

EIL/BSE/SEBI/30

September 12, 2020

Listing Department
BSE Ltd.
PJ Towers
Dalal Street, Fort
Mumbai - 400 001

Ref:- Symbol/ Scrip Code :- ECOBOAR/523732

Dear Sirs,

Sub.: Submission of Revised Annual Report of Ecoboard Industries Limited

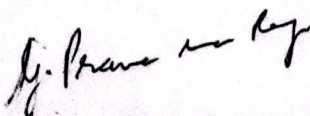
Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith copy of the Revised Annual Report of the Company for the year 2019-20.

Due to clerical mistakes the Company has done some corrections in wordings, figures and alignment in Revised Annual Report, however, the company has no specific intention for the said corrections.

You are requested to kindly take the same on your record.

Thanking you.

Yours faithfully,
For Ecoboard Industries Limited



Praveen Kumar Raju Gottumukkala
Director
DIN: 05180152



Encl. As above

IS:12823



IS:3087





In collaboration with the Earth

ANNUAL REPORT

2019-2020

29th Annual General Meeting

Chairman's Communiqué



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

I welcome you all to this 29th Annual General Meeting of our company. The meeting is taking place in the midst of company's significant progress towards reduction of liabilities and making company a Net worth Positive Company. The Products & Services launched in our previous AGM have got good market acceptance, which has significantly increased the contribution margins. The company's turnover from these new products is gradually increasing and making a positive impact even at lower turnovers. Company's sincere efforts to monetize its non-core assets have finally progressed in positive direction, and enabled the company to reduce the Bank's exposure. In addition, some more funds in the form of inter corporate deposits were raised to make the payments of both banks State Bank of India and Bank of Maharashtra in full and final settlement of their dues.

ECOBOARD's new products in the class of Sustainable Building Materials like Internal Walls, Solid Core Doors, Raised Flooring, and Ceiling etc. have been installed in Projects of reputed customers for applications like COVID Hospitals, Commercial Spaces, Residences etc. Biogas Division has also diversified into new technologies like UASB, CPU, Bio-CNG and started scouting for new orders in Dairy, Pharma and Sugar industries. These new products and technologies of both divisions have opened up new markets for ECOBOARD.

Customers prefer to use EcoBoard, as an alternative to Wood. Our Engineering Solutions have advance technical features like Fire-retardant, Electric-shock proof, thermal resistant etc. Company's perseverance on its sustainable products highlights our philosophy, capability and dedication towards providing the world with more 'ecologically' and 'economically' viable sustainable products and solutions. I truly thank each one of you for your long-standing support and take pride in being part of this noble mission.

I sincerely acknowledge with thanks your support in our endeavor to sustain ECOBOARD Industries.

Thanking You,

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

ECOBOARD INDUSTRIES LIMITED

29TH ANNUAL REPORT 2019-2020

REGD. OFFICE: 65/1A, “Ecohouse”, Akarshak Building, Opp. Nal Stop, Karve Road, Pune – 411 004
Tel. (020) 41080800 Fax. (020) 25465328

BOARD OF DIRECTORS

Mr. Ramakrishna Raju Guttumukkala,	Chairman & Managing Director
Mr. Praveen Kumar Raju Guttumukkala,	Director & Chief Financial Officer
Mrs. Sujani Venkata Indukuri,	Director
Mr. Uttam Kadam Sampatrao,	Independent Director
Mr. Siva Sankar Kalive,	Independent Director
Mr. Veeravenkata Rama Raju Penmetsa,	Independent Director

COMPANY SECRETARY

Mr. Tejas Dabhade#
Mr. Satish Kolhe##
Mob: 8600300993
Email: cs.ecoboard@gmail.com

REGISTERED OFFICE

65/1A, “Ecohouse”, Akarshak Building,
Opp. Nal Stop, Karve Road, Pune – 411 004
Tel (020) 25432345/Fax-(020) 25465328
E-mail: info@ecoboard.in, cs.ecoboard@gmail.com
Website: www@ecoboard.in

REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Private Limited
202-A, 2nd Floor, “Akshay Complex”
Off Dhole Patil Road, Pune – 411 001
Tel (020) 2616 0084 Fax (020) 2616 3503
E-mail: pune@linktime.co.in

AUDITORS

M/S B.M. Chaturvedi & Co,
Chartered Accountants
32, Jolly Maker Chambers II,
Nariman Point, Mumbai-400021
Tel: (022) 22836074-75. Email: office@bmchaturvedi.in

BANKERS

Union Bank of India

Bio Systems Division

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

Factory (Eco Board Division)

Velapur village, Taluka Malshiras,
Dist. Solapur, Maharashtra
Tel. (02185)245261/62

#Resigned w.e.f. March 01, 2020.

##Appointed w.e.f. August 25, 2020.

Note: All correspondence shall be made to registered office Address

CONTENTS

PARTICULARS	Page No
Notice of AGM	05
Board's Report with Annexure	18
Auditors Certificate on Corporate Governance	45
Management Discussion & Analysis Report	46
Corporate Governance Report	50
Declaration for Compliance with the code of conduct	61
Certification by Managing Director	61
Auditors Report	62
Balance Sheet	70
Statement of Profit and Loss	71
Cash Flow Statement	72
Notes Forming part of the Financial Statements	74

“GO GREEN” INITIATIVE BY THE COMPANY”

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

M/s Link Intime India Pvt. Limited Pune
Block No. 202, 2nd Floor Akshay complex
Off Dhole Patil Raod
Pune- 411001
Tel: 202-26100684
Tele fax: - 020- 2616503
Email: pune@linkintime.co.in

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

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting (AGM) of the Members of 'Ecoboard Industries Limited' will be held on **Saturday, September 26th, 2020** at **11.00 a.m.** IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 including the audited Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the auditors thereon; and
2. To appoint a director in place of Mr. Praveen Kumar Raju Gottumukkala (din: 05180152) who retires by rotation in terms of section 152 (6) of Companies Act, 2013 and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **RE-APPOINTMENT OF MR. SIVA SANKAR KALIVE (DIN – 07354617) AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS, IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Siva Sankar Kalive (DIN – 07354617), Independent Director of the Company whose period of office is liable to expire on November 13, 2020, who has submitted a declaration in that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby reappointed as an Independent Director of the Company with effect from November 13, 2020, to November 13, 2025 and the term shall not be subject to retirement by rotation.”

4. **RE-APPOINTMENT OF MR. PRAVEEN KUMAR RAJU GOTTUMUKKALA (DIN: 05180152) AS WHOLE TIME DIRECTOR**

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

“RESOLVED THAT pursuant to Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 ('Act') and Rules made there under (including any statutory modifications or re-enactment thereof, for the time being in force) and pursuant to the Articles of Association of the Company and such other approvals and sanctions as may be required, consent of the Company be and is hereby accorded to the re-appointment of Mr. Praveen Kumar Raju Gottumukkala (DIN: 05180152) as Whole-time Director of the Company, liable to retire by rotation, for a further period of Five (5) years with effect from April 01, 2020 upto March 31, 2025 on such terms and conditions as set out in the explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT Mr. Praveen Kumar Raju Gottumukkala, Whole-Time Director be and is hereby designated as Chief Financial Officer of the Company in terms of Section 203 of the Act.

RESOLVED FURTHER THAT the Board of Directors ('Board'), which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution be & is hereby authorized to alter and vary the terms & conditions of appointment including remuneration.

RESOLVED FURTHER THAT when re-elected as Director, on account of retirement by rotation, such re-election of Mr. Praveen Kumar Raju Gottumukkala as Director shall not be deemed to constitute a break in his appointment as a Whole Time Director and that upon re-election he shall continue to hold the office of Whole Time Director as hitherto.

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

5. TO APPROVE SALE OF PART OF EXCESS LAND (NON-CORE ASSET) OF THE COMPANY TOWARDS REPAYMENT OF INTER-CORPORATE DEPOSITS BY ADJUSTING THE ICD AMOUNT AGAINST SALE PRICE OF LAND.

Shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution for related party transaction as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of section 180(1)(a), 188 of the Companies Act, 2013 and other applicable provisions read with the rules and regulations made there under any amendment, re-enactment or statutory modification thereof, approval of the members be and is hereby accorded to sale the part of excess land admeasuring about 31 acres (Non-core asset) of the company situated within the premises of the Company's land situated at Velapur, Taluka – Malshiras, District - Solapur (M.H.) – 413113 to Supra Investments Pvt. Ltd (related party) to convert the repayment of ICD's by adjusting the ICD amount against the sale price of land.

RESOLVED FURTHER THAT Mr. Ramakrishna Raju Guttumukkala, Managing Director and/or Mr. Praveen Kumar Raju Gottumukkala, Executive Director of the Company be and is/are hereby authorized to make representations, submissions, statements, correspondence, replies, sign, modify, alter, execute all such documents, letters, agreements, deeds, etc. related to such sale and finalize, negotiate, deal with prospective buyers and to receive consideration from buyers on behalf of the company.

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

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

6. TO APPROVE SALE THE PART OF EXCESS LAND (NON-CORE ASSET) OF THE COMPANY SITUATED WITHIN THE PREMISES OF THE COMPANY'S LAND AGAINST REPAYMENT OF OPERATIONAL CREDITOR M/S MADHUR ENGINEERING.

Shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution for related party transaction as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions read with the rules and regulations made there under any amendment, re-

enactment or statutory modification thereof, approval of the members be and is hereby accorded to sale the part of excess land admeasuring about 3 acres (Non-core asset) of the company situated within the premises of the Company's land situated at Velapur, Taluka – Malshiras, District - Solapur (M.H.) – 413113 to M/s Madhur Engineering, operational creditor of the company against repayment of outstanding amount.

RESOLVED FURTHER THAT Mr. Ramakrishna Raju Guttumukkala, Managing Director and/or Mr. Praveen Kumar Raju Gottumukkala, Executive Director of the Company be and is/are hereby authorized to make representations, submissions, statements, correspondence, replies, sign, modify, alter, execute all such documents, letters, agreements, deeds, etc. related to such sale and finalize, negotiate, deal with prospective buyers and to receive consideration from buyers on behalf of the company.

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

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

7. ADOPTION OF MEMORANDUM OF ASSOCIATION AS PER COMPANIES ACT 2013.

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

“**RESOLVED THAT** pursuant to the provisions of section 4 and section 13 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, approval of the members be and is hereby accorded to amend the Memorandum of Association of the Company according to the provisions of Companies Act, 2013.

RESOLVED FURTHER THAT Mr. G.R.K Raju Managing Director, Mr. G.P.K Raju, Executive Director of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things, including delegate such authority, as may be considered necessary, proper or expedient in order to give effect to the above resolution.

RESOLVED FURTHER THAT THAT Mr. G.R.K Raju Managing Director, Mr. G.P.K Raju Executive Director of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they or any of them may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies, New, in connection with the amendment of Memorandum of Association of the Company, as approved by the Board and the members of the Company and/ or generally to give effect to the foregoing resolutions.

RESOLVED FURTHER THAT Mr. G.R.K Raju Managing Director, Mr. G.P.K Raju, Executive Director of the Company, be and are hereby severally authorised to issue/ provide certified true copies of these resolutions.”

8. ADOPTION OF ARTICLES OF THE COMPANY AS PER COMPANIES ACT 2013

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

“RESOLVED THAT pursuant to the provisions of section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

RESOLVED FURTHER THAT Mr. G.R.K Raju Managing Director, Mr. G.P.K Raju, Executive Director of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things, including delegate such authority, as may be considered necessary, proper or expedient in order to give effect to the above resolution.

RESOLVED FURTHER THAT THAT Mr. G.R.K Raju Managing Director, Mr. G.P.K Raju Executive Director of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they or any of them may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies, New, in connection with the amendment of Articles of Association of the Company, as approved by the Board and the members of the Company and/ or generally to give effect to the foregoing resolutions.

RESOLVED FURTHER THAT Mr. G.R.K Raju Managing Director, Mr. G.P.K Raju, Executive Director of the Company, be and are hereby severally authorised to issue/ provide certified true copies of these resolutions.”

By Order of the Board of Directors

Sd/-

Chairman & Managing Director

DIN: 01516984

Place: Pune

Date: 25.08.2020

NOTES:

- 1) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as “MCA Circulars”) permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM.
- 2) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
- 3) Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to cs.sameersiddheshwar@gmail.com with copies marked to the Company at cs@ecoboard.in and to its RTA at pune@linkintime.co.in.
- 4) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company’s website at www.ecoboard.in; websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- 5) Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 6) Instructions for e-voting and joining the Annual General Meeting are as follows:

In addition to the normal Instructions which are provided for e-voting, following Additional points to be included:

Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

1. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Shareholders/Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet<<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click “Go to Meeting”

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel: (022-49186175)

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at cs@ecoboard.in at least 07 days prior to meeting

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@ecoboard.in. The same will be replied by the company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Remote e-Voting Instructions for shareholders:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

► Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/members holding shares in CDSL demat account shall provide either 'C' or 'D', above
- Shareholders/members holding shares in NSDL demat account shall provide 'D', above
- Shareholders/members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

► Click "confirm" (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice. During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular “Event”. Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel: (022-49186175)

By Order of the Board of Directors

Sd/-

Chairman & Managing Director

DIN: 01516984

Place: Pune

Date: 25.08.2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 03 to 05 of the accompanying Notice:

Item No. 03

At the Board Meeting of the Company held on 25th August, 2020, the Board had, based on the recommendations of the Nomination and Remuneration Committee and the report of performance evaluation of Mr. Siva Sankar Kalive (Present Independent Director) as done by the Board of Directors in its Board meeting held on 25th August, 2020, has formed an opinion that, the Independent Director proposed to be re-appointed fulfils the conditions specified in the Act and the rules made there under and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board is of the opinion to continue his tenure as an Independent Director for the next five years from November 13, 2020.

The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Independent Director. Based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Members, Mr. Siva Sankar Kalive has to be re-appointed as an Independent Director of the Company for a period of 5 years commencing from November 13, 2020, to November 13, 2025.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director.

Brief resume of Mr. Siva Sankar Kalive is attached and forms part of this Notice.

Except Mr. Siva Sankar Kalive, none of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested financially or otherwise in the said resolution.

Item No. 04

The Board of Directors at its meeting and upon the recommendations of the Nomination & Remuneration Committee, approved the re-appointment of Mr. Praveen Kumar Raju Gottumukkala as the Whole-time Director (WTD) of the Company for the period from April 01, 2020 upto March 31, 2025 on the following terms:

Terms of appointment: 5 years from April 01, 2020 upto March 31, 2025:

1. Salary: Rs. 1,00,000/- p. m. in the scale of 1,00,000-10,000-1,50,000.
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 actual;
 - c. Leave Travel Concession: Return 1st 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 actual;
 - e. Club fees at actual (excluding admission fees);
 - f. Expenses of domestic servants, personal gardener and personal driver – reimbursement at actual;
 - g. Expenses for books, periodicals and newspapers – reimbursement at actual;
 - h. Medical Insurance;
 - i. Personal Accident Insurance,
 - 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 tenure of Mr. G. P. K. Raju as Whole time Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. G. P. K. Raju by way of salary, perquisites and other allowances shall be limited to the limits laid down in Schedule V of the Companies Act 2013.

