



ECOBOARD INDUSTRIES LIMITED

24TH ANNUAL REPORT 2014 - 2015

REGISTERED OFFICE : 65/1A, "Ecohouse", "Akarshak Building", Opp. Nal Stop, Karve Road, Pune-411004
Tel.(020) 41080800 Fax.(020) 25465328

BOARD OF DIRECTORS

Mr. V.S Raju, Chairman
Mr. G.R. K. Raju, Managing Director
Mr. P. Satyanarayana Raju, Director
(Resigned w.e.f. 28th March, 2015)
Mr. Praveen Kumar Raju Gottumukkala, Director
Dr. N.A Ramaiah, Independent Director
Mr. Ramchandra Raju P.S, Independent Director
Mr. U.S Kadam, Independent Director
Mr. Narasimhan Krishnan, Independent Director
Ms. Sujani Venkata Indukuri, Director

COMPANY SECRETARY

Ms. Shambhavi Wagle

AUDITORS

M/s. Chaturvedi SK & Fellows, Mumbai
410, Dev Plaza, SV Road, Andheri (W), Mumbai - 400 058
Tel. (022) 66943452 Fax (022) 66943453

Bio Systems Division

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

REGISTERED OFFICE

65/1A, "Ecohouse", "Akarshak Building"
Opp. Nal Stop, Karve Road, Pune-411004
Tel.(020) 41080800 Fax.(020) 25465328
E-Mail info@ecoboardindia.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 Fax (020) 2616 3503
Email : pune@linkintime.co.in

BANKERS

Bank of Maharashtra
Andhra Bank
State Bank of India

Factory (Particle Bagasse board Division)

1. Village Velapur, Taluka Malshiras,
District- Solapur, Maharashtra.
Tel.(02185) 245261/62, Fax- (02185) 245203
2. Village Jambhulwadi, Taluka- Walwa,
Dist: Sangli, Maharashtra.

BRANCHES

West Zone : Pune, Kolhapur
South Zone : Hyderabad, Bangalore, Bhubaneshwar
North Zone: Delhi, Bhopal, Kolkatta, Raipur

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 Akhay complex,
 Off Dhole Patil Raod,
 Pune- 411001
 Tel : 020-26100684
 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 Forth Annual General Meeting of the Members of ‘**Ecoboard Industries Limited**’ will be held on **Saturday, 26th September, 2015** at **11.00 a.m.** at Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 005 to transact the following business as :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company on a standalone basis, for the financial year ended 31st March, 2015 including the Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To appoint Director in place of Mr. Atchutha Ramaiah Nanduri (DIN 01514989) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Narasimhan Krishnan (DIN 02071121) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. G. R. K. Raju (DIN 01516984) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offers himself for re-appointment.
5. To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next consecutive AGM and to fix their remuneration and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s Chaturvedi SK & Fellows. Chartered Accountants, Mumbai, (Firm Reg. No. 112627W), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the next consecutive AGM, and that the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all

such acts, matters and things as may be necessary to give effect to the above resolution.”

Special Business:

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

“**RESOLVED THAT** pursuant to provisions of Section 149,150,152 and other applicable provisions if any of the Companies Act, 2013 (“The Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 and Clause 49 of the Listing Agreement, including any statutory modifications or enactment thereof from time to time, consent of the Shareholders be and is hereby accorded for appointment of Ms. Sujani Venkata Indukuri, who was appointed as Additional Director designated as Executive Director- “Administration” of the Company for a period of 5 (five) years with effect from 27th March, 2015, on the terms and conditions including remuneration as set out in the Explanatory statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred as “the Board” which term shall be deemed to include any committee of the Board to exercise its powers, including powers conferred by this resolution) to alter and vary terms and conditions of the said appointment including remuneration, subject to the condition that the aggregate of the remuneration, perquisites/ benefits as applicable, payable to Ms. Sujani Venkata Indukuri shall be within the limits prescribed under the Companies Act , 2013 and rules there under including any amendment thereto from time to time.

RESOLVED FURTHER that the Board be and is hereby authorized to do all acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

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

Place : Pune.
Date : 14.08.2015

Sd/-
V.S. Raju
Chairman

NOTES

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. The proxy form is enclosed to the report.**

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

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.

2. 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
3. The Register of Members and Share Transfer Register will remain closed from Monday, 21st September, 2015 to Saturday, 26th September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
4. 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.
5. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.
6. 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.
7. 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.
8. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents **M/s Link Intime India Private Limited, 202-A, 2nd Floor, "Akshay Complex", off Dhole Patil Road, Pune – 411 001.**
9. Additional information pursuant to Clause 49 IV (G) of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-

appointment at the AGM is also furnished through the explanatory statement and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.

10. 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.
11. 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.
12. E-voting facility

Pursuant to provisions of section 108 read with rule 20 of Companies (Management and Administrative) Rules 2014, and clause 35B of listing agreement all the members have option to transact the business and cast their votes in respect of the business through electronic voting system. This facility of e-voting is not in derogation of but in addition to attending the meeting personally / through proxy/ through authorized representative.

The Company is pleased to provide members such e-voting facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

Process for e-voting:

The Company has signed an agreement with Central Depository Services (India) Limited (CDSL) 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 voting electronically are as under:

- (i) The voting period is open for two days and begins on 21st September, 2015, at 10.00 a.m. and ends on 22nd September, 2015 at 10.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 28th August, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.

- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio.</p> <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login

password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the company Ecoboard Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Voting, can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person.
- (xxi) A member need not use all his/her votes.
- (xxii) The Company has appointed CS Ujwal Nikam, Company Secretaries as the Scrutinizer for conducting the e-voting process in fair and transparent manner who would submit his report within three working days from conclusion of e-voting to the chairman of the meeting.
- (xxiii) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting.

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

Place : Pune.
Date : 14.08.2015

Sd/-
V.S. Raju
Chairman

Explanatory Statement Pursuant to the provisions of Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 6 of the accompanying Notice dated 14th August, 2015.

Item Nos. 6 in the notice

Based on recommendation of the Nomination & Remuneration Committee of the Board the Board of Directors of the Company had appointed Ms. Sujani Venkata Indukuri as an Additional Director of the Company, in the category **Executive Director**, with effect from 27th March, 2015. Ms. Sujani Venkata Indukuri holds office till the date of this Annual General Meeting.

The company has received a notice in writing under the provisions of section 160 of the Companies Act 2013 from a member along with the deposit of Rs. 100000/- proposing the candidature of Ms. Sujani Venkata Indukuri as **Executive Director** to be appointed as such under the provisions of section 149 of the Companies Act, 2013. The company has received from Ms. Sujani Venkata Indukuri,

- i. Consent in writing to act as a director in the Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014.
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub section (2) of section 164 of The Companies Act, 2013 and

The Board of Directors of the Company at its meeting held on 14th August, 2015, had approved appointment of Ms. Sujani Venkata Indukuri as an **Executive Director-“Administration”** of the Company for a period of 5 years with effect from 27th March, 2015 on the terms as detailed herein:

(1) Tenure

The appointment of Ms. Sujani Venkata Indukuri as the Executive Director shall be for a period of 5 years from 27th March, 2015.

(2) Remuneration

1. Basic Salary:

The Basic Salary of Ms. Sujani Venkata Indukuri shall be Rs. 1,20,000/- with authority to the Board of Directors to determine any merit based increase in the Basic Salary within the range of Rs. 1,20,000-10,000-1,50,000 per month.

2. Commission:

@ 1% of Net profits of the Company in any financial year, subject to the maximum as may be laid down by the Board of Directors from time to time.

3. Perquisites:

In addition to the aforesaid salary and commission, the Director shall also be eligible for the following perquisites, viz;

- a. House Rent Allowance / Rent free Accommodation as per rules of the Company;
- b. Medical Expenses reimbursement for self & family at actuals;
- c. Leave Travel Concession: Return first class passage by Air, Sea, Rail and/or Road for a period not exceeding 30 days, once a year, anywhere in the world and reimbursement of lodging and boarding and other incidental expenses during that period for self and family;
- d. Entertainment Expenses at actuals;
- e. Club fees at actuals (excluding admission fees);
- f. Expenses of domestic servants, personal Gardner and personal driver – reimbursement at actuals;
- g. Expenses for books, periodicals and newspapers – reimbursement at actuals;
- h. Medical Insurance-provided by the company
- i. Personal Accident Insurance-provided by the company
- j. Company car with driver for official purposes;
- k. Telephone at residence;
- l. Casual, Sick and Annual Earned Leave shall be as per the rules of the Company. Perquisites shall be evaluated as per Income-Tax Rules, wherever applicable and in absence of any such rules, the same shall be evaluated at actual cost.

4. Minimum Remuneration:

Notwithstanding anything contained hereinabove, where in any financial year during the currency of her tenure as Whole time Director, the Company has no profits or its profits are inadequate, the remuneration payable to her by way of salary, perquisites and other allowances shall be limited to the limits laid down in Schedule V of the Companies Act 1956.

5. Additional Perquisites:

In addition to the salary, commission and perquisites referred above, she shall also be eligible

for the following prerequisites which shall not be included in the computation of ceiling on remuneration, viz.

She is also be eligible for Gratuity as per the companies policy, Encashment of leave at the end of the tenure. Such resolution may be passed as an ordinary resolution.

Your Board recommends the Ordinary Resolution as detailed in Item no. 6, for your approval.

None of the Directors except Mr. V. S. Raju, Chairman, Mr. G. R. K. Raju, Managing Director,

Mr. G. P.K. Raju, Executive Director of the Company, are in any way concerned or interested in this resolution.

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

Place : Pune.
Date : 14/08/2015

Sd/-
V.S. Raju
Chairman

DIRECTORS' REPORT

To,
The Members of
Ecoboard Industries Limited

The Directors take pleasure in presenting the 24th Annual Report together with the audited financial statements for the year ended 31st March, 2015. The Management Discussion and Analysis Report have also been incorporated into this report.

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 directors' report.

1. FINANCIAL SUMMARY / HIGHLIGHTS

(Rs. In Lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Profit/ Loss before interest, depreciation, exceptional items and tax	(204.36)	(89.24)
Less: Interest	407.17	384.31
Less: Depreciation	116.54	337.20
Profit/(Loss) for the year from ordinary activities	(728.07)	(810.75)
Add: Exceptional income	54.87	0
Profit/(loss)before Tax	(673.20)	(810.75)
Less: Provision for tax	0	0
Profit/(Loss) for the period from continuing operation	(673.70)	(810.75)
Profit/(Loss) for the period from discontinuing operation	(25.61)	(87.38)
Tax expenses of discontinuing operation	(0)	(0)
Profit/(Loss) for the period From discontinuing operation	(698.81)	(898.13)
Profit/(loss) for the period	(698.81)	(898.13)
Balance brought forward	(698.81)	(898.13)
Surplus for the year	(698.81)	(898.13)
Balance carried to Balance Sheet		

Financial performance

During the year 2014-15 your company has made turnover of Rs. 1862.52/- Lakhs as compared to turnover of the previous financial year of Rs. 2860.72/- Lakhs, whereas Loss for the year is Rs. 698.81/- Lakhs as against Rs. 898.81/- Lakhs in the previous financial year. Boards of Directors are confident that the business of the Company will flourish in future and the turnover and profitability of the Company will improve.

