

ECOBOARD INDUSTRIES LTD.

Manufacturers of Bagasse Boards



In Collaboration With Nature



Ref: EIL/BSE /2016/650
Date: 03.10.2016

To
BSE Limited
Dept. of Corporate Services,
PJ Towers, Dalal Street,
Mumbai - 400 001.

Sub: Hard Copy of Annual Report
Scrip Code: 523732

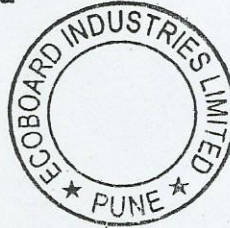
Please find enclosed herewith Annual Report for the financial year 2015-16 as required under Regulation.34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2016 duly approved and adopted by the members as per the provisions of Companies Act, 2013.

This is for your information and record.

Thanking You,

For Ecoboard Industries Limited

Sonika Kulhare
Assistant Company Secretary



Place: Pune
Encl.: As above



ECOBOARD INDUSTRIES LIMITED

25TH ANNUAL REPORT 2015-2016

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

BOARD OF DIRECTORS

Mr. V.S. Raju, Chairman
Mr. G.R.K. Raju, Managing Director
Mr. Praveen Kumar Raju Gottumukkala, Director
Dr. N.A. Ramaiah, Independent Director
(Resigned w.e.f. 14.11.2015)
Mr. Ramchandra Raju P.S. Independent Director
(Resigned w.e.f. 14.11.2015)
Mr. U. S. Kadam, Independent Director
Mr. Narsimhan Krishnan, Independent Director
Mrs. Sujani Venkata Indukuri, Director
Mr. Siva Sankar Kalive, Independent Director
Mr. P. V. V. Rama Raju, Independent Director

COMPANY SECRETARY

Mr. Girish Tiwari

AUDITORS

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

REGISTERED OFFICE

65/1A, "Ecohouse", Akarshak building,
Opp. Nal Stop, Karve Road, Pune 411004
Tel: (020) 25432345 • Fax: (020) 25465328
E-mail info@ecoboard.in
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

BANKERS

Bank of Maharashtra
Andhra Bank
State Bank of India

Bio Systems Division

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

Factory (Particle Bagasse Board Division)

1. Village Velapur, Taluka Malshiras,
Dist: Solapur, Maharashtra
Tel: (02185)245261/62 Fax 245203

BRANCHES

West Zone: Pune, Kolhapur,
South Zone: Hyderabad, Bangalore, Bhubaneswar, Manglore
North Zone: Delhi, Bhopal, Kolkata, Raipur

Note: All correspondence shall be made to Registered office Address

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“GO GREEN” INITIATIVE BY THE COMPANY

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

.....

M/s Link Intime India Pvt. Ltd., Pune

Block No. 202, 2nd Floor Akhay 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 Fifth Annual General Meeting (AGM) of the Members of 'Ecoboard Industries Limited' will be held on **Monday, September 26, 2016 at 11.00 a.m.** (IST) at Conference Hall, Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements), of the Company for the financial year ended 31st March, 2016 and the Reports of the Board of Directors ('the Board') and the Auditors thereon.
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.
3. To appoint M/s Chaturvedi SK & Fellows as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

Therefore, shareholders are requested to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby appoint M/s Chaturvedi SK & Fellows, Chartered Accountants, (Firm Registration No. 112627W), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2017.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file necessary e-forms with ROC and to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.”

SPECIAL BUSINESS:

4. **To confirm the appointment of Mr. Siva Sankar Kalive (DIN: 07354617) as a Director 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 the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), Mr. Siva Sankar Kalive (DIN: 07354617), who was appointed as an Additional Independent (Non Executive) Director of the Company pursuant to the provisions of Section 149, 152 and 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto November 13, 2020 and shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to file necessary e-forms with ROC and do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution.”

5. **To confirm the appointment of Mr. P. V. V. Rama Raju (DIN: 07464714) as a Director 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 the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), Mr. P. V. V. Rama Raju (DIN: 07464714), who was appointed as an Additional Independent (Non Executive) Director of the Company pursuant to the provisions of Section 149, 152 and 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for

the office of Director, is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto November 13, 2020 and shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to file necessary e-forms with ROC and do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution.”

6. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution to Re-appoint Mr. Narasimhan Krishnan as Independent Director:**

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. Narasimhan Krishnan (DIN 02071121), Independent Director of the Company whose period of office is liable to expire on August 8, 2016, 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 re-appointed as an Independent Director of the Company with effect from August 9, 2016, to August 8, 2021 and the term shall not be subject to retirement by rotation.

7. **To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution to appoint Mr. Uttam Sampatrao Kadam as Independent Director**

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. Uttam Sampatrao Kadam (DIN 01517289), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment under the provisions of the Companies Act, 2013, Rules made thereunder 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 appointed as an Independent Director of the Company with for the period of three years and the term shall not be subject to retirement by rotation.

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

Sd/-

**V.S.Raju
Chairman**

DIN: 00842835

**Place: Pune
Date: 10.08.2016**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of total share capital of the Company.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the Meeting (on or before) September 24, 2016, 11 a.m. (IST), A proxy form is enclosed to the report.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and Share Transfer Register will remain closed from Tuesday, 20th September, 2016 to Monday, 26th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
9. With a view to using natural resources responsibly, we request shareholders to update their Depository Participants to enable the Company to send communication electronically.
10. In compliance with section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administrative) Rules 2014, as substituted by the Companies (Management and Administration) Amendment, Rules, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
11. The Annual Report 2015-16, the Notice of 25th AGM and instruction for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all members whose e-mail addresses are registered with the Company / Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
12. Members may also note that the Notice of the 25th AGM and the Ecoboard Industries Limited Annual Report 2015-16 will be available on the Company's website, www.ecoboard.in. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours and working days. Members who require communication in physical form in addition to e-communication, or have any other queries any, write to us at: cs@ecoboard.in.

13. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment and re-appointment at the AGM, is furnished as annexure to the Notice. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules there under.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
15. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
16. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. While attending the meeting the members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
17. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed
18. 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.
19. Members are requested to address all correspondence, to the Registrar and Share Transfer Agents **M/s Link Intime India Private Limited, 202-A, 2nd Floor, "Akshay Complex" off Dhole Patil Road, Pune – 411 001.**

The Company is pleased to provide members such e-voting facility to exercise their right to vote at the

25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

Process for e-voting:

The Company has signed an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Shareholders to cast their vote electronically. Each voter may follow the following steps while e-voting:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23rd September, 2016 at 9 a.m. (IST) and ends on 25th September, 2016 at 5 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Tuesday, September 20, 2016 i.e. cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- (ii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in de-mat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

For Members holding shares in De-mat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN field which is printed on the address sticker pasted on Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Ecoboard Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Sd/-

**V.S.Raju
Chairman**

Place: Pune

Date: 10.08.2016

DIN: 00842835

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4, 5, 6 and 7 of the accompanying Notice:

Item No. 4

The Board of Directors vide its resolution dated November 14, 2015 appointed Mr. Siva Sankar Kalive as Additional Director of the Company in the capacity of Independent Director pursuant to Section 161 of the Companies Act. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from member along with a deposit of Rs. 1 Lakh proposing the candidature of Mr. Siva Sankar Kalive for appointment as Independent Director as per the provisions of sections 149 and 152 of the Companies Act, 2013.

Mr. Siva Sankar Kalive has given declaration to the Board of Directors of the Company that he met the criteria of Independence as required under Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, he fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as Independent Director of the Company and he is independent of the management. The Director is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Except Mr. Siva Sankar Kalive being appointee or his relatives, 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.

Disclosure of relationship between director inter-se

Nil

Listed companies (other than Ecoboard) in which Mr. Siva Sankar Kalive holds directorship and committee membership:

Nil

Shareholders in the Company

Nil

Item No. 5

The Board of Directors vide its resolution dated November 14, 2015 appointed Mr. P. V. V. Rama Raju as Additional Director of the Company in the capacity of Independent Director pursuant to Section 161 of the Companies Act. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from member along with a deposit of Rs. 1 Lakh proposing the candidature of Mr. P. V. V. Rama Raju for appointment as Independent Director as per the provisions of sections 149 and 152 of the Companies Act, 2013.

Mr. P. V. V. Rama Raju has given declaration to the Board of Directors of the Company that he met the criteria of Independence as required under Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, he fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as Independent Director of the Company and he is independent of the management. The Director are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013

Except Mr. P. V. V. Rama Raju being appointee or his relatives, 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. 5. The Board of Directors recommend the resolution at Item No. 5 for approval of the Members.

Disclosure of relationship between director inter-se:

Nil

Listed companies (other than Ecoboard) in which Mr. P. V. V. Rama Raju holds directorship and committee membership:

Nil

Shareholders in the Company:

Nil

Item No. 6

Mr. Narasimhan Krishnan is the Independent Director of Ecoboard.

Mr. Narasimhan Krishnan joined Ecoboard in 2011 to help transform the Company. Mr. Narasimhan Krishnan helped the company by his independent view and also suggested various solutions to the company in the difficult phase of time. He also serves to the Audit Committee as a member to review the financial control of the company.

Mr. Narasimhan Krishnan was appointed as Independent Director since August 9, 2011 and his first tenure of 5 years has been completed on August 8, 2016. The company wishes to appoint him as the Independent Director for the second consecutive period of five years. He has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment 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.

The members are requested to pass the above resolution as special resolution.

None of the Directors are interested in the above resolution.

Disclosure of relationship between director inter-se:

Nil

Listed companies (other than Ecoboard) in which Mr. Narasimhan Krishnan holds directorship and committee membership:

Nil

Shareholders in the Company:

Nil

Item No. 7

Mr. Uttam Sampatrao Kadam is the Independent Director of Ecoboard.

Mr. Uttam Sampatrao Kadam associated with Ecoboard since many years and help transform the Company. Mr. Uttam Sampatrao Kadam helped the company by his independent view and also suggested various solutions to the company in the difficult phase of time. He also serves to the Audit Committee as a Chairman.

