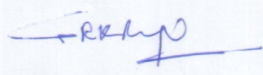
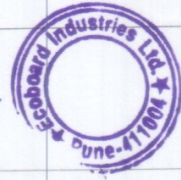
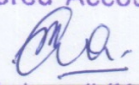
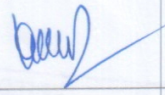



FORM A

Covering letter of the annual audit report to be filed with the Stock Exchange

Sr. No.	Particulars	
1.	Name of the company	M/s. Ecoboard Industries Limited
2.	Annual financial results for the year ended	31st MARCH 2013
3.	Type of Audit observation	Un-qualified/Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period N/A
5.	To be Signed by:	Signatures
	CEO/Managing Director	 
	CFO	
	Auditor of the Company	For Chaturvedi SK & Fellows Chartered Accountants,  Srikant Chaturvedi (M.No. 70019) Partner  
✓	Audit Committee Chairman	

Date:- **28/3/2013**
Place:-Pune

In Collaboration With Nature



22nd Annual Report
(2012-2013)

Particle Board Division:
Contributes to save
3* lakh trees every year
(upon capacity utilization)

Bio Gas Division:
Contributes to save
5* lakh tonnes of coal every year

Ecoboard Industries Limited

Chairman's Communique



Mr. V S Raju

Chairman

Ecoboard Industries Ltd.

Dear Friends,

Human race alone is fortunate to have been rewarded with active brain on mother earth among Billions of species in life, notably categorized as plant kingdom and animal kingdom that co-existed over millions of years complimentary to each other. Forgetting this co-existence it is this human race which tries to control the entire life mechanism of the planet selfishly for his own comfort and supremacy at the cost of other living mechanisms.

Human mind collectively realized the damage caused to the environment that might threaten the life mechanism of the whole planet and has imposed self controls together worldwide, the result is Kyoto protocol binding on UNO which includes advanced countries and developing countries to control emissions and to improve tree resources.

To mitigate global warming, saving a tree is preferable than growing a tree, as an urgent measure. Growing trees requires land mass, resources, human effort, above all years of time. Therefore, saving trees is laudable and desirable in preference and we are exactly doing that for last many years.

People are now discussing the triple bottom line concept i.e. planet, people, profit. However, we at Ecoboard have based our philosophy on these triplets since our inception when for the rest of the country this very concept was not in existence.

This year our revenue has considerably increased owing to sale of Bio Systems and has shown good results compared to last year. Bagasse as a raw material is becoming costly day by day due to its increased alternative uses like cogeneration of electricity and ethanol production. The cheap imports and cheaper wood alternatives are threatening the industry as a whole. As for our Company we are concentrating to increase our revenues from particle board for which we are taking extra efforts to strengthen our marketing system. Our Company is formulating strategies and policies to increase sale of particle boards and to increase in raw material resources.

Through my message I make a solemn appeal to the society to help us in our mission in achieving a green, clean and eco-friendly environment.

I am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our stakeholders who have reposed trust in us and extended their constant support throughout. It is through this sentiments that Ecoboard would like to continue to be an engine of growth and promising future.

With warm regards,

Thanking You,

V.S. Raju
Chairman



ECOBBOARD INDUSTRIES LIMITED

22ND ANNUAL REPORT 2012 - 2013

REGISTERED OFFICE : 36/1, Preet Chambers, 2nd Floor, Pune-Mumbai Road, Wakdewadi, Pune - 411 003.
Tel. (020) 41080800

BOARD OF DIRECTORS

Mr. V.S Raju, Chairman
Mr. G.R. K. Raju, Managing Director
Mr. P. Satyanarayana Raju, Director
Mr. Srinivas Raju P., Director
Mr. Praveen Kumar Raju Gottumukkala, Director
Dr. N.A Ramaiah, Independent Director
Mr. Ramchandra Raju P.S, Independent Director
Mr. U.S Kadam, Independent Director
Mr. V.P Rane, Independent Director
Mr. Narasimhan Krishnan, Independent Director

COMPANY SECRETARY

Mrs. Asmita Sagar Raje

AUDITORS

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

CORPORATE OFFICE (For Correspondance)

65/1A, "Ecohouse", "Akarshak Building"
Opp. Nal Stop, Karve Road, Pune-411004
Tel.(020) 25432345/Fax.(020) 25465328
E-Mail info@ecoboardindia.com
Website:www.ecoboard.in

REGISTRAR & TRANSFER AGENTS

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

BANKERS

Bank of Maharashtra
Andhra Bank
State Bank of India

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

BRANCHES

West Zone : Pune, Kolhapur

South Zone : Hyderabad, Bangalore, Vizag, Bhubaneshwar, Coimbatore

North Zone: Delhi, Chandigarh, Bhopal, Kolkatta, Raipur

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

NOTES

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NOTICE

Notice is given that the 22nd Annual General Meeting of the Members of 'Ecoboard Industries Limited' will be held on Saturday 28th September 2013 at 11.00 a.m. at Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 005, to transact the following business :

A. ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, and the statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors with its annexure and Auditors Report thereon.
2. To appoint Director in place of Mr. P. Satyanarayana Raju, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Narsimhan Krishnan, an Independent Director who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass,

with or without modification(s) the following resolution as an Ordinary Resolution :

“RESOVLED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Chaturvedi SK & Fellows, Chartered Accountants, Mumbai, (Firm Regn. No. 112627W) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

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

Place : Pune.
Date : 10th August, 2013

**V.S. Raju
Chairman**

NOTES

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
3. The Register of Members and Share Transfer Register will remain closed from Saturday, 21st September, 2013 to Saturday 28th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
4. 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.

5. 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.
6. The Company distributed Dividend for the F.Y. 2007-08 and 2008-09. Dividend remaining unclaimed for those respective years will be transferred to Investor Education and Protection Fund after completion of 7 (seven) years from the respective declaration of Dividend.

The shareholders who have not received the dividend for the respective year(s) shall immediately contact Registrar and Transfer Agents or the Company at address given elsewhere in the report.

“GO GREEN” INITIATIVE BY MCA

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” 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, including beneficial owners are requested to register their e-mail addresses with Company’s Registrars & Share Transfer Agents, Link Intime India Pvt. Ltd. at the address:

M/s Link Intime India Private Limited Pune

Block NO. 202, 2nd Floor Akshay Complex,

Off Dhole Patil Road Pune – 411 001

Tel: (020) 26100684

Telefax: (020) 26163503

Email: pune@linktime.co.in

Also report any change in the e-mail ID that you register with us or your decision to receive the annual report by post instead.

Any member receiving such report through e-mail may insist by making separate request for physical copies of the annual report and the same would be sent to him free of cost.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting to you 22nd Annual Report on the business and operations of the Company together with the audited statements of accounts for the year ended 31st March 2013.

