:		
Finished goods	988.93	1,146.32
Work-in-progress	244.52	248.74
	<u><b>1,233.45</b></u>	<u><b>1,395.06</b></u>
Closing Stock:		
Finished goods	880.72	988.93
Work-in-progress	140.59	244.52
	<u>1,021.31</u>	<u>1,233.45</u>
Increase/(decrease) in stock	<u><b>(212.14)</b></u>	<u><b>(161.61)</b></u>
<b>22. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	141.37	170.99
Contribution to Provident Fund	5.14	7.26
Gratuity	5.09	7.49
Super-annuation	2.72	4.84
Employees' PF administration charges	0.26	0.34
Workmen & staff welfare expenses	3.61	4.90
Unavailed leave / leave encashment	1.16	2.71
	<u><b>159.35</b></u>	<u><b>198.53</b></u>
<b>23. FINANCIAL COSTS</b>		
Interest on working capital finance	409.68	449.91
Others	77.99	179.70
Bank charges	10.47	6.66
	<u><b>498.14</b></u>	<u><b>636.27</b></u>

Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2018

Rs. in Lakhs

	As at 31.03.2018	As at 31.03.2017
<b>24. OTHER EXPENSES - Manufacturing Expenses</b>		
Consumption of stores and spares parts	18.43	54.68
Power and fuel	88.35	142.60
Site and job work expenses	124.72	58.77
Excise duty on change in stock of finished goods	0.00	(5.45)
Repairs to buildings	0.00	0.82
Repairs to machinery	0.23	2.60
	<u>231.73</u>	<u>254.02</u>
<b>Administration and Other Charges</b>		
Directors remuneration	34.74	49.20
Directors sitting fees	0.45	0.65
Insurance	2.69	1.90
Rates and taxes	52.85	28.17
Rent paid	10.99	12.28
Postage & telephones	3.09	6.86
Travelling and conveyance expenses	29.99	35.30
Sundry expenses	48.79	42.49
Donations	0.21	0.38
Professional charges	21.20	10.53
Bad debts written off	3.01	0.00
Loss on sale of fixed assets	0.00	4.99
Payment to Auditors (including service-tax):		
Audit fees	5.50	5.50
Certifications/Others	1.50	1.50
	<u>7.00</u>	<u>7.00</u>
Sundry balances written off	5.44	0.40
Allowances for credit loss	(3.22)	62.67
Allowances for doubtful advances	0.00	0.05
	<u>217.23</u>	<u>262.87</u>
	<u>Mar-18</u>	<u>Mar-17</u>
<b>Sales and Distribution Expenses</b>		
Packing and forwarding expenses	20.70	30.34
Sales expenses	66.93	63.21
Discount and commission	0.26	4.96
Other Loans and Advances	25.92	38.52
Security deposits	<u>426.80</u>	<u>554.13</u>
	92.93	93.04
<b>25. EXCEPTIONAL ITEMS</b>		
Allowances for doubtful advances	1.33	0.00
Interest provision written back on settlement of bank dues	<u>199.00</u>	<u>0.00</u>
	<u>199.05</u>	<u>0.00</u>
<b>26. COMPUTATION OF EARNINGS PER SHARE (EPS)</b>		
From Continuing Operations		
Profit / (Loss) after tax (Rs. in lakhs)	(719.78)	(1,376.03)
No. of Equity Shares- Weighted average (in lakhs)	178.32	178.32
Earnings per share - (Face value- Rs. 10 per share):		
Basic (Rs.)	(4.04)	(7.72)
Diluted (Rs.)	(4.04)	(7.72)



**Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2018**

**Rs. in Lakhs**

**27. GOING CONCERN ASSUMPTION**

The Company has accumulated losses in excess of its paid up capital and reserves. Its net worth has been fully eroded. The Company is incurring continuous losses for past few years. Capacity utilisation in its particle board business is insignificant. Company is struggling to mobilise funds for its working capital. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated below:

- (i) Company has entered into Agreement for sale of its land and buildings at Jambhulwadi. Money raised from this sale will be available for reduction of bankers dues and augmenting working capital funds and net worth of the Company.
- (ii) Company has repaid during the year dues of one bank as per settlement arrived at with the bank and also given One Time Settlement proposal to another bank which is under consideration of the said bank.
- (iii) Company's Bio-Systems division has performed well during the current year and is having orders in hand for the next year.

