



ECOBOARD INDUSTRIES LIMITED

19TH ANNUAL REPORT 2009 - 2010

REGISTERED OFFICE : 36/1, Preet Chambers, 2nd Floor, Pune-Mumbai Road, Wakdevadi, Pune - 411 003.
Tel. (020) 4007 9454, 6601 1653

BOARD OF DIRECTORS

Mr. V S Raju, Chairman & Managing Director.
Mr. G Ramakrishna Raju, Executive Vice Chairman.
Mr. P Satyanarayana Raju, Joint Managing Director.
Mr. U S Kadam, Independent Director
Mr. Srinivas Raju P., Director
Dr. N A Ramaiah, Independent Director
Mr. S Venkataswamy, Independent Director
Mr. Ramachandra Raju P. S., Independent Director
Mr. V. P. Rane, Independent Director

COMPANY SECRETARY

Mrs. Kavita Jagtap

AUDITORS

M/s. Chaturvedi SK & Fellows, Mumbai
F-2, Vaishali, V. Mehta Marg, JVPD, Juhu,
Mumbai - 400 049
Tele fax (022) 6741 9960

CORPORATE OFFICE (For Correspondance)

65/1A, 'ECOHOUSE', "Akarshak Building"
Opp. Nal Stop, Karve Road, Pune 411 004.
Tel. (020) 25432345/ Fax. (020) 25465328
E-mail info@ecoboardindia.com
Website: www.ecoboardindia.com

REGISTRAR & TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.
(Formaly 'Intime Spectrum Registry Limited)
202-A, 2nd Floor, "Akshay Complex"
Off Dhole Patil Road, Pune - 411 001
Tel. (020) - 2605 1629/ Fax (020) 2605 3503

INSTITUTIONS & BANKERS

Bank of Maharashtra
Andhra Bank
State Bank of India

MANUFACTURING FACILITIES

BIO SYSTEMS DIVISION

36/1, Preet Chambers,
2nd Floor, Pune-Mumbai Road, Wakdevadi,
Pune - 411 003.
Tel. (020) 4007 9454.

PARTICLE BAGASSE BOARD DIVISION

Village Velapur, Taluka, Malshiras,
District - Solapur, Maharashtra.
Tel. (02185) 24 52 61 / 62,
Fax- 24 52 03

BRANCHES

WEST ZONE : Pune : 020 - 32931825, 66011653 Fax: 020 - 66011653 Mumbai : 022 - 24315647 Fax: 022 - 24311895,
Ahmedabad : 079-27912918 Fax: 079-27913046 Kolhapur : 0231-2667037 Fax: 0231-2667037 Nagpur : 0712-5690321,
Fax: 0712-2554177

SOUTH ZONE : Hyderabad : 040-23076356, 23078216, 32913585, 30962649, 30962659 Fax: 040-23076354,
Vijayawada : 9390136688 Fax: 0866-2432880 Bangalore : 080-30972766 Fax: 080-22356537 Vizag : 0891-2725379
Fax :0891-2554137, Cochin : 0484-3232250 Fax: 0484-2576223 Chennai : 044-28143467 Fax: 044-28143467
Bhubaneswar : 0674-2539117, Fax: 0674-2576223, 2576223

NORTH ZONE : Delhi : 011-26513804, 26513805, 26513874 Fax: 011-26513804, 26513805, 26513874
Chandigarh : 0172-5075635 Fax: 0172-5075635 Lucknow : 0522-4007593 Fax: 0522-2681011 Bhopal : 0755-2760970
Fax: 0755-52723105, 4270283, Kolkatta : 9331232529 Fax: 033-28372564

Note : All correspondence shall be made to Corporate Office address.

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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of 'Ecoboard Industries Limited' will be held on Thursday 30th September, 2010 at 11.00 a.m. at Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 005, to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Srinivas Raju P, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Director in place of Dr. N.A. Ramaiah, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution :

'RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.

SPECIAL BUSINESS

5. To appoint Mrs. Venkata Sujani Indukuri as Executive Secretary and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956 or any other law for the time being in force, the consent of the Company be and is hereby accorded for appointment of Mrs. Venkata Sujani Indukuri, daughter of Mr. GRK Raju, Executive Vice Chairman of the Company, to hold office as Executive Secretary of the Company with effect from 2nd November, 2009 on such remuneration and on such other terms and conditions, as may be decided by the Company.

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

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

**V.S. Raju
Chairman and
Managing Director.**

Place: Pune
Date: 12th August, 2010

Registered office:
36/1, Preet Chambers, 2nd Floor,
Pune-Mumbai Road,
Wakdevadi, Pune – 411 003.
Ph. (020) 4007 9454, 66011653

NOTES

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 which sets out details relating to the special business under item no. 5 is annexed hereto.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. The Register of Members and Share Transfer Register will remain closed from Saturday 25th, September, 2010 to Thursday 30th, September, 2010 (both days inclusive) for the purpose of Annual General Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 5

Company was looking for a person for Hyderabad office who will responsible be-

- 1) to monitor and assist in development of new projects and technologies-finance and technical relates to Ecoboard,
- 2) Taking Company, liaison with the various departments of the organisation, takes initiative and makes timely and informed decisions and recommendations related to major technical, administrative plans and issues,
- 3) Co-ordination with all the division heads, gather, assemble and analyzes information and data from variety in response to the initiative of Executive vice chairman and to prepare related reports to submit to the directors.

Mrs. Venkata Sujani is competent to handle the abovementioned responsibilities.

Qualification of Mrs. Venkata Sujani – Mrs. Venkata Sujani has degree of B.Tech (Electronics & Communication Engineering), Post Graduate Diploma in Business Management.

Experience - She has 3 years experience in Zensar Technologies Ltd as HR executives.

The Board of directors, subject to the approval of the shareholders, have consented appointment of Mrs. Venkata Sujani as an executive secretary of the Company on such remuneration and on such other terms and conditions, as may be decided by the directors, which shall be not exceeding the ceilings prescribed under Director's relatives (office or place of profit) Rules, 2003.

Salary (inclusive of salary, allowances, perquisites, incentives, bonuses, retirement benefits, facilities etc.) for first six months- Rs. 30000/- per month during probationary period and then Rs. 40000/- per month.

Relation to Directors Mrs. Venkata Sujani is daughter of Mr. GRK Raju the Executive Vice Chairman and grand daughter of Mr. VS Raju and they are indirectly interested in the resolution.

No other Director is interested in the resolution.

The resolution is to be passed with special majority in accordance with provisions of section 314 of the Companies Act, 1956.

Your Directors recommend the said resolution.

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

Place: Pune
Date: 12th August, 2010

**V.S. Raju
Chairman and
Managing Director**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting to you 19th Annual Report on the business and operations of the Company together with the audited statements of accounts for the year ended 31st March 2010.

Financial Results (Rs. In Thousand)

Particulars	Current Year	Previous Year
	2009-10	2008-09
Sales & Other Income	501,235	644,097
Operating Profit	24142	113,973
Less:		
Interest	27,077	28,242
Depreciation	43,503	50,952
Profit for the year	(46,438)	34,779
Less: Provision for tax (Fringe benefit tax)	0	(213)
Income Tax	381	4,787
Net Profit/Loss after Tax	(46,819)	30,205
Less: Appropriations	0	17,683
Dividend	0	
Tax on Dividend	0	3,005
Surplus for the year	(46819)	9,517
Add – Balance brought forward from the previous year	(265,538)	(275,055)
Balance carried to Balance sheet	(312,357)	(265,538)

Dividend

In view of loss in the current year, the Board of Directors does not recommend any dividend for the year ended March 31, 2010.

Business

Company suffers loss for the year 2009-2010 due to non availability of raw material. Prices of bagasse swelled and it was unaffordable for Company to purchase bagasse at the increased price. Cost of production was also increased in disproportion with the sale price.