Mr. Uttam Sampatrao Kadam was the Independent Director before the implication of Companies Act, 2013 and the company wishes to appoint him as the Independent Director for the period of three years. He has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment under the provisions of the Companies Act, 2013, Rules made thereunder 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.

The members are requested to pass the above resolution as special resolution.

None of the Directors are interested in the above resolution.

Disclosure of relationship between director inter-se:

Nil

Listed companies (other than Ecoboard) in which Mr. Uttam Sampatrao Kadam holds directorship and committee membership:

Nil

Shareholders in the Company:

Nil

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

Sd/-

V.S.Raju
Chairman

Place: Pune
Date: 10.08.2016

DIN: 00842835

BOARD'S REPORT

To,
The Members of
Ecoboard Industries Limited

The directors submit annual report of Ecoboard Industries Limited (the "Company") along with the audited financial statements for the financial year (FY) ended March 31, 2016. Consolidated performance of the Company has been referred to wherever required.

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

1. FINANCIAL SUMMARY / HIGHLIGHTS

(Amounts in Lakhs)

Particulars	Current Year 2015-16	Previous Year 2014-15
Profit/ Loss before interest, depreciation, exceptional items and tax	(694.05)	(204.36)
	379.76	407.17
Less: Interest	116.08	116.54
Less: Depreciation	(1,189.89)	(728.07)
Profit/(Loss) for the year from ordinary activities		
Add: Exceptional income	(278.18)	54.87
Profit/(loss) before Tax	(1,468.07)	(673.20)
Less: Provision for tax	0	0
Profit/(Loss) for the period from continuing operation	(1,468.07)	(673.20)
Profit/(Loss) for the period from discontinuing operation		
Tax expenses of discontinuing operation	(21.75)	(25.61)
Profit/(Loss) for the period From discontinuing operation	(0)	(0)
Profit/(loss) for the period		
Balance brought forward	(1,489.82)	(698.81)
Surplus for the year		
Balance carried to Balance Sheet	(1,489.82)	(698.81)
	(1,489.82)	(698.81)

Financial Performance

During the year 2015-16 your company has made turnover of Rs 2,258.52 Lakhs as compared to turnover of the previous financial year of Rs. 1,862.52 Lakhs, whereas Loss for the year is Rs. 1,489.82/- Lakhs as against Rs. 698.81/- Lakhs in the previous financial year. Boards of Directors are confident that the business of the Company will flourish in future and the turnover of the Company will improve which turns the losses into profitability.

Year	Sales performance (Rs. Lacs)	PBT (Rs. Lacs)	PAT (Rs. Lacs)	EPS (Rs. Lacs)
2012	3275.50	(208.57)	(208.57)	(1.17)
2013	3731.05	(592.65)	(690.89)	(3.87)
2014	2807.82	(810.75)	(898.13)	(5.04)
2015	1693.28	(673.20)	(698.81)	(3.92)
2016	2,205.48	(1,468.07)	(1,489.82)	(8.35)

In last two years the Company has faced challenges rising from external factors. In this stressful situation the Company has taken steps to overcome the challenge and found new direction for stable growth. In particle board division the Company has timely upgraded the machineries to reduce the consumption of raw material by 25%. The Bio-Gas division has also working with several new industries like poultry, dairy, pharmaceutical etc. and successfully executed bio-gas project in an internationally renowned pharmaceutical company.

Management's decision of Modification of existing line of 13.5'x6' boards has resulted in following:-

- 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.

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

Based on internal financial control framework and compliance systems established in the Company, the work performed by statutory, internal and secretarial auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

2. DIVIDEND

In view of paucity of funds in the current year and due to counting losses the, the Board of Directors does not recommend any dividend for the F.Y. 2015-16.

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

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

6. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2015-16, 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, listing agreement and Listing Regulations were adhered to while considering the time gap between two meetings.

Name of Director	Category	Attendance of meeting during 2015-16		*No. of other Directorship
		Board	Last AGM	
Mr. V.S. Raju	Chairman	2	Yes	1
Mr. G. R.K. Raju	Managing Director	4	Yes	1
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	4	Yes	0
Mr. U.S Kadam	Non-Executive & Independent	4	Yes	0
#Dr. N.A. Ramaiah	Non-Executive & Independent	0	No	0
#Mr. Ramchandra Raju P S	Non-Executive & Independent	0	No	4
Mr. Narasimhan Krishnan	Non-Executive & Independent	5	Yes	0
Ms. Venkata Sujani Indukuri	Executive Director	1	Yes	0
##Mr. Siva Sankar Kalive	Additional Director	1	No	0
##Mr. P. V. V. RamaRaju	Additional Director	0	No	0

Ceased to be Director w.e.f. 14th November, 2015

Appointed as Additional Director w.e.f 14th November, 2015

7. 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.

8. 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.

9. RISK MANAGEMENT

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

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

10. ANNUAL REVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. 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.

11. INDEPENDENT DIRECTORS AND DECLARATION

Composition of the independent director is in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. During the year your Company has appointed Mr. Siva Sankar Kalive and Mr. P. V. V. Rama Raju as Independent Directors to the Board with relevant expertise and experience.

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

12. CODE OF CONDUCT

- i. Code of Conduct for Director and Senior Management of the Company: The Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code as on March, 2015.
- ii. Code of Conduct for prevention of Insider Trading: The Company has its own Code of Conduct for Prevention of Insider Trading

13. CORPORATE GOVERNANCE:

As the listed Company necessary measures are taken to comply with provisions of the Listing Agreement with Bombay Stock Exchange and 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.

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

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

15. EXTRACT OF ANNUAL RETURN IN FORM MGT-9

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B"

16. COMPENSATION AND DISCLOSURE ANALYSIS:

The Companies Act, listing 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"

17. RELATED PARTY TRANSACTIONS:

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

18. STATUTORY AUDITORS:

The Company's Auditors, M/s. Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, (Firm Regn. No. 112627W) were appointed till 31.03.2016. Further the Company wish to appoint them for the period of one financial year i.e. 01.04.2016 to 31.03.2017.

19. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. 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, 2016 is annexed herewith as "Annexure E" in FORM MR-3.

20. COMMENTS ON OBSERVATIONS ON SECRETARIAL AUDIT REPORT

The director's comment on the observation of Secretarial Auditor has been covered as **Annexure - I** of the Secretarial Audit Report.

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

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

22. 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.

23. 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.

24. 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

Place: Pune
Date: 10.08.2016

Sd/-
V.S.Raju
Chairman
DIN: 00842835

“ANNEXURE A”

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

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

<p>1. (A) Conservation of Energy :</p> <p>(i) the steps taken or impact on: conservation of energy</p> <p>(ii) the steps taken by the company for utilizing alternate sources of energy</p> <p>(iii) the capital investment on energy conservation equipments;</p>	<p>During the year Your Company had taken various steps to Control the power cost in Company by Modifying the Existing Machinery which will result in reduction in power consumption by at least 25%.</p>
<p>2. (B) Technology Absorption:</p> <p>(i) the efforts made towards technology absorption and R & D.</p> <p>(ii) the benefits derived from technology absorption and R & D like product improvement, cost reduction, product development .</p>	<p>“ECODOOR” super exterior grade are developed for new segments.</p> <p>The Company has been able to successfully develop products by virtue of technology absorption, adaptation and innovation.</p>
<p>3. Foreign Exchange Earnings & Outgo:</p> <p>A) Activities relating to exports initiative taken for exports, development of new export markets for products and services.</p> <p>B) Total Foreign exchange used</p> <p>1 Raw Material</p> <p>2 Capital Equipment (Including Advance)</p> <p>3 Stores & Spares</p> <p>4 Foreign Travel & other expenditure</p> <p>5 Royalty & Consultancy fees</p> <p>6 Earned Deemed Export</p>	<p>UGANDA Project of Biogas started.</p> <p>Rs. Nil</p> <p>Rs. 1.48 Lakhs</p> <p>Rs.15.14 Lakhs</p> <p>Rs. 2.54 Lakhs</p> <p>Rs. Nil</p> <p>Rs. Nil</p>

**“ANNEXURE B”
FORM NO. MGT.9**

EXTRACT OF ANNUAL RETURN

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

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1	Particle Board	20213	76.76
2	Biogas Division	40107	23.24

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	10403785	-	10403785	58.34	10311694	-	10311694	57.83	(0.51)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	100400	-	100400	0.56	0.56
Sub-total(A)(1):-	10403785	-	10403785	58.34	10412094	-	10412094	58.39	0.05
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)	10403785	-	10403785	58.34	10412094	-	10412094	58.39	0.05
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. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	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.	1133294	293900	1427194	8.00	1021210	293900	1315110	7.38	(0.62)
b. Individual									

i. Individual shareholders holding nominal share capital upto Rs 2 lakh	2805678	1394069	4199747	23.55	2960183	1467912	4428095	24.83	1.28
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1382423	34900	1417323	7.96	1103720	20100	1123820	6.3	(1.39)
c. Others	10401	-	10401	0.06	11758	-	11758	0.07	0.01
1. (clearing member)									
2. (Market Maker)	850	-	850	0.005	650	-	650	0.004	(0.001)
(i) NRI (Rep)	33651	4100	37751	0.21	33086	4100	37186	0.21	0.00
(ii) NRI (Non-Rep)	6201	400	6601	0.04	4989	400	5389	0.03	(0.01)
(iii) Foreign National	-	-	-	-	-	-	-	-	-
(iv) OCB	-	250000	250000	1.40	0	250000	250000	1.40	0.00
(v) Hindu Undivided Family	65348	3300	68648	0.39	237209	989	238198	1.34	0.95
(vi) In Transit	-	-	-	-	-	-	-	-	-
Sub-total B (2)	5437846	1980669	7418515	41.61	5372805	2037401	7410206	41.56	(0.05)
Net Total B = (B) (1)+(B)(2)	5437846	1990369	7428215	41.66	5372805	2047101	7419906	41.61	(0.05)
C. Shares held by Custodians for GDR's and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15841631	1990369	17832000	100.00	15784899	2047101	17832000	100.00	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
1	Jayalakshmi Gottumukka	2885941	16.18	0	2885941	16.18	-	0.00
2	GRK Raju	2176225	12.20	0	2176225	12.20	-	0.00
3	Satyavathi Vegesna	1172736	6.58	0	1172736	6.58	-	0.00
4	P Satyanarayana Raju	871900	4.98	0	844600	4.74	-	(0.16)
5	Venkata Sujini indukari	949698	5.32	0	952807	5.34	-	0.02
6	Praveen Kumar Raju Gottumukkaia	858000	4.81	0	890500	4.99	-	0.18
7	Rama krishna Raju Gottumukkala (HUF)	300000	1.68	0	300000	1.68	-	0.00