Financial Results

(Rs. In Lakhs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Profit before interest, depreciation, exceptional items and tax	125.02	317.12
Less:		
Interest	381.90	343.09
Depreciation	335.68	334.06
Profit/(Loss) for the year from ordinary activities	(592.56)	(360.03)
Add: Exceptional income	0	251.90
Profit/(Loss) before Tax	(592.56)	(108.13)
Less: Provision for tax	0	0
Profit/(Loss) for the period from continuing operation	(592.56)	(100.44)
Profit/(Loss) for the period from discontinuing operation	(98.33)	(100.44)
Tax expenses of discontinuing operation	0	0
Profit/(Loss) for the period from discontinuing operation	(98.33)	(100.44)
Profit/(Loss) for the period	(690.89)	(208.57)
Balance brought forward Surplus for the year	(3731.73)	(3523.16)
Balance carried to Balance Sheet	(4422.62)	(3731.73)

Dividend

In view of paucity of funds in the current year and due to continuing losses the Board of Directors does not recommend any dividend for the F.Y. 2012-13.

Business

The business environment for Company's products was better than the last year as there was increase in the revenue of the Company. Management hope the consistent efforts may give better results than previous years.

Corporate Governance

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

Board of Directors

Mr. P. Satyanarayana Raju and Mr. Narsimhan Krishnan, Directors, would retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment. In accordance with clause 49 of the listing agreement, particulars relating to the Directors seeking re-election/ reappointment at the ensuing Annual General Meeting are furnished in the Corporate Governance Report.

Industrial Relation

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

Directors' Responsibility Statement

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

- 1) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure if any.
- 2) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit or loss of the Company for the year ended on that date;
- 3) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- 4) The Directors had prepared the annual accounts on a 'going concern' basis.

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

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

Eco Friendly Compliance

The Company complies with all requirements regarding management of pollutants of manufacturing unit. The plants do not cause any type of water, air or noise pollution. The

Company has properly and timely applied for clearances from the State pollution control board for its plant.

Management Discussion & Analysis and Corporate Governance

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

Particulars of employees

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

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

Auditors

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

Boards Comments on Remarks of Auditors in their report

1. The Company is not a Sick Industrial Company within the meaning of Sick Industrial Companies Act (SICA) as the Company is not manufacturing timber or timber based products but fibre board from agro residues which is not

found in the first schedule in SICA strictly to which industries only SICA applies.

2. The Board Members have personally provided loans to Company and at no unfair interest rates.

The entries are made properly in registers under Section 301 of the Companies Act, 1956.

3. Due to unavoidable circumstances the statutory dues were not paid on time. However the dues are arranged to be paid shortly.

Acknowledgements

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

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

Place : Pune.
Date : 30th May, 2013

**V.S. Raju
Chairman**

ANNEXURE I to the Directors' Report

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

Information required under the Companies (Disclosure of particulars in the report of the Board of Directors) rule 1988.

A. Conservation of Energy :

a. Energy Conservation Measures taken.

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

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

The Company has always given great importance to continued research and development. Ecoboard has

also developed new technology to improve the efficiency of co-generation. While the conventional cogeneration process produces only 35 per cent of energy from burning bagasse in a boiler, Ecoboard's gasification and pyrolysis technology enables a distillery to recover over 64 per cent of the energy.

b. Technology Absorption, Adaptation and Innovation :

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

c. Foreign Exchange Earnings & Outgo

Foreign Exchange Earned : NIL

Foreign Exchange used : Rs. 5.48 Lakh

ANNEXURE II to the Directors' Report**A. MANAGEMENT DISCUSSION AND ANALYSIS****About the company**

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

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

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

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

Manufacturing process of baggasse boards :

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

Manufacturing facilities:

The company had initially set up two manufacturing facilities situated at Velapur near Solapur district and at Jambhulwadi in Sangli district respectively keeping in mind the assured raw material supply. However due to unavailability of baggasse for reasons recorded elsewhere, the Plant at Jambhulwadi had been closed down since April 2010. The Velapur plant is spread over 90 acres of land and has a production capacity of 36 lacs m³ per annum. Furthermore it has sophisticated and automated plant and machinery imported from Germany and UK.

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

Ecoboards are made from any form of agricultural waste and converted into good quality and healthy particleboard for construction and furniture purposes as against the wood

based boards use of which has caused enormous depletion of forest cover and tree resources thus damaging the environment and contributing to adverse climate change.

Risks – baggasse as a raw material

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

Today bagasse in Maharashtra is available for particle board industry at over Rs. 2300/T excluding landing cost plus sales tax which is industry irrelevant. It is ironical to note that the by product itself is now available at a higher price than sugar cane where once the disposal of baggasse itself was a problem. Plywood which is conventionally used is still encouraged and continued by the public at the cost of depleting forest cover and tree resources due to lack of Govt. clear direction despite ban on expansion of plywood industry by the Hon'ble Supreme Court.

Industry synopsis

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

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

Risk aversion initiatives

The company intends to set up two wholly owned subsidiaries along with promoters to handle bio mass gasification in plant and the housing projects.

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

Optimal capacity utilization , import logistics, connectivity of distribution system by setting up nodal service centers at strategic locations across India and a swift delivery module by maintaining stock of finished goods at centers these are the key elements in our road map for achieving growth targets.

Trends – technological challenges, new developments

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

The production process will have to be in conformity with the ISO 2001 certification norms in future.

New techniques are being invented to produce boards which are both fire and water resistant.

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 is in process to increase in the revenue by overcoming raw material problems and by adopting new technology which helps to minimize production cost. Shareholders have given their approval to sale out Jambhulwadi plant and sale proceeds shall be utilized to modernize facilities at Velapur plant and to reduce working capital loans and interest burden. Also Company is in process to sell out the premises of corporate office and run its business from registered office situated at Wakdewadi, Pune. Proceeds shall be utilized for working capital purpose of the Company.

Internal Control Systems

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

Corporate Social Responsibility

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

is being made an integral part of our business strategy.

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 at minimum consumption of energy, water and other natural resources. We also strive to re-use and recycle wherever 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.

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.
- 6) Other factors such as litigation and industrial relations.

B. CORPORATE GOVERNANCE REPORT

Company philosophy on code of governance:

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

I Board of Directors

As on 31st March 2013 the Board comprises of 10 (Ten) Directors, of which 7 (Seven) are non-executive Directors. The Chairman is the Executive Director. The Board comprises of 5 (Five) independent Directors i.e. Directors, who, apart from receiving sitting fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management, which may affect independence of judgment of the Directors.

Composition of the Board and directorship held during the year 2012-2013

Name of Director	Category	Attendance of meeting during 2012-2013		* No. of Other Directorships
		Board	Last AGM	
Mr. V.S. Raju	Chairman	5	Yes	0
Mr.G.R.K. Raju	Managing Director	4	Yes	0
Mr.P Satyanarayana Raju	Non-Exe. Director	0	No	0
Mr. Srinivas Raju P	Non-Exe. Director	0	No	1
Mr. Praveen Kumar Raju Gottumukkala	Executive Director	4	Yes	0
Mr.U.S.Kadam	Non-Exe. & Independent	5	No	0
Dr. N.A. Ramaiah	Non-Exe. & Independent	0	No	0
Mr. Ramchandra Raju P S	Non-Exe. & Independent	0	No	0
Mr. V.P. Rane	Non-Exe. & Independent	5	No	0
Mr. Narasimhan Krishnan	Non-Exe. & Independent	5	Yes	0

* In accordance with Clause 49, Membership / Chairmanship of only the Audit Committees and the Share Transfer & Shareholders / Investors Grievance

Committees of all Public Limited Companies have been considered. None of the Directors serve as members of more than 10 committees or are chairman of more than 5 committees across all the Companies in which they are Directors.

