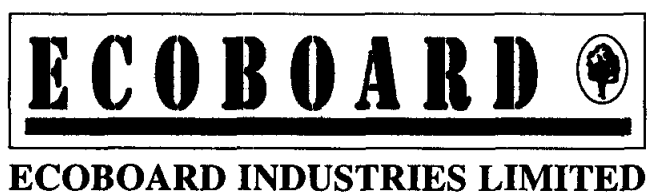


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## ECOBOARD INDUSTRIES LIMITED

### BOARD OF DIRECTORS

V. S. Raju	Chairman & Managing Director
G. Ramakrishna Raju	Executive Vice Chariman
P. Satyanarayana Raju	Joint Managing Director
Srinivas Raju P.	Executive Director
U. S. Kadam	Director
S. Venkataswamy	Director
N. A. Ramaiah	Director
H. Y. Kawade	Director
Philip Stephenson	Nominee - CDF(M)LLC
Sanjaya Kulkarni	Nominee - CDF(M)LLC
P. V. Dubhashi	Nominee - SICOM Ltd.
Kedar P. Phadke	Company Secretary

### BANKERS

Bank of Maharashtra	The United Western Bank Limited
IDBI Bank Limited	The Federal Bank Limited
The South Indian Bank Limited	

### AUDITORS

M/s. Chaturvedi SK & Fellows., Mumbai.

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Jilla & Mehta Financial Services Private Limited  
7, Dhoot Centre, Station Road, Ahmednagar - 414 001.

### REGISTERED OFFICE

65/1-A, "Ecohouse", Opp. Nal Stop, Karve Road, Pune - 411 004.

### MANUFACTURING FACILITIES

#### BIO SYSTEMS DIVISION

Korgaon Bhima, Taluka Shirur,  
Dist. Pune, Maharashtra

#### PARTICLE BOARD DIVISION

1. Village Jambhulwadi, Taluka Walwa,  
District Sangli, Maharashtra.
2. Village Velapur, Taluka Malshiras,  
District Solapur, Maharashtra.

**10th Annual Report 2000-2001****NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of the members of Ecoboard Industries Limited will be held at Hotel Shangrila Gardens, Off Nal Stop, Karve Road, Pune 411004 on Saturday 29<sup>th</sup> September, 2001 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2001 and the Profit & Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a director in place of Dr. N. A. Ramaiah, who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. S. Venkataswamy, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint a director in place of Dr. H.Y. Kawade, who retires by rotation, and being eligible offers himself for reappointment.
5. To reappoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration as may be mutually agreed upon between the Board of Directors and the Auditors.

By Order of Board

**Kedar P Phadke**  
Company Secretary

Pune, 30<sup>th</sup> July, 2001

**Registered Office:**  
65/1-A, " Ecohouse ",  
Opp. Nal Stop, Karve Road,  
Pune - 411 004.

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Register of Members and Share Transfer Books of the Company remained closed from Tuesday, 10<sup>th</sup> July, 2001 to Tuesday, 17<sup>th</sup> July, 2001 ( both days inclusive ).

By Order of Board

**Kedar P Phadke**  
Company Secretary

Pune, 30<sup>th</sup> July, 2001

**Registered Office:**  
65/1-A, " Ecohouse ",  
Opp. Nal Stop, Karve Road,  
Pune - 411 004.

# ECOBOARD INDUSTRIES LIMITED

## Directors' Report

Directors present their Report and the Audited Accounts of the Company for the year ended March 31, 2001.

### Financial Results : (Rs. in lacs.)

	2000-2001	1999-2000
Sales (Net of Excise)	3925	2664
Other Income	7	25
Profit before Interest	289	123
Interest	1102	949
Profit before Depreciation	(813)	(826)
Depreciation	642	402
Profit before taxation	(1455)	(1228)
Provision for taxation	-	-
Profit after taxation	(1455)	(1228)
Balance brought forward	(939)	290
Profit available for appropriation	(2394)	(939)

### Appropriations :

Balance Carried Forward	(2394)	(939)
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### Business Performance:

It was yet another year of consolidation. After the major maintenance carried out at Islampur Factory last year, total sales of particle boards in both units reached 14.91 lakh Sq. Mtrs. as against 10.56 Sq. Mtrs. compared to the previous year, achieving growth of 41 %. Your Company has attained No. 2 position in the sale of Particle Boards of a Country. The turnover of the Company rose to a figure of Rs. 39 crores from Rs. 26 crores in the corresponding year registering a remarkable growth of 50%. The Bio systems division could not perform to the expectations due to recession in Distillery Industry to which Biogas plants being supplied by your Company as pollution control measure. The interest and depreciation have further affected the working results of the Company. The Company has received restructuring packages from the Financial Institutions providing for deferment of payment of interest.

### Business Prospects:

The awareness of particle board application in the country is on the increasing trend. Suitability of our product, particle boards, for substitution of plywood in various applications would be an additional advantage to foresee improved business operations from this division.