Year	<i>Sales performance</i> (Rs. Lacs)	<i>PBT</i> (Rs. Lacs)	<i>PAT</i> (Rs. Lacs)	<i>EPS</i> (Rs. Lacs)
2011	4294.54	(399.57)	(399.57)	(2.24)
2012	3275.50	(208.57)	(208.57)	(1.17)
2013	3731.05	(592.65)	(690.89)	(3.87)
2014	2807.82	(810.75)	(898.13)	(5.04)
2015	1693.28	(673.20)	(698.81)	(3.92)

As already informed, your Company has taken up the works of setting a new production line at its Velapur unit for production of 8'x4' size particle boards from bagasse and of improving material preparation section of particle boards line of 13.5' x 6' size boards.

Due to work on this project, production of particle boards on existing line of 13.5'x6' boards was suspended in April 2014 as a result the Sales Revenue for Company's Product has gone down during the financial year 2014-15 as compared to last year.

Further we are pleased to inform you that Company has completed the work of improving material preparation section of board line and has re-started production of particle boards of 13.5'x6' size. However Work on setting up of new production line is still in progress. During this period from April 2014 to February 2015, Company carried activity of only laminating plain particle boards.

Management is hopeful that the decision of Modification of existing line of 13.5'x6' boards and also setting up of New production line at its Velapur unit will result 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.
- d) Increase in penetration in the market aggressively 8' x 4' boards which presently we are unable to market.
- e) With added capacity derive the benefit of Economics of Scale.

Management sincerely feels that, this will not only help the company to cover up the losses but also to gain profit in near future.

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 2014-15.

2. DIVIDEND

In view of paucity of funds in the current year and due to counting losses, the Board of Directors does not recommend any dividend for the F.Y. 2014-15.

The unclaimed dividend pertaining for the year ended March, 2008 will be transferred to Investor Education and Protection Fund this year.

The unclaimed dividend pertaining for the year ended March, 2009 will be transferred to the Investor Education & Protection Fund after the period of 7 years.

3. DIRECTORS AND KMP:

The details of Appointment, reappointment and retiring by rotation of Directors and Key Managerial Persons (KMP) are included in Corporate Governance Report, and forms part of the director'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. 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. that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the loss of the Company for the year ended on that date;
- c. that 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 financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

6. INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted an internal complaints Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

7. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2014-15, the Company held 6 board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

Name of Director	Category	Attendance of meeting during 2014-2015		*No. of other Directorship
		Board	Last AGM	
Mr. V.S. Raju	Chairman	5	Yes	1
Mr. G. R.K. Raju	Managing Director	6	Yes	1
# Mr. P Satyanarayana Raju	Non-Executive Director	1	No	3
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	6	Yes	1
Mr. U.S Kadam	Non-Executive & Independent	6	Yes	0
Dr. N.A. Ramaiah	Non-Executive & Independent	1	No	0
Mr. Ramchandra Raju P S	Non-Executive & Independent	1	No	4
Mr. Narasimhan Krishnan	Non-Executive & Independent	6	Yes	0
## Ms. Sujani Venkata Indukuri	Additional Director	1	No	2

Ceased to be Director w.e.f. 28th March, 2015

Appointed as Woman Director w.e.f. 27th March, 2015

8. LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any Loans, Guarantees and made Investments under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2015.

9. 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.

10. 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. It covers 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. The performance evaluation of the Independent Directors was carried out by the entire Board.

11. INDEPENDENT DIRECTORS AND DECLARATION

Composition of the independent director is in compliance with the provisions of the Companies Act, 2013 and clauses of Listing Agreement.

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

12. 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, 2015.
- ii) Code of Conduct for prevention of Insider Trading: the Company has its own Code of Conduct for Prevention of Insider Trading

13. CORPORATE GOVERNANCE:

As a listed Company necessary measures are taken to comply with provisions of the listing agreement entered with Bombay Stock Exchange and SEBI. The Report on Corporate Governance along with a certificate as stipulated confirming compliance with the conditions of Corporate Governance, the Managing Director's declaration as stipulated under the aforesaid Clause 49 and Management Discussion and Analysis Report forms part of the Annual Report.

14. 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**".

15. 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**".

16. COMPENSATION AND DISCLOSURE ANALYSIS:

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

17. 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**".

18. STATUTORY AUDITORS:

The Company's Auditors, M/s Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, (Firm Regn. No. 112627W) were appointed in AGM 2014 for a period of two audit periods and their appointment needs to be ratified in general meeting.

19. 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 Abhijit Jagtap & Associates, Pune, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. Secretarial Audit Report is annexed herewith as "**Annexure E**" in FORM MR3

20. COMMENTS ON OBSERVATIONS ON SECRETARIAL AUDIT REPORT

The director's comments on the observations of secretarial auditor have been covered as **Annexure- I** of the secretarial audit report.

FOR ECOBOARD INDUSTRIES LIMITED

Sd/-

Place: Pune
Date: 22/08/2015

V. S. RAJU
Chairman

“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>1. (A) Conservation of Energy :</p> <p>(i) the steps taken or impact on : conservation of energy</p> <p>(ii) the steps taken by the company for utilising alternate sources of energy</p> <p>(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 by Modifying the Existing Machinery which will result in reduction in power consumption by at least 25%.</p>
<p>2. (B) Technology absorption :</p> <p>(i) the efforts made towards technology absorption and R & D.</p> <p>(ii) the benefits derived from technology absorption and R & D like product improvement, cost reduction, product development.</p>	<p>Updating of Technology and R & D is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made by the Company.</p> <p>The Company has been able to successfully develop products by virtue of technology absorption, adaptation and innovation.</p>
<p>3. Foreign Exchange Earnings & Outgo:</p> <p>A) Activities relating to exports initiative taken for exports, development of new export markets for products and services.</p> <p>B) Total Foreign exchange used</p> <p>1 Raw Material</p> <p>2 Capital Equipment (Including Advance)</p> <p>3 Stores & Spares</p> <p>4 Foreign travel & other expenditure</p> <p>5 Royalty & Consultancy fees</p> <p>6 Earned Deemed Export</p>	<p>:Nil</p> <p>Rs. Nil</p> <p>Rs. 125.33 Lakhs</p> <p>Rs.1.35 Lakhs</p> <p>Rs. 2.21 Lakhs</p> <p>Rs. Nil</p> <p>Rs. Nil</p>

“ANNEXURE B”
FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

 As on the financial year ended on 31st March, 2015

[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	ECOBOARD INDUSTRIES LIMITED
4.	Category/Sub-Category of the Company	Public Company limited by shares
5.	Whether listed Company (Yes/No):-	Yes
6.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited, 202-A, 2 nd Floor, “Akshay Complex”, off Dhole Patil Road, Pune – 411 001. Telephone: (020) 26161629 Fax Number: (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 MainProduct/Services	NIC Code of the Product	% to total turnover of the company
1	Particle Board	20213	82.30
2	Biogas Division	40107	17.70

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 theCompany	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	
A. Promoters									
1. Indian									
a. Individual/ HUF	10223492	-	10223492	57.33	10403785	-	10403785	58.34	_1.01
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A) (1):-	10223492	-	10223492	57.33	10403785	-	10403785	58.34	_1.01
2. Foreign									
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
Total Share Holders of Promoters (1+2)	10223492	-	10223492	57.33	10403785	-	10403785	58.34	_1.01
B. Public Shareholding									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	1900	1900	0.01	-	1900	1900	0.01	0
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	7800	7800	0.04	-	7800	7800	0.04	-0
h. Foreign Portfolio Corporate	-	-	-	-	-	-	-	-	-
i. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others	-	-	-	-	-	-	-	-	-
Sub-Total –B(1)	-	9700	9700	0.05	-	9700	9700	0.05	0-
2. Non-Institutions									
a. Body Corp.	1151275	294300	1445575	8.11	1133294	293900	1427194	8.00	0.11
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs 1 lakh	2983912	1473701	4457613	25.00	2805678	1394069	4199747	23.55	1.45
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1275707	34900	1310607	7.35	1382423	34900	1417323	7.96	0.61
c. Others									
1. (clearing member)	7677	-	7677	0.04	10401	-	10401	0.06	0.22
2. (Market Maker)	1650	-	1650	0.01	850	-	850	0.00	0
(i) NRI (Rep)	38658	4100	42758	0.24	33651	4100	37751	0.21	0.03
(ii) NRI (Non-Rep)	6780	400	7180	0.04	6201	400	6601	0.04	0
(iii) Foreign National	-	-	-	-	-	-	-	-	-

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	
(iv) OCB	-	250000	250000	1.40	-	250000	250000	1.40	0
(v) Hindu Undivided Family	71448	4300	75748	0.42	65348	3300	68648	0.39	0.03
(vi) In Transit	-	-	-	-	-	-	-	-	-
Sub-total B (2)	5537107	2061701	7598808	42.61	5537846	1880669	7418515	41.61	1
Net Total (1+2)	5537107	2071401	7608508	42.67	5437846	1690369	7428215	41.66	1
C. Shares held by Custodians for GDR's and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15760599	2071401	17832000	100.00	15841631	1990369	17832000	100.00	0

(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 Gottumukka	2765637	15.51	0	2885941	16.18	-	0.67
2	GRK Raju	2176225	12.20	0	2176225	12.20	-	0
3	Satyavathi Vegesna	1172736	6.58	0	1172736	6.58	-	0
4	P Satyanarayana Raju	905900	5.08	0	871900	4.98	-	0.1
5	Venkata Sujni indukari	855709	4.80	0	949698	5.33	-	0.52
6	Praveen Kumar Raju Gottumukkaia	858000	4.81	0	858000	4.81	-	0
7	Rama krishna Raju Gottumukkala (HUF)	300000	1.68	0	300000	1.68	-	0
8	Subba Raju Vegesna	872255	4.89	0	872255	4.89	-	0
9	Prithvi Raju Venkata P	90300	0.51	0	90300	0.51	-	0
10	P Srinivas Raju (HUF)	89900	0.50	0	89900	0.50	-	0
11	Lalita Rajeshwari P	59430	0.33	0	59430	0.33	-	0
12	P Anuradha	50100	0.28	0	50100	0.28	-	0
13	Srinivas Raju P	16800	0.09	0	16800	0.09	-	0
14	Vegesna Subba Raju (HUF)	10500	0.06	0	10500	0.06	-	0
	Total	10223492	57.33	Total	10403785	58.34	-	1.01

(i) Change in Promoters' Shareholding (please specify, if there is no change): promoters shareholding increased by 1.01 % during the year 2014-15