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/encumbered to total shares	
8	Subba Raju Vegesna	872255	4.89	0	872255	4.89	-	0.00
9	Prithvi Raju Venkata P	90300	0.51	0	90300	0.51	-	0.00
10	P Srinivas Raju (HUF)	89900	0.50	0	89900	0.50		0.00
11	Lalita Rajeshwari P	59430	0.33	0	59430	0.33		0.00
12	P Anuradha	50100	0.28	0	50100	0.28		0.00
13	Srinivas Raju P	16800	0.09	0	16800	0.09		0.00
14	Vegesna Subba Raju (HUF)	10500	0.06	0	10500	0.06		0.00
	Total	10403785	58.34	Total	10412094	58.38	-	0.04

- (i) Change in Promoters' Shareholding (please specify, if there is no change): promoters shareholding increased by 0.04 % during the year 2015-16
- (ii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For each of the Top 10 Shareholders	Shareholding at the end of the year (31/03/16)		Shareholding at the beginning of the year (01/04/2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Jayalakshmi Gottumukkala	2885941	16.1841	2885941	16.1841
2	G R K Raju	2163225	12.1311	2163225	12.1311
3	Satyavathi Vegesna	1172736	6.5766	1172736	6.5766
4	Subba Raju Vegesna	872255	4.8915	872255	4.8915
5	P Satyanarayana Raju	844600	4.7364	871900	4.8895
6	Praveen Kumar Raju Gottumukkala	830000	4.6546	797500	4.4723
7	Venkata Sujani Indukuri	800000	4.4863	800000	4.4863
8	Supra Investments Private Limited	424796	2.3822	455595	2.554
9	Rama Krishna Raju Gottu Mukkala	300000	1.6824	300000	1.6824
10	Shriram Insight Share Brokers Ltd	294935	1.6540	294935	1.654

(iii) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	No of Shares at the end of the year (31/03/16)	% of total shares of the company	No of shares at the beginning of the year (01/04/2015)	% of total shares of the company
1.	GRK Raju	2176225	12.20	2176225	12.20
2.	Venkata Sujani Indukuri	949698	5.32	952807	5.34
3.	Praveen Kumar Raju Gottumukkaia	858000	4.81	890500	4.99

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 01.04.2015				
1) Principal Amount	2284.93	978.06	51.70	3314.69
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	2284.93	978.06	51.70	3314.69
Change in Indebtedness during the financial year	-	-	-	-
+ Addition	314.55	320.86	-	635.41
-Reduction	-	-	4.5	4.5
Net change	314.55	320.86	4.5	630.91
Indebtedness at the end of the financial year 31-03-2016				
1) Principal Amount	2545.94	1298.92	47.20	3892.06
2) Interest due but not paid	53.54	-	-	53.54
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	2599.48	1298.92	47.20	3945.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager	Name of MD/WTD/ Manager
		MD	Executive Director and CFO	Executive Director
		Mr. G. R. K. Raju	Mr. G. P. K. Raju	Mrs. Venkata Sujani Indukari
1.	Gross Salary	17,88,000/-	16,86,000/-	9,61,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	17,88,000/-	16,86,000/-	9,61,000/-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of Profit - Others, specify	1%	1%	1%
5.	Others, please specify Sitting Fees	-	-	-
	Total	17,88,000/-	16,86,000/-	9,61,000/-
	Ceiling As per Act			As per Section 197 a Company profits in a financial year may pay remuneration to a managerial person not exceeding 5 % of the Net profit of the Company

B. Remuneration to other directors:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. V. S. Raju	Mr. Narshimhan Krishnan	Mr. U.S. Kadam	Mr. N.A. Ramaiah	Mr. Ramchandra Raju P.S.	Mr. Siva S. Kalive	Mr. P. V. V. RamaRaju	
1	Independent Directors								
	- Fee for attending board committee meetings	-	25,000	20,000	-	-	5,000	-	50,000
	- Commission	-	-	-	-	-	-	-	-
	- Others	-	-	-	-	-	-	-	-
	Total (1)	-	25,000	20,000	-	-	5,000	-	50,000
2	Other Non Executive Directors								
	- Fee for attending board committee meetings	10,000							10,000
	- Commission								
	- Others								
	Total (2)	10,000							10,000
	Total (A)= (1+2) Total Managerial Remuneration	10,000	25,000	20,000	-	-	5,000	-	60,000
	Overall Ceiling as per the act	1% of the net profits of the Company if MD is there and 3% if MD is not there. The sitting fees are excluded from managerial remuneration but the maximum sitting fees may be paid id Rs. 1,00,000/- per meeting.							

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of the KMP * Ms. Shambhavi Wagle	Total Amount
		Rs.	Rs.
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	2,86,728/-	2,86,728/-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of Profit - Others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	2,86,728/-	2,86,728/-

***Resigned from the post of Company Secretary and Compliance Officer w.e.f. 27.05.2016**

ii. Penalties/punishment/compounding of offences:

There were no penalties/punishment/compounding of offences during the financial year 2015-16.

“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. 2.18 Lac/-

Sr. No	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. G. R. K. Raju	8.74
2	Mr. G. P. K. Raju	8.24
3	Ms. Sujani V. Indukuri	7.07

- 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	Ms. Shambhavi Wagle	0.21
4	Mr. Girish Tiwari	N.A.

- 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: 80
 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, 2016.
 9) The Nomination and Remuneration committee and the board of directors affirm that the remuneration is as per the remuneration policy of the company.

For Ecoboard Industries Limited

Place: Pune
Date: 10.08.2016

Sd/-
V.S.Raju
Chairman
DIN: 00842835

**“ANNEXURE D”
Form No. AOC-2**

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

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

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

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

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

Sr. No.	Name of Related Party	Nature of Relationship	Duration of Contract	Salient terms	Date of approval by the Board	Amount paid as advances	Transaction during the year Amount (Rs.)
1	Vesar Furnitek Private Limited (customer)	Private Company in which Mrs. Shrinivas Indukuri & Mrs.G.Jaylaxmi are Directors	Five Years till 2019	Sales of Particle Board. Terms of the contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices as compared to the prevailing rates in the market better quality products and timely supplies.	25.05.2015	-	19,98,420/-
2	Mrs. Indukuri Venkata Sujani	Daughter of Mr. G.R.K. Raju, Managing Director of the Company	One Year	Rent for Immovable Property	14.11.2015	-	3,60,000 /-
3	Mr. G. P. K. Raju	Executive Director of the Company	One Year	Unsecured Loan	25.05.2015	-	64,11,273/-
4	Mr. G. R. K. Raju	Managing Director of the Company	One Year	Unsecured Loan	25.05.2015	-	1,43,36,230/-
5	Mrs. Sujani Venkata Indukuri	Executive Director of the Company	One Year	Unsecured Loan	25.05.2015	-	10,33,752/-
6	Mr. V. S.Raju	Chairman of the Company	One Year	Unsecured Loan	25.05.2015	-	12,00,853/-

Advantages by dealing with Vesar Furnitek Private Limited are

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

For Ecoboard Industries Limited

Sd/-

**V.S.Raju
Chairman**

DIN: 00842835

Place: Pune
Date: 10.08.2016

"ANNEXURE E"

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE YEAR ENDED ON MARCH 31, 2016

To

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

Management's Responsibility

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

Secretarial Auditor's Responsibility

Secretarial Audit is a process of verification of records and documents on sample basis to check compliance with the provisions of laws and rules/procedures under the Companies Act, 2013, regulations laid down by Securities and Exchange Board of India, Environment (Protection) Act 1986 and Rules made there under listed hereinafter. The procedure for secretarial audit is selected on the secretarial auditor's judgment, including the assessment of the risks of material non-compliance of the documents filed. In making those risks assessments, the secretarial auditor considers internal control relevant to the Company's preparation and fair presentation of the documents in order to design secretarial audit procedures that are appropriate in the circumstances. My responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. I have conducted our audit solely on the basis of the compliances and filing done by the Company under the aforesaid laws.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 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 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The 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;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable to the Company during the Audit Period)**;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**

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

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

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

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

- (a) Environment (Protection) Act 1986 and Rules made there under;

I further report that

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

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

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

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

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

FOR S. R. SIDDHESHWAR & CO.

CS SAMEER SIDDHESHWAR
Proprietor
ACS: 41842
CP: 15564

Date: August 20, 2016

Place: Pune

Annexure-I

Observation / Qualification, reservation or adverse remark for the financial year ended on 31st March, 2016.

SR No.	OBSERVATION BY SECRETARIAL AUDITOR	COMMENTS BY THE BOARD OF DIRECTOR
1.	The Company has not published March 2015 quarter ended financial statements in newspaper, not complied with the clause 41 of Listing Agreement.	The Company could not publish March 2015 quarter ended financial statements in newspaper due to administrative delay. The Company will ensure that such publications will be made within prescribed `time henceforth.

FOR S. R. SIDDHESHWAR & CO.

CS SAMEER SIDDHESHWAR
Proprietor
ACS: 41842
CP: 15564

Date: August 20, 2016

Place: Pune

ANNEXURE TO BOARDS' REPORT**A. MANAGEMENT DISCUSSION AND ANALYSIS****About the company**

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

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

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

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 particle boards from bagasse and of improving material preparation section of existing line of 13.5'x6' size particle boards production line.

The case for Ecoboard***Philosophy and Environmental outlook***

Ecoboards are made from any form of agricultural waste and converted into good quality particle/fibre board for application to the doors, office furniture, home furniture, school furniture, wall paneling, commercial building, floors etc. construction and furniture purposes 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 bagasse in Maharashtra is available for particle board industry at over Rs. 2300/T excluding landing cost plus sales tax which is industry irrelevant. It is ironical to note that the by product itself is now available at a higher price than sugar cane where once the disposal of bagasse itself was a problem. Plywood which is conventionally used is still encouraged and continued by the public at the cost of depleting forest cover and tree resources due to lack of Govt. clear direction despite ban on expansion of plywood industry by the Hon'ble Supreme Court.