5. Additional Perquisites: In addition to the salary, commission and perquisites referred above, Mr. G. P. K. Raju shall also be eligible for the following perquisites which shall not be included in the computation of ceiling on remuneration, viz.

a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

c. Encashment of leave at the end of the tenure.

Pursuant to the proviso to Section 197(4) of the Act, the aforesaid remuneration paid/ payable to Mr. Praveen Kumar Raju Gottumukkala is for services rendered by him in professional capacity i.e. as the Whole-Time Director of the Company and in the opinion of the Nomination and Remuneration Committee, Mr. Praveen Kumar Raju Gottumukkala possesses the requisite qualification for practicing the said profession.

The aforesaid terms and conditions are subject to approval of the Members and such other approvals as may be required.

Additional information required under Schedule VI of the Companies Act, 2013 forms part of this Notice.

Brief resume of Mr. Praveen Kumar Raju is attached and forms part of this Notice. Accordingly, the Board recommends the resolution as set out in Item No. 4 for approval of the Shareholders of the Company to be passed as a Special Resolution.

Except Mr. G.P. K. Raju being appointee and his relative Mr. G.R.K. Raju and Mrs. Sujani V. Indukuri, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 4. The Board of Directors recommends the resolution at Item No. 4 for approval of the Members.

Item No. 05 & 06

The company is planning to become debt free and is having excess land admeasuring about 40 acres (Non-core asset) of the company situated within the premises of the Company's land situated at Velapur, Taluka – Malshiras, District - Solapur (M.H.) – 413113.

The company has already taken the approval from Shareholders in its twenty eighth Annual General Meeting dt. Friday, September 27th, 2019 for sale the part of excess land (non-core asset) of the company situated within the premises of the company's land situated at Velapur, Taluka – Malshiras, District - Solapur (M.H.) – 413113.

The company was on a continuous hunt for the buyer to liquidate its non-core assets situated at Velapur, Taluka – Malshiras, district - Solapur (M.H.) – 413113, several attempts were made by the company to finalise a buyer so that Board of Directors can take Shareholder's approval for the same.

Further, the company has received proposal from one related party M/s Supra Investments Pvt. Ltd (Associate Company) For 31 acres of land at Rs. 35 Lakh per Acre (fair market value) against to convert the repayment of ICD's by adjusting the amount against the land.

Further Company has received another proposal from M/s Madhur Engineering (operational creditor of the company) for 3 acres at fair market value against repayment of outstanding amount. Accordingly, the Board recommends the Special Resolution as set out at Item No. 5 & 6 of the accompanying Notice in relation to sale the part of excess land (non-core asset) of the company situated within the premises of the company's land situated at Velapur, Taluka – Malshiras, District - Solapur (M.H.) – 413113.

Item No.7

Upon enactment of the Companies Act, 2013, the Memorandum of Association of the Company were required to be re-aligned as per the provisions of the new Act. The Directors of the Company suggested (subject to the approval of members) the amendment in the Memorandum of Association of the Company.

The draft of the amended Memorandum of Association proposed for approval, is available for inspection by the shareholders of the Company during normal business hours at the registered office of the Company and copies thereof shall also be made available for inspection at the Corporate Office of the Company. In terms of Section 4 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Memorandum of Association of the Company. Your Directors commend passing of this resolution by way of a special resolution.

None of the directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no.7

Item No. 8

Upon enactment of the Companies Act, 2013, the Article of Association of the Company were required to be re-aligned as per the provisions of the new Act. The Directors of the Company suggested (subject to the approval of members) the amendment in the Article of Association of the Company.

The draft of the amended Article of Association proposed for approval, is available for inspection by the shareholders of the Company during normal business hours at the registered office of the Company and copies thereof shall also be made available for inspection at the Corporate Office of the Company. In terms of Section 5 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Article of Association of the Company. Your Directors commend passing of this resolution by way of a special resolution.

None of the directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no.8

DETAILED PROFILE OF THE DIRECTORS SEEKING APPOINTMENT IS AS UNDER:

Name of Director	Mr. Siva Sankar Kalive	Mr. Praveen Kumar Raju Gottumukkala
Age	62	36
Qualification	Company has no information.	MBA from Bentley University (Boston) AND Masters in Electrical Engineering from Southern Illinois University
Date of Re-appointment/ Appointment	November 13, 2020	April 01, 2020
Category	Non-Executive Independent Director	Whole Time director
Experience and Expertise in specific functional Area	He is a consultant and faculty in various Management schools	Particle Board business
Relationship with other Directors and KMP of the Company	None	Mr. G. R. K. Raju – Father

Equity Shareholding of Directors as on March 2020	Nil	890500
Directorships held in other Companies	Nil	Nil
Memberships/ Chairmanship of Committees of other Limited Companies	Nil	Nil
No of Meetings of Board attended during the FY 2019-20.	5 (Five)	3 (Three)

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V TO THE ACT

I. GENERAL INFORMATION

1. Nature of the Industry: The Company is in the business of Ecoboard and Biogas Division.
2. Date or expected date of commercial production: NA
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators as per published audited financial results for the year ended March 31, 2020:

Particulars	Rs. In Lakhs
Total Income	1,397.58
Total expenditure	(1,729.50)
Net Profit/(Loss) before tax and Exceptional Income	(331.92)
Exceptional Income	1838.55
Net Profit/(Loss) after tax	1,506.63

1. Foreign investments or collaborators, if any – NIL

II. INFORMATION ABOUT THE APPOINTEE

Particulars	Mr. Praveen Kumar Raju Gottumukkala		
Background details	He actively involved in Particle Board business as Executive Director from 2010 to till date. He was instrumental in developing new products like HDHMR, Ecodoors, Zero formaldehyde panels. He played active role machinery upgradation project for Velapur Factory to reduce raw material consumption. He also takes active role in Market research, budgeting and frequently interacts with customers. He has taken over the responsibility of All India Agro Board Association to convince both Central and State Governments to apply lower GST on Agro-Based Panels.		
Past Remuneration received from the Company: Financial Year	2017-18	2018-19	2019-20
Salary and Perquisite	16,86,000	16,86,000	16,86,000
Recognition or awards	The Company has no information about it		

Job Profile and his suitability	As the Whole-time Director Mr. Praveen Kumar Raju Gottumukkala would be responsible for all the operations and affairs of the Company. Taking into consideration his qualification and expertise in relevant fields, the Board is of the opinion that he is suited for the responsibilities assigned to him.
Remuneration proposed	The details of Remuneration to be paid are contained in the Explanatory Statement annexed to the Notice.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The Company has no information to offer but having regard to the versatile experience, performance and responsibility of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Remuneration details of Mr. Praveen Kumar Raju Gottumukkala are provided in the Explanatory Statement. Disclosure of relationship between director inter-se Mr. G. R. K. Raju – Father Mrs. Sujani V. Indukuri – Sister

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits.

The profitability of the Company is affected due to increase in competition in the market.

2. Steps taken or proposed to be taken for improvement.

The Company has stepped up its marketing initiative to attract new clients and to ensure that the existing customers are retained.

3. Expected increase in productivity and profits in measurable terms

While the Company's performance is expected to improve in future years on the back of new marketing initiatives launched, the future profitability cannot be predicted accurately.

IMPORTANT COMMUNICATION TO MEMBERS

Pursuant to the provisions of the Companies Act, 2013, the Central Government has taken "Green Initiative" by allowing companies to serve notice/ documents including Annual Reports by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. The members can also download these documents from the Company's website i.e. www.ecoboard.in. To support this "Green Initiative" in full measure, members who have not registered/ updated their email addresses so far, are requested to register/ update their e-mail addresses by sending e-mail to pune@linkintime.co.in with subject as '**E-mail for Green Initiative**' mentioning their Folio No./ Client ID. Members holding shares in Demat form may register/ update their e-mail addresses with the Depository through their concerned Depository Participant(s).

BOARD'S REPORT

To,
The Members of
Ecoboard Industries Limited

The directors submit annual report of Ecoboard Industries Limited (the "Company") along with the audited financial statements for the financial year (FY) ended on March 31, 2020.

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

1. FINANCIAL SUMMARY / HIGHLIGHTS

The financial performance of your Company:

(Amounts in Lakhs)

Particulars	Current Year 2019-20	Previous Year 2018-19
<u>Income:</u>		
Revenue from operations	1,203.73	2,038.20
Other Income	<u>193.85</u>	<u>33.80</u>
Total Income	<u>1,397.58</u>	<u>2,072.00</u>
<u>Expenditure:</u>		
Cost of materials consumed	674.99	1,544.11
Changes in inventories of finished goods, work-in-progress	(182.61)	212.14
Employee benefits expense	167.90	159.35
Finance costs	239.13	493.86
Depreciation	94.82	106.95
Other expenses	<u>735.27</u>	<u>474.88</u>
	<u>1,729.50</u>	<u>2,991.29</u>
<u>Profit / (Loss) before exceptional items and tax</u>	(331.92)	(919.29)
Add/(Less): Exceptional items	<u>1,838.55</u>	<u>199.05</u>
Profit / (Loss) before tax	1,506.63	(720.24)
Less: Tax expenses	<u>0.00</u>	<u>0.00</u>
Profit / (Loss) for the period	<u>1,506.63</u>	<u>(720.24)</u>
<u>Other Comprehensive Income</u>		
Items that will not be reclassified into profit or loss	<u>1.96</u>	<u>0.46</u>
<u>Other Comprehensive income for the year (net of tax)</u>	<u>1.96</u>	<u>0.46</u>
Total comprehensive income for the year	<u>1,508.59</u>	<u>(719.78)</u>
<u>Earnings / (Loss) per Share (Rs.)</u>		
-Basic	8.46	(4.04)
-Diluted	8.46	(4.04)

FINANCIAL PERFORMANCE

During the year 2019-20 your company has made turnover of Rs 1203.73 Lakhs as compared to turnover of the previous financial year of Rs. 2,038.20 Lakhs, whereas Profit for the year (before comprehensive income) is Rs. 1506.63/- Lakhs as against Loss of Rs. 720.24/- Lakhs in the previous financial year. Boards of Directors are very confident that the business of the Company will continue to grow in upcoming years.

Year	Sales performance (Rs. Lacs)	PBT (Rs. Lacs)	PAT (Rs. Lacs)	EPS (Rs. Lacs)
2015	1693.28	(698.81)	(698.81)	(3.92)
2016	2,205.48	(1,489.82)	(1,489.82)	(8.35)
2017	1633.84	(9,96.21)	(996.21)	(5.59)
2018	883.21	(1387.32)	(1387.32)	(7.72)
2019	2,038.20	(720.24)	(720.24)	(4.04)
2020	1,203.73	1,506.63	1,506.63	8.46

In the last month of FY 2020, in view of the Government directions on lockdown to prevent the spread of Novel Corona virus (COVID19), the operations of the Company had to be suspended temporarily. The Company has taken all steps/ measures to meet the safety norms as prescribed by the Government Authorities to prevent the spread of COVID-19 and to ensure safety and wellbeing of the employees.

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 2019-20.

2. DIVIDEND

The Board of Directors of the Company did not declare any dividend during the Financial Year 2019-20. The unclaimed dividend pertaining for the year ended March, 2009 was transferred to the Investor Education & Protection Fund.

3. DIRECTORS AND KMP:

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

4. SEGMENT WISE AND PRODUCT-WISE OPERATIONAL PERFORMANCE:

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

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

There are no such orders except those which have been appropriately challenged before the judiciary and no impact on going concern status and Company's operation in future of such matters are expected or visualized at the current stage at which they are.

6. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

Your Company has an internal Control System which commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function lies with the Audit Committee of

Directors. The Audit Committee monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies. The Company has not appointed Internal Auditors yet.

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

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

8. BOARD EVALUATION

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

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

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

10. MANAGERIAL REMUNERATION:

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

11. NUMBER OF PERMANENT EMPLOYEES

During the period under review, there are 36 permanent employees of the Company.

12. DIRECTORS RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. the directors had laid down proper internal financial controls which were in place and that the financial controls were adequate and were operating effectively.
- f. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2019-20, the Company held 5 (Five) 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 Regulations were adhered to while considering the time gap between two meetings.

Name of Director	Category	Attendance of meeting during 2019-20		*No. of other Directorship
		Board	Last AGM	
Mr. Ramakrishna Raju Gottumukkala	Managing Director	5	Yes	1
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	3	Yes	0
Mr. Uttam Sampatrao Kadam	Non-Executive & Independent	3	Yes	11
Mrs. Venkata Sujani Indukuri	Non-Executive Director	2	Yes	0
Mr. Siva Sankar Kalive	Non-Executive & Independent	5	Yes	0
Mr. P. V. V. Rama Raju	Non-Executive & Independent	1	No	0

14. PARTICULARS OF LOANS, ADVANCES, GUARANTEES AND INVESTMENTS

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

15. LISTING REGULATIONS COMPLIANCE

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

16. DEPOSITS

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

17. RISK MANAGEMENT

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

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

18. ANNUAL REVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were

evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

19. INDEPENDENT DIRECTORS AND DECLARATION

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

20. CODE OF CONDUCT

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 which has now been amended according to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

21. CORPORATE GOVERNANCE:

As the listed Company, necessary measures are taken to comply with provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Report on Corporate Governance along with the certificate as stipulated confirming compliance with the conditions of Corporate Governance, the Managing Director's declaration as stipulated under the aforesaid Clause, Regulation and Management Discussion and Analysis Report forms part of Annual Report.

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

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

23. EXTRACT OF ANNUAL RETURN IN FORM MGT-9

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

24. GENERAL

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

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

25. SECRETARIAL STANDARDS

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

26. SHARE CAPITAL

The Paid up capital of the company is Rs. 17,83,20,000. The Company issued Rs. Nil Equity Shares either with or without differential rights during the F.Y. 2019-2020 and hence, the disclosure requirements under section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014, is not applicable.

27. COMPENSATION AND DISCLOSURE ANALYSIS:

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

28. RELATED PARTY TRANSACTIONS:

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

29. STATUTORY AUDITORS:

The Company's Auditors, M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai, (Firm Regn. No. 114317W), were appointed for the period of five consecutive years i.e. 01.04.2017 to 31.03.2022. Section 40 of the Companies Amendment Act, 2017 is notified w.e.f. May 07, 2018, which means that the first proviso of Section 139 (1) stands omitted. Therefore, now the ratification of the appointment of the Statutory Auditors at every Annual General Meeting is not required.

30. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. R. Siddheshwar & Co., Pune, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. Secretarial Audit Report for the financial year March 31, 2020 is annexed herewith as "Annexure E" in FORM MR-3.