Company decided to close it's Islampur Plant due to consistent problem of raw material non availability in required quantity, as bagasse now a days is used in cogeneration of energy by the sugar industry. Company had taken a lot of efforts to survive the plant by purchasing bagasse at escalating costs, eventually the operation of plant was closed from 13th June, 2010. Company offered retrenchment compensation to employees and most of the dues are settled.

Corporate Governance

As a listed Company necessary measures are taken to comply with provisions of the listing agreement entered with Bombay Stock Exchange. A report on Corporate Governance along with a certificate of compliance from the Auditors, forms part of this Annual Report. The Managing Director's declaration regarding compliance with code of conduct for Board Members and Senior Management is attached to the Corporate Governance Report.

Board of Directors

Mr. Mr. Srinivas Raju P and Dr. N.A. Ramaiah, Directors, would retire by rotation at the ensuing Annual General Meeting of the Company; and being eligible, would offer themselves for reappointment.

In accordance with clause 49 of the listing agreement, particulars relating to the Directors seeking re-election/reappointment at the ensuing Annual General Meeting are furnished in the Corporate Governance Report.

Industrial Relations

Industrial relations during the year continued to be peaceful and there were no man days lost due to any kind of unrest.

Directors' Responsibility Statement

In accordance with the requirements of section 217 (2AA) of the Companies Act, 1956, the Directors declare that:

- 1) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- 2) 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 as at 31st March, 2010 and of the profit or loss of the Company for the year ended on that date;
- 3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) the Directors had prepared the annual accounts on a 'going concern' basis.

Diversification of business

In the wake of Company facing raw material problem for its existing product and keeping the line of eco-friendly business the Board of directors decided diversification in new areas like solar energy, ecohousing and without losing on the eco-friendly line of products, through associate company / subsidiaries, while concentrating fully on particle board through Ecoboard Industries Limited the flagship company. For diversification Company has already amended its Memorandum of Association and obtained approval of members through postal ballot in last financial year.

Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo

The particulars as prescribed under sub-section (1) (e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of directors) Rules, 1988, are set out in 'Annexure I' to this report.

Eco Friendly Compliance

The company complies with all requirements regarding management of pollutants of manufacturing units. The plants do not cause any type of water, air or noise pollution. The company has obtained clearances from the State pollution control board for its' plants.

Management Discussion & Analysis and Corporate Governance

A Report on the Management Discussion & Analysis and Corporate Governance forms part of this Report. The Certificate of the Statutory Auditors confirming compliance with Clause 49 of the Listing Agreement relating to Corporate Governance is also annexed as 'Annexure II' to this report.

Particulars of employees

The relations with the employees continue to remain cordial. The Directors express their appreciation for the support given and the contribution made by the employees at all levels.

There is no employee whose particulars are required to be given under section 217(2A) (a) of the Companies Act 1956 read with the (Particulars of Employees) Rules 1975.

ANNEXURE I TO DIRECTORS' REPORT

Following are the particulars of Conservation of Energy, research and Developments, Foreign exchange earnings and outgo as per Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Information required under the Companies Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

A Conservation of Energy:

a. Energy Conservation measures taken.

Energy conservation has been a priority area for the Company. The business strategies of the company, as always, have continued to focus on improving energy usage efficiencies, in line with the Company's goal of sustainable growth. Better controls are planned to achieve further reduction in energy reduction.

B. a. Research & Development (R&D)

The Company has always given great importance to continued research and development. R & D is in progress in development of Bio-mass gassification systems to generate electrical power.

Auditors

The Auditors of the Company, M/s Chaturvedi SK & Fellows, Chartered Accountants, Mumbai would retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Auditors' Report

The Board has duly reviewed the Statutory Auditors' Report.

Acknowledgements

The Directors place on record their appreciation and express their gratitude for the continued support extended to the Company by the Shareholders, Financial Institutions & Banks, Suppliers and the Customers. We thank the Government of India, State Government, Reserve Bank of India, Bombay Stock Exchange both depositaries and other Government Agencies for their support, and look forward to their continued support in the future.

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

**V.S. Raju
Chairman and
Managing Director**

Place: Pune
Date: 29th May, 2010

b. Technology absorption, adaptation and Innovation:

The Company continues to use latest technologies for improving the productivity and quality of its products. The Company is on the look out for ways and means to improve quality and productivity further by adopting new technology and constantly improving the existing methods of manufacturing.

C Foreign Exchange Earnings & Outgo

i) Initiatives taken to increase exports, development of new Export Market for products and services; and export plans – Considering increasing environmental awareness, our products will get good demand in the foreign countries in the future. Company has made new strategies and policies for increase in export and for improvement in the standard of the products. The Company is continuously making efforts to find new export markets for its products, particularly in the neighboring countries, as well as western countries.

ii) Total Foreign Exchange earned & used
Foreign Exchange Earned : NIL
Foreign Exchange used : Rs. 439 thousand

ANNEXURE II to the Directors' Report

A. MANAGEMENT DISCUSSION AND ANALYSIS

1 Overview

Company has made financial statements as required by Companies Act, 1956, and other applicable laws. Financial statements have been made on a prudent and reasonable bases. Sales were recoded at Rs. 484,495 thousand as compared to Rs. 636,703 thousands of the previous year. Due to non-availability of raw material company suffered loss of Rs. 46438 thousand for the year 2009-2010.

2 Industry Outlook

Today, market's inclination is for modular furniture instead of making wood based carpenter products. A huge demand is seen in housing construction activity and growth standard of living. Slowly but surely the Indian market has accepted that future of wood is limited and the only alternative is substitution of wood with particle boards made from bagasse and other agri residues for all office, households and furniture needs.

To convince the market a lot of promotional and educational seminars and concept selling had to be undertaken to clear the mind set of carpenters and end user about the comparable and superior quality of the particle boards viz-a-viz wood & plywood.

3 Risks and concern

Bagass is the main raw material of the industry. To tackle this problem the Company has set up efficient risk management policy which addresses to all potential risks including raw material risks, regulatory risk, Consumer risks, asset risks and human resources risks. The company has systems in place for identifying potential risks and taking measures to mitigate those risks.

4 Company Outlook

To sustain and grow in the circumstances is a challenge. The Board as a risk aversion method and as a sustainable measure, through much and intensive thought process, reserch, with its networking strength, has identified following diversification plans -

- a. 5 MW capacity solar power generation project at Velapur or Islampur for which Company has applied for Union Government Licence.
The Company has appointed MITCON as their consultants in helping in project feasibility and assisting in getting a project from Government.
- b. Solar photovoltaic module manufacturing and technology development of bio-mass gasification for generation of electrical power and solar power generation with the help of associated companies. In this project Ecoboard will be the leading promotor.
- c. For forward integration to develop project division to use Ecoboard as interiors and furnishings in house and office complex with Eco-friendly concept.
- d. Company has identified a viable alternative to the bagasse in form of Coconut residues and pursuing the matter with authorities to make boards from it in

reasonable cost. If successful it would change the dependence of company on bagasse.

5 Future Outlook and Challenges

Today awareness of conservation of forests and prevention of pollution is increased. Company believes that particle board sector have future growth. We aim to strengthen our operations and efforts to imbibe awareness in the people to use particle boards. And also we already started process to diversify in other related business alongwith particle board industry.

6 Internal Control Systems

Adequate internal control systems are in place in all areas of operation to ensure safeguarding of assets against loss from unauthorized use or disposition and the same are being continually reviewed and strengthened wherever necessary. Such systems have also been developed to ensure adherence to polices and systems and mitigation of the operational risks covering each area under review.

The organization is well structured and the policy guidelines are will documented with pre defined authorities. The company has also implemented suitable controls to ensure that all resources are utilised optimally, financial transactions are reported with the accuracy and there is a strict compliance with all applicable laws and regulations.