Industry synopsis

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

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

Risk aversion initiatives

In view of High Bagasse price your Company has taken up the works of for improving material preparation section of particle 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 bagasse for particle board industries.

Optimal capacity utilization, logistics, connectivity of distribution system by setting up nodal service centers at strategic locations across India and a swift delivery module by maintaining stock of finished goods at centers these are the key elements in our road map for achieving growth targets. The GST implication in near future will further help the companies growth prospects by easy logistic 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 polices and systems and mitigation of the operational risks covering each area under review. The organization is well structured and the policy guidelines are well documented with pre defined authorities. The company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with the accuracy and there is a strict compliance with all applicable laws and regulations.

Corporate Social Responsibility

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

1. Plant 30 Acres of tree at Velapur factory.
2. School furniture for Government schools in Hyderabad and Velapur.

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

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

Environment

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

Human Resources / Industrial Relations

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

FINANCIAL PERFORMANCE

SHARE CAPITAL AND RESERVES AND SURPLUS

During the year Authorized capital of the Company stands at Rs. 2500 Lacs and Reserves & Surplus of Rs. -2,342.93/- Lakhs it includes Depreciation on fixed assets whose residual useful life is nil is adjusted against retained earnings as per provisions of Schedule II to the companies Act, 2013. And paid up capital was 1783.20/- Lakhs.

FIXED ASSETS

During the year 2015-16 Company has not purchased Fixed assets, whereas the value of Fixed Assets decreased from Rs. 1730.22/- Lakhs to Rs. 1,602.70/- Lakhs

CURRENT ASSETS LOANS AND ADVANCES AND CURRENT LIABILITIES AND PROVISIONS

Loans and advances as at 31st March, 2016 was Rs. 91.60 Lakhs significant item of loans and advances includes advance towards Capital Expenditure. Company has Rs. 1771.60 Lakhs of Inventories of Raw Material, Stores and packing Material, Finished goods etc.

Other Current Liabilities as at 31.03.2016 were Rs. 472.05 Lakhs.

OPERATIONAL PERFORMANCE

Sr. No.	Particulars	Current Year 2015-16 (Rs. In Lakhs)	Previous Year 2014-15 (Rs. In Lakhs)
1	Sales and Other Income	2258.52	1862.52
2	Change in Inventories	(23.40)	517.88
3	Total Expenditure other than interest & Depreciation	2975.97	1549.00
4	Interest	279.76	407.17
5	Depreciation	116.08	116.54
6	Profit / (loss) before exceptional Items	(1189.89)	(728.07)
7	Add/ (Less) :- Exceptional Items	(278.18)	54.87
8	Less :- Tax Expense	0.00	0.00
8	Profit / (loss) for the Period from Continuing Operations	(1468.07)	(673.20)
9	Profit / (loss) for the Period from Discontinuing Operations	(21.75)	(25.61)
10	Profit / (loss) for the Period	(1489.82)	(698.81)

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 Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange where Company's shares are listed and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and submits a report on the matters mentioned in the said clause and followed in practice by the Company. The Company remains committed to the core aspects of Corporate Governance, viz. fairness, transparency, accountability and responsibility.

2. POLICIES

In compliance with the requirements of Clause 49 of the Listing Agreement, SEBI (LODR) regulations 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, Clause 49 of the Listing Agreement and Listing regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization.

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 Clause 49 of the Listing Agreement and SEBI Listing Regulations, 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.

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.

Ms. Shambhavi Wagle, Compliance Officer & Company Secretary of the Company was the Compliance officer for the purposes of Insider Trading Code during the Financial year 2015-16. Further she resigned from the above post w.e.f. 27.05.2016

Mr. Girirsh Tiwari, Company Secretary and Compliance Officer of the Company is the Compliance officer for the purpose of Insider Trading Code w.e.f. 27.05.2016.

e. Familiarisation Program for Independent Directors

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

3. BOARD OF DIRECTORS

Composition and Category of Directors

The Company has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Clause 49 (II)(A) of the Listing Agreements and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulation. The Board comprises of 4(Four) independent Directors i.e. Directors, who, apart from receiving sitting fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management, which may affect independence of judgment of the Directors.

Name of Director	Category	Attendance of meeting during 2015-16		*No. of other Directorship
		Board	Last AGM	
Mr. V.S. Raju	Chairman	3	Yes	1
Mr. G. R.K. Raju	Managing Director	4	Yes	1
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	4	Yes	0
Mr. U.S Kadam	Non-Executive & Independent	4	Yes	0
#Dr. N. A. Ramaiah	Non-Executive & Independent	0	No	0
##Mr. Ramchandra Raju P S	Non-Executive & Independent	0	No	4
Mr. Narasimhan Krishnan	Non-Executive & Independent	5	Yes	0
Ms. Venkata Sujani Indukuri	Executive Director	1	Yes	0
##Mr. Siva Sankar Kalive	Additional Director	1	No	0
##Mr. P. V. V. RamaRaju	Additional Director	0	No	0

Ceased to be a Director w.e.f. 14.11.2015

Appointed As additional Director w.e.f. 14.11.2015

*In accordance with Clause 49 of Listing Agreement and 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) 25th May, 2015
- 2) 14th August 2015
- 3) 22nd August, 2015
- 4) 14th November, 2015
- 5) 15th February, 2016

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

Profile of Directors

1. **Mr. V. S. Raju** **Non Executive Chairman**

Mr. V. S. Raju is non executive chairman of the Company. He is a green entrepreneur. Successfully pioneer in introducing ecofriendly particle board in INDIA from agriculture waste. He has inspired 25 new states like UP, Gujrat, MH, Karnataka & Kerala.

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

Mr. G. R. K. Raju is a graduate in Chemical Engineering, a technocrat with more than 35 years of experience in the field of administration of business affairs and strategic decisions. He is also a active member of various social institutions.

3. **Mr. G. P. K. Raju** **Executive Director**

Mr. G. P. K. Raju is MBA from Bentley University, BOSTON. Worked as financial analyst at INTERNATIONAL DATA GROUP HEAD QUARTER in BOSTON, USA He is in charge of day to day operation of the Company.

4. **Mrs. Sujani V. Indukuri** **Executive Director**

Mrs. Sujani V. Indukuri is a B. Tech in Electronics & Communication, M.B.A. in HR and Operation. She is a woman director of the Company. She has held various executive positions in IT Companies during her career.

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

Name	Mr. Siva Sankar Kalive	Mr. P. V. V. Rama Raju	Mr. Narasimhan Krishnan	Mr. Uttam Sampatrao Kadam
Address	604-C Leela Garden Kalyani Nagar, Pune - 411006 Maharashtra India	Flat No. 301 Rainbow Residency Pragathi Nagar, Plot No. 1000 Kukatpalli - 500072 Andhra Pradesh, India	35, National Co-Operative Housing Society, Baner Road, Aundh, Pune – 411007, Maharashtra	23, Suyog Gruh Nirman Mandal, Professor Colony, Gulmohar Road, Ahmednagar – 414 003.
Date of Birth	12.03.1958	06.04.1960	15.08.1940	21-07-1951
Date of Appointment	14.11.2015	14.11.2015	09.08.2011	20/07/1992
Qualification	B.E. And M.E. In Electronics & Communication, MBA In Marketing, Diploma In German Language, IIT- Madras.	B.Com, L.L.B., L.L.M., CS IIB, PG-Taxation	Eng. Graduate (B.E.)	B. Com.(Hons), F.C.A. Chartered Accountants
Experience	Consultant and Faculty in various Management schools, Chief Corporate and Development officer in Global Talent Track, Head PMO Function, BSS Group – Tech Mahindra, GM (Corporate) and GM (Marketing) – Ecoboard Industries Limited, Program Manager and Officer in charge – Electronics and Weapons in Indian Navy, Program Manager – Missile Design and Development – DRDO and Head Academics in DIAT.	Worked in various sector like Public Finance Management Advisor in UNDP-MBAW, Founder President and CEO at Maiwand Bank, Revenue Advisor at Ministry of Finance (Islamic Republic of Afganistan), CFO and Training Manger at AZIZI Bank, Faculty and Admin Manager at Punjab National Bank, Internal Auditor & Trade Finance at Punjab National Bank.	Metal Fabrication, X-Ray Screens in collaboration with Erich Krupa Germany, Established large automated Nodular Iron Foundry. Work on operation Research: “Q” ing theory models in planning and financing of projects and Risk analysis.	Audit of firms and proprietary concerns from may 1978, Audit of Nationalized bank branches and co-op banks from 1980, Audit of various educational institutions, trusts, co-operative societies, charitable trusts and association of persons from 1978, consultancy for direct and indirect taxes, Management consultancy, Project advisors Representation of taxtion matters at various courts of law
List of other Companies in which Directorship held	NIL	NIL	NIL	NIL
Shareholding	NIL	NIL	NIL	NIL

5. Board Committees

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

	*Audit Committee	Nomination & Remuneration Committee	*Stakeholders Grievance Committee
No of Meetings held	4	1	5
Directors attendance			
Mr. U.S. Kadam	4	1	5
Mr. Narasimhan Krishnan	4	1	5
*Mr. V. S. Raju	2	1	2
#MR. G. R. K. Raju	1	NA	3

*Resigned w.e.f. 14.11.2015

#Appointed w.e.f. 14.11.2015

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

6. Details of Board Committees are as mentioned herein:

a) Audit Committee

Constitution

As at March 31, 2016, the Audit Committee of the Board comprised of three (3) Directors including Mr. U.S. Kadam, Independent Director as Chairman and Mr. Narasimhan Krishnan, Independent Director and Mr. G. P. K. Raju, Managing Director as its Members. During the year under review, Four (4) meetings of the Audit Committee were held on:-

- | | |
|------------------------------------|------------------------------------|
| 1) 30 th May, 2015 | 2) 14 th August 2015 |
| 3) 14 th November, 2015 | 4) 15 th February, 2016 |

Terms of reference

The Terms of reference and role of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement, Regulation 18 of SEBI (LODR) Regulation 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 Whistle Blower & Vigil Mechanism Policy; and Recommends proposals for appointment and remuneration payable to the Statutory Auditor, Internal Auditors and Chief Financial Officer.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to these, in compliance with requirements of Clause 49 of the Listing Agreement and 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 Clause 49 of the Listing Agreement, Regulation 19 of SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013, during financial year 2015-16, 'Nomination and Remuneration Committee' which comprises of Mr. U.S. Kadam, Independent Director as Chairman and Mr. Narasimhan Krishnan, Independent Director and Mr. V. S. Raju, Non-Executive Director as its Members.