31. COMMENTS ON OBSERVATIONS ON SECRETARIAL AUDIT REPORT

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

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

Following are the material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report:

Covid-19 Pandemic

Covid-19 pandemic has hit the whole world since beginning of the year. The State and the Central Government have announced various restrictions on movement of people and economic activities as part of various phases of Lockdown.

Your Company's business activities have also suffered due to these lockdown and restrictions. Manufacturing activity in BSD division was completely stopped. Manufacturing activity in Particle Board Division was partly allowed for essential supplies. Normal business activity of the Company is expected to resume only towards later part of the year.

Due to pandemic related stress, the Company has availed interest re-schedulement facility offered by bank as per RBI Scheme in the matter. Company does not have any term loan from bank and has therefore not availed any loan repayment moratorium.

In the opinion of the Board, such pandemic related stress will not affect Going Concern status of the Company.

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

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

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

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

35.ACKNOWLEDGEMENTS AND APPRECIATION:

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Ramakrishna Raju Guttumukkala
Chairman & Managing Director
DIN: 01516984

Place: Pune

Date: 25 /08/2020

“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]

.	(A) Conservation of Energy :	
	(i) the steps taken or impact on : conservation of energy (ii) the steps taken by the company for utilizing alternate sources of energy. (iii) the capital investment on energy conservation equipments;	During the year Your Company had taken various steps to control the power cost in Company. <ul style="list-style-type: none"> • More LED lights were installed, replacing CFL and filament bulbs. • Belt conveyors are used in Conveying systems to reduce electricity load.
.	(B) Technology absorption :	
	(i) the efforts made towards technology absorption and R & D.	“Pre-Engineered Multi-level Buildings”, “Raised Flooring” “Ceiling” and HDUMR grade material of different thicknesses are developed for new segments
	(ii) the benefits derived from technology absorption and R & D like product improvement, cost reduction, product development .	The Company has been able to successfully develop sustainable products using bio-panels for Building materials.
.	Foreign Exchange Earnings & Outgo:	
	Activities relating to exports initiative taken for exports, development of new export markets for products and services.	N.A
	Total Foreign exchange used	
	Raw Material	Nil
	Capital Equipment (Including Advance)	Nil
	Stores & Spares	Nil
	Foreign travel & other expenditure	Nil
	Royalty & Consultancy fees (Rs. In Lakh)	125.36
	Earned Deemed Export	Nil
	Expenditure in foreign currency Foreign bank charges fees (Rs. In Lakh)	0.03

“ANNEXURE B”
FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2020
[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.	Address of the Registered office and contact details	65/1A, “Ecohouse”, “Akarshak Building” Opp. Nal Stop, Karve Road, Pune-411004 Tel.:(020) 41080800 Fax:(020) 254465328 E-mail: info@ecoboard
6.	Whether listed Company (Yes/No):-	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited, 202-A, 2nd Floor, “Akshay Complex”, off Dhole Patil Road, Pune – 411 001. Tel.: (020) 26161629 Fax: (020) 26163503 Email: pune@linkintime.co.in

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
	EcoBoard Board	20213	65.08
	Biogas Division	40107	34.92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sr. No.	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	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	10973092	-	10973092	61.5360	10992634	-	10992634	61.65	0.114
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	100400	-	100400	0.5630	100400	-	100400	0.5630	0.00
Sub-total(A) (1):-	11073492	-	11073492	62.0990	11093034	-	11093034	62.213	0.114
2. Foreign									
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate									
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	11073492	-	11073492	62.0990	11093034	-	11093034	62.213	0.114
B. Public Shareholding									
1.Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	1900	1900	0.01	-	1900	1900	0.01	0.00
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Foreign Portfolio Investor									
g. Insurance Companies	-	-	-	-	-	-	-	-	-
h. FIIs	-	7800	7800	0.04	-	7800	7800	0.04	0.00
i. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
j. Others		-	-	-	-	-	-	-	-
Sub- Total – B(1)	-	9700	9700	0.05	-	9700	9700	0.05	0.00

2. Non-Institutions									
a. Body Corp.	654824	293700	948524	5.32	595268	293700	888968	4.99	(0.33)
b. Individual									
i. Individual shareholders holding nominal share capital upto Rs 2 lakh	2772871	1438212	4211083	23.61	2843232	1426312	4269544	23.94	0.33
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1029127	20100	1049227	5.88	980328	20100	1000428	5.61	(0.27)
c. Others	2910	-	2910	0.02	1900	-	1900	0.01	(0.01)
1. (clearing member)									
2.(Market Maker)	2650	-	2650	0.015	-	-	-	-	(0.015)
(i) NRI (Rep)	33383	4100	37483	0.2102	31383	4100	35483	0.20	(0.0102)
(ii) NRI (Non-Rep)	11289	400	11689	0.065	15507	400	15907	0.09	0.025
(iii) Foreign National	-	-	-	-	-	-	-	-	-
(iv) OBC	-	250000	250000	1.40	-	250000	250000	1.40	0.00
(v) Hindu Undivided Family	234253	989	235242	1.3192	266047	989	267036	1.5	0.1808
(vi) In Transit	-	-	-	-	-	-	-	-	-
Sub-total B (2)									
Net Total B = (B)(1)+(B)(2)	4741307	2017201	6758508	37.9010	4733665	1995601	6729266	37.74	(0.16)
C. Shares held by Custodians for GDR's and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15814799	2017201	17832000	100.00	15826699	2005301	17832000	100.00	-

(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 Gottumukkala	3329593	18.6720	-	3349135	18.78	-	0.108

2	GRK Raju	2176225	12.2040	-	2176225	12.2040	-	0.00
3	Satyavathi Vegesna	1172736	6.5766	-	1172736	6.5766	-	0.00
4	Sujani Venkata Indukuri	1170553	6.5643	-	1170553	6.5643	-	0.00
5	Praveen Kumar Raju Gottumukkala	890500	4.9938	-	890500	4.9938	-	0.00
6	Subba Raju Vegesna	872255	4.8915	-	872255	4.8915	-	0.00
7	P Satyanarayana Raju	844600	4.7364	-	844600	4.7364	-	0.00
8	Ramakrishna Raju Gottumukkala (HUF)	300000	1.6824	-	300000	1.6824	-	0.00
9	Prithvi Raju Venkata P	90300	0.5064	-	90300	0.5064	-	0.00
10	Lalita Rajeshwari P	59430	0.3333		59430	0.3333		0.00
11	P Anuradha	50100	0.2810		50100	0.2810		0.00
12	Srinivas Raju P	16800	0.0942		16800	0.0942		0.00
13	P Srinivas Raju (HUF)	89900	0.5041		89900	0.5041		0.00
14	Vegesna Subba Raju (HUF)	10500	0.0589		10500	0.0589		0.00
	Total	11073492	62.0990	-	11073492	62.0990	-	0.108

Change in Promoters' Shareholding (please specify, if there is no change): promoter's shareholding increased by 0.108 % during the year 2019-20

(i) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	No. of shares at the beginning of the year (01/04/2019)	% of total shares of the company	No. of Shares at the end of the year (31/03/2020)	% of total shares of the company
1	GRK Raju	2176225	12.2040	2176225	12.2040
2	Sujani Venkata Indukuri	1170553	6.5643	1170553	6.5643
3	Praveen Kumar Raju Gottumukkala	890500	4.9938	890500	4.9938

V. INDEBTEDNESS

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

(Amount in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019				
1) Principal Amount	1961.86	2065.39	34.84	4062.09
2) Interest due but not paid	759.44	-	-	759.44
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	2721.30	2065.39	34.84	4821.53
Change in Indebtedness during the financial year	-	-	-	-
+ Addition	-	936.61	-	936.61
-Reduction	1705.87	-	-	1705.87
Net change	-	-	-	-
Indebtedness at the end of the financial year 31-03-2020				
1) Principal Amount	1,015.43	3,002.00	34.84	4052.27
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	1,015.43	3,002.00	34.84	4052.27

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/WTM/Manager	Name of MD/WTM/Manager	Name of MD/WTM/Manager
		MD	Executive Director and CFO	Executive Director
		Mr. G. R. K. Raju	Mr. G. P. K. Raju	Mrs. Venkata Sujani Indukuri
	Gross Salary	17,88,000/-	16,86,000/-	0/-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	17,88,000/-	16,86,000/-	0/-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
	Stock Option	-	-	-

.	Sweat Equity	-	-	-
.	Commission - As % of Profit - Others, specify	1%	1%	-
.	Others, please specify Sitting Fees	-	-	-
	Total	17,88,000/-	16,86,000/-	0/-
	Ceiling As per Act	As per Section 197 a Company profits in a financial year may pay remuneration to a managerial person not exceeding 5 % of the Net profit of the Company		

B. Remuneration to other directors:

(Amount in Rs)

Sr. No.	Particulars of Remuneration						
			Mr. U.S. Kadam	Mr. Siva S. Kalive	Mr. P. V. V. Rama Raju	Ms. Sujani V. Indukuri	
	Independent Directors						
	-Fee for attending board committee meetings	-	5000	5000	5000	0	
	- Commission	-	-	-	-	-	
	-Others	-	-	-	-	-	
	Total (1)	-	5000	5000	5000	0	15000
	Other Non Executive Directors						
	-Fee for attending board committee meetings					-	
	- Commission						
	-Others						
	Total (2)					-	
	Total (A)= (1+2)		5000	5000	5000	-	15000
	Total Managerial Remuneration						
	Overall Ceiling as per the act						

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

(Amount in Rs.)

Sr. No	Particulars of Remuneration		Total Amount (In Rs.)
		*Mr. Tejas Dabhade	
.	Gross Salary		Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	3,11,412/-	3,11,412/-
	(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	-	-
.	Stock Option	-	-
.	Sweat Equity	-	-
.	Commission - As % of Profit - Others, specify	-	
.	Others, please specify	-	-
	Total (A)	3,11,412/-	3,11,412/-

*Resigned from the post of, Company Secretary and Compliance Officer w.e.f. 01.03.2020

ii. Penalties/punishment/compounding of offences:

There were no penalties/punishment/compounding of offences during the financial year 2019-20

“Annexure C”

Director Remuneration

Disclosure in Board's Report:-

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

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

Sr. No	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. G. R. K. Raju	10.91
2	Mr. G. P. K. Raju	10.29

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

Sr. No	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. G. R. K. Raju	-
2	Mr. G. P. K. Raju	-
3	Mr. Tejas Dabhade*	-

***Resigned from the post of, Company Secretary and Compliance Officer w.e.f. 01.03.2020**

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: 36

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, 2020.

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/-

Ramakrishna Raju Guttumukkala

Chairman & Managing Director

DIN: 00842835

Place: Pune

Date: 25/08/2020

“Annexure D”
Form No. AOC-2

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

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

1. Details of contracts or arrangement or transactions not at arm's length basis:

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

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

S r. N o.	Name of Related Party	Nature of Relationship	Duration of Contract	Salient terms	Date of approval by the Board	Amount paid as advances	Transaction during the year Amount (Rs.)
	Mr. Pravin Kumar Raju gottumukkala	Executive Director		Deposit Received			50000/-
	Mr. Ramakrishna Raju Gottumukkala	Chairman & Managing Director		Deposit Outstanding			105605108 /-
	Mr. Pravin Kumar Raju Gottumukkala	Executive Director		Deposit Outstanding			12178693/-
	Mr. V.S. Raju	Ex-Chairman		Deposit Outstanding			14682948/-
	Mrs Indukari Sujani	Daughter Of Mr Ramakrishna Raju Gottumukkala		Deposit Received			240000/-
	Mrs Indukari Sujani	Daughter Of Mr Ramakrishna Raju Gottumukkala		Deposit Outstanding			12427123/-
	Mrs Indukari Sujani	Daughter Of Mr Ramakrishna Raju Gottumukkala		Deposit Repaid			40000/-
	Mrs Indukari Sujani	Daughter Of Mr Ramakrishna Raju Gottumukkala		Rent Paid			462000/-
	Western Bio System Pvt. Ltd.	Associate Company		Interest Paid			6807815/-
	Western Bio System Pvt. Ltd.	Associate Company		Intercompany Deposit Taken			19750000/-
	Western Bio System Pvt. Ltd.	Associate Company		Intercompany Deposit Outstanding			83786440 /-
	Western Bio System Pvt. Ltd.	Associate Company		Purchases			2133000/-

	Western Bio System Pvt. Ltd.	Associate Company		Labour Charges Paid			2800000/-
	Supra Investment Pvt. Ltd.	Associate Company		Intercompany Deposit Taken			65000000/-
	Supra Investment Pvt. Ltd.	Associate Company		Interest Paid			2816426/-
	Supra Investment Pvt. Ltd.	Associate Company		Intercompany Deposit Outstanding			67534783/-
	Vesar Furnitek Pvt. Ltd.	Associate Company		Intercompany Deposit Outstanding			3985000/-
	Vesar Furnitek Pvt. Ltd.	Associate Company		Purchase			154000/-
	Mr. Pravin Kumar Raju Gottumukkala	Executive Director		Remuneration			1686000/-
	Mr. Pravin Kumar Raju Gottumukkala	Executive Director		Sale to Fixed Asset			26570000/-
	Mrs Indukari Sujani	Daughter Of Mr Ramakrishna Raju Gottumukkala		Reimbursement of office maintenance expenses			106897/-
	Mr Ramakrishna Raju Gottumukkala	Managing Director		Remuneration			1788000/-
	Mrs Indukari Sujani	Daughter Of Ramakrishna Raju Gottumukkala		Rent deposit given			360000/-

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

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

Advantages by dealing with Vesar Furnitek Pvt. Ltd. are

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

For Ecoboard Industries Limited

Sd/-

Rama Krishna Raju Guttumukkala

Chairman & Managing Director

DIN: 01516984

Place: Pune

Date: 25/08/2020

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, 2020

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** (L24239MH1991PLC064087) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Management's Responsibility

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

Secretarial Auditor's Responsibility

Secretarial Audit is a process of verification of records and documents on sample basis to check compliance with the provisions of laws and rules/procedures under the Companies Act, 2013, regulations laid down by Securities and Exchange Board of India, Environment (Protection) Act 1986 and Rules made there under listed hereinafter. The procedure for secretarial audit is selected on the secretarial auditor's judgment, including the assessment of the risks of material non-compliance of the documents filed. In making those risks assessments, the secretarial auditor considers internal control relevant to the Company's preparation and fair presentation of the documents in order to design secretarial audit procedures that are appropriate in the circumstances. My responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. I have conducted my audit solely on the basis of the compliances and filing done by the Company under the aforesaid laws. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 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 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under: The Company is a Listed Public Company and around 62.21% of the shares are in dematerialized form and the Company has complied with the provision of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

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

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

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

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

I further report that

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

Adequate notices were given to all directors to schedule the Board Meetings, agenda and notes to agenda were sent at-least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