**28. SECURITY CLAUSE:**

(i) Security:

Working capital loans from consortium of bankers are secured by first charge on the Company's current assets, present and future, including stocks, goods in process, goods in transit, receivables and book debts.

These loans are further secured by pari passu charge by joint equitable mortgage of immovable properties of the Company situated at village Jambhulwadi in district Sangli and at village Velapur in district Solapur in Maharashtra.

The above loans are further secured by personal guarantees of some of the Directors of the Company.

(ii) Continuing defaults:

Interest aggregating Rs. 759.44 lakh (Previous year Rs 615.40 lakh) payable on short term borrowings from banks was in continuing default as on the balance sheet date.

**29. SETTLEMENT OF DUES OF STATE BANK OF INDIA**

During the year, the Company agreed for One Time Settlement of dues of State Bank of India and repaid the amount as per terms of OTS Scheme of the bank.

In view of above mentioned settlement, the company has written back interest liability provided upto 31/03/2018 amounting to Rs 125.59 lakh as no more payable. The said amount is credited to the profit & loss account as exceptional item of income.

The Company has also written back loan liability amounting to Rs 73.46 lakh as amount no more payable. The said amount of write back is credited to the profit & loss account as exceptional item of income.

**30. DISCLOSURE IN ACCORDANCE WITH IND AS-17 "LEASE"**

Operating Lease:

The Company has taken office premises under leave and license agreement. It is 11 months to 36 months B14 leave and license basis. These agreements are renewable by mutual consent on mutually agreed terms. Under Some of these agreements the Company has given refundable security deposits. The lease payments are recognised in the Statement of Profit and Loss under rent account.

Further minimum committed lease rentals are given as follows:

	2018-19 Rs./ lakh	2017-18 Rs./ lakh
Payable not later than one year	9.34	10.94
Payable between one to five years	3.08	8.22
Payable after five years	0.00	0.00

## Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2019

### 31. PERFORMANCE OBLIGATION AND REMAINING PERFORMANCE OBLIGATION

	2018-19	2017-18
	Rs./ lakh	Rs./ lakh
a) Contractual revenue recognised during the year (excluding taxes)	1,721.29	226.39
b) Disclosure for contracts in progress as at the year end		
i) Aggregate amount of cost incurred	1,587.80	391.91
ii) Aggregate amount of Profit recognised (Net of losses recognised)	247.02	108.26
iii) Advance received for contract in progress	7.90	2.41
iv) Retention receivable for contracts in progress	0.00	0.00
v) Amount due from customer for contract work in progress	430.96	46.76
vi) Amount due to customer for contract work	0.00	0.00
c) Method used (Refer Accounting Policies B(xiv))		

### 32. EMPLOYEE BENEFITS

#### a) Defined contribution plan

The Company has recognised Rs 7.86 lakh (Previous year Rs 12.10 lakh) towards post employed defined contribution plans comprising of provident fund and superannuation fund in the statement of profit and loss.

#### b) Defined benefit plan

In accordance with payment of Gratuity Act, 1972, the Company is required to provide post employment benefit to its employees in the form of Gratuity. Valuation in respect of gratuity have been carried out by independent actuary as at the balance sheet date. In accordance with the standard, the disclosure relating to the Company's gratuity plan are provided below:

The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

	2018-19	2017-18
	Rs./ lakh	Rs./ lakh
<b>Present value of obligation as at the beginning of the year</b>	28.63	25.69
Interest cost	2.14	1.72
Current service cost	2.94	2.33
Past service cost	0.00	3.50
Benefits paid (if any)	0.00	(0.88)
Actuarial gain/(loss)	(0.15)	(3.73)
<b>Present value of obligation as at the end of the year</b>	33.56	28.63