During the year under review the Committee met twice on 14th August, 2015 and 13th November, 2015.

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;

Remuneration Policy

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

Remuneration payable to Executive Directors

Your Board currently comprise of 3 Executive Directors viz. Mr. G. R. K. Raju, Managing Director and Mr. G. P. K. Raju, Executive Director and Ms. Sujani Venkata Indukuri, Executive Director.

The details of the remuneration paid to Executive Directors of the Company during the year ended March 31, 2016 is as under:

Particulars	Mr. G. R. K. Raju	Mr. G. P. K. Raju	Ms. Sujani Venkata Indukuri
Salary & Allowances	17,88,000/-	16,86,000/-	9,61,000/-
Perquisites	-	-	-
Provident Fund Contribution	1,72,800/-	1,44,000/-	1,09,800/-
Total	19,60,800/-	18,30,000/-	10,70,800/-

Remuneration payable to Non-Executive Directors

During financial year 2015-16 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.

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 Listing Agreement, Regulation 20 of SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013, during financial year 2015-16, the 'Stakeholders Relationship Committee', which currently comprise of Mr. U.S. Kadam, Independent Director as Chairman and Mr. Narasimhan Krishnan, Independent Director as member and Mr. G. R. K. Raju, Managing Director as member. During the year under review, 5 (Five) meetings of the Stakeholders Relationship Committee were held on:-

- | | | |
|-------------------------------------|----------------------------------|-----------------------------------|
| 1) 19 th September, 2015 | 2) 2 nd November 2015 | 3) 16 th November 2015 |
| 4) 15 th February, 2016 | 5) 14 th March, 2016 | |

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. Girish Tiwari, Company Secretary is the Compliance Officer of the Company w.e.f 27th May, 2016

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 2016, there were no pending requests for transfer of shares as per company's records.

d) Independent Directors Meeting

Constitution

In compliance with Listing Agreement and Regulation 25 of SEBI (LODR) Regulations 2015 the Independent Directors of the Company meet once on 15.02.2016 during financial year 2015-16.

Terms of reference

The purpose of the above meeting are as follows:

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

Details of number of requests received from investors and resolved as on the year ended March 31, 2016, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Request			
Stop Transfer/Procedure for Duplicate Share Certificate	1	1	0
Issue of Duplicate Share Certificate	2	2	0
Proc for Transmission/ Deletion Transposition	2	2	0
Stop Transfer Removal	2	2	0
Others Change of Address	1	1	0
Complaints	0	0	0
TOTAL Request/ Complaints	8	8	0

7. GENERAL MEETINGS

The 25th Annual General Meeting of the Company for the Financial Year 2015-16 will be held on Monday, 26th September, 2016 at 11.00 a.m. at Conference Hall, Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004.

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

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

AGM/EGM	Date	Time	Venue	Number of special resolutions passed.
22nd	28/09/2013	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil
23rd	28/11/2014	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	1
24th	26/11/2015	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil

All the above resolutions were passed with requisite majority.

No Special resolution was passed through Postal Ballot during the Financial Year 2015-16. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

8. Disclosures

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

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

Means of Communication

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

9. Shareholder General Information:

- a) Forthcoming Annual General Meeting:
Date & Time: Monday 26th September 2016 at 11.00 a.m.
Venue: Conference Hall, Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004.
- b) Dates of Book Closure: from
Tuesday, 20th September, 2016 to
Monday, 26th September, 2016 (both days inclusive)
- c) Financial Calendar of the Company relating to future immediate reporting:
The Financial year covers the period from 1st April 2015 to 31st March 2016.
Financial Reporting for:

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

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

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

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

h) Market Price Data:

i) High/Low in each of month of the Financial Year April 2015 to March 2016 on Bombay Stock Exchange, Mumbai

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2015	10.10	6.75	October 2015	6.45	4.87
May 2015	9.09	6.75	November 2015	6.40	5.20
June 2015	9.65	6.33	December 2015	5.78	4.57
July 2015	8.24	6.46	January 2016	7.39	5.75
August 2015	9.00	6.14	February 2016	6.35	4.98
Sept. 2015	6.00	4.80	March 2016	5.00	3.48

j) **Share Transfer System**

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

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

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

l) **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 – Mr. Girish Tiwari

m) **Bio System Division:**

65/1A, ECOHOUSE
 “Akarshak Building” Opp Nal Stop
 Off. Karve Road Pune- 411004.
 Factory (Particle board division):

- a) Village Velapur, Taluka Malshiras,
Dist-Solapur, Maharashtra
- b) Village Jambhulwadi, Taluka- Walwa,
Dist: Sangli, Maharashtra.
(Production suspended since April 2010)

o) Shareholding Pattern as on 31st March 2016

Shareholders	Number of shares held	% Shareholding
CLEARING MEMBER	11758	0.0659
OTHER BODIES CORPORATE	1315110	7.3750
FOREIGN FINANCIAL INSTITUTIONS	7800	0.0437
HINDU UNDIVIDED FAMILY	238198	1.3358
MARKET MAKER	650	0.0036
NATIONALISED BANKS	1600	0.0090
NON NATIONALISED BANKS	300	0.0017
NON RESIDENT INDIANS	37186	0.2085
NON RESIDENT (NON REPATRIABLE)	5389	0.0302
OVERSEAS CORPORATE BODIES	250000	1.4020
PERSONS ACTING IN CONCERT	100400	0.5630
PUBLIC	5551915	31.1346
PROMOTERS	10311694	57.8269
TOTAL:	17832000	100.00

p) Distribution of Shareholding as on 31st March 2016

Shareholding of Distribution Slabs	No. of Share Holders	% to Total Share	No. of Shares held	% to Capital
1 - 500	10675	88.3546	1959504	10.9887
501 - 1000	749	6.1993	634619	3.5589
1001 - 2000	295	2.4416	470234	2.6370
2001 - 3000	112	0.9270	290507	1.6291
3001 - 4000	49	0.4056	175435	0.9838
4001 - 5000	49	0.4056	235482	1.3206
5001 - 10000	73	0.6042	585761	3.2849
10001 - Above	80	0.6621	13480458	75.5970
TOTAL:	12082	100.00	17832000	100.00

q) Dematerialization of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) by virtue of which, 15784899 Equity shares of the Company forming 88.52% of total share capital of the Company, have been dematerialized by on 31st March 2016.

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

Place: Pune
Date: 10th August, 2016

Sd/-
V.S. RAJU
CHAIRMAN
DIN: 00842835

CHATURVEDI SK & FELLOWS
CHARTERED ACCOUNTANTS
410, DEV PLAZA, SV ROAD, ANDHERI WEST, MUMBAI 400 058
Phone: (+9122) 6694 3452. Fax: (+9122) 6694 3453.
E-mail: cskfelos@cskfelos.in

Auditors' Certificate on Compliance of Corporate Governance

To the Members of Ecoboard Industries Limited

We have examined the Compliance of conditions of Corporate Governance by Ecoboard Industries Limited ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') as referred to in regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of 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 the condition of Corporate Governance as stipulated in the above mentioned listing Agreement, except:-

1. Company has not published its financial results for the quarter ended 31st March, 2015 in the newspapers.

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.

Place: Pune
Date: 27th May, 2016

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants
(Subhash Salvi)
Partner
(Firm Regn. No. 112627W; Partner's
Membership No. 127661)

**CERTIFICATION BY MANAGING DIRECTOR
(As per Regulation 17(8) of the SEBI (LODR) Regulation 2015)**

The Board of Directors
ECOBOARD INDUSTRIES LIMITED

As stipulated under Regulation 34(3) and Schedule V of the Listing Regulations, I hereby certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
- (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been Disclosed in the notes to the financial statements; and
 - (iii) Instances of significant frauds of which I have become aware and the involvement Therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR ECOBOARD INDUSTRIES LIMITED

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

Place: Pune
Date: 10.08.2016

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, 2016.

For and On Behalf of Board of Directors

Place: Pune
Date: 10.08.2016

G. R. K. Raju
Managing Director

CHATURVEDI SK & FELLOWS

CHARTERED ACCOUNTANTS

410, DEV PLAZA, SV ROAD, ANDHERI WEST, MUMBAI 400 058

Phone: (+9122) 6694 3452. Fax: (+9122) 6694 3453 • E-mail: cskfelos@cskfelos.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ECOBOARD INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ECOBARD INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 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
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30(b) to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts that may result in material foreseeable loss.
 - (iii) There has been a delay in transferring amount of Rs. 9.69 lakh required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Pune
Date: 27th May, 2016

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants
(Subhash Salvi)
Partner
(Firm Regn. No. 112627W; Partner's
Membership No. 127661)

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of ECOBOARD INDUSTRIES LIMITED for the year ended 31st March 2016.

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

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

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

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

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

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

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

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

7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Sales tax, Value Added Tax, 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, Income-tax of Rs.5.84 lakh, Service tax of Rs.5.63 lakh, and Value Added Tax of Rs. 50.98 lakh were in arrears as at 31/03/2016 for a period of more than six months from the date they became payable.