7. Human Resources / Industrial Relations

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 encourages employees to generate new ideas. Company has a proper team for recruitment of employees and keeps compensation structure in line with the market developments.

8. 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) global/domestic 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.
- 6) Other factors such as litigation and industrial relations.

B. CORPORATE GOVERNANCE REPORT

Company philosophy on code of governance:

Corporate Governance safeguards and add value to the interest of its stakeholders viz. investors, creditors, customers, employees and Government etc. in the long run. The company pursues the process of Corporate Governance in compliance with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange where company's shares are listed and submits a report on the matters mentioned in the said clause and practices followed by company. The Company remains committed to the core aspects of Corporate Governance, viz. fairness, transparency, accountability and responsibility.

I. Board of Directors

The Board comprises of 9 (Nine) Directors, of which 6 (six) are non-executive Directors. The Chairman is the Executive Chairman and Managing Director. The Board comprises of 5 (Five) 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 2009-2010.

Name of Director	Category	Attendance of meeting during 2008-2009		* Directorships held in Other Companies
		Board	Last AGM	
Mr. V.S. Raju	Chairman & M.D.	4	Yes	0
Mr. G.R.K. Raju	V. Chairman & Exe. Director	3	Yes	1
Mr. P Satyanarayana Raju	Joint M.D.	3	Yes	2
Mr. Srinivas Raju P	Non-Exe. Director	1	No	1
Mr. U.S. Kadam	Non-Exe. & Independent	4	Yes	0
Mr. S. Venkatswamy	Non-Exe. & Independent	0	No	2
Dr. N.A. Ramaiah	Non-Exe. & Independent	0	No	0
Mr. Ramchandra Raju P S	Non-Exe. & Independent	0	No	0
Mr. V.P. Rane	Non-Exe. & Independent	4	Yes	1

* In accordance with Clause 49, Membership / Chairmanship of only the Audit Committees and the Share Transfer & Shareholders / Invertors 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 four times during the financial year under review on the following dates:

- 1) Monday, 22 June 2009
- 2) Wednesday, 29 July, 2009
- 3) Thursday, 29 Oct., 2009
- 4) Thursday, 28 Jan., 2010

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

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, 2010.

ii) Code of Conduct for prevention of Insider Trading

The Company has also adopted a Code of Conduct for Prevention of Insider Trading.

Risk Mitigation Plan

The Company has laid down the procedure for risk assessment and minimization which has been reviewed by the Board of Directors and the Board of Directors shall continue to periodically review this procedure.

Remuneration of Directors

Details of remuneration paid to Directors during the year 2009-2010:

(Figures in Rs.)

Name of Director	Salaries and Perquisites	Sitting Fees	Total	Share holding of Non Exe. Director
Mr. V.S. Raju	13,23,600	NIL	13,23,600	-
Mr. G.R.K. Raju	17,54,853	NIL	17,54,853	-
Mr. P S Raju	17,31,663	NIL	17,31,663	-
Mr. Srinivas Raju P	NA	5,000	5,000	741800
Mr. U.S. Kadam	NA	20,000	20,000	700
Mr. S. Venkatswamy	NA	NIL	NIL	-
Dr. N.A. Ramaiah	NA	NIL	NIL	800
Mr. Ramchandra Raju P S	NA	NIL	NIL	1000
Mr. V.P. Rane	NA	20,000	20,000	

Notes:

The Company does not pay any remuneration to the Non-Executive Directors except sitting fees which were paid within the limit prescribed under section 310 of Companies Act, 1956.

Disclosure regarding Directors retired by rotation and seeking re-appointment at the ensuing Annual General Meeting.

Name	Mr. Srinivas Raju P	Dr. N.A. Ramaiah
Address	Shreyas, Road No.92, 564-A47/S1, Jubilee hills, Phase III Hyderabad – 500034	14, Ocean View Layout, Beach Road, Visakhapatnam-530003.
Date of Birth	24-08-1965	26-08-1923
Date of Appointment	21-11-1992	20-11-1991
Qualification	B.E. (Electronics & Telecommunication)	MSC, PHD, FRIC
Experience	Worked as Scientist in Remote Sensing Agency of Government During 1992-2003, worked as an Executive Director of Ecoboard Industries Limited	Worked as a Technical Expert in Sugar Industry for a period of over 30 years
List of other Companies in which Directorship held	Jisnu Communication Ltd., Susee Spacetek Private Ltd., Blc Consulting Services Pvt. Ltd.	Director: National Sugar Institute, Kanpur and Vasu Dada Sugar Institute, Pune Secretary: Sugar Enquiry Commission, U.K.
Shareholding	741800 equity shares	800 equity shares

II. Audit Committee

Composition of Audit Committee

The Audit Committee comprises of four directors, Viz. Mr. U.S. Kadam, Mr. V.S. Raju, Mr. S Venkatswamy and Mr. V.P. Rane. Except Mr. V.S. Raju, all other Directors are non-executive independent directors. The Committee is headed by Mr. U.S. Kadam who is an eminent Chartered Accountant.

The Audit Committee is guided by a Charter and conducts its business accordingly.

The minutes of the Audit Committee Meetings are noted by the Board of Directors of the Company at the subsequent Board Meetings.

Meetings and the attendance during the year.

Name of Member	Attendance of Meetings
Mr. U.S. Kadam	4
Mr. V.S. Raju	4
Mr. V.P. Rane	4
Mr. S Venkatswamy	0

As per the provisions of section 292A of the Companies Act, 1956 and clause 49 of Listing Agreement the Board has constituted Audit Committee. 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.

The terms of reference of the Audit Committee include the following:

- Reviewing the Company's financial policies and results
- Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the adequacy of Internal Audit function and discussing the findings of the Internal Auditors.
- Management Discussions and analysis of financial condition & result of operations.
- Review of related party transactions
- Interaction with Statutory Auditors.

III. Subsidiary Company

The Company does not have a material unlisted Indian subsidiary whose turnover or net-worth exceeds 20% of the consolidated turnover or net-worth respectively of the listed holding Company and its subsidiary in the immediately preceding accounting year.

IV. Share Transfer & Shareholders' Grievance Committee

In compliance with the requirement of the Corporate Governance under the Listing Agreement entered into with the Bombay Stock Exchange where the shares of companies are listed, the Company has constituted a Transfer and Shareholders/Investors Grievance Committee to look into issues relating to shareholders including share transfer.

The Shares Transfer & Grievance Committee consists of Mr. V.S. Raju, Mr. P Satyanarayana Raju and headed by Mr. U.S. Kadam. The Minutes of Transfer and shareholders/investors Grievance Committee are

noted by the Board of Directors of the Company at the subsequent Board Meetings.

Mrs. Shubhangi Chitnis, Senior Manager (HR) is the Compliance Officer of the Company.

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

- a. To consider and approve transfer / transmission of shares, consolidation / split of share certificates and issuance of duplicate share certificates; etc.
- b. Redressal of shareholders'/investors' complaints relating to transfer, transmission, transposition, splitting, consolidation, dematerialization of shares, non receipt of annual reports etc.

As on 31st March 10, there were no pending requests for transfer of shares as per company's records.

V. General Body Meetings:

- 1) Particulars of AGM/EGM for the last three years:-

AGM/EGM	Date	Time	Venue	Number of special resolutions passed.
16 th	28/09/2007	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil
17 th	30/09/2008	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil
18 th	29/09/2009	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil

VI. Disclosure

- 1) There are no materially significant related party transactions with its promoters, directors or the management and their relatives.
- 2) The Company has complied with the requirements of Regulatory Authorities o capital markets including the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended and no penalties or strictures has been imposed on the Company by the Stock Exchange, SEBI or any other Statutory authorities on any matter relating to the Capital Markets during the last 3 years.