#### The amount recognised in the Balance Sheet is as follows:

Present value of of the obligation at the end of the period	33.56	28.63
Fair value of plan assets at the end of period	0.00	1.19
Net liability/(asset) recognised in Balance Sheet and related analysis	33.56	27.44
Funded Status-Surplus/(Deficit)	(33.56)	(27.44)

#### Amount recognised in the Statement of Profit and Loss

Interest cost	2.15	1.72
Current Service cost	2.94	2.33
Past service cost	0.00	3.50
Expected return on plan asset	0.00	0.06
Expenses recognised in Statement of Profit and Loss	5.09	7.49

#### Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

Cumulative unrecognised actuarial gain/(loss)-Opening b/f	0.00	0.00
Actuarial (gain)/loss-obligation	(0.15)	(3.73)
Actuarial (gain)/loss-plan assets	0.00	0.00

**Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2019**

Total actuarial (gain)/loss	(0.15)	(3.73)
Cumulative actuarial (gain)/loss c/f	(0.15)	(3.73)

**Net interest (income)/ cost recognised in Statement of Profit and Loss**

Interest cost on defined benefit obligation	2.15	1.72
Interest income on plan assets	0.00	0.00
Net interest cost/(income)	2.15	1.72

**Benefits valued**

Normal retirement age		58 years
Salary		Last drawn qualifying Salary
Vesting period		5 Years of service
Benefits on normal retirement		15/26 x Salary x Past Service (Years)
Benefits on early exit due to death and disability		As above except that no vesting conditions apply
Limit		Rs 20.00 lakh

**Current liability (Expected payout in next year as per Schedule III of Companies Act, 2013)**

Current liability	16.65	17.02
Non Current liability	16.91	10.42
Total liability	33.56	27.44

**33. DEFERRED TAX:**

	<b>2018 - 2019</b>	<b>2017 - 2018</b>
	(Rs. in lakhs)	(Rs. in lakhs)
Unabsorbed depreciation	1,171.60	1,134.97
Tax losses	1,317.35	1,253.03
Tax allowances u/s 43B/ 40(a)(ia)	205.82	94.22
Provisions for Trade Receivables and Advances	286.75	287.74
	<u><b>2,981.52</b></u>	<u><b>2,769.97</b></u>

The Company has unabsorbed business losses/depreciation. However, management of the Company is not very sure that the future taxable profit may be available to set off deferred tax assets due to continuous losses. Accordingly, management of the Company has decided not to recognise deferred tax assets till the time there is reasonable probability of future taxable income.

Significant management judgement has been considered in determining the provision of income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimate of the taxable income for the period over which deferred tax assets will be recovered.

**34. CONTINGENT LIABILITIES AND COMMITMENTS:**

	<b>2018 - 2019</b>	<b>2017 - 2018</b>
	(Rs. in lakhs)	(Rs. in lakhs)
<b>A. Contingent Liabilities</b>		
a) Letters of credit and bank guarantees outstanding (net of margin deposits)	25.89	25.89
b) Claims against the Company not acknowledged as debt		
(i) Excise duty claims disputed in appeals (excluding interest)	1180.45	1180.45
(ii) MVAT/CST disputed in appeals (excluding interest)	486.57	486.57
(iii) Legal case against the company lodge by suppliers and traders (excluding interest where the amount is unascertainable)	44.15	44.15
<b>B. Contingent Liabilities</b>		
a) Estimated amount of capital Expendiiture Commitments (Net of advances)	738.09	680.86

## Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2019

### 35. RELATED PARTY DISCLOSURES:

(in terms of Accounting Standard 24 issued by the Institute of Chartered Accountants of India)

(i) List of related parties:

Key management persons. Mr. GRK Raju, Mr. GPK Raju and Mrs. I. V. Sujani  
 Relatives of key management persons. Mrs. G. Jayalakshmi, Mr. P. Srinivas Raju, Mrs. Sitarama,  
 Mrs. Srilakshmi Vegesna Raju, Mr. G.V.S. Raju, Mr. G.S.N. Raju

Associates- Companies/ firms in which key management persons are having control/ substantial interest. Vesar Furnitek Pvt. Ltd., Venkataa Subbaraju Energy Limited, Vesar Supra Investment Pvt Ltd, Western Bio Vesar Furnitek Pvt Ltd., Western Bio Systems India Pvt Ltd, Jisnu Infra Ventures Pvt Ltd.