FOR S. R. SIDDHESHWAR & CO.
Company Secretaries

SAMEER SIDDHESHWAR
Proprietor
ACS: 41842
CP: 15564
UDIN: A041842B000609453

Date: 24.08.2020
Place: Pune

ANNEXURE I

**OBSERVATIONS/QUALIFICATION, RESERVATION OR ADVERSE REMARKS
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

COMPANIES ACT, 2013 AND RULES MADE THEREUNDER

SR NO.	QUALIFICATIONS/OBSERVATIONS BY SECRETARIAL AUDITOR	COMMENTS BY THE BOARD OF DIRECTORS
1.	Company has adopted the new set Memorandum of Association under section 13(6) and Article of Association under section 14(2) during the financial Year 18-19, for which company was required to file Form MGT-14 within 30 days of passing the resolution and the same were not filed by the company within time stipulated under the Act, further Company did not proceed for condonation of delay of the form MGT-14. Further new sets of MOA & AOA were not duly stamped & signed.	Your company is always regular in filing all the forms within the prescribed time limit. Somehow, this form was missed out to be filed. The company is in a process to file this form as soon as possible with the Registrar of Companies.
3.	Under our observation, we did not find proof of dispatch of notice stating that the notice of the general meeting was dispatched within the prescribed period of clear twenty one days' notice as prescribed under section 101(1) read with the Rule 18 of Companies (Management & Administration) Rules, 2014.	Your company has complied with the provisions of section 101(1) read with the Rule 18 of Companies (Management & Administration) Rules, 2014, we will provide to the auditor proof of dispatch of notice.
4	Company has not complied with the provision Rule 20 of Companies (Management & Administration) Rules, 2014, under which the company shall publish a public notice by way of an advertisement, regarding the details of business transacted through e-voting and manner in which Member can vote electronically.	During the Secretarial audit, we are unable to show Secretarial Auditor, the newspaper cutting as we have misplaced it and assured him that we will submit him the newspaper cutting as soon as possible.
5.	Company has not published by way of advertisement in the newspapers the information with respect to the e-voting, such as, statement that the business, date and time of commencement and end of remote e-voting, cut-off date, log in & password of e-voting other necessary information, as required under the provisions under section 108 read with the Rule 20 of Companies (Management & Administration) Rules, 2014.	Your company has complied with the provisions of section 108 read with the Rule 20 of Companies (Management & Administration) Rules, 2014. During the Secretarial audit, we are unable to show Secretarial Auditor, the newspaper cutting as we have misplaced it and assured him that we will submit him the newspaper cutting as soon as possible.
6	Company has not filed Form MGT-14, as required under section 117 of the Companies Act, 2013, for: A. Boards resolution passed for Re-appointment of Mr. GRK Raju, as Managing Director, B. Special Resolution passed, in the 28th Annual General Meeting on 27.09.2019, for Re-appointment of Mr. B S Kadam, as Independent Director,	Your company is always regular in filing all the forms within the prescribed time limit. Somehow, this form was missed out to be filed. The company is in a process to file this form as soon as possible with the Registrar of Companies.

	<p>C. Board Resolution passed for quarterly Financial Results</p> <p>D. Boards Resolution passed for Approval of Audited financial statements for FY 2018-19.</p> <p>E. Board Resolution for appointment of Secretarial Auditor for audit period 2018-19,</p> <p>F. Special Resolution passed, in the 28th Annual General Meeting on 27.09.2019, to sale the part of excess land (non-core asset) of the company situated within the premises of the company's land situated at Velapur, Taluka- Malshiras, District - Solapur(M.H.) – 413113</p> <p>G. Special resolutions passed in the the Extra-Ordinary General Meeting conducted on 28.02.2020 wrt. Ratification Of Sale Of The Office Premises Of The Company Situated At 65/1a, Ecohouse, Akarshak Building, Off Karve Road, Near Nal Stop, Pune - 411004.</p>	
7	Company failed to place its Financial Statements & Auditors' Report for FY. 2018-19, with the copies on BSE portal & its own website, as required under the provisions of the Section 129 read with Section 136 (2) of the Act.	Your company is always regular to comply the provisions of companies act, 2013. Somehow, the provisions of the Section 129 read with Section 136 (2) of the Act. was missed out to be complied. The company is in a process to comply the same as soon as possible.
8	As required under the provisions of Section 138 and Companies (Accounts) Rules, 2014 company was required to appoint internal auditor. During the audit period Company has failed to provide us report of internal Auditor hence we reserve our comment on the same.	Because of the low volume of the business, presently your company is not having Internal Audit.
9	Resolution passed in the Audit Committee meeting for Omnibus approval for related party transaction is not in accordance with the provisions of the Rule 6A of Companies (Meetings of Board and its Powers) Rules, 2014, such as, nature and duration, maximum amount, indicative base price or current contracted price etc. for each contract or arrangement to be entered into with each of its related party.	Your company is always regular to comply the provisions of companies act, 2013. Somehow, the provisions of the Rule 6A of Companies (Meetings of Board and its Powers) Rules, 2014 was missed out to be complied.
10	Company has paid Remuneration to its directors without obtaining prior consent of Banks, in contravention of section 197 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & Schedule V of the Act.	Your company is not in the default for the payment of bank dues.
11	Company has not submitted form DIR-12 for change in designation of director Mrs. Sujani Venkata Indukuri from Executive director to Non-executive director on 26.08.2019.	Your company is always regular in filing all the forms within the prescribed time limit. Somehow, this form was missed out to be filed. The company is in a process to file this form as soon as possible with the Registrar of Companies.
12	Company failed to produce acknowledgement of form MGT-15, filed with ROC.	Your company is always regular in filing all the forms within the prescribed time limit. During the Secretarial audit, we are unable to

		show Secretarial Auditor, the acknowledgement of form MGT-15, filed with ROC and assured him that we will submit him as soon as possible.
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SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Sr. No.	QUALIFICATIONS/OBSERVATIONS BY SECRETARIAL AUDITOR	COMMENTS BY THE BOARD OF DIRECTORS
01	Under our observation, Company not Appointed compliance officer for the month of March 2020, under Regulation 6.	Due to Resignation of previous Compliance officer w.e.f March 01, 2020 your company had not compliance officer for the month of March 2020. Now the company has appointed new Compliance officer.
02	Company failed to produce the any evidence which is adequate enough to identify that the annual listing fees was paid for Financial Year 2019-20, as required under Regulation 14.	Because of the low volume of the business, the company was not able to pay it within time but now we are planning to pay it as soon as possible because now the cycle of business is moving for the company and the company is able to generate volume of business.
03	Company in contravention with the Regulation 23(2) have not obtained prior approval of the audit committee for the related party transactions entered into with KMP & relatives of KMP as names specified in note 38 of financial statements for FY. 2019-20.	The said compliance was missed out inadvertently, However, the company has no specific intention for the said non-compliance.
04	Company in contravention of 23 (9) has not made Disclosure of Related Party Transactions on BSE website and its website.	Your company is always punctual in submissions to the Stock exchange, the said compliance was missed out inadvertently and your company is in a process of migrating to a new version of its website that's why in our current website; few items are yet to be updated. All the requirements will be updated as soon as possible.
05	Company has not framed any policy for determination of materiality, Further, no KMP was authorised to determine the materiality of an event, in absence of policy for determination of materiality, as required under Regulation 30(4)(ii) and 30(5).	Your company has framed the policy for determination of materiality, and in the process of making compliance of Regulation 30 (4)(ii) and 30 (5).
06	Company has delayed in intimating resignation of Company Secretary of Company Mr. TejasDabhade beyond 24 hours, as prescribed under Regulation 30 (6) read with Schedule III Part A- (7).	Your company is always punctual in submissions to the Stock exchange. Due to inadvertence the intimation of resignation of Company Secretary of Company Mr. Tejas Dabhade was given to the stock exchange but beyond the prescribed time limit. Hence, your company has done late compliance

07	Company failed to Inform to stock exchange its One time settlement with Bank of Maharashtra, as required under Regulation 30 (6) read with Schedule III Part A- (10).	Your company is always punctual in submissions to the Stock exchange. The said compliance was missed out inadvertently, However, the company has no specific intention for the said non-compliance.
08	Company has not hosted on its website, Complete disclosure of events or information which it has been disclosed to stock exchange(s) as under Regulation 30 (8).	Your company is in a process of migrating to a new version of its website that's why in our current website; few items are yet to be updated. All the requirements will be updated as soon as possible.
09	Company, in contravention of Regulation 31 (1), has delayed in making disclosures of its shareholding pattern beyond 21 days for Quarter ended June-19, Sept-19 and Dec-19.	Your company is always punctual in submissions to the Stock exchange. For this quarters, due to inadvertence the Shareholding Pattern was filed to the stock exchange but beyond the prescribed time limit. Hence, your company has done late compliance
10	Company has not submitted copy of its Annual report to the stock exchange within a day from dispatch of hard copies to the shareholders, as required under Regulation 34(1)(a); However, company submitted the copy of its Annual Report on 11th December, 2019 i.e. after 75 days from the date of Annual General Meeting.	Your company is always punctual in submissions to the Stock exchange. Your Company has submitted copy of its Annual report to the stock exchange but beyond the prescribed time limit. Hence, your company has done late compliance
11	The Comments & Observations by Secretarial Auditor stated in "Annexure-I" annexed to Secretarial Audit Report which is part of Directors Report was missing in Annual Report dispatched to shareholders for FY. 2018-19, as required under Regulation 34(2)(d).	Your company always strives to comply with all applicable laws but due to printing mistake the page was missed by the printers, your company will always take care the same in future.
12	Company has failed to make updated disclosures such as: a. Policy for determining material subsidiaries, b. Details of familiarization programs imparted to independent directors, c. The email address for grievance redressal and other relevant details, d. Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances, e. Financial information, f. Shareholding pattern, etc. As required under Regulation 46(2).	The said compliance was missed out inadvertently, However, the company has no specific intention for the said non-compliance.

13	<p>Company has not published information as required under Regulation 47, such as:</p> <ol style="list-style-type: none"> Notice of meeting of the board of directors where financial results shall be discussed, financial results, Notices to shareholders by advertisement. <p>Except, for Financial Results for Mar-19 Quarter which was published in vernacular language newspaper.</p>	<p>Your company has complied with Regulation 47 partially i.e. we have published in some quarters. During the Secretarial audit, we are unable to show Secretarial Auditor, the newspaper cutting as we have misplaced it in our records but we have assured him that we will submit him the newspaper cutting as soon as possible.</p>
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ANNEXURE II

To,
The Members,
ECOBOARD INDUSTRIES LIMITED
65/1A, ECOHOUSE, AKRSHAK BUILDING,
OPP. NAL STOP, KARVE ROAD,
PUNE 411004

Our report of even date is to be read along with this letter.
Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices were followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of account of the company.

Wherever required we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management our examination was limited to verification of the procedures on test basis.

The secretarial Audit report is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR S. R. SIDDHESHWAR & CO.
Company Secretaries

SD/-
SAMEER SIDDHESHWAR
Proprietor
ACS: 41842
CP: 15564
UDIN: A041842B000609453
Date: 24.08.2020
Place: Pune

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

To,
The Members of
ECOBOARD INDUSTRIES LIMITED
65/1A, Ecohouse, Akrshak Building
Opp. Nal Stop, Karve Road Pune 411004.

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1	Ramakrishna Raju Guttumukkala	01516984	27/06/2003
2	Uttam Sampatrao Kadam	01517289	20/07/1992
3	Venkata Sujani Indukuri	01868347	27/03/2015
4	Praveen Kumar Raju Gottumukkala	05180152	12/11/2011
5	Siva Sankar Kalive	07354617	14/11/2015
6	Veeravenkata Rama Raju Penmetsa	07464714	14/11/2015

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

For S. R. Siddheshwar & Co.
Company Secretaries

Sd/-
Sameer Siddheshwar
Company Secretary
Mem. No.: 41842
CP: 15564

Date: 30.07.2020
Place: Pune

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

To,
The Members of
Ecoboard Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Ecoboard Industries Limited** (The Company), for the year ended March 31, 2020, as stipulated in Regulation 34 (3) read with Schedule IV of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

FOR S. R. SIDDHESHWAR & CO.

Sd/-
CS SAMEER SIDDHESHWAR
Proprietor
ACS: 41842
CP: 15564

Date: 24.08.2020
Place: Pune

ANNEXURE TO BOARDS' REPORT

A. MANAGEMENT DISCUSSION AND ANALYSIS

About the company

Ecoboard deals in laminated EcoBoard 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 an alternative to conventional wood based MDF, EcoBoard boards, plywood and other panel products.

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

Manufacturing process of baggasse boards :

A lot goes into the process of manufacturing 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 m² per annum. Furthermore it has sophisticated and automated plant and machinery imported from Germany and UK. Your Company has taken up the work of setting a new production line at its Velapur unit for production of 8'x4' size EcoBoard boards from agro-waste and of improving material preparation section of existing line of 13.5'x6' size EcoBoard boards production line.

The case for Ecoboard

Philosophy and Environmental outlook

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

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

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

Industry synopsis

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

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

Risk aversion initiatives

In view of High Agro-waste price your Company has taken up the works of for improving material preparation section of EcoBoard boards of 13.5'x6' size production line. Work on setting up of new production line has been completed.

Management is hope full that the decision of Modification of existing line of 13.5'x6' boards 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.

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

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

Trends – technological challenges, new developments

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

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

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

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

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

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

Internal Control Systems

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

Corporate Social Responsibility

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

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

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

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

Environment

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

Human Resources / Industrial Relations

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

Financial Performance

Share Capital and Reserves and Surplus

During the year Authorized capital of the Company stands at Rs. 2500 Lacs and Reserves & Surplus of Rs -1,416.43 Lakhs. And paid up capital was 1783.20/- Lakhs.

Fixed Assets

During the year, Company has discarded some items of old plant and machinery, electrical installation and factory equipment. Carrying cost of these items at Rs 63.97 lakh has been recognised as expense and The Company has obtained Shareholders approval for sale of part of excess land admeasuring about 40 acres (Non-core asset) of the Company situated at Velapur, Taluka-Malshiras, District- Solapur, Maharashtra. Accordingly, carrying cost of land- Rs. 1000.12 lakh- is transferred to 'Assets held for sale' as per Ind-AS 105 "Non current assets held for sale and discontinued operations.", whereas the value of Fixed Assets decreased from Rs. 3,527.33/- Lakhs to Rs 2,371.89/- Lakhs.

Current Assets Loans and Advances and Current Liabilities and Provisions

Total Loans and advances as at 31st March, 2020 was Rs. 257.36 Lakhs. Company has Rs. 1,741.55 Lakhs of Inventories of Raw Material, Stores and packing Material, Finished goods etc.

Other Current Liabilities as at 31.03.2020 were Rs. 722.24Lakhs.