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

- | | |
|-----------------------------------|----------------------------------|
| 1) 09 th May, 2012 | 2) 14 August 2012 |
| 3) 09 th November 2012 | 4) 05 th January 2013 |
| 5) 12 th February 2013 | |

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

Code of Conduct

- Code of Conduct for Director and Senior Management of the Company : The Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code as on March, 2013.
- Code of Conduct for prevention of Insider Trading : the Company has its own Code of Conduct for Prevention of Insider Trading.

Risk Mitigation Plan

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

Remuneration of Directors

Details of remuneration paid to Directors during the year 2012-2013 :

(Figure in Rs.)

Name of Director	Salaries and Perquisites	Sitting Fees	Total	Share holding of Non Exe. Director
Mr. V.S. Raju	14,46,000	-	-	-
Mr. G.R.K. Raju	17,88,000	-	-	-
Mr. P S. Raju	-	-	-	-
Mr. Srinivas Raju P	-	-	-	16,800
Mr. Praveen Kumar Raju Gottumukkala	16,86,000	-	-	-
Mr. U.S. Kadam	-	25000	25000	800
Dr. N.A. Ramaiah	-	-	-	400
Mr. Ramchandra Raju P.S.	-	-	-	-
Mr. V.P. Rane	-	25000	25000	500
Mr. Narasimhan Krishnan	-	25000	25000	-

Notes :

The Company does not pay any remuneration to the Non-Executive Directors except sitting fees which were paid

within the limit prescribed under section 310 of Companies Act, 1956.

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

Name	Mr.Narsimhan Krishnan	Mr.P Satyanarayana Raju
Address	35,National Co-op. housing society, Baner Road,Aundh Pune Maharashtra 411007	Plot No. 211 J, Road No. 6, Jubilee Hills, Hyderabad - 500033
Date of Birth	15-08-1940	14-08-1959
Date of Appointment	09-08-2011	27/06/2003
Qualification	Eng.Gradute (B.E.)	B.E. (Mech)
Experience	Metal Fabrication., X-Ray Screens in collaboration with Erich Krupa Germany, Established large automated Nodular Iron Foundry. Work on Opretion Research: "Q"ing theory models in planning and financing of projects and Risk analysis.	Designed and executed projects, Designed and indigenised critical equipments for pollution control projects.
List of other Companies in which Directorship held	Nil	Jisnu Infra Ventures Private Limited Satsun Properties Private Limited VS Furniture Products Private Limited
Shareholding		905900

II Audit Committee

Composition of Audit Committee

The Audit Committee comprises of four directors, Viz. Mr. U.S. Kadam, Mr. V.S. Raju, Mr. V.P. Rane and Mr. Narasimhan Krishnan. Except Mr. V.S. Raju, all other Directors are non-executive independent directors. The Committee is headed by Mr. U.S. Kadam who is an eminent Chartered Accountant. The Audit Committee is guided by a Charter and conducts its business accordingly. The minutes of the Audit Committee Meetings and their recommendations are noted and discussed by the Board of Directors of the Company at the subsequent Board Meetings.

Meetings and the attendance during the year.

Name of Member	Attendance of Meetings
Mr. U.S. Kadam	4
Mr. V.S. Raju	4
Mr. V.P. Rane	4
Mr. Narasimhan Krishnan	4

As per the provisions of section 292A of the Companies Act, 1956 and clause 49 of Listing Agreement the Board has constituted Audit Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements/others management information.

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

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

Remuneration Committee

Composition of Remuneration Committee:-The Remuneration Committee of the Board comprises of Mr. U.S. Kadam, V.P. Rane & Narasimhan Krishnan all Directors are non-executive independent directors

Terms of Reference :- The Remuneration Committee has been constituted to recommend/review remuneration of the Managing Director and Whole time Directors, based on their performance and define assessment criteria.

Meeting :- During the financial year no meeting was held.

Remuneration policy, details of remuneration and other terms of appointment of Directors:- The remuneration policy of the company is directed towards rewarding performance, based on review of achievement. The terms of appointment of directors

are disclosed to members through reports; approvals of members are sought whenever necessary after disclosing full information.

III. Subsidiary Company

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

IV. Share Transfer & Shareholders' Grievance Committee

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

The Shares Transfer & Grievance Committee consists of Mr. V.S. Raju, Mr. P Satyanarayana Raju and headed by Mr. U.S. Kadam. The Minutes of Transfer and shareholders/investors Grievance Committee are noted and acted upon by the Board of Directors of the Company at the subsequent Board Meetings.

Mrs. Asmita Raje, Company Secretary is the Compliance Officer of the Company.

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

- To consider and approve transfer / transmission of shares, consolidation / split of share certificates and issuance of duplicate share certificates; etc.
- 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 2013, there were no pending requests for transfer of shares as per company's records.

V. General Body Meetings:

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

AGM / EGM	Date	Time	Venue	Number of special resolutions passed.
19 th	30/09/2010	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil

AGM / EGM	Date	Time	Venue	Number of special resolutions passed.
20 th	28/09/2011	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil
21 th	25/09/2012	11.00 a.m.	Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004	Nil

2) Postal Ballot :-

- During financial year 2012-13 Company conducted postal ballot for selling of plant at Jambhulwadi, Tal: Walwa, District: Sangli and has passed special resolution through postal ballot in accordance with section 192A of the Companies Act, 1956 read with Companies (Passing of resolution by Postal Ballot) Rules, 2011.

ii) Details of voting pattern:-

Particular	No. of Postal ballot forms	No. of Shares	% of total valid Votes
Total postal ballot forms received	133	11174131	
Less: invalid postal forms	10	10923	
Net Valid Postal ballot forms	123	11163208	100%
Postal Ballot forms which assented for resolution	115	1158108	99.95%
Postal Ballot forms which dissented for resolution	08	5100	0.05%

- Mr. Milind Kulkarni, Practicing Company Secretary, Pune conducted the postal ballot exercise
- No special resolution was proposed to be conducted through postal ballot.

VI. Disclosure

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

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

VII. Means of Communication

The Board of Directors of the Company approves and takes on record the quarterly unaudited financial results and announces the said results to the Stock Exchange Mumbai where the shares of the Company are listed. These quarterly unaudited results were also published in Free Press (English Edition) and Navshakti (Marathi Edition) news papers in the prescribed format as required by amended clause 41 of Listing Agreement. Management discussion and analysis report is published in annual report. The Notices of Board Meetings are published in above said news papers. The Company followed statutory norms for dissemination of information in given period.

VIII. Status of Compliance with Mandatory Requirements

The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as applicable and in force till on March 31, 2013.

IX. Shareholder General Information:

a) Forthcoming Annual General Meeting:

Date & Time : Saturday 28th September 2013 at 11.00 a.m.

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

b) Dates of Book Closure: from Saturday 21st September 2013 to 28th September 2013 (both days inclusive)

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

The Financial year covers the period from 1st April 2013 to 31st March 2014.