Related party relationships are as identified by the Company and are relied upon by the auditors.

(ii) Related party transactions:

<u>Nature of transaction</u>	2018 - 2019 (Rs. in lakhs)	2017 - 2018 (Rs. in lakhs)
Transactions with key management persons:		
Deposits taken	0.00	14.60
Deposits repaid	6.53	16.44
Deposit outstanding	1,446.44	1,452.97
Remuneration paid	34.74	49.20
Contribution to PF	3.17	5.06
Interest paid	0.00	157.87
Rent paid	4.20	4.20
Rent deposits given	3.60	3.60
Transactions with relatives of key management persons	NA	NA
Transactions with associates:		
Purchases (Gross)	106.40	0.00
Inter corporate deposit taken	618.95	0.00
Inter corporate deposit outstanding	618.95	0.00

### 36. SEGMENT RESULTS:

The Company has two reportable segments, namely, Particle Boards and Bio Systems. Select financial information relating to these segments is given below.

	2018 - 2019 (Rs. in lakhs)	2017 - 2018 (Rs. in lakhs)
<i>Revenue:</i>		
Particle Boards	316.91	656.82
Bio Systems	1,721.29	226.39
Total	2,038.20	883.21
Profit before interest and tax:		
Particle Boards	(641.06)	(831.51)
Bio Systems	219.91	80.46
Others	199.05	0.00
Total	(222.10)	(751.05)
Less: Interest	498.14	636.27
Profit after tax	(720.24)	(1,387.32)

**Notes Forming Part of The Financial Statements For the year ended 31<sup>st</sup> March, 2019**

*Capital employed:*

Segment assets less segment liabilities

Particle Boards	(1,839.98)	(900.29)
Bio Systems	698.16	478.25
Total	(1,141.82)	(422.04)

**37. CONSUMPTION OF IMPORTED/ INDIGENOUS ITEMS:**

	<u>2018 - 2019</u>		<u>2017 - 2018</u>	
	<u>Rs. in Lakh</u>	<u>% to total</u>	<u>Rs. in Lakh</u>	<u>% to total</u>
<i>Materials-</i>				
Indigenous materials consumed	1544.11	100.00%	614.56	100.00%
Imported materials consumed	0.00	0.00%	0.00	0.00%
	<b>1544.11</b>		<b>614.56</b>	
<i>Stores &amp; spares-</i>				
Indigenous items consumed	14.00	75.96%	48.41	88.53%
Imported items consumed	4.43	24.04%	6.27	11.47%
	<b>18.43</b>		<b>54.68</b>	

**38. CIF VALUE OF IMPORTS:**

	<u>2018 - 2019</u>	<u>2017 - 2018</u>
	<u>(Rs. in lakhs)</u>	<u>(Rs. in lakhs)</u>
Capital goods	0.00	0.00
Consumables and Stores & spares	15.74	3.93
Total	<b>15.74</b>	<b>3.93</b>

**39. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY:**

There were no exports or earnings and/or expenditure in foreign currency during the current or the previous year.