- 3) Whistle Blower Policy is the non-mandatory requirement as per Corporate Governance norms. Though Company has not framed any strict Whistle Blower Policy as recommended by the Corporate Governance norms, access to the Audit Committee has not been denied to anybody.

VII. 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 Navshkti (Marathi Edition) news papers in the prescribed format as required by clause 41 of Listing Agreement. Management discussion and analysis report is published in annual report. Notice of Board Meetings are published in above said news papers. The Company follows all statutory norms for dissemination of information in given period.

VIII. Status of Compliance with Mandatory Requirements

The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as applicable and in force till on March 31, 2010.

8 Shareholder General Information:

a) Forthcoming Annual General Meeting:

Date & Time : Thursday, 30th September 2010 at 11.00 p.m.
 Venue : Hotel Shangrila Gardens, Off Krave Road, Near Nal Stop, Pune – 411 004.

b) Dates of Book Closure : from Saturday 25th, September, 2010 to Thursday 30th, September, 2010 (both days inclusive)

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

The Financial year covers the period from 1st April 2010 to 31st March 2011.

Financial Reporting for:

- Quarter ending 30th June, 10 By 15th July, 2010
- Half Year ending 30th September, 10 By 15th November, 2010
- Quarter ending 31st December, 10 By 15th February, 2011
- Year ending 31st March, 11 By May, 2011
- Annual General Meeting for the year ended March 31, 2011 August/September 2011 / any extended period

- d) **Face Value of the equity Share** Rs. 10 per share.
- e) **Dividend Payment Date** : NA
- f) **Listing on Stock Exchange & Stock Code:**

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

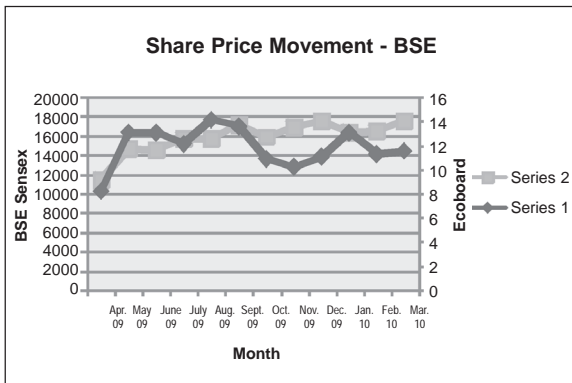
Listing fees were paid for the year to the Bombay Stock Exchange. The ISIN Number of company on both NSDL & CDSL is **INE 866A01016**.

g) Market Price Data:

i) High/Low in each of month of the Financial Year April 2008 to March 2009 on Bombay Stock Exchange, Mumbai

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2009	11.25	8.12	October 2009	13.87	10.53
May 2009	14.60	7.10	November 2009	11.95	9.00
June 2009	15.21	11.07	December 2009	11.90	10.00
July 2009	13.40	10.26	January 2010	18.30	11.00
August 2009	15.30	11.94	February 2010	13.50	10.86
Sept. 2009	15.90	12.75	March 2010	14.24	11.00

ii) Performance in comparison with BSE Index :-



Series 1 – Ecoboard, Series 2- BSE Sensex.

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 Mumbai. 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 Mumbai. 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. : (26050084, 26051629)
Telefax : (020) 26053503
Web site : www.linkintime.co.in
Email: vikrant.deshmukh@linktime.co.in

j) Address for the Correspondence

Registered Office of the Company:

Registered office :
36/1, Preet Chambers, 2nd Floor,
Pune-Mumbai Road,
Wakdewadi,
Pune – 411 003
Ph. (020) 4007 9454, 66011653
E-mail : info@ecoboardindia.com
Website : www.ecoboardindia.com

Compliance Officer : Mrs. Shubhangi Chitnis

Corporate Office :

65/1A, 'ECOHOUSE',
"Akarshak Building",
Opp. Nal Stop, Karve Road,
Pune 411 004.
Tel. (020) 25432345/ Fax. (020) 25465328

k) Plant locations:

Bio System Division

36/1, Preet Chambers, 2nd Floor,
Pune-Mumbai Road, Wakadewaki,
Pune – 411 003.

Particle board division:

Village Velapur, Taluka Malshiras, Dist-Solapur,
Maharashtra

l) Shareholding Pattern as on 31st March 2010

Shareholders	No. of shares held	% Share holding
Clearing Member	21580	0.1210
Other Bodies Corporate	2228022	12.4945
Foreign Financial Institutions	7800	0.0437
Hindu Undivided Family	153577	0.8612
Market Maker	13001	0.0729
Nationalised Banks	1600	0.0090
Non Nationalised Banks	300	0.0017
Non Resident Indians	30108	0.1688
Non Resident (Non Repatriable)	18001	0.1009
Overseas Corporate Bodies	250200	1.4031
Persons Acting In Concert	546460	3.0645
Public	5605049	31.4325
Promoters	8956302	50.2260
TOTAL	17832000	100.00

m) Distribution of Shareholding as on 31st March 2010

Shareholding of Nominal Rs.	No. of Share Holders	% to Total Share Holders	No. of Shares held Rs.	% to Capital
1-5000	11585	87.8717	21705960	12.1725
5001-10000	853	6.4700	7253700	4.0678
10001-20000	347	2.6320	5491150	3.0794
20001-30000	124	0.9405	3265330	1.8312
30001-40000	50	0.3792	1802400	1.0108
40001-50000	58	0.4399	2768020	1.5523
50001-100000	81	0.6144	6443080	3.6132
10001-Above	86	0.6523	129590360	72.6729
TOTAL	13184	100.00	178320000	100.00

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To
The Members of
Ecoboard Industries Limited

We have examined the compliance of conditions of Corporate Governance by Ecoboard Industries Limited for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay stock exchange Ltd in India.

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

n) Dematerialization of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services Limited (CDSL) by virtue of which, 15591599 equity shares of the Company forming 87.43% of total share capital of the company, have been dematerialized as on 31st March 2010.

For and On Behalf of the Board of Directors

Place : Pune
Date : 29th May, 2010

V.S. Raju
Chairman and
Managing Director

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that all the investor complaints / grievances received during the year were redressed and resolved, as per the records maintained by the Share Transfer and Shareholders / Investors Grievance Committee.

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

For Chaturvedi SK & Fellows,
Chartered Accountants,

Srikant Chaturvedi
Partner

Place : Pune
Date : 29th May, 2010

(Membership Number 70019)

CERTIFICATION BY THE MANAGING DIRECTOR

To
The Board of Directors
ECOBOARD INDUSTRIES LIMITED.

I, the undersigned, in my capacity as the Chairman and Managing Director of ECOBOARD INDUSTRIES LIMITED (the company), to the best of my knowledge and brief certify that:

- a) I have reviewed the financial statements and the cash flow statement for the year ended on 31st March 2010 and based on my knowledge and belief, I state that:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) I further state to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee,

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

- d) I have indicated, based on my recent evaluation, wherever, applicable, to the Auditors and the Audit Committee:
- i. significant changes, if any, in the internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements;
 - iii. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal control system over the financial reporting.

For and On Behalf of the Board of Directors

Place : Pune
Date : 29th May, 2010

**V.S. Raju
Chairman and
Managing Director**

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of Listing Agreement with the Stock Exchanges, I, V.S. Raju, Chairman and Managing Director of the Company, hereby, declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended March 31, 2010.