OPERATIONAL PERFORMANCE

Particulars	Current Year 2019-20	Previous Year 2018-19
<u>Income:</u>		
Revenue from operations	1,203.73	2,038.20
Other Income	<u>193.85</u>	<u>33.08</u>
Total Income	<u>1,397.58</u>	<u>2,072.00</u>
<u>Expenditure:</u>		
Cost of materials consumed	674.99	1,544.11
Changes in inventories of finished goods, work-in-progress	(182.61)	212.14
Employee benefits expense	167.90	159.35
Finance costs	239.13	493.86
Depreciation	94.82	106.95
Other expenses	<u>735.27</u>	<u>474.88</u>
	<u>1,729.50</u>	<u>2,991.29</u>
<u>Profit / (Loss) before exceptional items and tax</u>	(331.92)	(919.29)
Add/(Less): Exceptional items	<u>1,838.55</u>	<u>199.05</u>
Profit / (Loss) before tax	1,506.63	(720.24)
Less: Tax expenses	<u>0.00</u>	<u>0.00</u>
Profit / (Loss) for the period	<u>1,506.63</u>	<u>(720.24)</u>

Cautionary Statements

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

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

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

1. COMPANY'S GOVERNANCE PHILOSOPHY

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

2. POLICIES

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

a. Whistle Blower & Vigil Mechanism Policy:-

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

b. Code of Conduct

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

ii) Code of Conduct for prevention of Insider Trading: the Company has its own Code of Conduct for Prevention of Insider Trading

c. Related Party Transaction Policy

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

d. Policies & Code as per SEBI Insider Trading Regulations

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Mr. Tejas Dabhade, Compliance Officer & Company Secretary of the Company was the Compliance officer for the purposes of Insider Trading Code till March 01, 2020.

e. Familiarization Program for Independent Directors

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

3. BOARD OF DIRECTORS

Composition and Category of Directors

The Company has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Board comprises of 3 (Three) 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 2019-20

Name of Director	Category	Relationship between Directors inter-se	Attendance of meeting during 2019-20		*No. of other Directorship
			Board	Last AGM	
Mr. Ramakrishna Raju Gottumukkala	Managing Director	Father of :- 1. Mr. Praveen Kumar Raju Gottumukkala 2. Mrs. Venkata Sujani Indukuri	5	Yes	1
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	Son of Mr. Ramakrishna Raju Gottumukkala	3	Yes	0
Mr. Uttam Sampatrao Kadam	Non-Executive & Independent	NA	3	Yes	12
Mrs. Venkata Sujani Indukuri	Executive Director	Daughter of Mr. Ramakrishna Raju Gottumukkala	2	Yes	0
Mr. Siva Sankar Kalive	Non-Executive & Independent	NA	5	Yes	0
Mr. P. V. V. Rama Raju	Non-Executive & Independent	NA	1	No	0

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

The Board met five times during the financial year under review on the following dates:

- | | |
|----------------------------------|--------------------------------|
| 1) 29 th May, 2019 | 2) 22 nd June, 2019 |
| 3) 14 th August, 2019 | 4) 14 th Nov, 2019 |
| 5) 7 th Feb, 2020 | |

The maximum time gap between any two meetings was not more than 120 days.

The detail of familiarization programmes imparted to Independent /directors is disclosed at www.ecoboard.in

Brief Profile of Directors

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

Mr. Ramakrishna Raju Gottumukkala – Chairman & Managing Director

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

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

Mr. Praveen Kumar Raju Gottumukkala

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

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

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

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

Mrs. Sujani V. Indukuri

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

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

Mr. Uttam S. Kadam (Independent Director)

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

Mr. Siva Sankar Kalive (Independent Director)

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

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

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

Board Procedure

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

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

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

4. BOARD COMMITTEES

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

	*Audit Committee	Nomination & Remuneration Committee	*Stakeholders Relationship Committee
No of Meetings held	5	2	2
Directors attendance			
Mr. Uttam Sampatrao Kadam	3	2	2
Mr. P V V Rama raju	0	2	0
Mr. Siva Sankar Kalive	5	2	2
Mr. Ramakrishna Raju Gottumukkala.	5	NA	2

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

5. Details of Board Committees are as mentioned herein:**a) Audit Committee****Constitution**

As at March 31, 2020, the Audit Committee of the Board comprised of three (3) Directors including Mr. Uttam Sampatrao Kadam, Independent Director as Chairperson, Mr. Siva Sankar Kalive, Independent Director and Mr. Ramakrishna Raju Gottumukkala, Managing Director as its Members.

During the year under review, Five (5) meetings of the Audit Committee were held on:-

- | | |
|----------------------------------|--------------------------------|
| 1) 29 th May, 2019 | 2) 22 nd June, 2019 |
| 3) 14 th August, 2019 | 4) 14 th Nov, 2019 |
| 5) 7 th Feb, 2020 | |

Terms of reference

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

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

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to these, in compliance with requirements of Listing Regulations. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/others management information.

b) Nomination and Remuneration Committee

Constitution

In compliance with requirements of Regulation 19 of SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013, during financial year 2019-2020, 'Nomination and Remuneration Committee' which comprises of Mr. Uttam Sampatrao Kadam, independent Director as Chairperson, Mr. Siva Sankar, Independent Director, Mr. Veeravenkata Rama Raju Penmetsa, Independent Director as its Members. During the year under review the Committee met two times on 14th November, 2019 and 7th February, 2020.

Terms of reference

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

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

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

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

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

Performance evaluation criteria for Independent Directors

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

- No. of Board meetings attended
- Member of which committee
- No. of committee meetings attended
- Attendance in 28th Annual General meeting
- Attendance in the meeting of Independent Directors, conducted in the F.Y. 2019-2020
- Attended the Familiarisation Programmes organised by the company
- Complied with the provisions of the Companies Act, 2013; SEBI (LODR) Regulations, 2015 and any
- Other laws governing them.

Remuneration of Directors

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

Remuneration payable to Executive Directors

Your Board currently comprise of 2 Executive Directors viz. Mr. Ramakrishna Raju Gottumukkala, Managing Director and Mr. Praveen Kumar Raju Gottumukkala, Executive Director.

The details of the remuneration paid to Executive Directors of the Company during the year ended March 31, 2020 is as under:

(Amount in Rs.)

Particulars	Mr. G. R. K. Raju	Mr. G. P. K. Raju
Salary & Allowances	17,88,000/-	16,86,000/-
Total	17,88,000/-	16,86,000/-

Remuneration payable to Non-Executive Directors

During financial year 2019-20 Non-Executive Directors were paid sitting fee at the rate of Rs. 5,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee and Nomination and Remuneration Committee

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

c) Stakeholders Relationship Committee

Constitution

In compliance with Regulation 20 of SEBI (LODR) Regulation 2015 and Section 178 of the Companies Act, 2013, during financial year 2019-20, the 'Stakeholders Relationship Committee', which currently comprise of Mr. U.S. Kadam, Independent Director as Chairperson, Mr. G. R. K. Raju, Managing Director as member and Mr. Siva Sankar Kalive as Member.

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

*Resigned w.e.f. March 01, 2020.

Details of number of requests received from investors and resolved as on the year ended March 31, 2020, are as under:

Nature of Correspondence Request	Received	Resolved	Pending
Change of address	1	1	0
Stop Transfer/Procedure for Duplicate Share Certificate	0	0	0
Issue of Duplicate Share Certificate	0	0	0
Procedure for Transmission/ Deletion Transposition	0	0	0
Dematerialization of Shares	0	0	0
Stop Transfer and procedure for name deletion	0	0	0
KYC Registration of PAN/EMAIL ID/Phone	1	1	0
Others/ Confirmation of details	0	0	0
Complaints	0	0	0
TOTAL Request/ Complaints	2	2	0

During the year under review, 2 (Two) meetings of the Stakeholders Relationship Committee were held on:-

- 1) 14th August, 2019
- 2) 14th November, 2019

Terms of reference

Terms of reference of the Stakeholders Relationship Committee is to supervise and ensure efficient transfer of equity and preference shares of the Company and proper and timely attendance of investors' grievances. Mr. Tejas Dabhade, Company Secretary was the Compliance Officer of the Company till 1st March, 2020.

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 2020, there were no pending requests for transfer of shares as per company's records.

d) Independent Directors Meeting

Constitution

In compliance with Regulation 25 of SEBI (LODR) Regulations 2015 the Independent Directors of the Company met once on 07.02.2020 during the financial year 2019-20.

Terms of reference

The purpose of the above meeting is as follows:

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

6. GENERAL MEETINGS

The 29th Annual General Meeting of the Company for the Financial Year 2019-20 will be held on Friday, 26th September, 2020 at 11.00 a.m. through Video Conferencing/OAVM.

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	DATE	TIME	VENUE	NUMBER OF SPECIAL RESOLUTIONS PASSED.
26 th	26/09/2017	11.00 A.M.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	3
27 th	28/09/2018	11.00 A.M.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	2
28 th	27/09/2019	11.00 A.M.	Conference Hall, The President Hotel, 34/11, Erandwane, Prabhat Road, Pune – 411 004.	2
EGM				
EGM	29/02/2020	11.00 A.M.	EcoBooard Industreil ltd office located opposite to Nal-Stop Karve Road, Pune	1

All the above resolutions were passed with requisite majority.

No Special resolution was passed through Postal Ballot during the Financial Year 2019-20. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

7. Disclosures

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

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential

conflict with interests of the Company at large. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

Means of Communication

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

8. Shareholder General Information:

a) Forthcoming Annual General Meeting:

Date & Time: 26/09/2020 at 11.00 a.m.

Venue: Video Conferencing/ OAVM

b) Dates of Book Closure: from 20th September, 2020 to 26th September, 2020 (both days inclusive)

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

The Financial year covers the period from 1st April 2019 to 31st March 2020.

Financial Reporting for:

Quarter ending 30 th June, 2020	By 14 th August, 2020
Half Year ending 30 th September, 2020	By 15 th November, 2020
Quarter ending 31 st December, 2020	By 13 th February, 2021
Year ending 31 st March, 21	By 29 th May, 2021
Annual General Meeting for the year ending March 31, 2021	August/September 2021/any extended period.

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

e) Dividend Payment Details: : N.A.

f) Dividend Payment Date : N.A.

g) Listing on Stock Exchange & Stock Code:

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

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

h) Share Transfer System

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

i) Registrar and Share Transfer Agents:

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

J) Address for the Correspondence

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

K) Bio System Division:

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

l) Factory (Particle board division):

Village Velapur, Taluka Malshiras,
Dist-Solapur, Maharashtra

m) Shareholding Pattern as on 31st March 2020

SHAREHOLDERS	NUMBER OF SHARES HELD	% SHAREHOLDING
CLEARING MEMBER	1900	
OTHER BODIES CORPORATE	250000	
FOREIGN INST. INVESTOR	-	
BANK/FI	1900	
HINDU UNDIVIDED FAMILY	267036	
INDIVIDUALS	5269972	
MARKET MAKER	-	
NON RESIDENT INDIANS	35483	

NON RESIDENT (NON REPATRIABLE)	15907	
OVERSEAS CORPORATE BODIES	-	
PERSONS ACTING IN CONCERT	100400	
PUBLIC	6738966	37.79
PROMOTERS	11093034	62.20
TOTAL:	17832000	100.00

N) Dematerialization of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) by virtue of which, in NSDL: 5758651 Equity Shares and in CDSL 10056148 Equity shares of the Company forming 88.69% of total share capital of the Company, have been dematerialized by on 31st March 2020.

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

Sd/-
Ramakrishna Raju Guttumukkala
CHAIRMAN
DIN:

Place: Pune
Date: 25.08.2020

Date: 30.07.2020

COMPLIANCE CERTIFICATE

To,

The Board of Directors,
Ecoboard Industries Limited
65/1A, 'Akarshak Building', opp. Nal stop,
Karve Road, Pune – 411 004

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

Respected Board members,

I have reviewed the financial statements and the cash flow statement for the financial year ended on 31st March 2020 and that to the best of my knowledge and belief, I hereby certify in pursuance to Regulation 17(8) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 that –

- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (2) These statements together present a true and fair view of the affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
- (3) The company has not entered into any transactions during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (4) I accept my responsibility for establishing and maintaining internal controls for financial reporting.
- (5) I have indicated significant changes in internal control over financial reporting during the year.

For the Ecoboard Industries Limited

Praveen Kumar Raju Gottumukala
Chief Financial Officer

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, I G.R.K. Raju, Managing Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2020.

For and On Behalf of Board of Directors

Ramakrishna Raju Gottumukkala
Managing Director
DIN: 01516984
Place: Pune
Date: 25.08.2020

INDEPENDENT AUDITORS' REPORT

To The Members of Ecoboard Industries Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **Ecoboard Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and the notes to standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its Profit, total comprehensive income, its cash flows and the changes in Equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report along with our description of how our audit addresses the matters.

Key audit matter	How the key audit matter was addressed in our Audit
Going Concern The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The	Our audit procedures included: <ul style="list-style-type: none"> • We have used our own internal experts in evaluating the assumptions and forecasts made by the management. We have specifically devoted attention to the assumptions made with respect to the future cash flow in order to assess the Company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead.

<p>expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.</p>	
<p>Litigation matters The provisions and contingent liabilities relate to on-going litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, claims, general legal proceedings and other eventualities arising in the regular course of business.</p> <p>As at the year ended 31 March 2020, the amounts involved are significant. The computation of a provision or contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The amount recognised as a provision is the best estimate of the expenditure. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the company. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities.</p>	<p>Our audit procedures included and was not limited to the following:</p> <ul style="list-style-type: none"> • Assessing management's position through discussions with the in-house legal/tax team, the probability of success in the aforesaid cases, and the magnitude of any potential loss. • Discussion with the management on the development in these litigations during the year ended March 31, 2020. • Review of the disclosures made by the Company in the financial statements in this regard.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

When we read the reports, if we conclude that there is a material misstatement of other information, we are required to communicate those facts to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'. We have nothing to report at this moment in this regard.

Management's Responsibility for the Standalone Financial Statements

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

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on 31st March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year ended 31st March, 2020 is in accordance with the provisions of section 197 read with the schedule V to the Act.
- h) 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 38(A)(b) to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts that may result in material foreseeable loss.
 - (iii) Currently there are no amounts held by the Company that are required to be transferred to the Investor Education and Protection Fund hence we do not comment on the same.

For **B.M CHATURVEDI & CO**
Chartered Accounts
ICAI FRN: 11437W

Place: Mumbai
Date: 30th July 2020

B. M. Chaturvedi
Partner
ICAI M.N. 017607
UDIN: 20017607AAAAAG4815

Annexure A to the Independent Auditors' Report

As required under CARO, 2016 and referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of Ecoboard Industries Limited for the year ended 31st March 2020.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, except one office property situated at Ahmedabad which is yet to be registered in the name of the Company, title deeds of other immovable properties are held in the name of the Company.

2. According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.

3. According to the information given to us, the Company has not granted any loans, secured and unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraphs 3(iii)(a),(b) and (c) of the Order are not applicable.