40. Balances of debtors, advances and creditors are subject to confirmation.

41. Previous year figures are reclassified/ regrouped, where required, to conform with current year presentation.

As per our report of even date

For **B. M. CHATURVEDI & CO.**  
Chartered Accountants  
ICAI FRN: 114317W

**Animesh Kumar Dutta**  
Partner  
ICAI M.N. 132389

**Place:** Pune

**Date:** 29.05.2019

For an on behalf of the Board of Directors

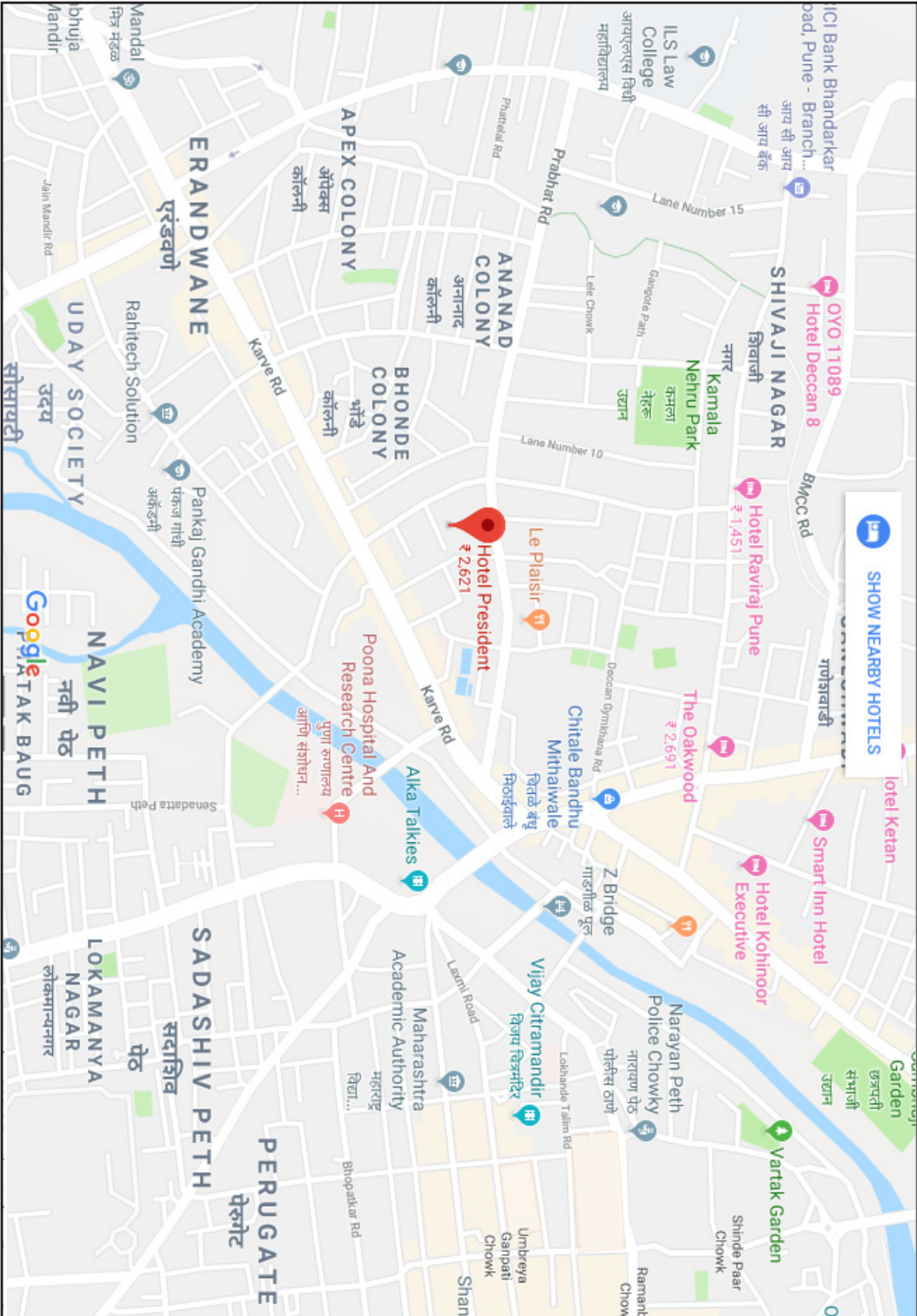
**V. S. Raju**  
Chairman

**G. R. K. Raju**  
Managing Director

**U. S. Kadam**  
Directors

**Tejas Dabhade**  
Company Secretary

Route Map for Annual General Meeting



<https://goo.gl/maps/MmZtpCAfHnx>



As my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Friday, September 27th, 2019, at 11.00 a.m. IST, at the Conference Hall, The President Hotel, 34/11, Erandwane, Prabhat Road, Pune-411004. And at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1	To receive, consider and adopt the audited financial statements, of the company for the financial year ended 31st March, 2019 and the reports of the board of directors ('the board') and the auditors thereon.			
2	To appoint a director in place of Mr. Ramakrishna Raju Guttumukkala (DIN: 01516984) who retires by rotation in terms of section 152 (6) of companies act, 2013 and being eligible offers himself for re-appointment.			