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning (01/04/14)		Shareholding at the end of the year (31/03/2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Supra Investments Private Limited	455320	2.553	455595	2.554
2	Shriram Insight Share Brokers Ltd	294935	1.654	294935	1.654
3	Srinivasa Raju Indukuri	266330	1.493	266330	1.493
4	Vesar Biosystems Pvt. Ltd.	250300	1.403	250300	1.403
5	Cheong Fat Profits	250000	1.402	250000	1.402
6	Lincoln P Coelho	120000	0.672	120000	0.672
7	Atchutha Rama Raju V	100000	0.560	90000	0.504
8	V. Narayana Raju Vegesna	97547	0.547	100072	0.561
9	Networth Stock Broking Limited	88314	0.495	-	-
10	Alluri Bhagyalakshmi	54720	0.3069	54720	0.3069
11	Citigroup Global Markets India Private Limited	-	-	73894	0.4144

(iv) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	Shareholding at the beginning (01/04/14)		Shareholding at the end of the year (31/03/2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	GRK Raju	2176225	12.20	2176225	12.20
2.	Venkata Sujni indukari	855709	4.80	949698	5.32
3.	Praveen Kumar Raju Gottumukkaia	858000	4.81	858000	4.81

V. INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2014				
1) Principal Amount	225552784.44	37142600.00	5410000.00	268105348.44
2) Interest due but not paid	3287533.53	-	-	3287533.33
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	228840281.97	37142600.00	5410000.00	271392881.97
Change in Indebtedness during the financial year				
+ Addition	-	-	-	-
- Reduction	347706.71	(60663862.00)	240000.00	(60076155.29)
Net change				
Indebtedness at the end of the financial year 31-03-2015				
1) Principal Amount	225228503.67	94007465.00	5170000.00	324405968.67
2) Interest due but not paid	3264071.59	3798997.00	-	7063068.59
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	228492575.26	97806462.00	5170000.00	331469037.26

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	Chief Executive Secretary
		Mr. G. R. K. Raju	Mr. G. P. K. Raju	Ms. Sujani Venkata Indukuri
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	Rs. 17,88,000/-	Rs. 16,86,000/-	Rs. 10,24,464/- *
	(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	1%	1%	1%
5.	Others, please specify Sitting Fees	-	-	-
	Total	Rs. 17,88,000/-	Rs. 16,86,000/-	Rs. 10,24,464/-
	Ceiling as per the Act.			As per Section 197 a Company having profits in a financial year may pay remuneration to a managerial Person not exceeding 5 % of the Net profit of the Company

* Note - Ms. Sujani Venkata Indukuri appointed as Executive Director w.e.f. 27th March, 2015 and Remuneration of Rs. 1,20,000/- p.m. will be payable subject to approval of Shareholders.

B. Remuneration to other directors:

(Amount in Rs.)

Sr. No	Particulars of Remuneration	Name of Directors						Total Amount (in Thousands)
		Mr. V. S. Raju	Mr. Narshimhan Krishnan	Mr. U.S. Kadam	Mr. Ramachandra Raju P. S.	Dr. N. A. Ramaiah	Mr. P. Satyanarayana Raju	
1	Independent Directors							
	- Fee for attending board committee meetings	-	30,000	30,000	-	-	-	60,000
	- Commission	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-
	Total (1)	-	30,000	30,000	-	-	-	60,000
2	Other Non Executive Directors							
	- Fee for attending board committee meetings	25,000			5000	5000	5000	40,000
	- Commission							
	- Others							
	Total (2)	25,000			5000	5000	5000	40,000
	Total (A)= (1+2)	25,000	30,000	30,000	5,000	5,000	5,000	1,00,000
	Total Managerial Remuneration							
	Overall Ceiling as per the act	1% of the net profits of the Company if MD is there and 3% if MD is not there. The sitting fees are excluded from managerial remuneration but the maximum sitting fees may be paid is Rs. 100,000/- per meeting.						

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
		Mr. Shambhavi Wagle	
		Rs.	Rs.
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	2,31,108/-	2,31,108/-
	(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	-	-
	Total (A)	2,31,108/-	2,31,108/-

VII. Penalties/punishment/compounding of offences: None

“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. 1.98/- Lacs**

Sr. No	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. G. R. K. Raju	9.03
2	Mr. G. P. K. Raju	8.51

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

Sr. No	Name of the Director	% Increase over last F.Y.
1	Mr. G. R. K. Raju	-
2	Mr. G. P. K. Raju	-
3	Ms. Shambhavi Wagle	-

- 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: 84
- 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 31st March, 2015.
- 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

Sd/-

Place: Pune
Date: 22/08/2015

V. S. RAJU
Chairman

“Annexure D”

Form No. AOC-2

(As per Companies Act, 2013 and rule made there under)

(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 (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship
As per (A) (a) of “Annexure D1”
 - (b) Nature of contracts/arrangements/transactions
As per (A) (a) of “Annexure D1”
 - (c) Duration of the contracts / arrangements/transactions: For next five years with all till 2019
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
Terms of the contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices as compared to the prevailing rates in the market better quality products and timely supplies.
 - (e) Justification for entering into such contracts or arrangements or transactions
It is ensured that the contract with the Contracting party is advantageous to the Company and its shareholders. The Company intends to ensure following aspects by dealing with contracting parties:
 1. **Advantages by dealing with Vesar Furnitek Private Limited 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.
 - (f) date (s) of approval by the Board: 30.05.2014
 - (g) Amount paid as advances, if any: NIL
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.
2. Details of material contracts or arrangement or transactions at arm's length basis: **N.A.**
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts / arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any:
 - (f) Amount paid as advances, if any:

FOR ECOBOARD INDUSTRIES LIMITED

Sd/-

Place: Pune
Date: 22/08/2015

V. S. RAJU
Chairman

“Annexure D1”
RELATED PARTY TRANSACTIONS

Kindly note that “related party disclosures” required under Companies Act, , clause 49 of listing agreement , Accounting standard AS-18, Cost Audit Rules are clubbed here under for the easy understanding of stakeholders.

A) Disclosure under AS-18
a) Details of Related parties

Sr. No.	Name of Related parties	Nature of Relationship	Nature of transaction
1	Vesar Furnitek Pvt. Limited	A private Company in which Ms. Shrinivas Indukuri and Mrs. G. Jayalakshmi are directors.	To Sale Particle/ Wood Boards to the Company. Purchase of Furniture.
2	Mrs. P.L. Rajeshwari	Spouse of Director	Rent for immovable property
3	Ms. I. V. Sujani	Director	Rent for immovable property
4	Mr. G. R. K. Raju	Director	Unsecured Loan given by Director
5	Mr. G. P. K. Raju	Director	Unsecured Loan given by Director
6	Mr. P. Satynarayana Raju	Director	Unsecured Loan given by Director
7	Mr. V. S. Raju	Director	Unsecured Loan given by Director

b) Transactions with related parties the transactions with the parties had taken place in the normal course of business. The summary of transactions with the above parties during the year 2014 15 is as under:

Name of Related parties	Year ended	Purchase Value	Sales Value	Closing Balance
Vesar Furnitek Pvt. Ltd.	31/03/2015	Rs. 2,17,031/-	Rs. 14,81,261/-	Rs. 1,76,502/- (Dr)

Name of Related parties	Year ended	Amount
Mrs. P.L. Rajeshwari	31.03.2015	Rs. 7,30,340/-
Ms. I. V. Sujani	31.03.2015	Rs. 3,60,000/-
Mr. G. R. K. Raju	31.03.2015	Rs. 6,85,80,134/-
Mr. G. P. K. Raju	31.03.2015	Rs. 51,00,253/-
Mr. P. Satynarayana Raju	31.03.2015	Rs. 99,00,000/-
Mr. V. S. Raju	31.03.2015	Rs. 1,40,24,365/-

FOR ECOBOARD INDUSTRIES LIMITED

Sd/-

Place: Pune
Date: 22/08/2015

V. S. RAJU
Chairman

“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, 2015**

To

The Members,
 ECOBOARD INDUSTRIES LIMITED.
 65/1A, ECOHOUSE, AKRSHAK BUILDING,
 OPP. NAL STOP, 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 our 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 2015 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 2015 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;
- 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. 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) 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;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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 not been approved by the Government of India for implementation during the financial year 2014-15. Hence the current para is not applicable for the year under audit.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Environment (Protection) Act1986 and Rules made there under;

I further report that

The Board of Directors of the Company is duly constituted with proper 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 notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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 ABHIJIT JAGTAP & ASSOCIATES

Sd/-

CS ABHIJIT JAGTAP
Proprietor
ACS: 27888
CP: 10357

Place : Pune
 Date : August 22, 2015

Annexure I

Observations / Qualification, reservation or adverse remarks for the financial year ended on 31st March 2015

SR. NO.	OBSERVATION BY SECRETARIAL AUDITOR	COMMENTS BY THE BOARD OF DIRECTOR
1	The company has not informed to Registrar of Companies amount unpaid and unclaimed lying with company thereby violating rule 3 of the Investor Education and Protection Fund Rules, 2012.	The Company inadvertently missed to intimate the same to the Registrar of Companies. However the company has initiated the action to comply with the same. And also insures that in future, the Company will take care of the same.
2	The company has not appointed Chief Financial Officer as required, violating the provision of Section 203 of the Companies Act, 2013.	The Company could not find the appropriate candidate for appointment as CFO; however the company in coming future will appoint the CFO.
3	The company has appointed women director as per the provision of Section 149(1) of Under Companies Act, 2013 but not informed to Registrar of Companies, violating section 152(5) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.	The Company inadvertently missed to intimate the same to the Registrar of Companies. Also insures that in future, the Company will take care of the same.
4	The company has not filled its financial statement and Annual Return with Registrar of Companies for financial year ended 31 st March 2014 thereby violating section 128 , 92 respectively and rule 12 of the Companies (Accounts) 2014 and rule 11 The Companies (Management and Administration) Rules, 2014.	The Company could not file the financial statement and Annual Return with Registrar of Companies for financial year ended 31 st March 2014 within prescribed time due to administrative delays. However the company has already initiated the action to comply with the same. The Company will ensure that such filings will be made within prescribed time henceforth.
5	The company has not filed resolutions which were required to be filed with Registrar of Companies under clause (g) of Section 117 (3) of the Companies Act, 2013	The Company inadvertently missed to intimate the same to the Registrar of Companies. Also insures that in future, the Company will take care of the same.
6	Proxy form received from the shareholders for appointment of a proxy are not in the form MGT-11 i.e. the format prescribed under Rule 19 of the Companies (Management and Administration) Rules, 2014	All the contents of the format were covered by the Company. The Company will take necessary precaution to mention all the details as per statutory format in near future.
7	The company has not published June 2014 quarter ended financial statements in newspaper, not complying with Clause 41 of Listing Agreement.	The Company could not published June 2014 with Stock Exchange for quarter ended June 2014 within prescribed time due to administrative delays.The Company will ensure that such filings will be made within prescribed time henceforth.
8	The company has not submitted to the stock exchange details regarding the voting results, not complying with Clause 35A of Listing Agreement.	The Company inadvertently missed to intimate the same to the Registrar of Companies. Also insures that in future, the Company will take care of the same.