Financial Reporting for :

- Quarter ending 30 th June, 13.	By 15 th August, 2013
- Half Year ending 30 th September, 13	By 15 th November, 2013
- Quarter ending 31 st December, 13	By 15 th February, 2014
- Year ending 31 st March, 14	By May, 2014
- Annual General Meeting for the year ended March 31, 2014	August/September 2014/any extended period.

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

e) Dividend Payment Details : NA

f) Dividend Payment Date :

g) Listing on Stock Exchange & Stock Code:

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

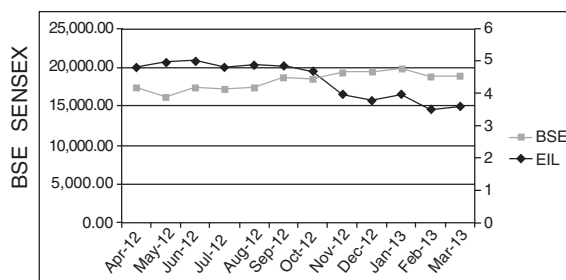
Listing fees were paid for the year to the Bombay Stock Exchange. The ISIN Number of company on both NSDL & CDSL is INE **866A01016**.

h) Market Price Data :

i) High/Low in each of month of the Financial Year April 2012 to March 2013 on Bombay Stock Exchange, Mumbai

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April 2012	5.34	4.61	October 2012	5.08	4.31
May 2012	5.51	4.19	November 2012	4.80	3.72
June 2012	5.49	4.55	December 2012	4.03	3.57
July 2012	5.40	4.77	January 2013	5.00	3.62
August 2012	5.30	4.49	February 2013	3.85	3.10
Sept. 2012	5.19	4.50	March 2013	4.15	3.02

II) Performance in comparison with BSE Index:- SHARE PRICE MOVEMENT-BSE



h) Share Transfer System

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

i) Registrar and Share Transfer Agents :

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

j) Address for the Correspondence**Registered Office of the Company :**

36/1, Preet Chambers, 2nd Floor,
Pune-Mumbai Road, Wakdewadi, Pune – 411 003
Ph. (020) 4108 0800
E-mail : info@ecoboard.in
Website : www.ecoboard.in
Compliance Officer – Mrs. Asmita Rajee

Corporate Office :

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

k) Bio System Division :

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

Factory (Particle board division) :

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

l) Shareholding Pattern as on 31st March 2013

Shareholders	No. of shares held	% Share holding
CLEARING MEMBER	167558	0.9396
OTHER BODIES CORPORATE	1482432	8.3133
FOREIGN FINANCIAL INSTITUTIONS	7800	0.0437
HINDU UNDIVIDED FAMILY	72947	0.4091
MARKET MAKER	1150	0.0064
NATIONALISED BANKS	1600	0.0090
NON NATIONALISED BANKS	300	0.0017
NON RESIDENT INDIANS	41058	0.2302
NON RESIDENT (NON REPATRIABLE)	7201	0.0404
OVERSEAS CORPORATE BODIES	250000	1.4020
PERSONS ACTING IN CONCERT	100400	0.5630
PUBLIC	5812041	32.5933
PROMOTERS	9887513	55.4481
TOTAL:	17832000	100.00

m) Distribution of Shareholding as on 31st March 2013

Shareholding Distribution Slabs	No. of share holders	% to Total Share Holders	No. of Shares Held	% to Capital
1 - 5000	12454	98.6768	4081173	22.8868
5001 - 10000	86	0.6814	676732	3.7950
10001 - 20000	36	0.2852	496950	2.7868
20001 - 30000	11	0.0872	255412	1.4323
30001 - 40000	4	0.0317	133748	0.7500
40001 - 50000	3	0.0238	129431	0.7258
50001 - 100000	10	0.0792	722641	4.0525
100001 - Above	17	0.1347	11335913	63.5706
TOTAL:	12621	100.00	17832000	100.00

n) Dematerialization of Shares

The Company has signed agreements with both National Securities Depository Limited (NSDL) and with Central Depository Services Limited (CDSL) by virtue of which, 15738399 equity shares of the Company forming 88.33% of total share capital of the Company, have been dematerialized by 31st March 2013.

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

Place : Pune.
Date : 30th May, 2013

**V.S. Raju
Chairman**

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To the Members of Ecoboard Industries Limited

We have examined the compliance of conditions of Corporate Governance by Ecoboard Industries Limited for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s) in India.

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

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

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

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

Srikant Chaturvedi
Partner

(Firm Regn No. 112627W.

Partners Membership No. 070019)

Place : Pune

Date : 30th May, 2013

CERTIFICATION BY THE MANAGING DIRECTOR

To
The Board of Directors
ECOBOARD INDUSTRIES LIMITED.

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

I, the undersigned, in my capacity as the Managing Director of ECOBOARD INDUSTRIES LIMITED (The Company), to the best of my knowledge and belief certify that :

a) I have reviewed the financial statements and the cash flow statement for the year ended on 31st March 2013 and based on my knowledge and belief, I state that :

- i. These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) I further state to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c) I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee,

d) I have indicated, based on my recent evaluation, wherever, applicable, to the Auditors and the Audit Committee :

- i. Significant changes, if any, in the internal control over financial reporting during the year;
- ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements;
- iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal control system over the financial reporting.

For and On Behalf of the Board of Directors

Place : Pune
Date : 30th May, 2013

G.R.K. Raju
Managing Director

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of Listing Agreement with the Stock Exchanges, I, G.R.K. Raju, Managing Director of the Company, hereby, declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended March 31, 2013.

For and On Behalf of the Board of Directors

Place : Pune
Date : 30th May, 2013

G.R.K. Raju
Managing Director

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF ECOBOARD INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ECOBOARD INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 :

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- b) In the case of Statement of Profit & Loss, of the loss for the year ended on that date;
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of the books.
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi SK & Fellows
Chartered Accountants

Srikant Chaturvedi
Partner

Place : Pune
Dated : May 30, 2013

(Firm Regn No. 112627W.
Partner's Membership No. 070019)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in our report of even date on the accounts of **ECOBORD INDUSTRIES LIMITED** for the year ended 31st March 2013.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets were physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) The Company has received shareholders' approval for sale of fixed assets of its particle board unit at Jambhulwadi which form substantial part of its fixed assets. However, the Company has not disposed off those assets during the year.
2. (a) According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.
3. (a) The Company has not granted any loans, secured and unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b),(c) and (d) of the Order are not applicable.
- (b) The Company has taken unsecured loans of Rs 290.86 lakh from 4 parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) In our opinion, the rate of interest and other terms and conditions of above loans taken by the company are not prima facie prejudicial to the interest of the Company.
- (d) According to information and explanations given to us, the Company is regular in payment of principal and interest on these loans.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regards to the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and the explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of

contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act 1956 have been entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The provisions of section 58A and 58AA of the Companies Act. 1956 and the rules framed there under are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the Company's products.
9. (a) According to the records of the company, the Company is not regular in depositing undisputed statutory dues including Income-tax, Sales-tax, Custom duty, Excise duty, Provident Fund and other statutory dues applicable to it and in many cases, payments were made after due dates. According to information and explanation given to us, service tax of Rs. 29.98 lakh and income-tax of Rs. 1.06 lakh were in arrears as at 31/03/2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following amount of tax, duty or cess was under dispute hence not paid :