For and On Behalf of the Board of Directors

Place : Pune
Date : 29th May, 2010

**V.S. Raju
Chairman and
Managing Director**

AUDITORS REPORT**To the Members of Ecoboard Industries Ltd.**

We have audited the attached Balance Sheet of **ECOBOARD INDUSTRIES LTD.** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;

- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and in our opinion, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- d) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes to accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of Profit and Loss Account, of the loss for the year ended on that date.
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Chaturvedi SK & Fellows
Chartered Accountants

Srikant Chaturvedi
Partner

Place : Pune (Firm Regn No. 112627W.
Dated : 29th May, 2010 Partner's Membership No. 70019)

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date on the accounts of **ECOBOARD INDUSTRIES LIMITED** for the year ended 31st March 2010.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets were physically verified during the period by the management. No material discrepancies were noticed on such verification.
- (c) The company has not disposed off any substantial part of the fixed assets during the year.
2. (a) According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.
3. (a) The company has not granted any loans, secured and unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b),(c) and (d) of the Order are not applicable.
- (b) The company has taken unsecured loans of Rs.528.31 lacs from 4 parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion, the rate of interest and other terms and conditions of above loans taken by the company are not prima facie prejudicial to the interest of the company.
- (d) According to information and explanations given to us, the company is regular in payment of principal amount and interest on these loans.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regards to the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and the explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, the company did not do any transactions that needed

entry into the register maintained under section 301 of the Companies Act, 1956.

6. 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 section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the Company's products.
9. (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Custom duty, Excise duty and other statutory dues applicable to it, although in some cases, payments were made after the due dates. According to information and explanations given to us, except service tax of Rs.3.64 lacs, no outstanding statutory dues were in arrears as at 31/03/2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following amount of tax, duty or cess was under dispute hence not paid:

Nature of dues	Period	Amount Rs. In lacs	Forum where the dispute is pending
Central Excise duty	2003-04	28.45	Custom, Excise & Service Tax Appellate Tribunal.
Central Excise duty	2003-04	13.50	Custom, Excise & Service Tax Appellate Tribunal.
Central Excise duty	2004-05	2.98	Custom, Excise & Service Tax Appellate Tribunal.
Central Excise duty	2004-05/ 2005-06	3.14	Custom, Excise & Service Tax Appellate Tribunal.
Central Excise duty	2006-07	2.25	Custom, Excise & Service Tax Appellate Tribunal.
Central Excise duty	Oct. 2006 to Dec. 2008	427.67	Central Excise Commissioner (Appeals)

10. The company is registered for a period of more than five years. Its accumulated losses at the end of the financial year were less than fifty per cent of its net worth. The company has incurred cash losses in this financial year. The company has not incurred cash losses in the immediately preceding financial year.

11. In our opinion and according to the information and explanation given to us by the management, the company has not defaulted in repayment of dues to the financial institutions or banks or the debenture-holders during the year.
12. The company has not granted loans and advances on the basis of security of shares, debentures and other securities.
13. The company is not engaged in the business of chit funds, nidhi, mutual benefit fund or mutual benefit society.
14. The company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans availed by the company during the year were applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overview of the balance sheet and the cash flow statement of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. The company did not have any outstanding secured debentures as on the date of the balance sheet.
20. The company has not raised any money by public issue of securities during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Chaturvedi SK & Fellows
Chartered Accountants

Srikant Chaturvedi
Partner

Place : Pune
Dated : 29th May, 2010 *(Firm Regn No. 112627W. Partner's Membership No. 70019)*

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	As at 31.03.2010 Rs. in thousands	As at 31.03.2009 Rs. in thousands
SOURCES OF FUNDS			
Shareholders' funds :			
Share capital	1	179,620	179,620
Reserves & surplus	2	297,952	344,771
		<u>477,572</u>	<u>524,391</u>
Loan funds :			
Secured loans	3	227,746	166,673
Unsecured loans	4	59,736	46,551
		<u>287,482</u>	<u>213,224</u>
	TOTAL	<u>765,054</u>	<u>737,615</u>
APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		1,061,516	1,052,899
Less: Depreciation		643,527	600,615
Net block		417,989	452,284
Capital work-in-progress		815	4,365
		<u>418,804</u>	<u>456,649</u>
Current assets, loans & advances			
Inventories	6	277,410	298,373
Debtors	7	81,998	75,211
Cash & bank balances	8	29,381	31,419
Loans & advances	9	59,184	33,423
		<u>447,973</u>	<u>438,426</u>
Less: Current liabilities & provisions	10	101,723	157,460
Net current assets		<u>346,250</u>	<u>280,966</u>
	TOTAL	<u>765,054</u>	<u>737,615</u>
Notes forming part of the accounts	14		

As per our report of even date

For Chaturvedi SK & Fellows

Chartered Accountants

Srikant Chaturvedi

Partner

(Membership No.70019)

Place: Pune

 Dated: 29th May, 2010

For and on behalf of the Board of Directors

V. S. Raju

Chairman & Managing Director

GRK Raju

Executive Vice Chairman

P. Satyanarayana Raju

Joint Managing Director

U. S. Kadam

Director

V. P. Rane

Director

Kavita Jagtap

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	For the year ended 31.03.2010 Rs. in thousands	For the year ended 31.03.2009 Rs. in thousands
INCOME			
Sales & contract receipts		484,495	636,703
Other income	11	43,358	7,394
Increase in stocks of finished goods & work-in-process	12	<u>(26,618)</u>	<u>43,454</u>
		<u>501,235</u>	<u>687,551</u>
EXPENDITURE			
Materials		280,731	292,254
Manufacturing & other expenses	13	193,712	280,939
Excise duty paid		2,650	385
Interest		27,077	28,242
Depreciation		<u>43,503</u>	<u>50,952</u>
		<u>547,673</u>	<u>652,772</u>
Profit before income tax		<u>(46,438)</u>	<u>34,779</u>
Less: Income-tax:			
- Current tax		381	4,787
- Fringe benefits tax (net of excess provision of earlier years - Rs.1035 thousands)		0	(213)
		<u>381</u>	<u>4,574</u>
Profit after tax		<u>(46,819)</u>	<u>30,205</u>
<i>Appropriations:</i>			
Proposed dividend on preference shares		0	13
Proposed dividend on equity shares		0	17,670
Tax on proposed dividend		0	3,005
Surplus for the year		<u>- 46,819</u>	<u>9,517</u>
Balance brought forward from last year		<u>(265,538)</u>	<u>(275,055)</u>
Balance carried to balance sheet		<u>(312,357)</u>	<u>(265,538)</u>
Earnings per share (basic/ diluted) on equity shares of the face value of Rs. 10 each.		-2.63	1.71
Notes forming part of the accounts	14		

As per our report of even date

For Chaturvedi SK & Fellows

Chartered Accountants

Srikant Chaturvedi

Partner

(Membership No.70019)

Place: Pune

 Dated: 29th May, 2010

For and on behalf of the Board of Directors

V. S. Raju

Chairman & Managing Director

GRK Raju

Executive Vice Chairman

P. Satyanarayana Raju

Joint Managing Director

U. S. Kadam

Director

V. P. Rane

Director

Kavita Jagtap

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	(Rupees in thousands)	
	Year ended 31.03.2010	Year ended 31.03.2009
A. Cash flow from operating activities:		
Net profit before tax and extra-ordinary items	(46,438)	34,779
Adjustments for non cash expenses :-		
Depreciation	43,503	50,952
Loss on sale of assets	0	0
Adjustment for non operating incomes:-		
Profit on sale of fixed assets	(19)	(22)
Adjustment for expenses considered seperately:-		
Interest expenses	27,077	28,242
Operating profit before working capital changes	24,123	113,951
Adjustment for changes in working capital:-		
Change in inventories	20,963	(50,470)
Change in debtors	(6,787)	48,039
Change in other receivables	(25,761)	(3,220)
Change in trade payables and other liabilities	(32,279)	(21,373)
Change in customers deposits	(1,415)	(4,520)
Cash generated from operation	(21,156)	82,407
Direct taxes	(4,308)	(4,805)
Net cash from operating activities... A	(25,464)	77,602
B. Cash flow from investing activities		
Sale of assets	57	43
Purchase of fixed assets (including capital work in progress)	(5,696)	(9,381)
Net cash used in investing activities...B	(5,639)	(9,338)
C. Cash flow from financing activities:		
Issue of equity shares	0	7,500
Premium received on issue of equity shares	0	8,250
Share application money received	0	(15,750)
Term loans raised	0	1,113
Bank borrowings for working capital	61,307	(14,277)
Loan from directors	14,600	18,500
Intercorporate deposits	0	(5,953)
Term loans repaid	(234)	(413)
Dividend paid	(16,745)	(16,915)
Tax on dividend paid	(3,005)	(2,923)
Interest paid	(26,858)	(28,242)
Net cash from financing activities...C	29,065	(49,110)
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)	(2,038)	19,154
Cash & cash equivalents -Opening balance	31,419	12,265
Cash & cash equivalents -Closing balance	29,381	31,419