SR. NO.	OBSERVATION BY SECRETARIAL AUDITOR	COMMENTS BY THE BOARD OF DIRECTOR
9	The Company has not maintained its records on its website which are required to be maintain under various clauses of Listing Agreement, SEBI Regulations and the Companies Act.	The Company is regular in submitting all the required information with Stock Exchange. The company has sent all the requisite information to the website service provider however the same has not been uploaded on the Company's registered website due to administrative delay from their side.
10	Independent Director under the Companies Act, 2013 were not appointed during financial year end 2015.	The Company has fulfilled the criteria of appointment of Independent Directors as per the Listing Agreement; however the Company inadvertently missed to intimate the same to the Registrar of Companies.
11	The company has not filed Form MGT-15, which was required to be submitted to ROC under Section 121 of the Companies Act, 2013.	The Company inadvertently missed to intimate the same to the Registrar of Companies. Also insures that in future, the Company will take care of the same.

FOR ABHIJIT JAGTAP & ASSOCIATES

Sd/-

CS ABHIJIT JAGTAP
Proprietor
ACS: 27888
CP: 10357

Place : Pune
Date : August 22, 2015

ANNEXURE TO DIRECTORS' REPORT

A. MANAGEMENT DISCUSSION AND ANALYSIS

About the company

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

The baggasse boards are 100% wood free and a versatile all purpose board meant to be a alternative to conventional wood based 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.

The Company not only uses baggasse for manufacture of board but also uses the by-product after manufacture of boards which is baggasse dust, for generation of power. Further the Company has a 1 MW power plant at Velapur unit to produce power from baggasse dust.

Manufacturing process of baggasse boards :

A lot goes into the process of manufacturing baggasse boards. Bales of baggasse, received from sugar 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 m³ 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 particle boards from bagasse and of improving material preparation section of existing line of 13.5'x6' size particle 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 and healthy particleboard for construction and furniture purposes as against the wood based boards use of which has caused enormous depletion of forest cover and tree resources thus damaging the environment and contributing to adverse climate change.

Risks – baggasse as a raw material

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

Today bagasse in Maharashtra is available for particle board industry at over Rs. 2300/T excluding landing cost plus sales tax 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 replaced 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 setting a new production line at its Velapur unit for production of 8'x4' size particle boards from bagasse and of improving material preparation section of particle boards of 13.5'x6' size production line . However Work on setting up of new production line is still in progress.

Management is hope full that the decision of Modification of existing line of 13.5' x 6' boards and also setting up of New production line at its Velapur unit will result 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.
- d) Increase in penetration in the market aggressively 8' x 4' boards which presently we are unable to market.
- e) With added capacity derive the benefit of Economics of Scale.

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 , import 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.

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 and interest burden. Approval of the Shareholders will be taken through Postal Ballot once the deal is finalized.

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 polices 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 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 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. (853.11) Lacs 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 Lacs.

FIXED ASSETS

During the year 2014-15 Company has purchased Fixed assets of Rs. 356.50 Lacs.

CURRENT ASSETS LOANS AND ADVANCES AND CURRENT LIABILITIES AND PROVISIONS

Loans and advances as at 31st March, 2015 was Rs. 93.04/- Lacs significant item of loans and advances includes advance towards Capital Expenditure. Company has Rs. 2484.53/- Lacs of Inventories of Raw Material, Stores and packing Material, Finished goods etc.

Other Current Liabilities as at 31st March, 2015 were Rs. 321.11/- Lacs.

OPERATIONAL PERFORMANCE

Sr. No.	Particulars	Current Year 2014-15 (Rs. In Lacs)	Previous Year 2013-14 (Rs. In Lacs)
1	Sales and Other Income	1862.52	2860.72
2	Change in Inventories	517.88	(148.77)
3	Total Expenditure other than interest & Depreciation	1549	3098.73
4	Interest	407.17	384.31
5	Depreciation	116.54	337.20
6	Profit / (loss) before exceptional Items	(728.07)	(810.75)
7	Add/ (Less) :- Exceptional Items	54.87	0.00
8	Less :- Tax Expense	0	0
9	Profit / (loss) for the Period from Continuing Operations	(673.20)	(810.75)
10	Profit / (loss) for the Period from Discontinuing Operations	(25.61)	(87.38)
11	Profit / (loss) for the Period	(698.81)	(898.13)

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.

B. CORPORATE GOVERNANCE REPORT

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 Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange where Company's shares are listed and submits a report on the matters mentioned in the said clause 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 Clause 49 of the Listing Agreement, SEBI regulations and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

Whistle Blower & Vigil Mechanism Policy:-

As per Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a comprehensive Whistle Blower and 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.

3. 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

4. Related Party Transaction Policy

In compliance with the requirements of Clause 49 of the Listing Agreement, 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.

5. 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.

Ms. Shambhavi Wagle, Compliance Officer & Company Secretary of the Company is Compliance officer for the purposes of Insider Trading Code.

6. 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.

7. 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 with Clause 49 (II)(A) of the Listing Agreements. 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 2014-2015

Name of Director	Category	Attendance of meeting during 2014-2015		* No. of Other Directorships
		Board	Last AGM	
Mr. V.S. Raju	Chairman	5	Yes	1
Mr. G. R.K. Raju	Managing Director	6	Yes	1
# Mr. P Satyanarayana Raju	Non-Exe. Director	1	No	3
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	6	Yes	1
Mr. U.S Kadam	Non-Exe. & Independent	6	Yes	0
Dr. N.A. Ramaiah	Non-Exe. & Independent	1	No	0
Mr. Ramchandra Raju P S	Non-Exe. & Independent	1	No	4
Mr. Narasimhan Krishnan	Non-Exe. & Independent	6	Yes	0
## Ms. Sujani Venkata Indukuri	Additional Director	1	No	2

Ceased to be a Director w.e.f. 28.03.2015

Appointed As additional Director w.e.f. 27.03.2015

* In accordance with Clause 49, 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 Six times during the financial year under review on the following dates:

- 1) 30th May, 2014
- 2) 9th August 2014
- 3) 31st October, 2014
- 4) 14th November, 2014
- 5) 14th February, 2015
- 6) 27th March, 2015

The maximum time gap between any two meetings was not more than four months.

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.

8. Brief profile of the Directors of the Company to be appointed/re-appointed at the Annual General Meeting

Name	Mr. Atchutha Ramaiah Nanduri	Mr. Narasimhan Krishnan
Address	14, 4 Ocean View Layout, Pandurangapuram, Visakhapatnam, 530003, Andhra Pradesh, India	35, National Co-operative housing society, Baner Road, Aundh Pune 411007 Maharashtra
Date of Birth	26-08-1923	15-08-1940
Date of Appointment	20-11-1991	09-08-2011
Qualification	MSC, PHD, FRIC	Eng.Gradute (B.E.)

Experience	Worked as Technical Expert in Sugar Industry For a period of over 32 years	Metal Fabrication., X-Ray Screens in collaboration with Erich Krupa Germany, Established large automated Nodular Iron Foundry. Work on Opretion Research: "Q"ing theory models in planning and financing of projects and Risk analysis.
List of other Companies in which Directorship held	Director Natinal Sugar Institute Kanpur and Vasantdada Sugar Institute Pune Secretary: Sugar Enquiry commission U.K.	Director Kaundinya Bharadwaj Electronics Pvt Ltd
Shareholding	NIL	NIL

9. 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 Grievance Committee
No of Meetings held	4	1	14
Directors attendance			
Mr. U.S. Kadam	4	1	14
Mr. Narasimhan Krishnan	4	1	14
Mr. V. S. Raju	4	1	14

Note: NA denotes that the director is not a Member of such Committee. Nil denotes that the director has not attended any meeting of such Committee during the year.

10. Details of Board Committees are as mentioned herein:

a) Audit Committee

Constitution

As at March 31, 2015, the Audit Committee of the Board comprised of three (3) Directors including Mr. U.S. Kadam, Independent Director as Chairman and Mr. Narasimhan Krishnan, Independent Director and Mr. V. S. Raju, Non-Executive Director as its Members. During the year under review, Four (4) meetings of the Audit Committee were held on:-

- 1) 30th May, 2014 2) 9th August 2014
 3) 14th November, 2014 4) 14th February, 2015

Terms of reference

The Terms of reference and role of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement and Section 178 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 Whistle Blower & 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 Clause 49 of the Listing Agreement.

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 Clause 49 of the Listing Agreement and Section 178

of the Companies Act, 2013, during financial year 2014-15, the Board formed named the Remuneration Committee and Nomination Committee as 'Nomination and Remuneration Committee' which comprises of Mr. U.S. Kadam, Independent Director as Chairman and Mr. Narasimhan Krishnan, Independent Director and Mr. V. S. Raju, Non-Executive Director as its Members.

During the year under review the Committee met once on 27th March, 2015.

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;

Remuneration Policy

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. G. R. K. Raju, Managing Director and Mr. G. P. K. Raju, Executive Director and Ms. Sujani Venkata Indukuri, Executive Director w.e.f. 27th March, 2015.

The details of the remuneration paid to Executive Directors of the Company during the year ended 31st March, 2015 is as under:

(Amount in Rs.)

Particulars	Mr. G. R. K. Raju	Mr. G. P. K. Raju	*Ms. Sujani Venkata Indukuri
Salary & Allowances	17,88,000/- p.a.	16,86,000/- p.a.	-
Perquisites	-	-	-
Provident Fund Contribution	1,72,800/-	1,44,000/-	-
Total	19,60,800/-	18,30,000/-	-

*Note - Ms. Sujani Venkata Indukuri appointed as Executive Director w.e.f. 27th March, 2015 and Remuneration of Rs. 1,20,000/- p.m. will be payable subject to approval of Shareholders.

Remuneration payable to Non-Executive Directors

During financial year 2014-15 Non-Executive Directors were paid sitting fee at the rate of ' 5,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship 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 Section 178 of the Companies Act, 2013, during financial year 2014-15, the Board had renamed the Share Transfer and Investors Grievance Committee as 'Stakeholders Relationship Committee', which currently comprise of Mr. U.S. Kadam, Independent Director as Chairman and Mr. Narasimhan Krishnan, Independent Director and Mr. V. S. Raju, Non-Executive Director.

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. Ms. Shambhavi Wagle, Company Secretary is the Compliance Officer of the Company.

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 2015, there were no pending requests for transfer of shares as per company's records.

Details of number of requests/complaints received from investors and resolved as on the year ended 31st March, 2015, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Request			
Stop Transfer/Procedure for Duplicate Share Certificate	1	1	0
Issue of Duplicate Share Certificate	4	4	0
Proc for Transmission	1	1	0
Others	1	1	0
Complaints	0	0	0
TOTAL Request/ Complaints	7	7	0

11. GENERAL MEETINGS

The 24th Annual General Meeting of the Company for the Financial Year 2014-15 will be held on Saturday, 26th September, 2015 at 11.00 a.m. at Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, 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.
21 th	25/09/2012	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil
22 nd	28/09/2013	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil
23 rd	28/11/2014	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	1

All the above resolutions were passed with requisite majority.