Nature of dues	Period	Amount Rs. In lakhs	Forum where the dispute is pending
Central Excise duty	2003-04	28.45	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2003-04	13.50	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05	2.98	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2004-05 / 2005-06	3.14	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2006-07	2.25	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2009-10	13.14	Custom, Excise & Service Tax Appellate Tribunal

Nature of dues	Period	Amount Rs. In lakhs	Forum where the dispute is pending
Central Excise duty	2008-10	78.15	Custom, Excise & Service Tax Appellate Tribunal
Central Excise duty	2009-10	0.70	Custom, Excise & Service Tax Appellate Tribunal

10. The Company is registered for a period of more than five years. Its accumulated losses at the end of the financial year were more than fifty per cent of its net worth. The Company incurred cash losses during the current financial year. It has earned cash profit during the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us by the management, the Company has not defaulted in repayment of dues to the financial institutions or banks or the debenture-holders during the year.
12. The Company has not granted loans and advances on the basis of security of shares, debentures and other securities.
13. The Company is not engaged in the business of chit funds, nidhi, mutual benefit fund or mutual benefit society.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term

loans availed by the Company during the year were applied for the purpose for which they were obtained.

17. According to the information and explanations given to us and on an overview of the balance sheet and cash flow statement of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. Company did not have any outstanding secured debentures as on the date of the balance sheet.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Chaturvedi SK & Fellows
Chartered Accountants

Srikant Chaturvedi
Partner

Place : Pune
Dated : May 30, 2013

(Firm Regn No. 112627W.
Partner's Membership No. 070019)

BALANCE SHEET AS AT 31ST MARCH, 2013

					Rs. in Lakhs	
		Note No.	As at 31.03.2013		As at 31.03.2012	
EQUITY AND LIABILITIES						
1	Shareholders' Funds :					
a.	Capital	2	1,783.20		1,783.20	
b.	Reserves and surplus	3	1,680.47		3,463.67	2,371.36
2	Non-current Liabilities					
a.	Long-term borrowings	4	292.21		223.89	
b.	Other long term liabilities	5	56.10		59.10	
c.	Long term provisions	6	86.30		434.61	74.65
3	Current Liabilities					
a.	Short-term borrowings	7	2,496.11		2,197.07	
b.	Trade payables	8	947.82		734.50	
c.	Other current liabilities	9	291.10		3,735.03	314.10
					7,633.31	3,245.67
						7,757.87
ASSETS						
1	Non-current Asset					
a.	Fixed assets					
i.	Tangible assets	10	2,957.72		3355.97	
ii.	Capital work in progress		22.28		7.69	
			2,980.00		3,363.66	
b.	Long-term loans and advances	11	37.44		3,017.44	42.17
2	Current Assets					
a.	Inventories	12	3,287.93		2,927.42	
b.	Trade receivables	13	647.45		519.01	
c.	Cash and bank balance	14	160.81		148.70	
d.	Short-term loans and advances	15	519.68		513.62	
e.	Other current assets	16	0.00		4,615.87	243.29
					7,633.31	4,352.04
						7,757.87
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**Srikant Chaturvedi**
Partner
(Firm Regn. No. 112627W. Partner's Membership No. 70019)

For and on behalf of the Board of Directors

V. S. Raju
Chairman**Narasimhan Krishnan**
Director**G. R. K. Raju**
Managing Director**Asmita Raje**
Company SecretaryPlace : Pune
Date: 30th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013
Rs. in Lakhs

	Note No.	Mar-13	Mar-12
INCOME :			
Revenue from operations	17	3,731.05	3,275.50
Other income	18	61.52	31.34
Total revenue		3,792.57	3,306.84
EXPENDITURE :			
Cost of materials consumed	19	2,207.94	1,844.69
Purchases of stock-in-trade		0.00	0.00
Changes in inventories of finished goods, work-in-progress	20	-200.27	-410.67
Employee benefits expense	21	307.46	280.56
Finance costs	22	402.66	364.66
Depreciation		335.68	334.06
<u>Other expenses</u>			
Manufacturing and other operating expenses	23	835.50	743.95
Administration and other charges	24	300.42	301.77
Selling and distribution expenses	25	195.74	207.85
		4,385.13	3,666.87
Profit / (Loss) before exceptional and extra-ordinary items and tax		-592.56	-360.03
Add/(Less): Exceptional items		0.00	251.90
Profit / (Loss) before extra-ordinary items and tax		-592.56	-108.13
Add/(Less): Extra-ordinary items		0.00	0.00
Profit / (Loss) before tax		-592.56	-108.13
Less: Tax expenses			
Current tax		0.00	0.00
Deferred tax		0.00	0.00
Profit / (Loss) for the period from continuing operations		-592.56	-108.13
Profit/(Loss) from discontinuing operations	26	-98.33	-100.44
Tax expenses of discontinuing operations		0.00	0.00
Profit / (Loss) from Discontinuing operations (after tax)		-98.33	-100.44
Profit / (Loss) for the period		-690.89	-208.57
Earnings / (Loss) per Share (Rs.) - Basic	27	-3.87	-1.17
Earnings / (Loss) per Share (Rs.) - Diluted	27	-3.87	-1.17
Significant Accounting Policies	1		
Other Notes on Financial Statements	2 to 42		

As per our report of even date

For and on behalf of the Board of Directors

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants

V. S. Raju
Chairman

G. R. K. Raju
Managing Director

Srikant Chaturvedi
Partner
(Firm Regn. No. 112627W. Partner's Membership No. 70019)

Narasimhan Krishnan
Director

Asmita Rajee
Company Secretary

Place : Pune
Date: 30th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in Lakhs)

	Year ended 31.03.2013	Year ended 31.03.2012
A. Cash flow from operating activities :		
Net profit before tax and extra-ordinary items	-690.89	-208.57
<i>Adjustments for non cash expenses :-</i>		
Depreciation	418.27	418.55
<i>Adjustment for non operating incomes:-</i>		
Profit on sale of fixed assets	0.00	-253.49
<i>Adjustment for expenses considered seperately:-</i>		
Interest expenses	381.90	343.09
Operating profit before working capital changes	109.28	299.58
<i>Adjustment for changes in working capital:-</i>		
Change in inventories	-360.51	-643.00
Change in debtors	-128.44	178.16
Change in other receivables	241.96	-173.32
Change in trade payables and other liabilities	258.43	-25.13
Change in customers deposits	-3.00	-6.45
Cash generated from operation	117.72	-370.16
Direct taxes	0.00	0.00
Net cash from operating activities... A	117.72	-370.16
B. Cash flow from investing activities		
Sale of assets	0.00	264.79
Purchase of fixed assets (including capital work in progress)	-34.61	-32.57
Net cash used in investing activities...B	-34.61	232.22
C. Cash flow from financing activities:		
Bank borrowings for working capital	299.04	341.94
Loan from directors	75.61	214.61
Changes in margin deposit	-2.19	-3.26
Term loans repaid	-57.21	-123.57
Dividend paid	-0.02	-0.08
Interest paid	-388.41	-341.62
Net cash from financing activities...C	-73.18	88.02
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)	9.93	-49.92
Cash & cash equivalents -Opening balance	12.91	62.83
Cash & cash equivalents -Closing balance	22.84	12.91