<b>Special Business</b>				
4	To sale the part of excess land (non-core asset) of the company situated within the premises of the company's land situated at velapur, taluka – Malshiras, District - Solapur (M.H.) – 413113			
5	Re-appointment of Mr. Uttam Sampatrao Kadam (DIN – 01517289) as an Independent Director for a second term of five consecutive years, in terms of section 149 of the companies act, 2013.			
6	Re appointment of Mr. Ramakrishna Raju Gottumukkala as Managing Director (DIN: 01516984)			

Signed this ..... day of ..... 2019

.....

Signature of member

.....

Signature of proxy holder(s)

Affix  
revenue stamp  
of not  
less than  
Rs. 1

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before September 25, 2019 at 11 a.m. IST)
2. It is optional to indicate your preference, if you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.







HEAT / COLD



ELECTRICITY



CLEAN AIR



FERTILIZER



Technology



Clean India



R&D



Green Fuel



Energy



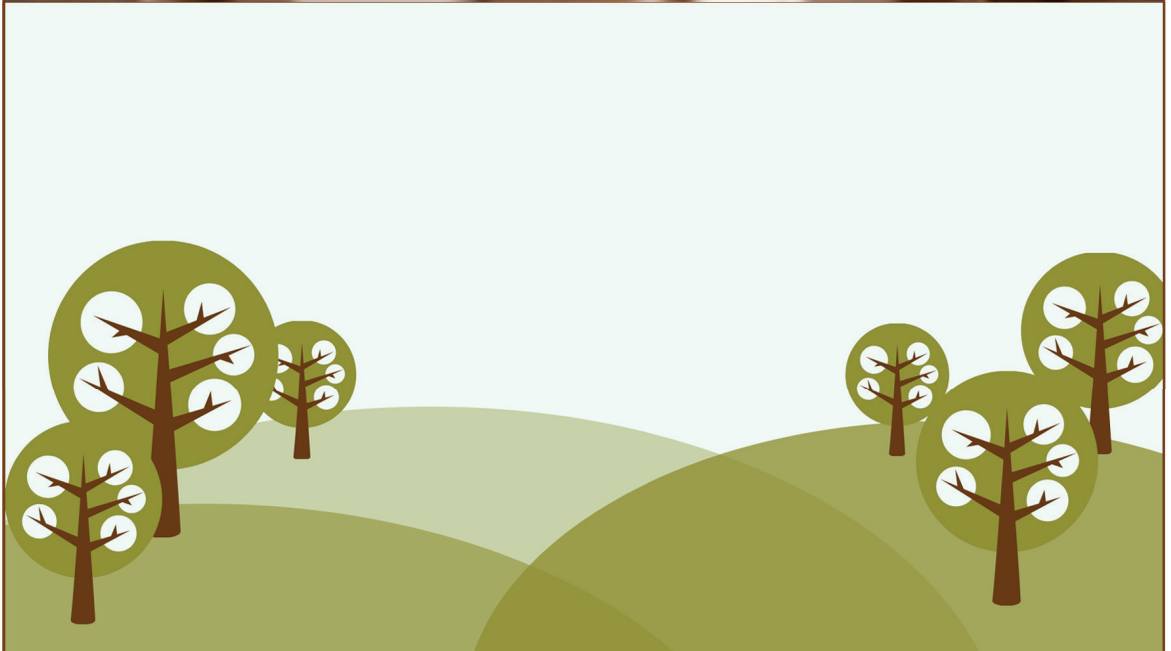
Green Living



ECOBOARD's "Green Energy" division is Leading Waste Managements Projects Supplier



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