4. The Company has not given loans, investments, guarantees and security. Accordingly, Paragraph 3(iv) of the Order is not applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder are not applicable.

6. We are informed that the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company's products.

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Value Added Tax, Service-tax, Goods and Service tax and other material statutory dues applicable to it and in many cases, payments were made after due dates. According to the information and explanations given to us, Tax deducted at Source of Rs. 65.61 lakh, Excise duty of Rs 1.87 lakh, Value Added Tax and Central Sales Tax of Rs. 191.21 lakh, Goods and Service tax (reverse charge) of Rs. 8.55, Provident Fund of Rs. 25.01 lakh, ESIC Rs 0.04 lakh, MLWF Rs 0.07 lakh and Profession tax Rs 1.85 lakh were in arrears as at 31/03/2020 for a period of more than six months from the date they became payable.

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

Nature of dues	Period	Amount Rs. in lakhs	Forum where the dispute is Pending
Central Excise duty	2003-04	28.45	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	1.48	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	0.76	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2006-09	0.66	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2006-09	400.13	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2009-10	6.19	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2008-10	336.98	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2010-13	95.86	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2012-14	57.75	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2012-14	24.91	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2015-16	79.02	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	28.35	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	2.19	Custom, Excise & Service Tax Appellate Tribunal

Central Excise duty	2004-05	1.13	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2016-18	26.03	Custom, Excise & Service Tax Appellate Tribunal
Central Sales Tax	2011-12	61.79	Commissioner of Sales tax (Appeals)
		1151.68	

8. According to the information and explanations given to us by the management, the Company had received Notice u/s 13 (2) of the Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 from one of its bankers namely, Bank of Maharashtra, recalling the loans of Rs. 1243.32 lakh plus interest. Outstanding balance as on 31/03/2019 was Rs 1112.93 lakh (excluding interest). Company has made One Time Settlement of its dues under Maha Riyayat Scheme of the Bank of Maharashtra during the financial year 2019-20.

Except the facts stated above, according to the information and explanations given to us by the management, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government or dues to debenture holders.

9. According to the information and explanation provided to us, Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and based on our examination of records of the Company, the Company has paid/ provided managerial remuneration during the year in accordance with the provisions of section 197 read with Schedule V to the Companies Act 2013.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to register under Section 45-IA of the Reserve Bank of India Act 1934.

For **B.M CHATURVEDI & CO**
Chartered Accounts
ICAI FRN: 11437W

Place: Mumbai
Date: 30th July 2020

B. M. Chaturvedi
Partner
ICAI M.N. 017607
UDIN: 20017607AAAAAG4815

**Annexure B to the Independent Auditors' Report
(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements"
Section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **Ecoboard Industries Limited** ('the Company') as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **B.M CHATURVEDI & CO**
Chartered Accounts
ICAI FRN: 11437W

Place: Mumbai
Date: 30th July 2020

B. M. Chaturvedi
Partner
ICAI M.N. 017607
UDIN: 20017607AAAAAG4815

ECOBOARD INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

		Rs. in Lakh	
	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
I NON-CURRENT ASSETS			
a. Property, Plant and Equipments	1	2,371.89	3,527.33
b. Intangible assets	1	0.00	0.00
c. Capital work in progress		236.28	236.28
		2,608.17	3,763.61
d. Financial Assets			
(i) Loans and advances	2	50.24	47.37
e. Other non current assets	3	75.38	69.17
		125.62	116.54
		2,733.79	3,880.15
II CURRENT ASSETS			
a. Inventories	4	1,741.55	1,288.85
b. Financial Assets			
(i) Trade receivables	5	415.31	526.48
(ii) Cash and cash equivalent	6	15.31	81.33
(iii) Loans and advances	7	257.36	307.10
		687.98	914.91
c. Non Current Assets held for sale	8	1,000.12	225.70
		3,429.65	2,429.46
		6,163.44	6,309.61
EQUITY AND LIABILITIES			
1 Equity :			
a. Equity Share Capital	9	1,783.20	1,783.20
b. Other Equity	10	(1,416.43)	(2,925.02)
		366.77	(1,141.82)
2 Non-current Liabilities			
a. Financial Liabilities			
(i) Borrowings	11	3,002.00	2,065.39
b. Provisions	12	59.02	58.65
c. Other non current liabilities	13	34.84	34.84
		3,095.86	2,158.88
3 Current Liabilities			
a. Financial Liability			
(i) Borrowings	14	1,015.43	2,721.30
(ii) Trade payables	15	943.23	1,230.53
b. Other current liabilities	16	722.24	1,320.99
c. Provisions	17	19.91	19.73
		2,700.81	5,292.55
		6,163.44	6,309.61
Significant Accounting Policies			
Other Notes on Financial Statements	1 to 45		

As per our report of even date
For **B. M. CHATURVEDI & CO**
Chartered Accountants

G.R.K. Raju
Managing Director

G.P.K. Raju
Executive Director

B.M. Chaturvedi
Partner
(Firm Regn. No. 114317W; Partner's Membership No. 017607)
Place : Mumbai
Date: 30th July, 2020
UDIN: **20017607AAAAAG4815**

Company Secretary

Siva Sankar Kalive
Directors

ECOBOARD INDUSTRIES LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

		Rs. in Lakh	
	Note No.	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
INCOME :			
Revenue from operations	18	1,203.73	2,038.20
Other income	19	193.85	33.80
Total Income		1,397.58	2,072.00
EXPENDITURE:			
Cost of materials consumed	20	674.99	1,544.11
Changes in inventories of finished goods, work-in-progress	21	(182.61)	212.14
Employee benefits expense	22	167.90	159.35
Finance costs	23	239.13	493.86
Depreciation	1	94.82	106.95
Other expenses	24	735.27	474.88
		1,729.50	2,991.29
Profit / (Loss) before exceptional items and tax		(331.92)	(919.29)
Add/(Less): Exceptional items (See Note 29 and 30)	25	1,838.55	199.05
Profit / (Loss) before tax		1,506.63	(720.24)
Less: Tax expenses			
Current tax		0.00	0.00
Deferred tax		0.00	0.00
Profit / (Loss) for the period		1,506.63	(720.24)
Other Comprehensive Income			
Items that will not be reclassified into profit or loss		1.96	0.46
Income tax relating to items that will not be reclassified into Profit or loss		0.00	0.00
Items that will be reclassified into profit or loss		0.00	0.00
Income tax relating to items that will be reclassified into Profit or loss		0.00	0.00
Other Comprehensive income for the year (net of tax)		1.96	0.46
Total comprehensive income for the year		1,508.59	(719.78)
Earnings / (Loss) per Share (Rs.)	26		
-Basic		8.46	(4.04)
-Diluted		8.46	(4.04)
Significant Accounting Policies			
Other Notes on Financial Statements	1 to 45		

As per our report of even date
For **B. M. CHATURVEDI & CO**
Chartered Accountants

G.R.K. Raju
Managing Director

G.P.K. Raju
Executive Director

B.M. Chaturvedi
Partner
(Firm Regn. No. 114317W; Partner's Membership No. 017607)
Place : Mumbai
Date: 30th July, 2020
UDIN: **20017607AAAAAG4815**

Company Secretary

Siva Sankar Kalive
Directors

ECOBOARD INDUSTRIES LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

		Rs. in Lakh	
		Year ended 31st March, 2020	Year ended 31st March, 2019
A.	Cash flow from operating activities:		
	Net profit /(Loss) for the year	1,506.63	(720.24)
	<i>Adjustments for non cash expenses :-</i>		
	Depreciation	94.82	106.95
	Other comprehensive income	1.96	0.46
	Allowance for doubtful debts	48.12	(3.22)
	Loss on assets discarded	63.97	0.00
	Allowance for doubtful advances	21.27	0.00
		230.14	104.19
	<i>Adjustment for non operating incomes:-</i>		
	Waiver on interest on settlement of bank dues	(704.94)	0.00
	Profit on sale of fixed assets	(1,078.30)	0.00
	<i>Adjustment for expenses considered seperately:-</i>		
	Interest expenses	239.13	493.86
	Operating profit before working capital changes	192.66	(122.19)
	<i>Adjustment for changes in working capital:-</i>		
	Change in inventories	(452.70)	153.76
	Change in debtors	63.05	(392.78)
	Change in other receivables	21.40	(66.19)
	Change in trade payables and other liabilities	(505.93)	469.60
		(874.18)	164.39
	Cash generated from operation	(681.52)	42.20
	Direct taxes	(2.01)	(4.06)
		(2.01)	(4.06)
	Net cash from operating activities... A	(683.53)	38.14
B.	Cash flow from investing activities		
	Receipt against sale of assets	852.99	0.00
	Advance against sale of property	71.43	170.70
	Purchase of fixed assets (including capital work in progress)	(3.46)	(0.70)
	Net cash used in investing activities...B	920.96	170.00
C.	Cash flow from financing activities:		
	Bank borrowings for working capital	(192.55)	(423.05)
	Repayment of bank borrowings for working capital	(753.88)	0.00
	Loan from directors	2.90	0.00
	Repayment of loan to directors	(0.40)	(6.53)
	Intercompany deposits	934.11	618.95
	Interest paid	(293.63)	(349.82)
	Net cash from financing activities...C	(303.45)	(160.45)
D.	Net increase/(decrease) in cash & cash equivalents (A+B+C)	(66.02)	47.69
	Cash & cash equivalents -Opening balance	81.33	33.64
	Cash & cash equivalents -Closing balance	15.31	81.33

Note: Figures in brackets represent cash outflow .

As per our report of even date
For **B. M. CHATURVEDI & CO**
Chartered Accountants

G.R.K. Raju
Managing Director

G.P.K. Raju
Executive Director

B.M. Chaturvedi
Partner
(Firm Regn. No. 114317W; Partner's Membership No. 017607)
Place : Mumbai
Date: 30th July, 2020
UDIN: **20017607AAAAAG4815**

Company Secretary

Siva Sankar Kalive
Directors

ECOBOARD INDUSTRIES LIMITED

Statement of Changes in Equity for the year ended 31st March, 2020

A Equity Share Capital

(Rs. In lakh)

Balance as at 1st April, 2018	1,783.20
Paid up Equity Share Capital	
Changes in Equity Share Capital during the year	0.00
Balance as at 31st March 2019	1,783.20
Changes in Equity Share Capital during the year	0.00
Balance as at 31st March, 2020	1,783.20

B Other Equity

(Rs. In lakh)

	Capital reserve	Security premium	General reserve	Amalgamation reserve	IND AS transition reserve	Retained earnings	Total
Balance as at 1st April, 2018	21.31	2,618.78	2,526.06	0.30	2,540.68	(9,912.37)	(2,205.24)
Total Comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	(719.78)	(719.78)
Balance as at 1st April, 2019	21.31	2,618.78	2,526.06	0.30	2,540.68	(10,632.15)	(2,925.02)
Total Comprehensive income for the year	0.00	0.00	0.00	0.00	0.00	1,508.59	1,508.59
Balance as at 31st March, 2020	21.31	2,618.78	2,526.06	0.30	2,540.68	(9,123.56)	(1,416.43)

As per our report of even date
For **B. M. CHATURVEDI & CO**
Chartered Accountants

B.M. Chaturvedi
Partner
(Firm Regn. No. 114317W; Partner's Membership No. 017607)
Place : Mumbai
Date: 30th July, 2020
UDIN:- **20017607AAAAAG4815**

G.R.K. Raju
Managing Director

G.P.K. Raju
Executive Director

Company Secretary

Siva Sankar Kalive
Directors

ECOBOARD INDUSTRIES LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

A Corporate Information:-

Ecoboard Industries Limited 'the Company' was incorporated in India on 20th November, 1991. Ecoboard is engaged in two business lines- (i) Laminated particle boards made from agri-residues mainly bagasse and (ii) Anaerobic waste water treatment plants for distilleries and other industries. Company's particle boards, marketed in the brand name of Ecoboard, are 100% wood free and versatile all purpose boards meant to be an alternative to conventional wood based particle boards, plywood and other panel products. It is the first product to be given Ecomark by the Government of India for its eco-friendly properties.

Company has a particle boards manufacturing plant at Velapur in Solapur district in Maharashtra.

B Significant Accounting Policies:

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

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

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

b) Summary of Significant accounting Policies

i) Use of estimates

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

Estimation of uncertainties relating to COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial assets, receivables, inventory, advances, property, plant and equipment and liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information

such as our current contract terms, financial strength of partners, future volume estimates from the business etc. The Company has reviewed internal assessment and assumptions used and based on current estimates company expects the carrying amount of these assets will be recovered and liabilities will be paid as and when due or demanded by parties.

ii) Property, Plant and Equipments (PPE)

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

iii) Depreciation

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

iv) Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind-AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

The right-to-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any and are adjusted for any remeasurement of the lease liability.

The right-to-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of the asset. Right-to-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the value of right-to-use asset and/or statement of profit and loss depending upon the nature of modification.

The Company has adopted Ind AS 116-Lease with effect from 1st April 2019. The adoption of Ind AS 116 did not have any material impact on the standalone results of the Company.

The Company has elected not to apply the requirements of Ind-AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense in the statement of profit and loss.

v) Finance Cost

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

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

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

vi) Inventories

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

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

(c) Finished goods are valued at lower of cost and net realisable value after providing for obsolescence, if any.

Cost of work-in-progress and finished goods comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads net of recoverable taxes incurred in bringing those goods to their respective present location and conditions.

vii) Impairment

(i) Financial Assets

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

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

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Asset or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of asset of CGU is estimated

to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

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

viii) Employee Benefits Expenses

Short Term Employee Benefits

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

Post-Employment Benefits

Defined Contribution Plans

Contribution to Provident fund, which is defined contribution plan, is recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Defined Benefit Plans

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

The Company presents the above liability/(assets) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

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

ix) Tax Expenses

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

(i) Current tax

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

(ii)Deferred tax

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

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

x) Foreign currency transactions and balances

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

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

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

xi) Provisions and Contingencies

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

Contingent liability is disclosed in case of

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

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

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

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

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

xii) Non current assets held for sale

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

assets reclassified from 'Held for Sale' have been estimated using the Management's assumptions which consist of significant unobservable inputs.

xiii) Revenue recognition

(i) Revenue from operations

(a) Revenue from sale of products-

Revenue from sale of goods is recognised when the significant risk and reward of ownership have been transferred to the buyer and recovery of consideration is probable.

(b) Revenue from services-

Revenue from rendering of service is recognised in the accounting period in which service is rendered and recovery of consideration is probable.

(c) Revenue from contracts:-

Revenue from Contracts, where the performance obligations are satisfied over time and where there is no uncertainty about measurement or collectability of consideration, is recognised as per percentage-of-completion method. The Company determines the percentage-of-completion on the basis of direct measurement of the value of goods and services transferred to the customer to-date relative to the remaining goods and services promised under the contract.