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

Nature of dues	Period	Amount Rs. in lakhs	Forum where the dispute is pending
Central Excise duty	2003-04	28.45	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2003-04	13.50	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	2.98	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	1.52	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2006-09	2.30	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2006-09	402.14	Commissioner of Central Excise (Appeals)

Nature of dues	Period	Amount Rs. in lakhs	Forum where the dispute is pending
Central Excise duty	2009-10	13.19	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2008-10	343.99	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2010-11	0.77	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2010-13	201.67	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2012-14	77.00	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2012-14	28.97	Commissioner of Central Excise (Appeals)
		1116.48	

8. According to the information and explanations given to us by the management, the Company has not defaulted in repayment of loans or borrowings to the financial institutions or banks or Government or dues to the debenture-holders during the year.
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 for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
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 CHATURVEDI SK & FELLOWS
 Chartered Accountants
(Subhash Salvi)
 Partner
 (Firm Regn. No. 112627W; Partner's
 Membership No. 127661)

Place: Pune
 Date: 27th May, 2016

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial Controls over financial reporting of **Ecoboard Industries Limited** ('the Company') as of 31st March, 2016 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, issued by ICAI and deemed to be prescribed 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, 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, 2016, 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”

Place: Pune
Date: 27th May, 2016

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants
(Subhash Salvi)
Partner
(Firm Regn. No. 112627W; Partner's
Membership No. 127661)

BALANCE SHEET AS AT 31ST MARCH 2016

Rs. in Lakhs

	Note No.	As at 31.03.2016		As at 31.03.2015	
EQUITY AND LIABILITIES					
1 Shareholders' Funds :					
a. Capital	2	1,783.20		1,783.20	
b. Reserves and surplus	3	-2,342.93	-559.73	<u>-853.11</u>	930.09
2 Non-current Liabilities					
a. Long-term borrowings	4	1,298.92		978.06	
b. Other long term liabilities	5	47.20		51.70	
c. Long term provisions	6	44.20	1,390.32	<u>47.62</u>	1,077.38
3 Current Liabilities					
a. Short-term borrowings	7	2,599.48		2,284.93	
b. Trade payables	8	523.95		514.24	
c. Other current liabilities	9	472.05	3,595.48	<u>321.11</u>	3,120.28
			<u>4,426.07</u>	<u>5,127.75</u>	
ASSETS					
I NON-CURRENT ASSETS					
1 Fixed assets					
a. Tangible assets	10	1,602.70		1,730.22	
b. Intangible assets	10	0.00		0.00	
c. Capital work in progress		234.25		<u>171.07</u>	
		<u>1,836.95</u>		<u>1,901.29</u>	
2 Long-term loans and advances	11	91.60	1,928.55	<u>93.04</u>	1,994.33
II CURRENT ASSETS					
1 Inventories	12	1,771.60		2,484.53	
2 Trade receivables	13	304.84		219.75	
3 Cash and bank balance	14	76.16		48.92	
4 Short-term loans and advances	15	344.9	2,497.52	380.22	3,133.42
		<u>4,426.07</u>		<u>5,127.75</u>	
Significant Accounting Policies	1				
Other Notes on Financial Statements	2 to 42				

As per our report of even date

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants**(Subhash Salvi)**

Partner

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

Place: Pune

Date: 27th May, 2016

For an on behalf of the Board of Directors

V. S. Raju
Chairman**G. R. K. Raju**
Managing Director**Narasimhan Krishnan**
Directors**Girish Tiwari**
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Rs. in Lakhs

	Note No.	As at 31.03.2016	As at 31.03.2015
INCOME:			
Revenue from operations	16	2,205.48	1,693.28
Other income	17	53.04	169.24
Total revenue		<u>2,258.52</u>	<u>1,862.52</u>
EXPENDITURE:			
Cost of materials consumed	18	1,528.16	940.16
Changes in inventories of finished goods, work-in-progress	19	-23.40	517.88
Employee benefits expense	20	214.05	162.41
Finance costs	21	537.79	467.99
Depreciation		116.08	116.54
Other expenses			
Manufacturing and other operating expenses	22	688.84	127.16
Administration and other charges	23	303.47	179.92
	24	83.42	78.53
		<u>3,448.41</u>	<u>2,590.59</u>
Profit / (Loss) before exceptional and extra-ordinary items and tax		-1,189.89	-728.07
Add/(Less): Exceptional items	25	-278.18	54.87
Profit / (Loss) before extra-ordinary items and tax		-1,468.07	-673.20
Add/(Less): Extra-ordinary items		0.00	0.00
Profit / (Loss) before tax		-1,468.07	-673.20
Less: Tax expenses			
Current tax		0.00	0.00
Profit / (Loss) for the period from continuing operations		-1,468.07	-673.20
Profit/(Loss) from discontinuing operations	26	-21.75	-25.61
Tax expenses of discontinuing operations		0.00	0.00
Profit / (Loss) from discontinuing operations (after tax)		-21.75	-25.61
Profit / (Loss) for the period		<u>-1,489.82</u>	<u>-698.81</u>
Earnings / (Loss) per Share (Rs.) - Basic	27	-8.35	-3.92
Earnings / (Loss) per Share (Rs.) - Diluted	27	-8.35	-3.92
Significant Accounting Policies	1		
Other Notes on Financial Statements	2 to 42		

As per our report of even date

 For **CHATURVEDI SK & FELLOWS**
Chartered Accountants

(Subhash Salvi)

Partner

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

Place: Pune

Date: 27th May, 2016

For an on behalf of the Board of Directors

V. S. Raju
Chairman

G. R. K. Raju
Managing Director

Narasimhan Krishnan
Directors

Girish Tiwari
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Rs. in Lakhs

	Year ended 31.03.2016	Year ended 31.03.2015
A. Cash flow from operating activities:		
Net profit before tax and extra-ordinary items	(1,489.82)	(698.81)
<i>Adjustments for non cash expenses:-</i>		
Depreciation	132.65	135.11
Provision for doubtful debts	17.53	26.61
Provision for doubtful advances	46.30	138.57
<i>Adjustment for non operating incomes:-</i>		
Profit on sale of fixed assets	(2.83)	(193.44)
<i>Adjustment for expenses considered separately:-</i>		
Interest expenses	518.33	450.41
Operating profit before working capital changes	(777.84)	(141.55)
<i>Adjustment for changes in working capital:-</i>		
Change in inventories	712.93	338.96
Change in debtors	(102.62)	181.09
Change in other receivables	(9.56)	(40.83)
Change in trade payables and other liabilities	157.23	(216.59)
Change in customers deposits	(4.50)	(2.40)
Cash generated from operation	(24.36)	118.68
Direct taxes	0.00	0.00
Net cash from operating activities... A	(24.36)	118.68
B. Cash flow from investing activities		
Sale of assets	4.30	354.20
Purchase of fixed assets (including capital work in progress)	(69.78)	(527.58)
Net cash used in investing activities...B	(65.48)	(173.38)
C. Cash flow from financing activities:		
Term loans raised	0.00	0.00
Bank borrowings for working capital	314.55	(200.94)
Loan from directors	244.59	631.63
Repayment of loan to directors	(76.10)	(25.00)
Intercorporate deposits	154.87	0.00
Repayment of intercorporate deposit	(2.50)	0.00
Changes in margin deposit	(11.07)	100.32
Changes in dividend & refund account	(7.83)	1.36
Term loans repaid	0.00	(1.99)
Dividend paid	0.00	0.08
Interest paid	(518.33)	(450.41)
Net cash from financing activities...C	98.18	55.05
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)	8.34	0.35
Cash & cash equivalents -Opening balance	9.24	8.89
Cash & cash equivalents -Closing balance	17.58	9.24

As per our report of even date

For an on behalf of the Board of Directors

For **CHATURVEDI SK & FELLOWS**

Chartered Accountants

(Subhash Salvi)

Partner

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

V. S. Raju
Chairman**G. R. K. Raju**
Managing Director**Narasimhan Krishnan**
Directors**Girish Tiwari**
Company Secretary

Place: Pune

Date: 27th May, 2016

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016

1. Significant Accounting Policies :

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

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016

2. SHARE CAPITAL

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
<i>Authorised:</i>				
Equity Shares of Rs. 10 each	2,30,00,000	2,300.00	2,30,00,000	2,300.00
Preference Shares of Rs. 100 each	2,00,000	200.00	2,00,000	200.00
		<u>2,500.00</u>		<u>2,500.00</u>
<i>Issued:</i>				
Equity Shares of Rs. 10 each	1,78,32,000	1,783.20	1,78,32,000	1,783.20
Preference Shares of Rs. 100 each	0	0.00	0	0.00
		<u>1,783.20</u>		<u>1,783.20</u>
<i>Subscribed and paid up:</i>				
Equity Shares of Rs. 10 each, fully paid	1,78,32,000	1,783.20	1,78,32,000	1,783.20
Preference Shares of Rs. 100 each	0	0.00	0	0.00
Total		<u>1,783.20</u>		<u>1,783.20</u>

Rights, preferences and restrictions attached to shares

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

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

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Percentage of holding	No. of Shares	Percentage of holding
1 Jayalakshmi Gottumukkala	28,85,941	16.18%	27,65,637	15.51%
2 Ramakrishna Raju Gottumukkala	21,76,225	12.20%	21,76,225	12.20%
3 Satyavathi Vegesna	11,72,736	6.58%	11,72,736	6.58%
4 P. Satyanarayana Raju	8,44,600	4.74%	9,05,900	5.08%
5 Venkata Sujani Indukari	9,52,807	5.34%	8,55,709	4.80%

Rs. in Lakhs

	As at 31.03.2016	As at 31.03.2015
3. Reserves and Surplus		
Capital reserve	21.31	21.31
Amalgamation reserve	0.30	0.30
Securities premium	2,618.78	2,618.78
<i>General Reserve</i>		
Opening balance	2,526.06	3,462.70
Depreciation on fixed assets as per schedule II	0.00	-936.64
Closing Balance	<u>2,526.06</u>	<u>2,526.06</u>
<i>Profit and Loss account:</i>		
Opening balance	-6,019.56	-5,320.75
Loss for the year	-1,489.82	-698.81
Closing Balance	<u>-7,509.38</u>	<u>-6,019.56</u>
Total Reserves and Surplus	<u>-2,342.93</u>	<u>-853.11</u>