No Special resolution was passed through Postal Ballot during the Financial Year 2014-15. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

12. Disclosures

The Whistle Blower & 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 amended clause 41 of Listing Agreement. Management discussion and analysis report is published in annual report. The Notices of Board Meetings are published in above said news papers. The Company followed statutory norms for dissemination of information in given period.

13. Shareholder General Information:

a) Forthcoming Annual General Meeting:

Date & Time : Saturday 26th September, 2015 at 11.00 a.m.

Venue : Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004.

b) **Dates of Book Closure** : from Monday, 21st September, 2015 to Saturday, 26th September, 2015 (both days inclusive)

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

The Financial year covers the period from 1st April, 2015 to 31st March, 2016.

Financial Reporting for :

Quarter ending 30 th June, 2015	By 15 th August, 2015
Half Year ending 30 th September, 2015	By 15 th November, 2015
Quarter ending 31 st December, 2015	By 15 th February, 2016
Year ending 31 st March, 16	By 30 th May, 2016
Annual General Meeting for the year ended March 31, 2016	August/September 2016/any extended period.

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

e) Dividend Payment Details: NIL

f) Dividend Payment Date : NIL

g) Dividend Payment Date : NIL

h) Listing on Stock Exchange & Stock Code:

Stock Exchange	Stock Code
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	523732

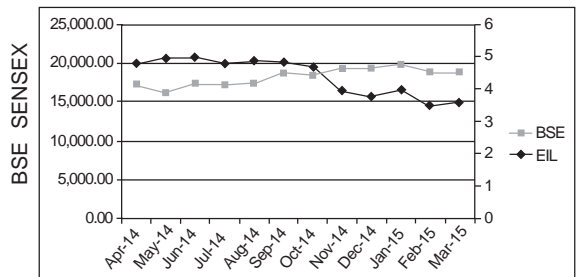
Listing fees were paid for the year to the Bombay Stock Exchange. The ISIN Number of company on both NSDL & CDSL is INE 866A01016.

i) Market Price Data:

i) High/Low in each of month of the Financial Year April, 2014 to March, 2015 on Bombay Stock Exchange, Mumbai

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2014	3.43	2.53	October 2014	5.48	4.05
May 2014	3.21	2.09	November 2014	6.48	5.25
June 2014	4.50	3.05	December 2014	6.61	5.72
July 2014	5.15	4.05	January 2015	6.23	5.06
August 2014	5.30	4.04	February 2015	6.61	5.14
Sept. 2014	5.15	3.92	March 2015	10.36	6.12

SHARE PRICE MOVEMENT-BSE



j) 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.

k) 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
Email: pune@linkintime.co.in

l) Address for the Correspondence

Registered office & Corporate Office of the Company:
 65/1A" Ecohouse" Akarshak Building,
 OPP. Nal Stop, Karve Road, Pune- 411004
 Tel: (020) 41080800/ Fax: (020) 25465328
 E-mail : info@ecoboard.in
 Website : www.ecoboard.in

Compliance Officer – Ms. Shambhavi Wagle

m) Bio System Division:

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

Factory (Particle board division):

**a) Village Velapur, Taluka Malshiras,
 Dist-Solapur, Maharashtra**
**b) Village Jambhulwadi, Taluka- Walwa,
 Dist: Sangli, Maharashtra.**

(Production suspended since April, 2010)

o) Shareholding Pattern as on 31st March, 2015

Shareholders	No. of shares held	% Share holding
CLEARING MEMBER	10401	0.0583
OTHER BODIES CORPORATE	1427194	8.0036
FOREIGN FINANCIAL INSTITUTIONS	7800	0.0437
HINDU UNDIVIDED FAMILY	68648	0.3850
MARKET MAKER	850	0.0048
NATIONALISED BANKS	1600	0.0090
NON NATIONALISED BANKS	300	0.0017
NON RESIDENT INDIANS	37751	0.2117
NON RESIDENT (NON REPATRIABLE)	6601	0.0370
OVERSEAS CORPORATE BODIES	250000	1.4020
PERSONS ACTING IN CONCERT	100400	0.5630
PUBLIC	5516670	30.9369
PROMOTERS	10403785	58.3395
TOTAL:	17832000	100.00

p) Distribution of Shareholding as on 31st March, 2015

Shareholding Distribution Slabs	No. of share holders	% to Total Share Holders	No. of Shares Held	% to Capital
1 - 500	10786	88.3085	1991845	11.1701
501 - 1000	752	6.1569	639535	3.5864
1001 - 2000	301	2.4644	479278	2.6877
2001 - 3000	114	0.9334	296611	1.6634
3001 - 4000	50	0.4094	177893	0.9976
4001 - 5000	53	0.4339	251357	1.4096
5001 - 10000	79	0.6468	624876	3.5042
10001 - Above	79	0.6468	13370605	74.9810
TOTAL:	12214	100.00	17832000	100.00

q) Dematerialization of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services Limited (CDSL) by virtue of which, 15771799 Equity shares of the Company forming 88.45% of total share capital of the Company, have been dematerialized by on 31st March 2015.

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

Place : Pune.
 Date : 14th August, 2015

Sd/-
V.S. Raju
 Chairman

Auditors' Certificate on Compliance of Corporate Governance**To the Members of Ecoboard Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Ecoboard Industries Limited for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 **Chaturvedi SK & Fellows,**
Chartered Accountants,

Subhash Salvi
Partner

(Firm Regn. No. 112627W.
Partner's Membership No. 127661)

Place : Pune
Date : 25th May, 2015

CERTIFICATION BY THE MANAGING DIRECTOR

The Board of Directors
ECOBOARD INDUSTRIES LIMITED

As stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, I hereby certify that:

- (a) I have re-verified financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of

such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

- (d) I have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been Disclosed in the notes to the financial statements; and
 - (iii) Instances of significant frauds of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Ecoboard Industries Limited

Place : Pune
Date : 14th August, 2015

Sd/-
G. R. K. Raju
Managing Director

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of Listing Agreement with the Stock Exchanges, 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 said Code of Conduct for the year ended 31st March, 2015.

For and On Behalf of the Board of Directors

Place : Pune
Date : 14th August, 2015

G.R.K. Raju
Managing Director

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF ECOBOARD INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ECOBOARD INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit

evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 30(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) No amounts were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi SK & Fellows
Chartered Accountants
(Firm's Registration No.112627W)

Subhash Salvi
Partner
Place : Pune
Dated : May 25, 2015 (Membership No. 127661)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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 **ECOBARD INDUSTRIES LIMITED** for the year ended 31st March, 2015.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the management has verified a portion of fixed assets during the year. According to information and explanations given to us, no material discrepancies were noticed on such verification.
2. (a) According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. 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) and (b) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and the explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
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 there under 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 records of the Company, the Company is not regular in depositing undisputed statutory dues including Income-tax, Sales-tax, Excise duty, Provident Fund, Employees State Insurance and other statutory dues applicable to it and in many cases, payments were made after due dates. According to information and explanation given to us Sales tax of Rs. 38.67 lakh and Income tax of Rs. 0.24 lakh were in arrears as at 31st March, 2015 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 amount of tax, duty or cess was 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	2003-04	13.50	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	2.30	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	343.99	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2010-11	0.77	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2010-13	242.99	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2012-14	154.02	Commissioner of Central Excise (Appeals)

- (c) No amount was due for transfer to Investor Education and Protection Fund during this year.

8. The Company is registered for a period of more than five years. Its accumulated losses at the end of the financial year were more than fifty per cent of its net worth. The Company incurred cash losses during the

- current financial year and during the immediately preceding financial year.
9. According to the information and explanations given to us by the management, the Company had defaulted in repayment of dues to the banks aggregating Rs. 371.29 lakh for the period ranging from 8 days to 395 days. These defaults were made good by the company before the balance sheet date. According to information and explanation given to us, there were no continuing defaults in repayment of dues to financial institutions, banks or debenture holders as at the balance sheet date.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others.
11. In our opinion and according to the information and explanations given to us, the Company has not availed any term loan during the year.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Chaturvedi SK & Fellows
Chartered Accountants
(Firm's Registration No.112627W)

Subhash Salvi
Partner
Place : Pune
Dated : May 25, 2015 (Membership No. 127661)

BALANCE SHEET AS AT 31ST MARCH, 2015

Rs. in Lakhs

	Note No.	As at 31.03.2015		As at 31.03.2014	
EQUITY AND LIABILITIES					
1	Shareholders' Funds :				
a.	Capital	2	1,783.20	1,783.20	
b.	Reserves and surplus	3	-853.11	<u>782.34</u>	2,565.54
2	Non-current Liabilities				
a.	Long-term borrowings	4	978.06	371.43	
b.	Other long term liabilities	5	51.70	54.10	
c.	Long term provisions	6	47.62	<u>62.42</u>	487.95
3	Current Liabilities				
a.	Short-term borrowings	7	2,284.93	2,485.87	
b.	Trade payables	8	514.24	730.42	
c.	Other current liabilities	9	321.11	<u>308.64</u>	3,524.93
				<u>3,120.28</u>	<u>6,578.42</u>
				<u>5,127.75</u>	<u>6,578.42</u>
ASSETS					
I NON-CURRENT ASSETS					
1	Fixed assets				
a.	Tangible assets	10	1,730.22	2,606.23	
b.	Intangible assets	10	0.00	0.00	
c.	Capital work in progress		171.07	0.00	
			<u>1,901.29</u>	<u>2,606.23</u>	
2	Long-term loans and advances	11	93.04	45.50	2,651.73
II CURRENT ASSETS					
1	Inventories	12	2,484.53	2,823.49	
2	Trade receivables	13	219.75	427.45	
3	Cash and bank balance	14	48.92	150.25	
4	Short-term loans and advances	15	380.22	<u>525.50</u>	3,926.69
				<u>3,133.42</u>	<u>6,578.42</u>
				<u>5,127.75</u>	<u>6,578.42</u>
	Significant Accounting Policies	1			
	Other Notes on Financial Statements	2 to 41			

As per our report of even date

For and on behalf of the Board of Directors

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants

V. S. Raju
Chairman

G. R. K. Raju
Managing Director

Subhash Salvi
Partner
(Firm Regn. No. 112627W.
Partner's Membership No. 127661)

Narasimhan Krishnan
Director

Shambhavi Wagle
Company Secretary

Place : Pune
Date: 25th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Rs. in Lakhs