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

As per our report of even date

For and on behalf of the Board of Directors

For **CHATURVEDI SK & FELLOWS**
Chartered Accountants**V. S. Raju**
Chairman**G. R. K. Raju**
Managing Director**Srikant Chaturvedi**
Partner
(Firm Regn. No. 112627W. Partner's Membership No. 70019)**Narasimhan Krishnan**
Director**Asmita Raje**
Company SecretaryPlace : Pune
Date: 30th May, 2013

Notes Forming part of the Financial Statements for the year ended 31st March 2013

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 1956 and the applicable Accounting standards.
- ii) **Use of estimates :** The preparation of financial statements requires estimates and assumptions. Differences between the estimates and actual results are recognized in the period in which the same are known.
- iii) **Fixed assets :** Fixed assets are capitalised inclusive of legal and/or installation expenses. Preoperative expenses (including interest charges) upto the date of start of commercial production are capitalised over the items of fixed assets.
- iv) **Depreciation :** Depreciation on fixed assets is provided on straight line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions is provided on pro-rata basis for the period for which the assets are put to use. Assets costing less than Rs.5000/- are fully depreciated in the year of purchase. Lease-hold land is not amortised.
- v) **Impairment of assets :** An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use.
- vi) **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. All exchange differences in respect of foreign currency transactions are dealt with in the profit & loss account. All foreign currency assets & liabilities, if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing on that date.
- viii) **Sales & contract receipt :**
 - a) Revenue from contracts for supply/commissioning of Bio-gas plants and equipments is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost.
 - b) Sales include products consumed internally for manufacture of capital assets, adjusted on cost basis, but exclude inter-unit transfers on revenue account.
- ix) **Insurance claims :** Insurance claims for loss of assets or goods are accounted at the time of lodging of the claim with the insurer at the cost of assets/ goods lost. Any shortfall in the claim recovery is accounted for at the time of final settlement of the claim.
- x) **Excise duty and Cenvat credits :** Sales and purchases (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 2013

2. SHARE CAPITAL

	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
<i>Authorised:</i>				
Equity Shares of Rs. 10 each	2,30,00,000	2,300.00	2,30,00,000	2,300.00
Preference Shares of Rs. 100 each	2,00,000	200.00	2,00,000	200.00
		<u>2,500.00</u>		<u>2,500.00</u>
<i>Issued:</i>				
Equity Shares of Rs. 10 each	1,78,32,000	1,783.20	1,78,32,000	1,783.20
		<u>1,783.20</u>		<u>1,783.20</u>
<i>Subscribed and paid up:</i>				
Equity Shares of Rs. 10 each, fully paid	1,78,32,000	1,783.20	1,78,32,000	1,783.20
Total		<u><u>1,783.20</u></u>		<u><u>1,783.20</u></u>

Rights, preferences and restrictions attached to shares

The Company has issued only one class of Equity shares. Each Share has a paid up value of Rs.10/-. Every share-holder 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 31.03.2013		As at 31.03.2012	
	No. of Shares	Percentage of holding	No. of Shares	Percentage of holding
1 Jayalakshmi Gottumukkala	27,65,637	15.51%	27,65,637	15.51%
2 Ramakrishna Raju Gottumukkala	24,76,225	13.89%	24,76,225	13.89%
3 Satyavathi Vegesna	10,94,147	6.14%	10,94,147	6.14%
4 P. Satyanarayana Raju	9,05,900	5.08%	9,05,900	5.08%

Notes Forming part of the Financial Statements for the year ended 31st March 2013

	Rs. in Lakhs	
	Mar-13	Mar-12
3. Reserves and Surplus		
Capital reserve	21.31	21.31
Amalgamation reserve	0.30	0.30
Securities premium	2,618.78	2,618.78
General Reserve	3,462.70	3,462.70
<i>Profit and Loss account:</i>		
Opening balance	-3,731.73	-3,523.16
Loss for the year	-690.89	-208.57
Closing Balance	-4,422.62	-3,731.73
Total Reserves and Surplus	1,680.47	2,371.36
4. Long Term Borrowings		
<i>Secured:</i>		
Vehicle loan from bank	1.99	9.28
<i>Unsecured loans:</i>		
From directors	290.22	214.61
	292.21	223.89
Vehicle loan from bank is repayable by way of 36 equated monthly instalments ending July 2014.		
5. Other Long Term Liabilities		
Trade deposits	56.10	59.10
	56.10	59.10
6. Long Term Provisions		
Provision for employee benefits	86.30	74.65
	86.30	74.65
7. Short Term Borrowings		
<i>Loans repayable on demand (Secured):</i>		
Cash credit facilities from banks	2,496.11	2,197.07
	2,496.11	2,197.07

Notes Forming part of the Financial Statements for the year ended 31st March 2013

Rs. in Lakhs

	Mar-13	Mar-12
8. Trade Payables		
Creditors for goods	690.39	600.01
Bills payable	139.05	26.97
Customers' credit balances	118.38	107.52
	947.82	734.50
9. Other Current Liabilities		
Current maturities of long-term debt -Secured	7.29	7.71
Current maturities of unsecured deposits from directors	0.64	50.14
Income received in advance	79.29	31.50
Unpaid dividend	19.35	19.37
Other payables	55.73	59.19
Employees related payables and contributions	55.42	49.13
Other liabilities	73.38	97.06
	291.10	314.10

10 : FIXED ASSETS

(Rs. in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.12	Additions	Deductions	As at 31.03.13	Upto 31.03.12	Written back	For the Year	Upto 31.03.13	As at 31.03.13	As at 31.03.12
Tangible Assets										
Freehold land	90.48	0.00	0.00	90.48	0.00	0.00	0.00	0.00	90.48	90.48
Leasehold land	0.23	0.00	0.00	0.23	0.00	0.00	0.00	0.00	0.23	0.23
Building	1,571.92	0.00	0.00	1,571.92	720.37	0.00	50.51	770.88	801.04	851.55
Plant & machinery	7,910.27	14.41	0.00	7,924.68	5,840.85	0.00	318.91	6,159.76	1,764.92	2,069.42
Electrical installations	542.92	0.00	0.00	542.92	367.57	0.00	25.59	393.16	149.76	175.35
Furniture & fixtures	142.34	0.61	0.00	142.95	102.77	0.00	6.55	109.32	33.63	39.57
Equipments	208.14	5.00	0.00	213.14	146.28	0.00	8.11	154.39	58.75	61.86
Vehicles	111.23	0.00	0.00	111.23	47.11	0.00	8.34	55.45	55.78	64.12
Tools & patterns	36.87	0.00	0.00	36.87	33.48	0.00	0.26	33.74	3.13	3.39
GRAND TOTAL :	10,614.40	20.02	0.00	10,634.42	7,258.43	0.00	418.27	7,676.70	2,957.72	3,355.97
Previous Year	10,604.35	32.57	22.52	10,614.40	6,851.10	11.22	418.55	7,258.43	3,355.97	3,753.25

Notes Forming part of the Financial Statements for the year ended 31st March 2013