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016
Rs. in Lakhs

	As at 31.03.2016	As at 31.03.2015
4. Long Term Borrowings		
<i>Secured:</i>		
<i>Unsecured loans:</i>		
Intercorporate deposit	152.37	0.00
From directors	1,146.55	978.06
	<u>1,298.92</u>	<u>978.06</u>
<p>No repayment date is stipulated for directors' deposit. However, it is agreed by the directors that the deposits shall not be repayable before 31/03/2017 or during the currency of bank loans whichever is later.</p>		
5. Other Long Term Liabilities		
Trade deposits	47.20	51.70
	<u>47.20</u>	<u>51.70</u>
6. Long Term Provisions		
Provision for employee benefits	44.20	47.62
	<u>44.20</u>	<u>47.62</u>
7. Short Term Borrowings		
Loans repayable on demand (Secured):		
Cash credit facilities from banks- See Note 28 below	2,545.94	2,284.93
Interest accrued and due on cash credit facility	53.54	0.00
	<u>2,599.48</u>	<u>2,284.93</u>
8. Trade Payables		
Creditors for goods	401.08	399.17
Customers' credit balances	122.87	115.07
	<u>523.95</u>	<u>514.24</u>
9. Other Current Liabilities		
Income received in advance	71.99	41.62
Unpaid dividend	19.42	19.42
Other payables	86.59	76.02
Provision for employee benefits	25.38	22.26
Employees related payables and contributions	81.77	69.42
Other liabilities	186.90	92.37
	<u>472.05</u>	<u>321.11</u>

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016

Rs. in Lakhs

10: FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.15	Additions	Deductions	As at 31.03.16	Upto 31.03.15	Written back	For the Year	Upto 31.03.16	As at 31.03.16	As at 31.03.15
Tangible Assets										
Freehold land	90.48	0.00	0.00	90.48	0.00	0.00	0.00	0.00	90.48	90.48
Leasehold land	0.23	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.23	0.23
Building	1,583.67	0.00	0.00	1,583.67	870.46	0.00	45.04	915.50	668.17	713.21
Plant & machinery	5,829.34	5.81	1.16	5,833.99	4,998.63	1.10	67.55	5,065.08	768.91	830.71
Electrical installations	340.90	0.00	0.00	340.90	323.86	0.00	0.00	323.86	17.04	17.04
Furniture & fixtures	104.41	0.00	0.00	104.41	92.01	0.00	4.92	96.93	7.48	12.40
Equipments	130.51	0.79	0.00	131.30	97.21	0.00	5.69	102.90	28.40	33.30
Vehicles	103.80	0.00	6.01	97.79	71.34	4.60	9.44	76.18	21.61	32.46
Tools & patterns	5.82	0.00	0.00	5.82	5.43	0.00	0.01	5.44	0.38	0.39
	8,189.16	6.60	7.17	8,188.59	6,458.94	5.70	132.65	6,585.89	1,602.70	1,730.22
Intangible Assets										
Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL :	8,189.16	6.60	7.17	8,188.59	6,458.94	5.70	132.65	6,585.89	1,602.70	1,730.22
Previous Year	10,702.33	356.50	2,869.67	8,189.16	8,096.10	2,708.91	1,071.75	6,458.94	1,730.22	2,606.23

Notes:

- 1 Conveyance for office building valued Rs. 7.03 lakh is pending execution.
- 2 Depreciation on fixed assets is provided at the rates determined in accordance with the provisions of the Companies Act, 2013.

Depreciation on tangible assets is provided on the straight line method as prescribed in Schedule II to the Companies Act, 2013 over the remaining useful life of the assets.

- 3 In respect of fixed assets whose remaining useful life was nil as on 01/04/2014, the carrying amount of the assets as on that date, as reduced by their estimated residual value (not being more than 5% of the original cost) worked out to Rs. 937 lakh. As prescribed in Schedule II, this amount was adjusted against the opening balance of retained earnings during the Financial Year 2014-15.

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016
Rs. in Lakhs

	As at 31.03.2016	As at 31.03.2015
11. Long Term Loans and Advances		
<i>(Unsecured considered good)</i>		
Capital Advances	66.33	63.01
 <u>Other Loans and Advances</u>		
Security deposits	26.60	30.03
	<u>92.93</u>	<u>93.04</u>
Less:-Provision for doubtful advances	1.33	0.00
	<u>91.60</u>	<u>93.04</u>
 12. Inventories		
Stores, spares and consumables	162.76	166.72
Packing material	0.80	2.75
Raw materials	74.47	526.71
Work-in-progress	270.65	209.25
Finished goods	1,541.10	1,579.10
	<u>2,049.78</u>	<u>2,484.53</u>
Less: Provision for loss in value of slow moving stock- See Note No. 25 below.	278.18	0.00
	<u>1,771.60</u>	<u>2,484.53</u>
Note: Stocks of finished goods and work-in-progress belong to particle board segment.		
 13. Trade Receivables		
Due for more than six months:		
Considered good	74.24	136.75
Considered doubtful	409.29	391.77
	<u>483.53</u>	<u>528.52</u>
Others :		
Considered good	230.60	83.00
Considered doubtful	0.00	0.00
	<u>230.60</u>	<u>83.00</u>
	714.13	611.52
Less: Provision for doubtful debts	409.29	391.77
	<u>304.84</u>	<u>219.75</u>
 14. Cash and Bank Balance		
<i>Cash and cash equivalents-</i>		
Cash on hand	12.03	5.15
Balances with banks	5.55	4.09
	<u>17.58</u>	<u>9.24</u>
 <i>Other bank balances-</i>		
Balances in dividend and refund accounts	30.36	22.53
Fixed deposits with banks	28.22	17.15
	<u>76.16</u>	<u>48.92</u>
Note: Fixed deposits with banks are given as margin money for issue of bank guarantees and LCs.		

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016

Rs. in Lakhs

	As at 31.03.2016	As at 31.03.2015
15. Short-term Loans and Advances		
<i>(Unsecured considered good unless otherwise stated)</i>		
Advance for goods		
Considered good	117.84	111.79
Considered doubtful	55.06	57.13
	<u>172.90</u>	<u>168.92</u>
Less: Provision for doubtful loans and advances	55.06	57.13
	<u>117.84</u>	<u>111.79</u>
Prepaid expenses	4.77	4.35
Advance income tax	9.26	14.91
Deposits	17.58	17.89
<i>Other Advances:</i>		
Considered good	195.47	231.28
Considered doubtful	217.70	170.66
	<u>413.17</u>	<u>401.94</u>
Less: Provision for doubtful loans and advances	217.70	170.66
	<u>195.47</u>	<u>231.28</u>
	 <u>344.92</u>	 <u>380.22</u>

* Company had, in past, adjusted duty refund receivable from MSEDCL in terms of order of Maharashtra Electricity Regulatory Commission (MERC). MSEDCL was making payment of above claim in monthly instalments by way of adjustment in monthly electricity bills. Balance amount of claim in respect of Islampur Unit (Rs. 138.57 lakh) was treated as doubtful of recovery due to closure of the Unit and provision was made therefor during the FY2014-15. Balance claim amount of Rs. 141.69 lakh in respect of Velapur unit is also subject to confirmation by MSEDCL.

16. Revenue from Operations

Sale of goods	2,206.56	1,729.86
Income from services	0.00	0.00
Other operating revenue	0.00	0.00
	<u>2,206.56</u>	<u>1,729.86</u>
Less Excise duty	1.08	36.58
	<u>2,205.48</u>	<u>1,693.28</u>
<i>Out of above:</i>		
Revenue from Particle Board business	1,692.90	1,393.58
Revenue from Biogas Systems business	512.58	299.70

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016
Rs. in Lakhs

	As at 31.03.2016	As at 31.03.2015
17. Other Income- (Non operating)		
Rent received	1.69	0.80
Insurance Claims	0.00	1.82
Profit on sale of assets	2.83	0.00
Sale of scrap	25.75	100.27
Sale of Compost	10.85	0.00
Interest received	2.21	7.64
Interest received on Income tax refund	1.08	0.00
Miscellaneous Income	0.04	0.98
Excess provision written back	3.79	37.89
Sundry balances written back	4.80	19.84
	<u>53.04</u>	<u>169.24</u>
18. Cost of Materials		
Opening stock	526.71	327.67
Add:-Purchases	1,149.90	1,139.20
Less:-Sales	73.98	0.00
Less:-Closing stock	74.47	526.71
	<u>1,528.16</u>	<u>940.16</u>
<i>Out of above:</i>		
Bagasse	533.79	43.24
Chemicals	404.16	86.21
Paper	238.64	128.91
Mild steel	0.00	184.07
Others	351.57	497.73
19. Change in Inventories of finished goods and work-in-progress		
<i>Opening Stock:</i>		
Finished goods	1,579.10	1,988.74
Work-in-progress	209.25	317.49
	<u>1,788.35</u>	<u>2,306.23</u>
<i>Closing Stock:</i>		
Finished goods	1,541.10	1,579.10
Work-in-progress	270.65	209.25
	<u>1,811.75</u>	<u>1,788.35</u>
Increase/(decrease) in stock	<u>23.40</u>	<u>-517.88</u>
20. Employee Benefit Expenses		
Salaries, Wages and Bonus	186.20	135.39
Contribution to Provident Fund	7.95	6.76
Gratuity	2.13	-4.45
Super-annuation	4.68	3.48
Employees' PF administration charges	0.53	0.53
Workmen & staff welfare expenses	13.46	6.62
Unavailed leave / leave encashment	-0.90	14.08
	<u>214.05</u>	<u>162.41</u>

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016

Rs. in Lakhs

	As at 31.03.2016	As at 31.03.2015
21. Financial Costs		
Interest on term loans from banks	0.00	0.05
Interest on working capital finance	379.76	406.53
Exchange rate fluctuation	0.74	-1.02
Others	138.57	43.83
Bank charges	18.72	18.60
	537.79	467.99
22. Manufacturing Expenses		
Consumption of stores and spares parts	84.85	54.93
Power and fuel	335.22	36.81
Site and job work expenses	241.42	33.79
Excise duty on change in stock of finished goods	0.46	0.39
Repairs to buildings	7.05	0.54
Repairs to machinery	19.84	0.70
	688.84	127.16
23. Administration and Other Charges		
Directors remuneration	49.20	13.90
Directors sitting fees	0.55	1.00
Insurance	7.46	7.66
Rates and taxes	11.62	13.88
Rent paid	11.86	19.27
Postage & telephones	12.67	7.82
Travelling and conveyance expenses	54.25	23.36
Sundry expenses	63.62	48.12
Donations	0.81	0.44
Professional charges	18.41	8.76
<i>Payment to Auditors (including service-tax):</i>		
Audit fees	6.33	6.27
Tax Audit fee	1.15	1.14
Certifications/Others	1.71	1.69
	9.19	9.10
Provision made during the year for doubtful debts	17.53	26.61
Provision made during the year for doubtful advances	46.30	0.00
	303.47	179.92
24. Sales and Distribution Expenses		
Packing and forwarding expenses	76.62	69.73
Sales expenses	4.40	5.77
Discount and commission	2.40	3.03
	83.42	78.53

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016
Rs. in Lakhs

	As at 31.03.2016	As at 31.03.2015
25. Exceptional items		
Profit on sale of fixed assets	0.00	193.44
Provision for MSEDCL duty refund claim	0.00	-138.57
Provision for loss in value of slow moving stock	-278.18	0.00
	<u>-278.18</u>	<u>54.87</u>

The Company carried the work of modification/ improvements in material preparation section of existing production line at Velapur during the previous financial year ended 31.03.2015. During that period, the Velapur plant carried limited production activity. In view of this, some of the items in finished goods stock have become slow moving. The Company may suffer loss on sale/ disposal of such slow moving items in stock.