	Note No.	As at 31.03.2015	As at 31.03.2014
INCOME :			
Revenue from operations	16	1,693.28	2,807.82
Other income	17	169.24	52.90
Total revenue		<u>1,862.52</u>	<u>2,860.72</u>
EXPENDITURE:			
Cost of materials consumed	18	940.16	1,782.82
Changes in inventories of finished goods, work-in-progress	19	517.88	-148.77
Employee benefits expense	20	162.41	249.82
Finance costs	21	467.99	450.77
Depreciation		116.54	337.20
Other expenses			
Manufacturing and other operating expenses	22	127.16	532.21
Administration and other charges	23	179.92	290.96
Selling and distribution expenses	24	78.53	176.46
		<u>2,590.59</u>	<u>3,671.47</u>
Profit / (Loss) before exceptional and extra-ordinary items and tax		-728.07	-810.75
Add/(Less): Exceptional items	25	54.87	0.00
Profit / (Loss) before extra-ordinary items and tax		-673.20	-810.75
Add/(Less): Extra-ordinary items		0.00	0.00
Profit / (Loss) before tax		-673.20	-810.75
Less: Tax expenses			
Current tax		0.00	0.00
Profit / (Loss) for the period from continuing operations		-673.20	-810.75
Profit/(Loss) from discontinuing operations	26	-25.61	-87.38
Tax expenses of discontinuing operations		0.00	0.00
Profit / (Loss) from discontinuing operations (after tax)		-25.61	-87.38
Profit / (Loss) for the period		-698.81	-898.13
Earnings / (Loss) per Share (Rs.) - Basic	27	-3.92	-5.04
Earnings / (Loss) per Share (Rs.) - Diluted	27	-3.92	-5.04
Significant Accounting Policies	1		
Other Notes on Financial Statements	2 to 41		

As per our report of even date

For and on behalf of the Board of Directors

 For **CHATURVEDI SK & FELLOWS**
Chartered Accountants

V. S. Raju
Chairman

G. R. K. Raju
Managing Director

Subhash Salvi
Partner
(Firm Regn. No. 112627W.
Partner's Membership No. 127661)

Narasimhan Krishnan
Director

Shambhavi Wagle
Company Secretary

 Place : Pune
Date: 25th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in Lakhs)

	Year ended 31.03.2015	Year ended 31.03.2014
A. Cash flow from operating activities :		
Net profit before tax and extra-ordinary items	-698.81	-898.13
<i>Adjustments for non cash expenses :-</i>		
Depreciation	135.11	419.41
Provision for doubtful debts	26.61	53.42
Provision for doubtful advances	138.57	20.62
<i>Adjustment for non operating incomes:-</i>		
Profit on sale of fixed assets	-193.44	0.00
<i>Adjustment for expenses considered seperately:-</i>		
Interest expenses	450.41	422.93
Operating profit before working capital changes	-141.55	18.25
<i>Adjustment for changes in working capital:-</i>		
Change in inventories	338.96	464.44
Change in debtors	181.09	166.58
Change in other receivables	-40.83	-34.50
Change in trade payables and other liabilities	-216.59	-217.80
Change in customers deposits	-2.40	-2.00
Cash generated from operation	118.68	376.72
Direct taxes	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Net cash from operating activities... A	<u>118.68</u>	<u>394.97</u>
B. Cash flow from investing activities		
Sale of assets	354.20	0.00
Purchase of fixed assets (including capital work in progress)	-527.58	-45.63
Net cash used in investing activities...B	<u>-173.38</u>	<u>-45.63</u>
C. Cash flow from financing activities:		
Bank borrowings for working capital	-200.94	-10.24
Loan from directors	631.63	81.21
Repayment of loan to directors	-25.00	0.00
Changes in margin deposit	100.32	-3.39
Changes in dividend & refund account	1.36	0.00
Term loans repaid	-1.99	-7.93
Dividend paid	0.08	-0.01
Interest paid	-450.41	-422.93
Net cash from financing activities...C	<u>55.05</u>	<u>-363.29</u>
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)	0.35	-13.95
Cash & cash equivalents - Opening balance	8.89	22.84
Cash & cash equivalents - Closing balance	9.24	8.89
	<u>9.24</u>	<u>8.89</u>
Note: (1) Figures in brackets represent cash outflow.	-0.00	0.00

As per our report of even date

For and on behalf of the Board of Directors

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants**V. S. Raju**
Chairman**G. R. K. Raju**
Managing Director**Subhash Salvi**
Partner
(Firm Regn. No. 112627W.
Partner's Membership No. 127661)**Narasimhan Krishnan**
Director**Shambhavi Wagle**
Company SecretaryPlace : Pune
Date: 25th May, 2015

Notes Forming part of the Financial Statements for the year ended 31st March 2015

1. Significant Accounting Policies :

- i) **Basis of preparation of financial statements** :The financial statements are prepared under the historical cost convention on the accrual basis of accounting, unless otherwise stated, in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act 2013 and the applicable accounting standards.
- ii) **Use of estimates** :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.
- iii) **Fixed assets** :Fixed assets are capitalised inclusive of legal and/or installation expenses. Pre-operative expenses (including interest charges) upto the date of start of commercial production are capitalised over the items of fixed assets.
- iv) **Depreciation** : 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.
- v) **Impairment of assets** : An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.
- vi) **Inventories valuation:**
 - (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.
- vii) **Foreign exchange transactions:** Foreign exchange transactions are recorded at the exchange rate prevailing on the date of transaction. Exchange differences in respect of foreign currency transactions are dealt with in the profit & loss account, except in respect of capital assets. All foreign currency assets & liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing on that date.
- viii) **Sales & contract receipt:**
 - a) Revenue from contracts for supply/commissioning of Bio-gas plants and equipments is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost.
 - b) Sales include products consumed internally for manufacture of capital assets, adjusted on cost basis, but exclude inter-unit transfers on revenue account.
- ix) **Insurance claims:** Insurance claims for loss of assets or goods are accounted at the time of lodging of the claim with the insurer at the cost of assets/ goods lost. Any shortfall in the claim recovery is accounted for at the time of final settlement of the claim.
- x) **Excise duty and Cenvat credits:** Sales and purchases (including those of capital goods) are stated inclusive of excise duty.
- xi) **Value Added Tax (VAT) and input credits:** Sales are stated exclusive of VAT. Purchases (including those of capital goods) are stated inclusive of VAT except to the extent such input tax is eligible for set-off. Reduction in set-off, if any, under the provisions of VAT laws is debited to VAT paid account.
- xii) Expenditures are shown net of recoveries.
- xiii) **Retirement benefits:**
 - (a) Contributions to provident fund, family pension fund are made to Government Provident fund authorities and are recognized as expense in the year they are incurred.
 - (b) Provision for leave encashment is made on the basis of actuarial valuation made at the end of each year/ period.
 - (c) Provision for gratuity liability is made on the basis of actuarial valuation made at the end of each year/period
 - (d) For superannuation benefit, the Company makes defined contributions as per company's policy and recognizes such contributions as expense in the year they are incurred.

Notes Forming part of the Financial Statements for the year ended 31st March 2015

2. SHARE CAPITAL

	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
<i>Authorised:</i>				
Equity Shares of Rs. 10/- each	2,30,00,000	2,300.00	2,30,00,000	2,300.00
Preference Shares of Rs. 100/- each	2,00,000	200.00	2,00,000	200.00
		<u>2,500.00</u>		<u>2,500.00</u>
<i>Issued:</i>				
Equity Shares of Rs. 10/- each	1,78,32,000	1,783.20	1,78,32,000	1,783.20
		<u>1,783.20</u>		<u>1,783.20</u>
<i>Subscribed and paid up:</i>				
Equity Shares of Rs. 10/- each, fully paid	1,78,32,000	1,783.20	1,78,32,000	1,783.20
Total		<u><u>1,783.20</u></u>		<u><u>1,783.20</u></u>

Rights, preferences and restrictions attached to shares

The Company has issued 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 31.03.2015		As at 31.03.2014	
	No. of Shares	Percentage of holding	No. of Shares	Percentage of holding
1 Jayalakshmi Gottumukkala	28,85,941	16.18%	27,65,637	15.51%
2 Ramakrishna Raju Gottumukkala	21,76,225	12.20%	21,76,225	12.20%
3 Satyavathi Vegesna	11,72,736	6.58%	11,72,736	6.58%
4 P. Satyanarayana Raju	8,71,900	4.98%	9,05,900	5.08%
5 Venkata Sujani Indukari	9,49,698	5.33%	8,55,709	4.80%

Notes Forming part of the Financial Statements for the year ended 31st March 2015
Rs. in Lakhs

	As at 31.03.2015	As at 31.03.2014
3. Reserves and Surplus		
Capital reserve	21.31	21.31
Amalgamation reserve	0.30	0.30
Securities premium	2,618.78	2,618.78
<i>General Reserve</i>		
Opening balance	3,462.70	3,462.70
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 - See Note No. 10 also.	-936.64	0.00
Closing Balance	<u>2,526.06</u>	<u>3,462.70</u>
<i>Profit and Loss account:</i>		
Opening balance	-5,320.75	-4,422.62
Loss for the year	-698.81	-898.13
Closing Balance	<u>-6,019.56</u>	<u>-5,320.75</u>
Total Reserves and Surplus	<u><u>-853.11</u></u>	<u><u>782.34</u></u>
4. Long Term Borrowings		
<i>Secured:</i>		
<i>Unsecured loans:</i>		
From directors	978.06	371.43
	<u>978.06</u>	<u>371.43</u>
No repayment date is stipulated for directors' deposits. However, it is agreed by the directors that the deposits shall not be repayable before 01/04/2016 or during the currency of bank loans whichever is later.		
5. Other Long Term Liabilities		
Trade deposits	51.70	54.10
	<u>51.70</u>	<u>54.10</u>
6. Long Term Provisions		
Provision for employee benefits	47.62	62.42
	<u>47.62</u>	<u>62.42</u>
7. Short Term Borrowings		
<i>Loans repayable on demand (Secured):</i>		
Cash credit facilities from banks	2,284.93	2,485.87
	<u>2,284.93</u>	<u>2,485.87</u>

Notes Forming part of the Financial Statements for the year ended 31st March 2015

Rs. in Lakhs

	As at 31.03.2015	As at 31.03.2014
8. Trade Payables		
Creditors for goods	399.17	359.85
Bills payable	0.00	194.42
Customers' credit balances	115.07	176.15
	<u>514.24</u>	<u>730.42</u>
9. Other Current Liabilities		
Current maturities of long-term debt - Secured	0.00	1.99
Income received in advance	41.62	0.00
Unpaid dividend	19.42	19.34
Other payables	76.02	104.92
Provision for employee benefits	22.26	0.00
Employees related payables and contributions	69.42	70.41
Other liabilities	92.37	111.98
	<u>321.11</u>	<u>308.64</u>

10 : FIXED ASSETS

(Rs. in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.14	Additions	Deductions	As at 31.03.15	Upto 31.03.14	Written back	For the Year	Upto 31.03.15	As at 31.03.15	As at 31.03.14
Tangible Assets										
Freehold land	90.48	0.00	0.00	90.48	0.00	0.00	0.00	0.00	90.48	90.48
Leasehold land	0.23	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.23	0.23
Building	1,571.92	11.75	0.00	1,583.67	821.39	0.00	49.07	870.46	713.21	750.53
Plant & machinery	7,981.10	338.41	2,490.17	5,829.34	6,480.73	2,351.04	868.94	4,998.63	830.71	1,500.37
Electrical installations	542.92	0.00	197.85	345.07	418.75	187.96	93.07	323.86	21.21	124.17
Furniture & fixtures	143.11	2.27	40.97	104.41	114.93	36.75	13.83	92.01	12.40	28.18
Equipments	224.47	4.07	102.20	126.34	162.58	96.66	31.29	97.21	29.13	61.89
Vehicles	111.23	0.00	7.43	103.80	63.72	7.06	14.68	71.34	32.46	47.51
Tools & patterns	36.87	0.00	31.05	5.82	34.00	29.44	0.87	5.43	0.39	2.87
	10,702.33	356.50	2,869.67	8,189.16	8,096.10	2,708.91	1,071.75	6,458.94	1,730.22	2,606.23
Intangible Assets										
Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL :	10,702.33	356.50	2,869.67	8,189.16	8,096.10	2,708.91	1,071.75	6,458.94	1,730.22	2,606.23
Previous Year	10,634.42	67.91	0.00	10,702.33	7,676.70	0.00	419.40	8,096.10	2,606.23	2,957.72

Note:

- Conveyance for office building valued Rs. 7.03 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.
- In respect of fixed assets whose remaining useful life is nil, the carrying amount of the assets as on 01/04/2014 as reduced by their estimated residual value (not being more than 5% of the original cost) worked out to Rs. 936.64 lakh. As prescribed in Schedule II, this amount is adjusted against the opening balance of retained earnings.