	Rs. in Lakhs	
	Mar-13	Mar-12
11. Long Term Loans and Advances		
<i>(Unsecured considered good)</i>		
Security deposits	37.44	42.17
	37.44	42.17
12. Inventories		
Stores, spares and consumables	169.74	218.78
Packing material	2.63	5.57
Raw materials	958.10	745.88
Work-in-progress	319.32	361.23
Finished goods	1,838.14	1,595.96
	3,287.93	2,927.42
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	218.52	205.86
Considered doubtful	311.74	298.08
	530.26	503.94
Others-considered good	428.93	313.15
	959.19	817.09
Less: Provision for doubtful debts	311.74	298.08
	647.45	519.01
14. Cash and Bank Balance		
<i>Cash and cash equivalents-</i>		
Cash on hand	6.08	5.50
Balances with banks	16.76	7.41
	22.84	12.91
<i>Other bank balances-</i>		
Balances in dividend and refund accounts	24.00	24.01
Fixed deposits with banks	113.97	111.78
	160.81	148.70

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 2013

	Rs. in Lakhs	
	Mar-13	Mar-12
15. Short-term Loans and Advances		
<i>(Unsecured considered good unless otherwise stated)</i>		
Advance for goods	136.66	139.57
Prepaid expenses	4.38	2.35
Advance income tax	12.13	10.30
Deposits	3.00	3.24
Electricity duty refund claim	295.95	310.58
<i>Other Advances :</i>		
Considered good	67.56	47.58
Considered doubtful	68.60	68.60
	136.16	116.18
Less: Provision for doubtful loans and advances	68.60	68.60
	67.56	47.58
	519.68	513.62
<p>* Company has raised claim for refund of excess electricity duty charged by Maharashtra State Electricity Distribution Company (MSEDCL) in past in terms of order of Maharashtra Electricity Regulatory Commission (MERC). MSEDCL is making payment of above claim in monthly instalments by way of adjustment in monthly electricity bills. However, acceptance of total claim amount is not yet received from MSEDCL.</p>		
16. Other Current Assets		
Amount receivable for sale of land	0.00	243.29
	0.00	243.29
17. Revenue from Operations		
Sale of goods	3,634.49	3,208.90
Income from services	104.00	67.50
	3,738.49	3,276.40
Less Excise duty	7.44	0.90
	3,731.05	3,275.50
<i>Out of above:</i>		
Revenue from Particle Board business	2,533.53	2,945.30
Revenue from Biogas Systems business	1,197.52	330.20
18. Other Income- (Non operating)		
Rent received	1.05	1.04
Profit on sale of assets	0.00	1.59
Foreign exchange translation difference	0.00	0.21
Interest received	10.41	8.73
Miscellaneous Income	18.02	5.66
Excess provision written back	13.14	13.52
Sundry balances written back	18.90	0.59
	61.52	31.34

Notes Forming part of the Financial Statements for the year ended 31st March 2013

	Rs. in Lakhs	
	Mar-13	Mar-12
19. Cost of Materials		
Opening stock	745.88	568.86
Add:-Purchases	2,420.16	2,021.71
Less:-Closing stock	958.10	745.88
	<u>2,207.94</u>	<u>1,844.69</u>
<i>Out of above :</i>		
Bagasse	598.14	854.46
Chemicals	483.66	503.65
Paper	311.91	304.96
Mild steel	518.57	107.46
Others	<u>295.66</u>	<u>74.16</u>
20. Change in Inventories of finished goods and work-in-progress		
<i>Opening Stock:</i>		
Finished goods	1,595.96	1,257.59
Work-in-progress	361.23	288.93
	<u>1,957.19</u>	<u>1,546.52</u>
<i>Closing Stock :</i>		
Finished goods	1,838.14	1,595.96
Work-in-progress	319.32	361.23
	<u>2,157.46</u>	<u>1,957.19</u>
Increase/(decrease) in stock	<u>-200.27</u>	<u>-410.67</u>
21. Employee Benefit Expenses		
Salaries, Wages and Bonus	268.57	247.58
Contribution to Provident Fund	10.40	8.87
Gratuity	8.81	2.32
Super-annuation	4.50	3.33
Employees' PF administration charges	0.96	1.06
Workmen & staff welfare expenses	12.20	12.30
Unavailed leave / leave encashment	2.02	5.10
	<u>307.46</u>	<u>280.56</u>
22. Financial Costs		
Interest on term loans from banks	1.89	1.71
Interest on working capital finance	377.60	321.17
Exchange rate fluctuation	0.27	0.00
Others	2.41	20.21
Bank charges	20.49	21.57
	<u>402.66</u>	<u>364.66</u>

Notes Forming part of the Financial Statements for the year ended 31st March 2013

	Rs. in Lakhs	
	Mar-13	Mar-12
23. Manufacturing Expenses		
Consumption of stores and spares parts	178.25	183.20
Power and fuel	328.45	336.63
Site and job work expenses	309.50	205.15
Excise duty on change in stock of finished goods	0.55	-0.49
Repairs to buildings	1.36	0.63
Repairs to machinery	17.39	18.83
	835.50	743.95
24. Administration and Other Charges		
Directors remuneration	49.20	31.80
Directors sitting fees	0.75	0.85
Insurance	8.06	7.62
Rates and taxes	16.41	16.06
Rent paid	21.95	24.25
Printing and stationery	4.29	3.93
Postage & telephones	17.24	18.75
Travelling and conveyance expenses	57.66	67.47
Sundry expenses	85.64	62.15
Donations	0.83	0.84
Professional charges	15.74	19.21
<i>Payment to Auditors (including service-tax):</i>		
Audit fees	6.18	6.18
Tax Audit fee	1.12	1.12
Certifications/Others	1.69	1.65
	8.99	8.95
Bad debts written off	0.00	80.35
Less: Amount written back from provision for doubtful debts	0.00	-80.35
Provision made during the year for doubtful debts	13.66	39.89
	300.42	301.77
25. Sales and Distribution Expenses		
Packing and forwarding expenses	174.25	168.10
Sales expenses	13.88	22.13
Discount and commission	7.61	17.62
	195.74	207.85

Notes Forming part of the Financial Statements for the year ended 31st March 2013

	Rs. in Lakhs	
	Mar-13	Mar-12
26. Profit/(Loss) from discontinuing Operations		
Sale of goods	0.00	0.00
Less:- Expenses		
Salary	1.08	0.84
Electricity charges	10.00	11.17
Sundry expenses	3.44	3.43
Rates & taxes	1.22	0.51
Depreciation	82.59	84.49
	98.33	100.44
	(98.33)	(100.44)
27. Computation of Earnings per Share (EPS)		
Profit / (Loss) after tax (Rs. in lakhs)	(690.89)	(208.57)
No. of Equity Shares- Weighted average (in lakhs)	178.32	178.32
<u>Earnings per share- (Face value- Rs. 10 per share):-</u>		
Basic (Rs.)	(3.87)	(1.17)
Diluted (Rs.)	(3.87)	(1.17)

28. Security Clause :

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

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

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

Vehicle loans are secured by hypothecation of respective vehicle.

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. 795 lakh as on 31/03/2013 (Previous year- Rs. 567 lakh) in terms of provisions of Accounting Standard 22 "Accounting for Taxes on Income".