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

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs. in thousands	As at 31.03.2009 Rs. in thousands
1 SHARE CAPITAL		
<i>Authorised :</i>		
23,000,000 Equity shares of Rs. 10 each	230,000	230,000
200,000 Cumulative redeemable preference shares of Rs. 100 each	20,000	20,000
	250,000	250,000
<i>Issued, subscribed & paid up:</i>		
17,832,000 (Previous year-17,832,000) Equity shares of Rs.10 each fully paid.	178,320	178,320
13,000 (Previous year-13,000) 1% Cumulative redeemable preference shares of Rs. 100 each	1,300	1,300
	179,620	179,620
(i) Of the above shares, 2000 equity shares were issued for consideration other than cash to the shareholders of erstwhile Deccan Fibre Boards Ltd and Ecoboard Industries Ltd in pursuance of scheme of amalgamation of those companies into this company.		
(ii) 1% Cumulative redeemable preference shares were allotted to financial institutions in terms of negotiated settlement of their dues. These shares are redeemable on 30th September,2010.		
2 RESERVES & SURPLUS		
i) Capital Reserve		
As per last balance sheet	2,131	2,131
ii) Amalgamation Reserve		
As per last balance sheet	30	30
iii) Share premium account		
As per last balance sheet	261,878	253,628
Add: Premium received during the year	0	8,250
	261,878	261,878
iv) General Reserve		
As per last balance sheet	346,270	346,270
v) Profit & loss account- debit balance	(312,357)	(265,538)
	297,952	344,771
3 SECURED LOANS		
Equipments and vehicle loans	981	1,215
<i>Working capital finance:</i>		
Working capital loans from banks	226,765	165,458
	227,746	166,673

NOTES:

- Working capital loans from consortium of bankers are secured by first charge on the company's current assets, present and future, including stocks, goods in process, goods in transit, receivables and book debts. These loans are further secured by pari passu charge by joint equitable mortgagage of immovable properties of the company situated at village Jambulwadi, district Sangli, and at village Velapur, district Solapur, both in the state of Maharashtra. The loans are also secured by personal guarantees of some of the directors of the company.
- Equipments and Vehicle loans are secured by hypothecation of specific assets.

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs. in thousands	As at 31.03.2009 Rs. in thousands
4 UNSECURED LOANS		
Deposits from directors	52,831	38,231
Customers' deposits	6,905	8,320
	<u>59,736</u>	<u>46,551</u>

5 FIXED ASSETS

(In Rupees in thousands)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.09	Additions	Deductions	As at 31.03.10	Upto 31.03.09	Written back	For the Year	Upto 31.03.10	As at 31.03.10	As at 31.03.09
Freehold land	11469	0		11469	0		0	0	11469	11469
Leasehold land	23	0	0	23	0	0	0	0	23	23
Building	157192	0	0	157192	56883	0	5051	61934	95258	100309
Plant & machinery	784647	6241	0	790888	486701	0	33645	520346	270542	297946
Electrical installations	53875	0	0	53875	29080	0	2559	31639	22236	24795
Furniture & fixtures	14235	24	0	14259	7998	0	781	8779	5480	6237
Equipments	20260	156	0	20416	12368	0	769	13137	7279	7892
Vehicles	7541	2795	629	9707	4324	591	666	4399	5308	3217
Tools & patterns	3657	30	0	3687	3261	0	32	3293	394	396
GRAND TOTAL :	1052899	9246	629	1061516	600615	591	43503	643527	417989	452284
Previous Year	1047551	5708	360	1052899	550002	339	50952	600615	452284	497549

Note: 1. Conveyance for office building valued Rs. 702972 is pending execution.

	As at 31.03.2010 Rs. in thousands	As at 31.03.2009 Rs. in thousands
6 INVENTORIES		
(As taken, valued and certified by a director)		
Raw materials (at cost)	73,502	66,140
Packing materials (at cost)	514	301
Work in progress (at cost)	77,851	64,624
Finished goods (at lower of cost and net realisable value)	105,805	145,650
Stores and spares (at cost)	19,738	21,658
	<u>277,410</u>	<u>298,373</u>

7 DEBTORS

Due for more than six months:

Considered good	33,922	27,566
Considered doubtful	31,016	29,822
	<u>64,938</u>	<u>57,388</u>
Others :		
Considered good	48,076	47,645
Considered doubtful	0	0
	<u>48,076</u>	<u>47,645</u>
	<u>113,014</u>	<u>105,033</u>
Less: Provision for doubtful debts	31,016	29,822
	<u>81,998</u>	<u>75,211</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rs. in thousands	As at 31.03.2009 Rs. in thousands
8 CASH & BANK BALANCES		
Cash in hand	200	842
Bank balances :		
With scheduled banks		
in current accounts	19,599	23,361
in fixed deposit accounts	9,582	7,216
	<u>29,181</u>	<u>30,577</u>
	<u>29,381</u>	<u>31,419</u>
Note:- Fixed deposits of Rs. 95.82 lakhs (Previous year- Rs.72.16 lakhs) are kept with the banks as security for letters of credit/ guarantees issued.		
9 LOANS & ADVANCES		
(Unsecured and considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	52,237	26,312
Considered doubtful	6,860	6,545
	<u>59,097</u>	<u>32,857</u>
Less: Provision for doubtful loans and advances	6,860	6,545
	<u>52,237</u>	<u>26,312</u>
Insurance claims	1,160	826
Advance Income tax	225	0
Prepaid expenses	469	553
Deposits	5,093	5,732
	<u>59,184</u>	<u>33,423</u>
10 CURRENT LIABILITIES AND PROVISIONS		
Current liabilities :		
Acceptances	10,070	9,635
Sundry creditors		
- Micro, small and medium enterprises	0	593
- Others	55,274	72,888
Advance from customers	25,492	38,384
Interest accrued but not due	219	0
Unpaid dividend	1,221	283
	<u>92,276</u>	<u>121,783</u>
Provisions		
Provision for gratuity	4,354	6,827
Provision for other retirement benefits	5,093	4,235
Proposed dividend	0	17,683
Tax on proposed dividend	0	3,005
Provision for income-tax including fringe benefit tax net of advance payments	0	3,927
	<u>101,723</u>	<u>157,460</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2010 Rs. in thousands	For the year ended 31.03.2009 Rs. in thousands
11 OTHER INCOME		
Consultancy charges received	1,200	0
Insurance claim received	0	215
Profit on sale of fixed assets	19	22
Rent received	86	99
Sales-tax set off received	0	300
Foreign exchange fluctuation income	1,376	116
Excess provision for bad and doubtful debts	0	317
Miscellaneous income	2,287	3,783
Excess provisions written back	2,449	265
Sundry balances written back/ written off (net)	309	2,277
Claim for refund of electricity charges	35,632	0
	<u>43,358</u>	<u>7,394</u>
12 INCREASE IN STOCKS		
Opening stocks:		
Work-in-progress	64,624	44,986
Finished goods	145,650	121,834
	<u>210,274</u>	<u>166,820</u>
Closing stocks:		
Work-in-progress	77,851	64,624
Finished goods	105,805	145,650
	<u>183,656</u>	<u>210,274</u>
Increase in stocks	<u>(26,618)</u>	<u>43,454</u>
13 MANUFACTURING & OTHER EXPENSES		
Salaries, wages and bonus	30,985	40,266
Contribution to provident fund and other funds	739	4,268
Staff welfare expenses	1,950	2,200
Directors' remuneration	3,786	3,786
Directors' sitting fees	45	80
Stores & spares consumed	19,032	32,099
Power & fuel	31,240	48,539
Site & job work expenses	23,480	17,046
Rates & taxes	1,449	2,743
Rent	3,536	3,461
Repairs to buildings	196	853
Repairs to machines	3,274	2,405
Insurance	891	1,721
Professional charges	2,550	3,453
Travelling and conveyance	8,503	11,486
Postage & telephone	2,125	3,005
Packing & forwarding expenses	31,113	49,112
Sales promotion expenses	3,130	2,710
Discounts	9,896	29,216
Donations	104	90
Prior period expenses	259	2,551
Bad debts written off	1,194	3,597
Provision for bad and doubtful advances	315	1,594
Sundry expenses	13,920	14,658
	<u>193,712</u>	<u>280,939</u>