Notes Forming part of the Financial Statements for the year ended 31st March 2015
Rs. in Lakhs

	As at 31.03.2015	As at 31.03.2014
11. Long Term Loans and Advances		
<i>(Unsecured considered good)</i>		
Capital advances	63.01	13.56
Other Loans and Advances		
Security deposits	30.03	31.94
	<u>93.04</u>	<u>45.50</u>
12. Inventories		
Stores, spares and consumables	166.72	185.12
Packing material	2.75	4.47
Raw materials	526.71	327.67
Work-in-progress	209.25	317.49
Finished goods	1,579.10	1,988.74
	<u>2,484.53</u>	<u>2,823.49</u>
Note:		
Stocks of finished goods and work-in-progress belong to particle board segment.		
13. Trade Receivables		
Due for more than six months:		
Considered good	136.75	175.56
Considered doubtful	391.77	365.16
	<u>528.52</u>	<u>540.72</u>
Others :		
Considered good	83.00	251.89
Considered doubtful	0.00	0.00
	<u>83.00</u>	<u>251.89</u>
	<u>611.52</u>	<u>792.61</u>
Less: Provision for doubtful debts	391.77	365.16
	<u>219.75</u>	<u>427.45</u>
14. Cash and Bank Balance		
<i>Cash and cash equivalents-</i>		
Cash on hand	5.15	4.10
Balances with banks	4.09	4.79
	<u>9.24</u>	<u>8.89</u>
<i>Other bank balances-</i>		
Balances in dividend and refund accounts	22.53	23.89
Fixed deposits with banks	17.15	117.47
	<u>48.92</u>	<u>150.25</u>
Note:		
Fixed deposits with banks are given as margin money for issue of bank guarantees and LCs.		

Notes Forming part of the Financial Statements for the year ended 31st March 2015

Rs. in Lakhs

	As at 31.03.2015	As at 31.03.2014
15. Short-term Loans and Advances		
<i>(Unsecured considered good unless otherwise stated)</i>		
Advance for goods	168.92	180.91
Prepaid expenses	4.35	5.00
Advance income tax	14.91	14.18
Deposits	14.49	7.18
<i>Other Advances:</i>		
Considered good	177.55	318.23
Considered doubtful	227.79	89.22
	<u>405.34</u>	<u>407.45</u>
Less: Provision for doubtful loans and advances	227.79	89.22
	<u>177.55</u>	<u>318.23</u>
	<u>380.22</u>	<u>525.50</u>
<p>* Company had adjusted in past duty refund receivable from MSEDG in terms of order of MERC. MSEDG is making payment of above claim in monthly instalments by way of adjustment in monthly electricity bills. However, balance amount of claim (Rs. 141.69 lakh) in respect of Velapur unit is not confirmed by MSEDG. In case of Jambhulwadi Unit, provision is made for duty refund claim of Rs 138.57 lakh which has become doubtful of recovery due to closure of the unit.</p>		
16. Revenue from Operations		
Sale of goods	1,729.86	2,812.14
Income from services	0.00	0.00
Other operating revenue	0.00	0.00
	<u>1,729.86</u>	<u>2,812.14</u>
Less Excise duty	36.58	4.32
	<u>1,693.28</u>	<u>2,807.82</u>
<i>Out of above:</i>		
Revenue from Particle Board business	1,393.58	2,713.90
Revenue from Biogas Systems business	299.70	93.92
	<u>1,693.28</u>	<u>2,807.82</u>
17. Other Income - (Non operating)		
Rent received	0.80	1.05
Insurance Claims	1.82	0.00
Interest received	7.64	10.56
Sales tax refund received	0.00	11.37
Miscellaneous Income	101.25	29.92
Excess provision written back	37.89	0.00
Sundry balances written back	19.84	0.00
	<u>169.24</u>	<u>52.90</u>

Notes Forming part of the Financial Statements for the year ended 31st March 2015
Rs. in Lakhs

	As at 31.03.2015	As at 31.03.2014
18. Cost of Materials		
Opening stock	327.67	956.17
Add:-Purchases	1,139.20	1,154.32
Less:-Closing stock	526.71	327.67
	<u>940.16</u>	<u>1,782.82</u>
<i>Out of above:</i>		
Bagasse	43.24	787.68
Chemicals	86.21	534.23
Paper	128.91	334.15
Mild steel	184.07	3.72
Others	497.73	123.04
	<u>497.73</u>	<u>123.04</u>
19. Change in Inventories of finished goods and work-in-progress		
<i>Opening Stock:</i>		
Finished goods	1,988.74	1,838.14
Work-in-progress	317.49	319.32
	<u>2,306.23</u>	<u>2,157.46</u>
<i>Closing Stock:</i>		
Finished goods	1,579.10	1,988.74
Work-in-progress	209.25	317.49
	<u>1,788.35</u>	<u>2,306.23</u>
Increase/(decrease) in stock	<u>-517.88</u>	<u>148.77</u>
20. Employee Benefit Expenses		
Salaries, Wages and Bonus	135.39	219.88
Contribution to Provident Fund	6.76	8.31
Gratuity	-4.45	0.75
Super-annuation	3.48	4.51
Employees' PF administration charges	0.53	0.64
Workmen & staff welfare expenses	6.62	12.26
Unavailed leave / leave encashment	14.08	3.47
	<u>162.41</u>	<u>249.82</u>
21. Financial Costs		
Interest on term loans from banks	0.05	0.87
Interest on working capital finance	407.12	383.44
Exchange rate fluctuation	-1.02	0.10
Others	43.24	38.62
Bank charges	18.60	27.74
	<u>467.99</u>	<u>450.77</u>

Notes Forming part of the Financial Statements for the year ended 31st March 2015

	As at 31.03.2015	Rs. in Lakhs As at 31.03.2014
22. Manufacturing Expenses		
Consumption of stores and spares parts	54.93	51.02
Power and fuel	36.81	320.97
Site and job work expenses	33.79	149.73
Excise duty on change in stock of finished goods	0.39	2.17
Repairs to buildings	0.54	0.03
Repairs to machinery	0.70	8.29
	<u>127.16</u>	<u>532.21</u>
23. Administration and Other Charges		
Directors remuneration	13.90	42.57
Directors sitting fees	1.00	0.60
Insurance	7.66	11.19
Rates and taxes	13.88	10.29
Rent paid	19.27	14.97
Postage & telephones	7.82	12.63
Travelling and conveyance expenses	23.36	48.11
Sundry expenses	48.12	44.21
Donations	0.44	0.73
Professional charges	8.76	14.55
<i>Payment to Auditors (including service-tax):</i>		
Audit fees	6.27	6.18
Tax Audit fee	1.14	1.12
Certifications/Others	1.69	1.69
	<u>9.10</u>	<u>8.99</u>
Sundry balances written off	0.00	4.06
Bad debts written off	0.00	4.02
Provision made during the year for doubtful debts	26.61	53.42
Provision made during the year for doubtful advances	0.00	20.62
	<u>179.92</u>	<u>290.96</u>
24. Sales and Distribution Expenses		
Packing and forwarding expenses	69.73	164.98
Sales expenses	5.77	8.19
Discount and commission	3.03	3.29
	<u>78.53</u>	<u>176.46</u>

Notes Forming part of the Financial Statements for the year ended 31st March 2015
Rs. in Lakhs

	As at 31.03.2015	As at 31.03.2014
25. Exceptional items		
Profit on sale of fixed assets	193.44	0.00
Provision for MSEDCL duty refund claim doubtful of recovery	-138.57	0.00
	<u>54.87</u>	<u>0.00</u>
i) Profit on sale of fixed assets relates to sale of plant and machinery of Jambhulwadi unit.		
ii) In past, the Company had adjusted duty refund receivable from Maharashtra State Electricity Distribution Company Ltd (MSEDCL) in terms of order of MERC. MSEDCL has been making payment of such refund claim by way of adjustment in monthly electricity bills. Company has now received communication from MSEDCL that, in view of closure of Jambhulwadi unit of the Company and discontinuation of its power supply, balance amount of duty refund claim shall not be payable by MSEDCL. Company has made provision for write off of balance claim of Rs. 138.57 lakh.		
26. Profit/(Loss) from discontinuing Operations		
Sale of goods	0.00	0.00
Less:- Expenses		
Salary	0.00	0.93
Electricity charges	0.00	0.31
Sundry expenses	3.31	3.06
Rates & taxes	1.02	0.87
Interest others	2.71	0.00
Depreciation	18.57	82.21
	<u>25.61</u>	<u>87.38</u>
	<u>-25.61</u>	<u>-87.38</u>
27. Computation of Earnings per Share (EPS)		
Profit / (Loss) after tax (Rs. in lakhs)	-698.81	-898.13
No. of Equity Shares- Weighted average (in lakhs)	178.32	178.32
<i>Earnings per share- (Face value- Rs. 10 per share):-</i>		
Basic (Rs.)	(3.92)	(5.04)
Diluted (Rs.)	(3.92)	(5.04)
28. Security Clause:		

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.

Vehicle loans are secured by hypothecation of respective vehicle.

Notes Forming part of the Financial Statements for the year ended 31st March 2015

29. Deferred Tax:

In view of the losses incurred by the Company during last few years, the Company has accumulated net deferred tax asset of Rs. 1565 lakh as on 31/03/2015 (Previous year- Rs. 1089 lakh) in terms of provisions of Accounting Standard 22 "Accounting for Taxes on Income".

Following prudent accounting policy and the guidelines contained in the Accounting Standard, the management has decided not to make adjustment in the books of accounts for the value of the said deferred tax asset until such time that there is reasonable certainty of realisation thereof against sufficient future taxable income.