Revenue in excess of invoicing is classified as 'Contract assets' while invoicing in excess of revenue is classified as 'Contract Liabilities'. Advance payments received from customers for which no services are rendered are shown as 'Advance from customers'.

(d) Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

Company presents revenues net of indirect taxes in its statement of profit & loss.

(ii) Other Income:-

(a) Interest income:- Interest income from financial assets is recognised using effective interest rate method.

(b) Dividend income:- Dividend income is recognised when the Company's right to receive the amount has been established.

(c) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

xiv) Exceptional items:-

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

xv) Derecognition of financial liabilities:- The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference

between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

xvi) Earning per share

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

xviii) Statement of Cash flows

Cash flow is reported using the indirect method whereby net profit before tax is adjusted for effects of transaction of a non-cash nature. The cash flow from operating, investing and financing activities of the Company are segregated.

1 : Property, Plant and Equipments

Rs. in Lakh

Particulars	Gross Block					Depreciation					Net Block	
	As at 31.03.19	Additions	Deductions	Assets held for sale	As at 31.03.20	Upto 31.03.19	on assets held for sale	Written back 19-20	For the Year 19-20	Upto 31.03.20	As at 31.03.20	As at 31.03.19
Tangible Assets												
Freehold land	2,092.00	0.00	0.00	(1,000.12)	1,091.88	0.00	0.00	0.00	0.00	0.00	1,091.88	2,092.00
Building	967.03	0.00	0.00	0.00	967.03	179.01	0.00	0.00	58.78	237.79	729.24	788.02
Plant & machinery	5,816.88	0.00	(1,185.53)	0.00	4,631.35	5,216.36	0.00	(1,126.26)	33.01	4,123.11	508.24	600.52
Electrical installations	340.90	0.00	(53.89)	0.00	287.01	323.86	0.00	(51.20)	0.00	272.66	14.35	17.04
Furniture & fixtures	104.67	0.19	0.00	0.00	104.86	98.20	0.00	0.00	0.30	98.50	6.36	6.47
Equipments	131.94	3.27	(42.75)	0.00	92.46	112.21	0.00	(40.75)	2.72	74.18	18.28	19.73
Vehicles	65.84	0.00	0.00	0.00	65.84	62.63	0.00	0.00	0.00	62.63	3.21	3.21
Tools & patterns	5.82	0.00	0.00	0.00	5.82	5.48	0.00	0.00	0.01	5.49	0.33	0.34
	9,525.08	3.46	(1,282.17)	(1,000.12)	7,246.25	5,997.75	0.00	(1,218.21)	94.82	4,874.36	2,371.89	3,527.33
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	0.00	0.00	0.00	0.00
GRAND TOTAL :	9,525.08	3.46	(1,282.17)	(1,000.12)	7,246.25	5,997.75	0.00	(1,218.21)	94.82	4,874.36	2,371.89	3,527.33
Previous Year	9,555.86	0.70	0.00	(31.48)	9,525.08	5,902.06	(11.26)	0.00	106.95	5,997.75	3,527.33	3,653.80

Notes:

(i) Conveyance for office building valued Rs. 7.03 lakh is pending execution.

(ii) 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.

(iii) During the year, Company has discarded some items of old plant and machinery, electrical installation and factory equipment. Carrying cost of these items at Rs 63.97 lakh has been recognised as expense.

(iv) Company has obtained Shareholders approval for sale of part of excess land admeasuring about 40 acres (Non-core asset) of the Company situated at Velapur, Taluka-Malshiras, District-Solapur, Maharashtra. Accordingly, carrying cost of land- Rs. 1000.12 lakh- is transferred to 'Assets held for sale' as per Ind-AS 105 "Non current assets held for sale and discontinued operations."

Rs. in Lakh

	As at 31st March, 2020	As at 31st March, 2019
2. Loans & advances- Non-current		
<i>Unsecured considered good</i>		
To director	3.60	3.60
To others	46.64	43.77
	50.24	47.37
<i>Considered doubtful</i>	11.60	11.60
	61.84	58.97
Less: Impairment provision	11.60	11.60
	50.24	47.37
3. Other Non-current Assets		
<i>Unsecured considered good</i>		
Advances for capital goods	75.38	69.17
	75.38	69.17
4. Inventories		
Stores, spares and consumables	140.00	163.04
Packing material	0.83	0.32
Raw materials	396.80	104.18
Work-in-progress	416.95	140.59
Finished goods	786.97	880.72
	1,741.55	1,288.85
5. Trade Receivables		
<i>Unsecured:-</i>		
Considered good	415.31	526.48
Considered doubtful	100.22	455.14
	515.53	981.62
Less: Allowance for expected credit loss	100.22	455.14
	415.31	526.48
6. Cash and Bank Balance		
<i>Cash and cash equivalents-</i>		
Cash on hand	2.23	3.24
Balances with banks in current account	6.29	39.60
	8.52	42.84
<i>Other bank balances-</i>		
Balances in dividend and refund accounts	0.00	2.90
Deposits with banks with maturity less than 12 months	6.79	35.59
	15.31	81.33

Rs. in Lakh

	As at 31st March, 2020	As at 31st March, 2019
7. Loans and Advances- Current		
<i>(Unsecured considered good unless otherwise stated)</i>		
Advance for goods		
Considered good	46.61	94.41
Considered doubtful	37.48	79.45
	84.09	173.86
Less: Impairment provision	37.48	79.45
	46.61	94.41
Prepaid expenses	2.54	2.41
Advance income tax	20.21	18.21
<i>Other Advances:</i>		
Considered good	188.00	192.07
Considered doubtful	320.41	321.43
	508.41	513.50
Less: Impairment provision	320.41	321.43
	188.00	192.07
	257.36	307.10
8. Non Current Assets held for Sale	1,000.12	225.70
During the year ended 31st March 2019, land and building situated at Village Jambhulwadi, near Islampur in District Sangli, were classified as held for sale at their carrying amount of Rs 205.48 lakh. Refer Note 30(i) also.		
During the year ended 31st March 2019, Company had also entered into memorandum of understanding for sale of office premises at Pune. The same were classified as held for sale at the carrying amount of Rs 20.22 lakh. Refer Note 30(ii) also.		
During the current year ended 31st March 2020, Company has obtained Shareholders' approval in the Annual General Meeting held on 27th September 2019 for sale of part of excess land admeasuring about 40 acres (non-core asset) of the Company situated at Velapur, Taluka-Maishiras, District-Solapur, Maharashtra. The same is classified as held for sale at its carrying amount of Rs 1000.12 lakh. Refer Note 31 also.		

9. Share Capital

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
<i>Authorised:</i>				
Equity Shares of Rs. 10 each	23,000,000	2,300.00	23,000,000	2,300.00
Preference Shares of Rs. 100 each	200,000	200.00	200,000	200.00
		2,500.00		2,500.00
<i>Issued:</i>				
Equity Shares of Rs. 10 each	17,832,000	1,783.20	17,832,000	1,783.20
Preference Shares of Rs. 100 each	0	0.00	0	0.00
		1,783.20		1,783.20
<i>Subscribed and paid up:</i>				
Equity Shares of Rs. 10 each, fully paid	17,832,000	1,783.20	17,832,000	1,783.20
Preference Shares of Rs. 100 each	0	0.00	0	0.00
Total		1,783.20		1,783.20

Rights, preferences and restrictions attached to shares

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

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

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Percentage of holding	No. of Shares	Percentage of holding
1 Jayalakshmi Gottumukkala	3,349,135	18.78%	3,329,593	18.67%
2 Ramakrishna Raju Gottumukkala	2,176,225	12.20%	2,176,225	12.20%
3 Satyavathi Vegesna	1,172,736	6.58%	1,172,736	6.58%
4 Indukuri Venkata Sujani	1,170,553	6.56%	1,170,553	6.56%

Rs. in Lakh

	As at 31st March, 2020	As at 31st March, 2019
10. Other Equity		
Capital reserve	21.31	21.31
Amalgamation reserve	0.30	0.30
Securities premium	2,618.78	2,618.78
General reserve	2,526.06	2,526.06
Ind-AS transition reserve	2,540.68	2,540.68
Retained earnings	(9,123.56)	(10,632.15)
	(1,416.43)	(2,925.02)
11. Long Term Borrowings		
<i>Secured-</i>	0.00	0.00
<i>Unsecured loans:</i>		
Inter-corporate deposits	1,553.06	618.95
From directors	1,448.94	1,446.44
	3,002.00	2,065.39
No repayment date is stipulated for directors' deposits. However, it is agreed by the directors that the deposits shall not be repayable before 31/03/2021 or during the currency of bank loans whichever is later.		
12. Long Term Provisions		
Provision for employee benefits	59.02	58.65
	59.02	58.65
13. Other Long Term Liabilities		
Trade deposits	34.84	34.84
	34.84	34.84
14. Short Term Borrowings		
<i>Loans repayable on demand (Secured):</i>		
Cash credit facilities from banks- Refer Note 28	1,015.43	1,961.86
Interest accrued and due on cash credit accounts	0.00	759.44
	1,015.43	2,721.30

Rs. in Lakh

	As at 31st March, 2020	As at 31st March, 2019
15. Trade Payables		
Creditors for goods	943.23	1,230.53
	943.23	1,230.53
a) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management under the MSME Act 2006.		
b) MSME Disclosure		
<i>Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006</i>		
i) Principal amount due	47.70	0.00
ii) Interest due on above	3.42	0.00
iii) Amount of interest paid in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
-Principal amount paid beyond due date	0.00	0.00
-Interest paid thereon	0.00	0.00
iv) Amount of interest due and payable for the period of delay	0.00	0.00
v) Amount of interest accrued and remaining unpaid as at the year end	3.42	0.00
vi) Amount of further interest remaining due and payable in the succeeding year	0.00	0.00
16. Other Current Liabilities		
Contract liabilities	40.50	162.03
Advance from customers	69.49	108.44
Other payables	60.51	83.54
Advance against sale of property	72.13	451.70
Employees related payables and contributions	181.39	166.11
Other liabilities	298.22	349.17
	722.24	1,320.99
17. Provisions		
Provision for employee benefits	19.91	19.73
	19.91	19.73

	Rs. in Lakh	
	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
18. Revenue from Operations		
Revenue from sale of goods	682.91	316.91
Revenue from contracts	395.46	1,721.29
Income from services	125.36	0.00
	1,203.73	2,038.20
<i>Out of above:</i>		
Revenue from Particle Board business	783.37	316.91
Revenue from Biogas Systems business	420.36	1,721.29
19. Other Income- (Non-operating)		
Rent received	1.29	0.65
Sale of scrap	8.28	4.64
Interest received	10.39	3.11
Sales tax refund received	25.61	0.00
Miscellaneous Income	0.08	0.00
Excess provision written back	43.80	25.40
Sundry balances written back	104.40	0.00
	193.85	33.80
20. Cost of Materials		
Opening stock	104.18	63.48
Add: Purchases	967.61	1,584.81
Less: Sales	0.00	0.00
Less: Closing stock	396.80	104.18
	674.99	1,544.11
<i>Out of above:</i>		
Bagasse	276.22	105.14
Chemicals	158.34	63.88
Paper	43.95	37.76
Others	196.48	1,337.32
21. Change in Inventories of finished goods and work-in-progress		
<i>Opening Stock:</i>		
Finished goods	880.72	988.93
Work-in-progress	140.59	244.52
	1,021.31	1,233.45
<i>Closing Stock:</i>		
Finished goods	786.97	880.72
Work-in-progress	416.95	140.59
	1,203.92	1,021.31
(Increase)/decrease in stock	(182.61)	212.14
22. Employee Benefit Expenses		
Salaries, Wages and Bonus	151.47	141.37
Contribution to Provident Fund	1.60	5.14
Gratuity	5.47	5.09
Super-annuation	2.86	2.72
Employees' PF administration charges	0.20	0.26
Workmen & staff welfare expenses	5.05	3.61
Unavailed leave / leave encashment	1.25	1.16
	167.90	159.35

	Rs. in Lakh	
	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
23. Financial Costs		
Interest on working capital finance	118.51	409.68
Exchange rate fluctuation gain	(5.49)	(4.28)
Others	117.04	77.99
Bank charges	9.07	10.47
	239.13	493.86
24. Other Expenses		
<u>Manufacturing Expenses</u>		
Consumption of stores and spares parts	51.55	18.43
Power and fuel	158.53	88.35
Site and job work expenses	103.86	124.72
Repairs to buildings	0.44	0.00
Repairs to machinery	3.44	0.23
	317.82	231.73
<u>Administration and Other Charges</u>		
Directors remuneration	34.74	34.74
Directors sitting fees	0.15	0.45
Insurance	3.14	2.69
Rates and taxes	50.87	52.85
Rent paid	9.76	10.99
Postage & telephones	3.10	3.09
Travelling and conveyance expenses	33.39	29.99
Sundry expenses	71.52	48.79
Donations	0.17	0.21
Professional charges	18.20	21.20
Sundry balances written off	0.00	5.44
<u>Payment to Auditors:</u>		
Audit fees	5.50	5.50
Certifications/Others	1.50	1.50
	7.00	7.00
Bad debts written off	414.49	3.01
Less: Amount written back from allowance for expected credit loss	(403.04)	0.00
	11.45	3.01
Irrecoverable advances written off	75.54	0.00
Less: Amount written back from impairment provision	(64.27)	0.00
	11.27	0.00
Allowances for expected credit loss	48.12	(3.22)
Impairment provision for doubtful advances	21.27	0.00
Loss on assets discarded (Refer Note 33)	63.97	0.00
	388.12	217.23
<u>Sales and Distribution Expenses</u>		
Packing and forwarding expenses	22.36	20.70
Sales expenses	6.36	4.96
Discount and commission	0.61	0.26
	29.33	25.92
	735.27	474.88

	Rs. in Lakh	
	For the Year Ended 31st March,2020	For the Year Ended 31st March,2019
25. Exceptional items		
Profit on sale of fixed assets	1,078.30	0.00
Loan liabilities written back on settlement of dues (Refer Note 29)	0.00	73.46
Interest provision written back on settlement of bank dues (Refer Note 29)	704.94	125.59
Waiver of statutory tax liability under settlement scheme	55.31	0.00
	1,838.55	199.05
26. Computation of Earnings per Share (EPS)		
Profit / (Loss) after tax (Rs. in lakhs)	1,508.59	(719.78)
No. of Equity Shares- Weighted average (in lakhs)	178.32	178.32
<u>Earnings per share- (Face value- Rs. 10 per share):-</u>		
Basic (Rs.)	8.46	(4.04)
Diluted (Rs.)	8.46	(4.04)

ECOBOARD INDUSTRIES LIMITED

27. Directors of the Company have waived interest on their unsecured loans for the financial year 2019-20.

28. Security Clause:

Primary security : Working capital and Bank guarantee facility from Andhra Bank is 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.

The Bank guarantee facility is secured by counter guarantee of the Company and hypothecation of current net assets of the Company.

Collateral: These loans are further secured by equitable mortgage of immovable properties of the Company situated 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.