14 NOTES FORMING PART OF THE ACCOUNTS
1. ACCOUNTING POLICIES

- I) **Basis of preparation of financial statements :** The financial statements are prepared under the historical cost convention on the accrual basis of accounting, unless otherwise stated, in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act 1956 and the applicable accounting standards.
- II) **Use of Estimates :** The preparation of financial statements requires estimates and assumptions. Differences between the estimates and actual results are recognized in the period in which the same are known.
- III) **Fixed Assets :** Fixed assets are capitalised inclusive of legal and/or installation expenses. Preoperative expenses (including interest charges) upto the date of start of commercial production are capitalised over the items of fixed assets.
- IV) **Depreciation :** Depreciation on fixed assets is provided on straight line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions is provided on pro-rata basis for the period for which the assets are put to use. Assets costing less than Rs.5000/- are fully depreciated in the year of purchase. Lease-hold land is not amortised.
- V) **Impairment of Assets :** An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.
- VI) **Inventory valuation:**
- a) Stocks of raw-materials, packing materials, stores & spares are valued at cost
 - b) Stock of work-in progress is valued at cost
 - c) Finished goods are valued at lower of cost and net realisable value.
- VII) **Foreign exchange transactions:** Foreign exchange transactions are recorded at the exchange rate prevailing on the date of transaction. All exchange differences in respect of foreign currency transactions are dealt with in the profit & loss account. All foreign currency assets & liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing on that date.
- VIII) **Sales & contract receipt:**
- a) Revenue from contracts for supply/commissioning of Bio-gas plants and equipments is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost.
 - b) Sales include products consumed internally for manufacture of capital assets, adjusted on cost basis, but exclude inter-unit transfers on revenue account.
- IX) **Insurance claims:** Insurance claims for loss of assets or goods are accounted at the time of lodging of the claim with the insurer at the cost of assets/ goods lost. Any shortfall in the claim recovery is accounted for at the time of final settlement of the claim.
- X) **Excise duty and Cenvat credits:** Sales and purchases (other than those of capital goods) are stated inclusive of excise duty. Cenvat credits are accounted as other income. Cenvat credits relating to capital goods are reduced from the value of the capital goods.
- XI) **Value Added Tax (VAT) and input credits:** Sales are stated exclusive of VAT. Purchases (including those of capital goods) are stated inclusive of VAT except to the extent such input tax is eligible for set-off. Reduction in set-off, if any, under the provisions of VAT laws is debited to VAT paid account.
- XII) Expenditures are shown net of recoveries.
- XIII) **Retirement benefits:**
- (a) Contributions to provident fund, family pension fund are made to Government Provident fund authorities and are recognized as expense in the year they are incurred.
 - (b) Provision for leave encashment is made on the basis of actuarial valuation made at the end of each year/period.
 - (c) Provision for gratuity liability is made on the basis of actuarial valuation made at the end of each year/period
 - (d) For superannuation benefit, the Company makes defined contributions as per company's policy and recognizes such contributions as expense in the year they are incurred.

2. Contingent liabilities:

(Rs. in thousands)

		2009-10	2008-09
a.	Estimated amount of contracts remaining to be executed on capital a/c (net of advances).	NIL	NIL
b.	Claims against the Company not acknowledged as debt.	47799	5032
c.	Amount of bank guarantees	50145	21270
d.	Amount letters of credit (net of provision).	NIL	7663

3. In view of the losses incurred by the Company during last few years, the Company has accumulated net deferred tax asset of Rs. 485 lacs as on 31.03.2010 (Previous year Rs. 372 lacs) in terms of provisions of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Following prudent accounting policy and the guidelines contained in paragraphs 15 to 18 of the said Accounting Standard, the management has decided not to make adjustment in the books of accounts for the value of the said deferred tax asset until such time that there is reasonable certainty of realisation of the said deferred tax asset against sufficient future taxable income.
4. Loans repayable within one year Rs. 4.10 lacs (Previous Year Rs.9.72 lacs)
5. Interest includes interest on fixed loans Rs. 56.42 lacs (Previous Year- 8.14 lacs).
6. Interest paid during the year is net of interest income of Rs.6.43 lacs (Previous Year Rs. 6.46 lacs). Tax deducted at source Rs.0.85 lacs (Previous Year- Rs. 1.45 lacs).
7. Balances of Banks, debtors, advances and creditors are subject to confirmation.
8. Classification of suppliers as Micro Small or Medium Enterprise is done where such information is provided by the supplier. No interest is paid or payable during the year to Micro Small or Medium Enterprises.

9. Payments to Auditors:

(Rs. in thousands)

		2009-10	2008-09
a.	audit fee	550	550
b.	tax audit fee	100	100
c.	fees for limited review of accounts and certification work	150	150
d.	Service tax	82	85
e.	out of pocket expenses	19	28

10. Managerial remuneration to directors:

(Rs. in thousands)

		2009-10	2008-09
a.	Salaries	3786	3786
b.	Taxable value of perquisites	272	00
c.	Retirement benefit	752	955
d.	Directors' sitting fee	45	80
	TOTAL	4855	4821

Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been given, as commission by way of percentage of profit is not paid for the year to any of the directors.

11. Earnings Per Share:

		2009-10	2008-09
a.	Profit after tax before extraordinary items (Rs. in thousands)	(46818)	30205
b.	Less: Dividend on Preference Shares including tax thereon (Rs. in thousands)	0	15
c.	Profit after tax but before extraordinary items attributable to equity shares (Rs. in thousands)	(46818)	30190
d.	Profit after tax and extraordinary items (Rs. in thousands)	(46818)	30190
e.	No. of Equity Shares- Weighted average (in thousands)	17832	17670
f.	Earnings per share- Basic and Diluted (Face value- Rs. 10 per share):-		
	Before extraordinary items (Rs.)	(2.63)	1.71
	After extraordinary items (Rs.)	(2.63)	1.71

12. Segment Reporting:

(Rs. in thousands)

	Year 2009-10			Year 2008-09		
	Particle Board	Bio-gas Plant	Total	Particle Board	Bio-gas Plant	Total
A Revenue	354089	130406	484495	525019	111684	636703
B Results:						
Operating result	(71098)	9579	(61519)	32348	23279	55627
Other income	41495	663	42158	7229	165	7394
Interest-net			27077			28242
Income-tax			381			4574
Net Profit			(46819)			30205
C Other information:						
Segment assets	823448	43330	866778	820984	74091	895075
Segment liabilities	370260	18945	389205	334433	36251	370684
Capital expenditure	9196	50	9246	5321	387	5708
Depreciation	43422	80	43502	50819	133	50952
Other non cash expenses	0	0	0	0	0	0