	Current Year Rs. in lakhs	<i>Previous Year</i> Rs. in lakhs
30. Contingent liabilities :		
a) estimated amount of capital expenditure commitments (Net of advances)	474.84	0.00
b) <i>Claims against the Company not acknowledged as debt</i>		
(i) Excise duty claims disputed in appeals (excluding interest)	1205.85	661.52
(ii) Legal case against the company lodge by suppliers but disputed by the company	73.42	0.00
c) Letters of credit and bank guarantees outstanding (net of margin deposits)	109.24	166.18

31. Related party disclosures :

(in terms of Accounting Standard 18 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 Srinivas Indukuri, Mrs. Sitamma, Mrs. Srilakshmi vegesna Raju, Mr. G.V.S.Raju, Mr. G. S.N.Raju
Companies/ firms in which key management persons are having control/ substantial interest.	Vesar Furnitek Pvt Ltd.

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

(ii) Related party transactions :

Nature of transaction	Current Year Rs. in lakhs	<i>Previous Year</i> Rs. in lakhs
<i>Transactions with key management persons-</i>		
Deposits taken	736.80	174.23
Remuneration paid	45.02	46.16
Interest paid	24.78	18.38
Rent paid	3.60	3.60
Rent deposits given	3.60	3.60
<i>Transactions with relatives of key management persons-</i>		
	0.00	0.00
<i>Transactions with associates -</i>		
Purchases (Gross)	2.17	0.00
Sales (Gross)	14.81	12.44
Deposits taken	7.50	0.00
Deposits repaid	7.50	0.00
Trade receivables	1.77	1.94

Notes Forming part of the Financial Statements for the year ended 31st March 2015
32. Segment Results :

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

	<i>Current Year</i> Rs. in lakhs	<i>Previous Year</i> Rs. in lakhs
<i>Revenue:</i>		
Particle Boards	1,393.58	2,713.91
Bio Systems	299.70	93.91
Total	1,693.28	2,807.82
<i>Profit before interest and tax:</i>		
Particle Boards	(371.46)	(449.39)
Bio Systems	85.77	2.03
Others	54.87	0.00
Total	(230.82)	(447.36)
Less:-Interest	467.99	450.77
Profit before tax	(698.81)	(898.13)
Less:- Income tax	0.00	0.00
Profit after tax	(698.81)	(898.13)
<i>Capital employed:</i>		
Segment assets less segment liabilities		
Particle Boards	786.23	2,507.45
Bio Systems	143.86	58.09
Total	930.09	2,565.54

33. Discontinuing Operation:

The Company has decided to dispose off/ sell its particle board plant consisting of land, buildings, plant and machinery and all other movable and immovable property situated at village Jambhulwadi, near Islampur, Taluka Walwa, District Sangli (Maharashtra).

The Company has two plants for production of plain and pre-laminated particle boards from sugarcane bagasse. These are located at Jambhulwadi in District Sangli and at Velapur in District Solapur. Production at Jambhulwadi plant was discontinued in April 2010 due to low capacity utilisation and continuous losses. This plant is now proposed to be sold. Production capacity of Jambhulwadi plant is 80-100 m³ per day.

Production of particle boards at Velapur plant which has production capacity of 300 m³ per day shall continue as usual. This consolidation of production at one location is expected to bring reduction in costs.

Sale proceeds of Jambhulwadi plant shall be utilised to modernise facilities at Velapur plant and to reduce working capital loans and interest burden. Shareholders have given their approval to this proposal vide postal ballot resolution passed on 8th February 2013.

During the year Company has sold substantial portion of movable property of Jambhulwadi unit. Company expects to complete the sale of immovable property at Jambhulwadi unit in the next financial year 2015-16.

Notes Forming part of the Financial Statements for the year ended 31st March 2015

Select financial information relating to this unit, as required to be disclosed as per AS-24 on Discontinuing Operations, is given below:

	Current Year Rs. in lakhs	<i>Previous Year</i> Rs. in lakhs
i Carrying amount, as of balance sheet date, of total assets to be disposed off	238.62	530.83
ii Carrying amount, as of balance sheet date, of liabilities to be settled	5.34	3.15
iii Revenues in respect of the ordinary activities attributable to the discontinuing operation	0.00	0.00
iv Expenses in respect of the ordinary activities attributable to the discontinuing operation	25.61	87.37
v Pre-tax profit/ (loss) in respect of the ordinary activities attributable to the discontinuing operation	(25.61)	(87.37)
vi Income-tax in respect of the ordinary activities attributable to the discontinuing operation	0.00	0.00
vii Net cash flows attributable to the discontinuing operation-		
- in respect of operating activities	(23.42)	(5.16)
- in respect of investing activities	301.00	0.00
- in respect of financing activities	0.00	0.00

34. Consumption of imported / indigenous items :

	Current Year		<i>Previous Year</i>	
	Rs. in lakhs	% to total	Rs. in lakhs	% to total
<i>Materials-</i>				
Indigenous materials consumed	940.16	100.00%	1782.82	100.00%
Imported materials consumed	0.00	0.00%	0.00	0.00%
	940.16		1782.82	
<i>Stores & spares-</i>				
Indigenous items consumed	52.97	96.43%	35.21	69.01%
Imported items consumed	1.96	3.57%	15.81	30.99%
	54.93		51.02	

35. CIF Value of Imports :

	Current Year Rs. in lakhs	<i>Previous Year</i> Rs. in lakhs
Materials	0.00	0.00
Capital goods	125.33	0.00
Consumables and Stores & spares	1.35	12.09
Total	126.68	12.09

Notes Forming part of the Financial Statements for the year ended 31st March 2015

	<i>Current Year</i> Rs. in lakhs	<i>Previous Year</i> Rs. in lakhs
36. Expenditure in Foreign Currency :		
Professional Charges	0.00	0.87
Tour & Travel	2.21	1.55
Total	2.21	2.42

37. Earnings in Foreign Currency:

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

38. There were no outstanding dues payable to micro, small and medium enterprises as on the balance sheet date.

Classification of suppliers as micro, small and medium enterprises is done as per information provided by the supplier. No interest is paid/ payable during the year to such enterprises.

39. Expenses includes Prior period expenses Rs. 12.91 lakhs (Previous year Rs.0.49 lakhs)

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 **CHATURVEDI SK & FELLOWS**
Chartered Accountants

Subhash Salvi
Partner
(Firm Regn. No. 112627W.
Partner's Membership No. 127661)

Place : Pune
Date: 25th May, 2015

For and on behalf of the Board of Directors

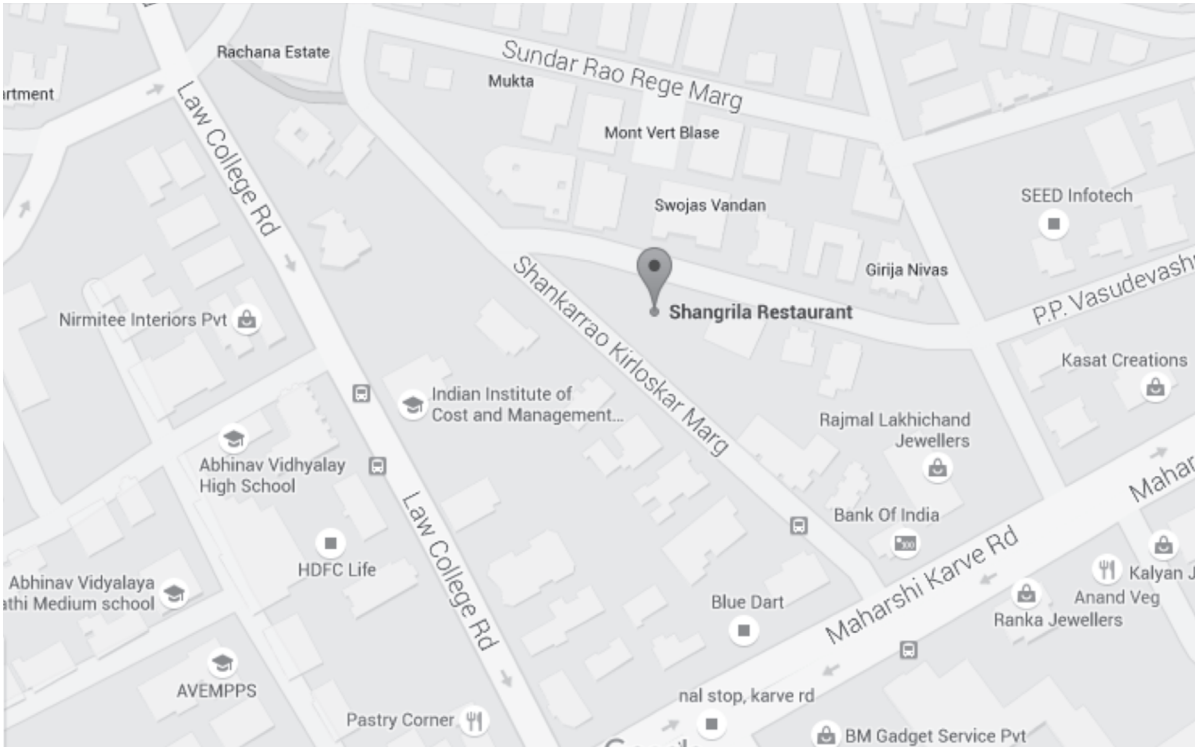
V. S. Raju
Chairman

Narasimhan Krishnan
Director

G. R. K. Raju
Managing Director

Shambhavi Wagle
Company Secretary

Route Map for the Annual General Meeting



NOTES

ECOBOARD INDUSTRIES LIMITED

Registered Office: 65/1A, "Ecohouse", Akarshak Building, Opp. Nal Stop, Karve Road, Pune – 411 004
CIN : L24239MH1991PLC064087

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) :			
Registered address :			
E-mail Id :			
Folio No/ Client Id		DP ID	

I/We, being the Member (s), holding shares of the above named Company, hereby appoint :

- (1) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him
- (2) Name _____ Address _____
E-mail ID _____ Signature _____ or failing him
- (3) Name _____ Address _____
E-mail ID _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Forth Annual General Meeting of the Members of 'Ecoboard Industries Limited' to be held on **Saturday, 26th September, 2015** at **11.00 a.m.** at Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 005 and at any adjournment thereof in respect of such resolutions as are indicated below :

Item No.	Resolutions	Vote (Optional – See Note 2)	
		For	Against
1.	To Receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2015 together with the Reports of the Directors and Auditors thereon.		
2.	To appoint Director in place of Mr. Atchutha Ramaiah Nanduri (DIN 01514989) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offers himself for re-appointment.		
3.	To appoint Director in place of Mr. Narasimhan Krishnan (DIN 02071121) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offers himself for re-appointment.		
4.	To appoint Director in place of Mr. G. R. K. Raju (DIN 01516984) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible offers himself for re-appointment.		
5.	To re-appoint Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the second consecutive AGM and to fix their remuneration and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution.		
6.	Appointment of Ms. Sujani Venkata Indukuri as an Executive Director of the Company.		

Signed this day of 2015.

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix
Re 1/-
Revenue
Stamp

Note :

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the 24th Annual General Meeting.
4. Please complete all details including details of Member(s) in above box before submission.