29. Settlement of dues of Banks

Settlement of dues of State Bank of India during FY 2018-19

During FY 2018-19, the Company agreed for One Time Settlement of dues of State Bank of India and repaid the amount as per terms of OTS Scheme of the bank.

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

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

Settlement of dues of Bank of Maharashtra during FY 2019-20

Company has made One Time Settlement of its dues under Maha Riyayat Scheme of the Bank of Maharashtra. Company made payment of Rs. 54.50 lakhs over and above the principal amount of dues to the bank as per the terms agreed with the bank. Company has written back its interest liability of Rs 704.94 lakh. The same is shown as exceptional item.

30. Sale of Assets of the Company

(i) Sale of land and building at Jambhulwadi

Despite the slowdown in economy, the Company is able to successfully complete sale of its land and buildings at Jambhulwadi on 19th July, 2019 for a consideration of Rs 1039.00 lakh. The carrying amount of the assets was Rs 205.48 Lakh. Company has booked profit of Rs 833.52 lakh on the said transaction. Same is shown under exceptional items.

Company's Bankers had obtained fair market valuation of the said assets from registered valuer who estimated fair market value of the said land and building at Rs 1236.75 lakh, realisable value at Rs. 1113.07 lakh and distress sale value at Rs. 1051.24 lakh. The sale transaction was negotiated with the knowledge and help of Bankers with the buyer party and the consideration was fixed at Rs. 1039.00 lakh.

(ii) Sale of office property at Pune

Company has sold its office property at Pune for a consideration of Rs 265.00 lakh. The carrying amount of the asset was Rs. 20.22 lakh. Company has booked profit of Rs 244.78 lakh on the said transaction. Same is shown under exceptional item. The said proceeds were used for settlement of dues of Bank of Maharashtra.

Above said office building situated at Pune is sold to the Executive Director of the Company. Approval of Shareholders for related party transaction was taken post facto in the Extra-ordinary General Meeting held on 29th

Company has obtained valuation certificate from registered valuer who estimated fair market value of the said office at Rs. 245 lakh, valuation as per Government ready reckoner rate at Rs 280.30 lakh. Market value as per stamp duty document was Rs 311.43 lakh.

31. Company has received letter from Sub-Divisional Officer/ Land Acquisition Officer, Malshiras Sub Division, Akulj intimating Government decision to acquire 8 Acres 11 R of Company land for road widening purpose. The acquisition will not result in any adverse effect on the operations of Company's particle board plant at Velapur. Company expects to get compensation for such acquisition of land as per rules and policy of the Government in this respect.

Company has obtained Shareholders approval in the Annual General Meeting held on 27th September, 2019 for sale of part of excess land admeasuring about 40 acres (Non-core asset) of the Company situated within premises of the Company's land situated at Velapur, Taluka-Malshiras, District-Solapur, Maharashtra.

Accordingly, carrying cost of land is shown as "Assets held for sale" as per Ind-AS 105 "Noncurrent assets held for sale and discontinued operations."

32. Impact of Covid-19 Pandemic

The outbreak of Covid-19 pandemic has caused serious disruption in business activity of the Company. The Government of Maharashtra and the Government of India declared complete lock down since 3rd week of March 2020. There being cases of Covid-19 in the vicinity of company's particle board plant at Velapur and its head office at Pune, the manufacturing and sales activities of the company came to complete halt. Though, in view of need of company's particle boards for quick construction of Covid-19 treatment facilities, manufacturing activity was permitted in the month of May 2020 itself, yet the activity has remained need based due to prevalent pandemic in the area. Sales of products are likely to remain muted for more time. Management has evaluated the impact of this development and is of the view that there may not be a significant risk associated with recoverability of assets and meeting of its liabilities.

33. During the year, Company has discarded some items of old plant and machinery, electrical installation and factory equipment. Carrying cost of these items at Rs 63.97 lakh has been recognised as expense.

34. During the year, Company has discarded 114182 M2 of particle boards as being not usable, out of its slow moving stock, resulting in loss of Rs 127 lakh.

35. Performance obligation and remaining performance obligation

	<u>2019-20</u>	<u>2018-19</u>
	Rs./ lakh	Rs./ lakh
a) Contractual revenue recognised	395.46	1,721.29
b) Disclosure for contracts in progress as at the year end		
i) Aggregate amount of cost incurred	342.52	1,587.20
ii) Profit recognised (Net of losses recognised)	29.77	247.02
iii) Advance received	50.00	7.90
iv) Retention receivable	0.00	0.00
v) Amount due from customer for contract work	35.75	8.40
vi) Amount due to customer for contract work	40.50	162.03
c) Method used	See Accounting Policy No. (xiii) (c).	

36. Employee Benefits**a) Defined contribution plan**

The Company has recognised Rs 4.46 lakh (Previous year Rs 7.86 lakh) towards post employed defined contribution plans comprising of provident fund and superannuation fund in the statement of profit and loss.

b) Defined benefit plan

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

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

	<u>2019-20</u>	<u>2018-19</u>
	Rs./ lakh	Rs./ lakh
Present value of obligation as at the beginning of the year	33.56	28.63
Interest cost	2.27	2.14
Current service cost	3.20	2.94
Past service cost	0.00	0.00
Benefits paid (if any)	(5.31)	0.00
Actuarial gain/(loss)	(2.40)	(0.15)
Present value of obligation as at the end of the year	31.32	33.56

The amount recognised in the Balance Sheet is as follows:

Present value of the obligation at the end of the period	31.32	33.56
Fair value of plan assets at the end of period	0.00	0.00
Net liability/(asset) recognised in Balance Sheet and related analysis	31.32	33.56
Funded Status-Surplus/(Deficit)	(31.32)	(33.56)

Amount recognised in the Statement of Profit and Loss

Interest cost	2.27	2.14
Current Service cost	3.20	2.94
Past service cost	0.00	0.00
Expected return on plan asset	0.00	0.00
Expenses recognised in Statement of Profit and Loss	5.47	5.08

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

Cumulative unrecognised actuarial gain/(loss)-Opening b/f	(0.15)	0.00
Actuarial (gain)/loss-obligation	(2.40)	(0.15)
Actuarial (gain)/loss-plan assets	0.00	0.00
Total actuarial (gain)/loss	(2.40)	(0.15)
Cumulative actuarial (gain)/loss c/f	(2.55)	(0.15)

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

Interest cost on defined benefit obligation	2.27	2.15
Interest income on plan assets	0.00	0.00
Net interest cost/(income)	2.27	2.15

Benefits valued

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

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

Current liability	16.82	16.65
Non Current liability	14.50	16.91
Total liability	31.32	33.56

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The result of sensitivity analysis are given below:-

Defined benefit obligation (base)		
Salary	Rs 31.32 lakh	Rs 33.56 lakh
Salary increase rate	7%	7%
Discount rate	6.75%	7.50%
Liability with X%increase in discount rate	Change 3%	Change 3%
Liability with X%increase in discount rate	Change 3%	Change 3%
Liability with X%increase in salary growth rate	Change 3%	Change 3%
Liability with X%increase in salary growth rate	Change 3%	Change 3%
Liability with X%increase in withdrawal rate	Change 0%	Change 0%
Liability with X%increase in withdrawal rate	Change 0%	Change 0%

C) Other long term benefit plan**Compensated absences**

Valuation in respect of compensated absences have been carried out by independent actuary as at the balance sheet date. In accordance with the standard, the disclosure relating to the Company's compensated absences plan are provided below:-

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

	<u>2019-20</u>	<u>2018-19</u>
	Rs./ lakh	Rs./ lakh
Present value of obligation as at the beginning of the year	6.95	6.10
Interest cost	0.46	0.46
Current service cost	0.78	0.70
Past service cost	0.00	0.00
Benefits paid (if any)	(1.61)	0.00
Actuarial gain/(loss)	0.44	(0.31)
Present value of obligation as at the end of the year	7.02	6.95

The amount recognised in the Balance Sheet is as follows:

Present value of the obligation at the end of the period	7.02	6.95
Fair value of plan assets at the end of period	0.00	0.00
Net liability/(asset) recognised in Balance Sheet and related analysis	7.02	6.95
Funded Status-Surplus/(Deficit)	(7.02)	(6.95)

Amount recognised in the Statement of Profit and Loss

Interest cost	0.46	0.46
Current Service cost	0.78	0.70
Past service cost	0.00	0.00
Expected return on plan asset	0.00	0.00
Expenses recognised in Statement of Profit and Loss	1.24	1.16

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

Cumulative unrecognised actuarial gain/(loss)-Opening b/f	(0.31)	0.00
Actuarial (gain)/loss-obligation	0.44	(0.31)
Actuarial (gain)/loss-plan assets	0.00	0.00
Total actuarial (gain)/loss	0.44	(0.31)
Cumulative actuarial (gain)/loss c/f	0.13	(0.31)

Benefits valued

Normal retirement age	58 years
Salary	As per Rules of the Company
Benefits on normal retirement	1/30 x Salary x No of Leaves
Benefits on early exit due to death and disability	As above subject to rules of the Company
Limit	As above subject to rules of the Company

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

Current liability	3.09	3.09
Non Current liability	3.93	3.86
Total liability	7.02	6.95

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and Defined benefit obligation (base)

Salary	Rs 7.02 lakh	Rs 6.95 lakh
Salary increase rate	7%	7%
Discount rate	6.75%	7.50%
Liability with X%increase in discount rate	Change 3%	Change 3%
Liability with X%increase in discount rate	Change 4%	Change 4%
Liability with X%increase in salary growth rate	Change 4%	Change 4%
Liability with X%increase in salary growth rate	Change 3%	Change 3%
Liability with X%increase in withdrawal rate	Change 0%	Change 0%
Liability with X%increase in withdrawal rate	Change 0%	Change 0%

37. Income-tax:**(i) Current Tax:**

In view of unabsorbed depreciation and accumulated business losses, the Company does not expect any income-tax liability during the current financial year.

(ii) Deferred Tax:

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

Break-up of Deferred Tax Assets:	<u>2019-20</u>	<u>2018-19</u>
	Rs./ lakh	Rs./ lakh
Unabsorbed depreciation	505.52	1,171.60
Tax losses	1,074.15	1,317.35
Tax allowances u/s 43B/ 40(a)(ia)	131.68	205.82
Allowance for expected credit loss and impairment provision for advances	122.12	286.75
	<u>1,833.47</u>	<u>2,981.52</u>

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

38. Contingent liabilities and commitments:

	2019-20 Rs./ lakh	2018-19 Rs./ lakh
A Contingent Liabilities		
a) Letters of credit and bank guarantees outstanding	19.88	133.73
b) <i>Claims against the Company not acknowledged as debt</i>		
(i) Excise duty claims disputed in appeals (excluding interest)	1089.89	1211.62
(ii) MVAT/CST disputed in appeals	61.79	447.41
(iii) Legal case against the company filed by suppliers and traders (excluding interest where the amount is unascertainable)	81.38	85.81
B Commitments		
a) Estimated amount of capital expenditure commitments (net of advances)	799.25	738.09

39. Related party disclosures:

(As required under Accounting Standard Ind-AS 24 on Related Party Disclosures)

(i) List of related parties:

Key management persons.

Mr GRK Raju, Mr GPK Raju and Mrs. I.V.Sujani.

Relatives of key management persons.

Mrs G Jayalakshmi, Mr P Srinivas Raju, Mrs. Sitarama, Mrs. Srilakshmi vegesna Raju, Mr. G.V.S.Raju, Mr. G. S.N.Raju.

Associates- Companies/ firms in which key management persons are having control/ substantial interest.

Vesar Furnitek Pvt Ltd., Venkataa Subbaraju Energy Limited, Vesar Supra Investment Pvt Ltd, Western Bio Systems India Pvt Ltd, Jisnu Infra Ventures Pvt Ltd.

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

(ii) Related party transactions:

Nature of transaction	2019-20 Rs./ lakh	2018-19 Rs./ lakh
<i>Transactions with key management persons-</i>		
Deposits received	2.90	0.00
Deposits repaid	0.40	6.53
Deposit outstanding	1,448.94	1,446.44
Remuneration paid	34.74	34.74
Contribution to PF	0.00	3.17
Sale of fixed assets	265.70	0.00
Interest paid	96.24	0.00
Rent paid	4.62	4.20
Reimbursement of office maintenance expenses	1.07	0.00
Rent deposits given	3.60	3.60
<i>Transactions with relatives of key management persons-</i>	N.A.	N.A.
<i>Transactions with associates -</i>		
Purchases	22.87	106.40
Labour charges	28.00	0.00
Inter corporate deposit taken	934.11	618.95
Inter corporate deposit outstanding	1,553.06	618.95

40. Segment Results:

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

	2019-20	2018-19
	Rs./ lakh	Rs./ lakh
<i>Revenue:</i>		
Particle Boards	783.37	316.91
Bio Systems	420.36	1,721.29
Total	1,203.73	2,038.20
<i>Profit before interest and tax:</i>		
Particle Boards	(249.54)	(645.34)
Bio Systems	156.75	219.91
Others	1,838.55	199.05
Total	1,745.76	(222.10)
Less: Interest	239.13	498.14
Profit before tax	1,506.63	(720.24)
<i>Capital employed:</i>		
Segment assets less segment liabilities		
Particle Boards	(488.14)	(1,839.98)
Bio Systems	854.91	698.16
Total	366.77	(1,141.82)

41. Consumption of imported/ indigenous items:

	2019-20		2018-19	
	Rs./ lakh	% to total	Rs./ lakh	% to total
<i>Materials-</i>				
Indigenous materials consumed	674.99	100.00%	1544.11	100.00%
Imported materials consumed	0.00	0.00%	0.00	0.00%
	<u>674.99</u>		<u>1544.11</u>	
<i>Stores & spares-</i>				
Indigenous items consumed	44.17	85.68%	14.00	75.96%
Imported items consumed	7.38	14.32%	4.43	24.04%
	<u>51.55</u>		<u>18.43</u>	

42. CIF Value of Imports:

	2019-20	2018-19
	Rs./ lakh	Rs./ lakh
Capital goods	0.00	0.00
Consumables and Stores & spares	0.00	15.74
Total	<u>0.00</u>	<u>15.74</u>

43. Earnings and Expenditure in Foreign Currency:

	2019-20	2018-19
	Rs./ lakh	Rs./ lakh
<u>Earning in foreign currency</u>		
Consultancy charges received	125.36	0.00
<u>Expenditure in foreign currency</u>		
Foreign bank charges	0.03	0.00

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

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

As per our report of even date
For **B. M. CHATURVEDI & CO**
Chartered Accountants

B.M. Chaturvedi
Partner
(Firm Regn. No. 114317W; Partner's Membership No. 017607)
Place : Mumbai
Date: 30th July, 2020
UDIN:20017607AAAAAG4815

G.R.K. Raju
Managing Director

Company Secretary

G.P.K. Raju
Executive Director

Siva Sankar Kalive
Directors