13. Related party disclosure in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
(i) Related parties:

	Nature of relationship	Names of parties
1	Key management personnel	Mr VS Raju, Mr GRK Raju, Mr P Satyanarayan Raju
2	Relatives of key management personnel	Mr P Srinivas Raju, Mrs V Satyawati, Mrs G Jayalakshmi, Mrs P Anuradha, Mrs PL Rajeshwari, Mrs Venkata Sujani Indukuri
3	Associates	Susee Spacetek Pvt Ltd, Susee Engineers & Fabricators, M/s Venkata Subba Raju & Co.,

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

(ii) Transactions with related parties:

(Rs in thousands)

Related parties	Nature of transactions.	Amount For the year 2009-10	Amount outstanding as on 31.03.10
Key management personnel	Remuneration paid	3786 (3786)	180 (198)
	Loans taken	14600 (25400)	52831 (38231)
	Purchase of capital goods	600 (0)	0 (0)
	Sale	15 (0)	0 (0)
Relatives of key management personnel	Rent paid	1800 (1691)	0 (0)
	Rent deposits given	0 (0)	1197 (1190)
	Salary & reimbursement	136 (0)	0 (0)
Associates	Liability written back	0 (353)	0 (0)
	Purchase of capital goods	900 (0)	0 (0)

(Note:- Figures in brackets are of previous year)

14. Previous year figures have been regrouped wherever necessary to conform to the current year classification.

15. Information pursuant to the provision of paragraph (s) 3, 4C & 4D of part II of Schedule VI to the Companies Act, 1956.

I) Licensed Capacity

Engineering division	Not applicable
Particle Board division	Not applicable

II) Installed capacity:

Engineering division	Not ascertainable
Particle Board division	* 51.00 lakhs M2

(*Certified by the management and relied upon by the auditors being a technical matter).

		Year 2009-10		Year 2008-09	
		Quantity	Amount	Quantity	Amount
			Rs.in thousands		Rs.in thousands
III Production:					
a) Anaerobic waste water treatment plants (Biogas plants) & other Plants	Parts & components of 10 plants			Parts & components of 5 plants	
b) Particle Boards	1355562 M2			2367119 M2	
IV Turnover:					
a) Anaerobic waste water treatment plants (Biogas plants) & other Plants	Parts & components of 10 plants		126,831	Parts & components of 5 plants	111,686
b) Particle Boards	1564866 M2		354,089	2299913 M2	523,860
*Includes captive consumption					
c) Traded goods			3,575		1,157
			484,495		636,703

	Year 2009-10		Year 2008-09	
	Quantity	Amount	Quantity	Amount
		Rs.in thousands		Rs.in thousands
V Material consumed				
Includes cost of materials used for production of resins for captive consumption				
Bagasse	37549 MT	63,303	105067 MT	86,090
Chemicals	3084 MT	39,880	6889 MT	96,737
Paper	208 MT	25,307	346 MT	39,910
Boards	382983 M2	59,544	55535 M2	7,177
Steel	2159 MT	62,691	905 MT	34,215
Others		28,564		26,971
		279,289		291,100
Purchase of traded goods		1,442		1,154
VI Particulars of consumption of raw materials	%		%	
Indigenous	98	274,902	88	256,859
Imported	2	4,387	12	34,241
	100	279,289	100	291,100
VII Particulars of consumption of stores/spares	%		%	
Indigenous	95	18,010	87	28,001
Imported	5	1,022	13	4,098
	100	19,032	100	32,099
VIII Stock of finished goods				
Opening stock:				
Particle Boards	611798 M2	145,596	544592 M2	121,592
Furniture items		54		242
Closing stock:				
Particle Boards	402494 M2	105,805	611798 M2	145,596
Furniture items		0		54
IX CIF value of imports of:				
Materials		53,488		25,077
Capital goods		0		4,162
Stores & spares		2,732		5,607
X Expenditure in foreign currency				
Profession charges		0		167
Tour & travel		383		488
Membership, commission etc.		56		16
XI FOB value of exports		NIL		NIL
XII Earnings in foreign exchange (Insurance claim received)		0		110

As per our report of even date
For Chaturvedi SK & Fellows
 Chartered Accountants

Srikant Chaturvedi
 Partner
 (Membership No.70019)

Place: Pune
 Dated: 29th May, 2010

For and on behalf of the Board of Directors

V. S. Raju
 Chairman & Managing Director

P. Satyanarayana Raju
 Joint Managing Director

V. P. Rane
 Director

GRK Raju
 Executive Vice Chairman

U. S. Kadam
 Director

Kavita Jagtap
 Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No.	:	64087
State Code	:	11
Balance Sheet Date	:	31-03-2010

II. Capital raised during the year (Amount- Rs. in thousands)

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private placement	:	Nil

**III. Position of Mobilisation and deployment of funds
(Amount- Rs. in thousands)**

Total Liabilities	:	765054
Total Assets	:	765054

Sources of Funds

Paid up Capital	:	179620
Reserve and Surplus	:	297952
Secured Loans	:	227746
Unsecured Loans	:	59736

Application of Funds

Net Fixed Assets	:	418804
Investments	:	0
Net Current Assets	:	346250
Miscellaneous Expenditure	:	0
Accumulated Losses	:	0

IV. Performance of Company (Amount- Rs. in thousands)

Turnover including other income	:	527853
Total Expenditure	:	574291
Profit/ Loss Before Tax	:	- 46438
Profit/ Loss After Tax	:	- 46819
Earning per Share in Rs.	:	- 2.63
Dividend Rate %	:	0%

V. Generic Names of three Principal Products of Company.

Item Code No.	:	44103110
Product Description	:	Bagasse Board
Item Code No.	:	44101110
Product Description	:	Wood Board
Item Code No.	:	84198904
Product Description	:	Bio Gas Plants

For Chaturvedi SK & Fellows
Chartered Accountants

(Srikant Chaturvedi)
Partner
(Membership No.70019)

For and on behalf of the Board of Directors

V. S. Raju
Chairman & Managing Director

ECOBOARD INDUSTRIES LIMITEDRegistered Office: 36/1, Preet Chambers, 2nd Floor, Pune-Mumbai Road, Wakdevadi, Pune – 411 003.**ATTENDANCE SLIP**Please bring this Attendance Slip and hand it over at the entrance of
Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004.

Name & Address of the shareholder : _____

Folio No. : _____

*DP ID : _____

*Client ID : _____

I hereby record my presence at the Nineteenth Annual General Meeting of "Ecoboard Industries Limited" 36/1, Preet Chambers, 2nd Floor, Pune-Mumbai Road, Wakdevadi, Pune – 411 003 on Thursday, 30th September, 2010 at 11.00 a.m.

Signature of the Member or Proxy	Shares held

*Applicable to investors holding shares in electronic form.

ECOBOARD INDUSTRIES LIMITEDRegistered Office: 36/1, Preet Chambers, 2nd Floor, Pune-Mumbai Road, Wakdevadi, Pune – 411 003.**PROXY FORM**

I/We _____ of
_____ in the district of _____ being a Member (s) of the above
named Company hereby appoint _____ of _____
in the District of _____ or failing him _____
of _____ in the District of _____

as my / our proxy to vote for me / us on my / our behalf at the Eighteenth Annual General Meeting of the Company to be held on Thursday, 30th September, 2010 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Folio No. : _____

DP. ID : _____

Client ID : _____

Affix a One Rupee Revenue Stamp
--

Notes:

1. The Proxy in order to be valid should be deposited at the Principal / Registered Office of the Company not later than Tuesday, 28th September, 2010 at 11.00 a.m.
2. The Proxy should be executed on One Rupee Revenue Stamp.
3. The shareholder may choose to vote differently for his entire holding and may vote against or for the resolutions in the notice.