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

	Current Year Rs. in lakhs	Previous Year Rs. in lakhs
30. Contingent liabilities :		
a) <i>Claims against the Company not acknowledged as debt</i>		
Excise duty claims disputed in appeals	142.31	141.62
b) Letters of credit and bank guarantees outstanding (net of margin deposits)	205.93	231.09

31. Exceptional income :

Exceptional income during the previous year comprised of profit on sale of surplus land at non plant location.

Notes Forming part of the Financial Statements for the year ended 31st March 2013

32. Related party disclosures :

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

(i) List of related parties :

Key management persons.	Mr VS Raju, Mr GRK Raju, Mr. GPK Raju
Relatives of key management persons.	Mrs V Satyawati, Mrs G Jayalakshmi, Mrs P Anuradha, Mrs PL Rajeshwari, Mr P Satyanarayana Raju, Mr P Srinivas Raju, Mrs. I.V. Sujani
Associates- Companies/ firms in which key management persons are having control / substantial interest.	Vesar Furnitek Pvt Ltd.

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

(ii) Related party transactions :

<u>Nature of transaction</u>	<u>Current Year</u> <u>Rs. in lakhs</u>	<u>Previous Year</u> <u>Rs. in lakhs</u>
<i>Transactions with key management persons-</i>		
Deposits taken	290.86	264.75
Remuneration paid	49.20	31.80
Interest paid	2.41	19.05
<i>Transactions with relatives of key management persons-</i>		
Rent paid	8.71	7.92
Rent deposits given	4.89	4.89
Remuneration paid	9.12	3.70

33. Segment Results :

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

	<u>Current Year</u> <u>Rs. in lakhs</u>	<u>Previous Year</u> <u>Rs. in lakhs</u>
<i>Revenue:</i>		
Particle Boards	2,533.53	2,945.30
Bio Systems	1,197.52	330.20
Total	3,731.05	3,275.50
<i>Profit before interest and tax:</i>		
Particle Boards	(440.50)	(122.02)
Bio Systems	152.27	26.21
Others	0.00	251.90
Total	(288.23)	156.09
Less:-Interest	402.66	364.66
Profit before tax	(690.89)	(208.57)
Less:- Income tax	0.00	0.00
Profit after tax	(690.89)	(208.57)
<i>Capital employed :</i>		
Segment assets less segment liabilities		
Particle Boards	3,067.00	3,926.24
Bio Systems	396.67	228.33
Total	3,463.67	4,154.57

Notes Forming part of the Financial Statements for the year ended 31st March 2013

34. Discontinuing Operation :

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

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

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

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

Company expects to complete this sale of unit by end of financial year 2013-14.

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

	<u>Current Year</u> Rs. in lakhs	<u>Previous Year</u> Rs. in lakhs
i Carrying amount, as of balance sheet date, of total assets to be disposed off	613.04	695.63
ii Carrying amount, as of balance sheet date, of liabilities to be settled	5.06	2.67
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	98.33	100.44
v Pre-tax profit/ (loss) in respect of the ordinary activities attributable to the discontinuing operation	(98.33)	(100.44)
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	(15.74)	(15.95)
- in respect of investing activities	0.00	0.00
- in respect of financing activities	0.00	0.00

35. Consumption of imported / indigenous items :

	<u>Current Year</u> Rs. in lakhs	<u>% to total</u>	<u>Previous Year</u> Rs. in lakhs	<u>% to total</u>
<i>Materials-</i>				
Indigenous materials consumed	2198.71	99.58%	1814.05	98.34%
Imported materials consumed	9.23	0.42%	30.64	1.66%
	2207.94		1844.69	
<i>Stores & spares-</i>				
Indigenous items consumed	145.44	81.59%	153.88	84.00%
Imported items consumed	32.81	18.41%	29.32	16.00%
	178.25		183.20	

Notes Forming part of the Financial Statements for the year ended 31st March 2013

	<i>Current Year</i> Rs. in lakhs	<i>Previous Year</i> Rs. in lakhs
36. CIF Value of Imports :		
Materials	7.40	24.47
Stores and spares	24.50	35.01
Total	31.90	59.48

37. Expenditure in Foreign Currency :

On account of professional charges paid, travel expenses etc. -Rs. 5.48 lakhs

38. Earnings in Foreign Currency :

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

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

Srikant Chaturvedi
Partner
(Firm Regn. No. 112627W. Partner's Membership No. 70019)

Place : Pune
Date: 30th May, 2013

For and on behalf of the Board of Directors

V. S. Raju
Chairman

Narasimhan Krishnan
Director

G. R. K. Raju
Managing Director

Asmita Raje
Company Secretary

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

Please bring this Attendance Slip and hand it over at the entrance of
Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004.

Name & Address of the shareholder : _____

Folio No. : _____

*DP ID : _____

*Client ID : _____

I hereby record my presence at the Twenty Second Annual General Meeting of "Ecoboard Industries Limited" 36/1, Preet Chambers, 2nd Floor, Pune-Mumbai Road, Wakdevadi, Pune – 411 003 on Saturday, 28th September, 2013 at 11.00 a.m.

Signature of the Member or Proxy	Shares held

*Applicable to investors holding shares in electronic form.

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

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

as my / our proxy to vote for me / us on my / our behalf at the Twenty Second Annual General Meeting of the Company to be held on Saturday, 28th September, 2013 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Folio No. : _____

DP. ID : _____

Client ID : _____

Affix a
One Rupee
Revenue
Stamp

Notes:

1. The Proxy in order to be valid should be deposited at the Principal / Registered Office of the Company not later than Thursday, 26th September, 2013 at 11.00 a.m.
2. The Proxy should be executed on One Rupee Revenue Stamp.
3. The shareholder may choose to vote differently for his entire holding and may vote against or for the resolutions in the notice.

Collaborating with nature since 20 years

ECOBOARD INDUSTRIES LIMITED

ECOBOARD



100% Termite Free
Better Screw Holding Strength
Uniform & Balanced Construction
Ultra Smooth Sanded Surface
Dimensionally Stable
Zero Bubble Pasting



GO GREEN

Particle Board Division

- * First Particle Board to receive ECOMARK from BIS
- * Pioneers of Agri-based Particle Boards
- * Saved over million trees

Use Five Ecoboards Save One Tree

With an objective of serving mother earth, we have been putting efforts since last two decades to protect environment by developing commercially viable eco-friendly technologies & products.

Initially engineering division was started to promote industrial Bio-gas plants to treat the effluents and reduce water pollution.

With the commercial success of Effluent treatment projects the company turned to serve greater cause of protecting the tree by pioneering agri-residue based particle board industry in India.

Today, it has the largest capacity in India to produce agri-based particle boards.



Engineering Division

- * Supplied over 70 Biogas projects in India & abroad
- * Over a half million tonnes of coal is saved annually
- * Toxic industrial waste water is treated to produce Bio-gas,



GO BLUE

Note: Pictures/photographs shown in this report are for representation purpose only. Unless expressly authorized, Ecoboard Industries Limited neither claims any intellectual property rights nor will be responsible for any infringement action

India's Largest Agri Based Particle Board Manufacturing Facility



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