Company has set up a policy to make provision for estimated loss on sale/ disposal of such items in stock and accordingly made provision of Rs. 278.18 lakh for estimated loss in value of stock-in-hand as on 31st March 2016. The amount of provision is shown in Exceptional Items.

26. Profit/(Loss) from discontinuing Operations

Sale of goods	0.00	0.00
Less:- Expenses		
Sundry expenses	2.46	3.31
Rates & taxes	2.72	1.02
Interest others	0.00	2.71
Depreciation	16.57	18.57
	<u>21.75</u>	<u>25.61</u>
	<u>-21.75</u>	<u>-25.61</u>

27. Computation of Earnings per Share (EPS)

Profit / (Loss) after tax (Rs. in lakhs)	-1,489.82	-698.81
No. of Equity Shares- Weighted average (in lakhs)	178.32	178.32
<i>Earnings per share- (Face value- Rs. 10 per share):-</i>		
Basic (Rs.)	-8.35	-3.92
Diluted (Rs.)	-8.35	-3.92

28. Secured Loans:

(i) Security:

Working capital loans from consortium of bankers are secured by first charge on the Company's current assets, present and future, including stocks, goods in process, goods in transit, receivables and book debts. These loans are further secured by pari passu charge by joint equitable mortgage of immovable properties of the Company situated at village Jambhulwadi in district Sangli and at village Velapur in district Solapur in Maharashtra.

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

(ii) Continuing defaults:

Interest aggregating Rs. 36.75 lakh payable on short term borrowings from banks was in continuing default as on the balance sheet date.

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016

29. Deferred Tax:

In view of the losses incurred by the Company during last few years, the Company has accumulated net deferred tax asset of Rs. 2165 lakh as on 31/03/2016 (Previous year- Rs. 1565 lakh) in terms of provisions of Accounting Standard 22 "Accounting for Taxes on Income".

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

30. Contingent liabilities:

	Current Year Rs. in lakh	<i>Previous Year Rs. in lakh</i>
a) Estimated amount of capital Expenditure Commitments (Net of advances)	648.53	712.26
b) Claims against the Company not acknowledged as debt		
(i) Excise duty claims disputed in appeals (excluding interest)	1116.48	1205.85
(ii) Legal case against the company lodged by suppliers and traders	85.82	73.42
c) Letters of credit and bank guarantees outstanding (net of margin deposits)	0.00	109.24

31. Related party disclosures:

(in terms of Accounting Standard 18 issued by the Institute of Chartered Accountants of India)

(i) List of related parties:

Key management persons.

Relatives of key management persons.

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

Mrs. G Jayalakshmi, Mr. P Srinivas Raju, Mrs. Sitarama,

Mrs. Srilakshmi vegesna Raju, Mr. G.V.S.Raju,

Mr. G. S.N.Raju

Vesar Furnitek Pvt Ltd.

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

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

(ii) Related party transactions:

<u>Nature of transaction</u>	Current Year Rs. in lakh	<i>Previous Year Rs. in lakh</i>
<i>Transactions with key management persons-</i>		
Deposits taken	138.25	736.80
Deposits repaid	13.50	0.00
Deposit outstanding	954.62	736.80
Remuneration paid	49.20	45.02
Interest paid	103.40	24.78
Rent paid	3.60	3.60
Rent deposits given	3.60	3.60
Sitting fees	0.00	0.00
<i>Transactions with relatives of key management persons-</i>	0.00	0.00
<i>Transactions with associates -</i>		
Purchases (Gross)	0.00	2.17
Sales (Gross)	19.98	14.81
Deposits taken	140.00	7.50
Deposits repaid	2.50	7.50
Deposit outstanding	152.37	0.00
Trade receivables	5.50	1.77

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016
32. Segment Results:

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

	Current Year	Previous Year
	Rs. in lakh	Rs. in lakh
<i>Revenue:</i>		
Particle Boards	1,692.90	1,393.58
Bio Systems	512.58	299.70
Total	2,205.48	1,693.28
<i>Profit before interest and tax:</i>		
Particle Boards	(761.95)	(371.46)
Bio Systems	88.10	85.77
Others	(278.18)	54.87
Total	(952.03)	(230.82)
Less:-Interest	537.79	467.99
Profit before tax	(1,489.82)	(698.81)
Less:- Income tax	0.00	0.00
Profit after tax	(1,489.82)	(698.81)
<i>Capital employed:</i>		
Segment assets less segment liabilities		
Particle Boards	(791.69)	786.23
Bio Systems	231.96	143.86
Total	(559.73)	930.09

33. Discontinuing Operation:

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

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

	Current Year	Previous Year
	Rs. in Lakh	Rs. in Lakh
i Carrying amount, as of balance sheet date, of total assets to be disposed off	222.05	238.62
ii Carrying amount, as of balance sheet date, of liabilities to be settled	5.34	5.34
iii Revenues in respect of the ordinary activities attributable to the discontinuing operation	0.00	0.00
iv Expenses in respect of the ordinary activities attributable to the discontinuing operation	21.75	25.61
v Pre-tax profit/ (loss) in respect of the ordinary activities attributable to the discontinuing operation	(21.75)	(25.61)
vi Income-tax in respect of the ordinary activities attributable to the discontinuing operation	0.00	0.00
vii Net cash flows attributable to the discontinuing operation-		
- in respect of operating activities	(21.75)	(23.42)
- in respect of investing activities	0.00	301.00
- in respect of financing activities	0.00	0.00

Notes Forming Part of The Financial Statements For the year ended 31st March, 2016

34. Consumption of imported/ indigenous items:

	<i>Current Year</i>		<i>Previous Year</i>	
	<i>Rs. in Lakh</i>	<i>% to total</i>	<i>Rs. in Lakh</i>	<i>% to total</i>
<i>Materials-</i>				
Indigenous materials consumed	1528.16	100.00%	940.16	100.00%
Imported materials consumed	0.00	0.00%	0.00	0.00%
	<u>1528.16</u>		<u>940.16</u>	
<i>Stores & spares-</i>				
Indigenous items consumed	69.71	82.16%	52.97	96.43%
Imported items consumed	15.14	17.84%	1.96	3.57%
	<u>84.85</u>		<u>54.93</u>	

35. CIF Value of Imports:

	<i>Current Year</i>		<i>Previous Year</i>	
	<i>Rs. in Lakh</i>		<i>Rs. in Lakh</i>	
Materials	0.00		0.00	
Capital goods	1.48		125.33	
Consumables and Stores & spares	14.85		1.35	
Total	<u>16.33</u>		<u>126.68</u>	

36. Expenditure in Foreign Currency:

	<i>Current Year</i>		<i>Previous Year</i>	
	<i>Rs. in Lakh</i>		<i>Rs. in Lakh</i>	
Professional Charges	0.00		0.00	
Tour & Travel	2.54		2.21	
Total	<u>2.54</u>		<u>2.21</u>	

37. Earnings in Foreign Currency:

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

38. The Company is registered for a period of more than five years. Its accumulated losses at the end of the financial year were more than 50% of its net worth. The Company incurred cash losses during the current financial year and during the immediately preceding financial year.

39. There were no outstanding dues payable to micro, small and medium enterprises as on the balance sheet date. Classification of suppliers as micro, small and medium enterprises is done as per information provided by the supplier. No interest is paid/ payable during the year to such enterprises.

40. Expenses includes Prior period expenses Rs. 6.35 lakhs (Previous year Rs.12.91lakhs)

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

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

As per our report of even date

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants

(Subhash Salvi)

Partner

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

Place: Pune

Date: 27th May, 2016

For an on behalf of the Board of Directors

V. S. Raju
Chairman

G. R. K. Raju
Managing Director

Narasimhan Krishnan
Directors

Girish Tiwari
Company Secretary

As my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Monday, September 26, 2016, at 11.00 a.m. IST, at the Conference Hall, Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune-411001 And at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial Statement as on 31.03.2016			
2	Appointment of Mr. G. P. K. Raju (DIN: 05180152) as a director liable to retire by rotation.			
3	Appointment of Auditor			
Special Business				
4	Appointment of Mr. Siva Sankar Kalive (DIN: 07354617) as Independent Director			
5	Appointment of Mr. P. V. V. Rama Raju (DIN: 07464714) as Independent Director			
6	Re-Appointment of Mr. Narasimhan Krishnan (DIN: 02071121) as Independent Director			
7	Appointment of Mr. Uttam S. Kadam (DIN: 01517289) as Independent Director			

Signed this day of 2016

.....
Signature of member

.....
Signature of proxy holder(s)

Affix
revenue stamp
of not
less than
Rs. 1

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before September 24, 2016 at 11 a.m. IST)
2. It is optional to indicate your preference, if you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.