## Employee Information

The particulars required under sub-section (2A) of Section 217 of Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 have not been given since there are no employees who are drawing remuneration in excess of the revised prescribed limits

## Depository System

The Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of its shares. About 50% of shares of the Company have been converted into electronic mode.

## Directors:

During the year Dr. N. A. Ramaiah, Dr. H.Y. Kawade and Mr. S Venkataswamy retire by rotation as Directors in the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment.

## Auditors :

The Company's Auditors M/s. CHATURVEDI SK & FELLOWS, Chartered Accountants, Mumbai, retire and have expressed their willingness to be re-appointed as auditors.

## Directors' Responsibility Statement:

Your Directors wish to add the following Responsibility Statement for the Financial Year 2000-2001.

### Directors' Responsibility Statement :

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) We have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year 2000-2001 and of the profit or loss of the Company for that period;
- (iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) We have prepared the annual accounts on a going concern basis.

## 10th Annual Report 2000-2001

### Audit Committee

The Company has formed the audit committee comprising of Mr. U. S. Kadam (Chairman), Mr. V. S. Raju and Mr. Sanjaya Kulkarni in compliance with the provisions of section 292A of the Companies Act, 1956.

### Deposits

The Company has not invited or accepted any deposits u/s 58A of the Companies Act, 1956 during the year.

### Conservation of Energy

Efforts are being made for improvement in energy conservation at various units in both the particle board plants.

### Technology Absorption

Efforts made in process corrections have yielded positive results in quality improvement of our product from Velapur unit. Continuous efforts are made for further improvement.

### Foreign Exchange Earning and Outgo

Company has not earned any income in foreign exchange during the year. It spent Rs. 15.89 lacs on import of capital goods, 339.02 lacs on import of materials, stores and spares and Rs. 83.32 lacs on other expenses in foreign currency during the year.

### Acknowledgements

The Directors would like to express their sincere thanks and appreciation to all the employees for their efforts displayed by them during the year. Finally, the Directors wish to express their gratitude to the Financial Institutions, Banks and Members for their continued support.

On behalf of the Board

V S Raju  
Chairman & Managing Director

Pune, 27<sup>th</sup> May, 2001

## AUDITORS' REPORT

To the Members of Ecoboard Industries Ltd.

We have audited the attached Balance Sheet of ECOBOARD INDUSTRIES LTD. as at 31st March, 2001 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
  - c) In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.

d) As per the information and explanations given to us, none of the directors of the Company is disqualified from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

e) In our opinion, debtors amounting to Rs. 239.05 are doubtful of recovery. The company has made provision for doubtful debts to the extent of Rs. 84.42 lakhs. Had the company made full provision for the doubtful debts, the debtors would have been lower by Rs. 154.63 lakhs and loss for the year would have been higher by the same amount.

**Subject to the above**, the said accounts read with notes to accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2001, and,
- ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.

For **CHATURVEDI SK & FELLOWS**  
Chartered Accountants

Place : Pune  
Dated : 27th May, 2001

(K. N. Chaturvedi)  
Partner

## ECOBOARD INDUSTRIES LIMITED

### ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts of ECOBOARD INDUSTRIES LTD. for the year ended 31st March, 2001.

1. *The Company is in the process of preparation of records of its fixed assets to show full particulars including quantitative details and situation of fixed assets. The fixed assets were physically verified during the year by the management and the discrepancy, if any, will be ascertained only after the completion of the records.*
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, semi-finished goods, raw materials, stores and spare parts have been physically verified by the management during the year at reasonable intervals.
4. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on verification between the physical stock and book records have been properly adjusted in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not accepted any loans secured or unsecured from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under sub-section (1-B) of section 370 of the Companies Act, 1956.
8. The company has not granted any loans secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under sub-section (1-B) of section 370 of the Companies Act, 1956.
9. The company has granted loans or advances in the nature of loans to certain parties and employees who are repaying the principal amount alongwith interest wherever applicable as stipulated.
10. According to the information and explanation given to us, there are adequate internal control procedures with regard to purchase of stores, raw materials, including components, plant and machinery, equipment and other assets and in respect of sale of goods which are commensurate with the size of the Company and nature of the business.
11. According to the information and explanation given to us, the transaction of purchase of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 aggregating Rs. 50,000 or more in respect of each party, has been made at price which is reasonable having regard to nature of transaction. There were no transactions of sale of goods, material or services aggregating during the year to Rs. 50,000 or more with each party.
12. According to information and explanations given to us, the Company has no unserviceable or damaged material at sites.
13. The Company has not accepted any deposits from the public during the year.
14. In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable scrap.
15. In our opinion the company has an internal audit system commensurate with the size and nature of the business.
16. 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 product.
17. According to the information and explanations given to us, except an overdue amount of Rs. 601,038 as on 31st March, 2001 (since paid), the Provident Fund and Employees State Insurance dues have been regularly deposited with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax (except T.D.S. on interest amounting to Rs. 3,146,035), wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 2001 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under the contractual obligation or in accordance with generally accepted business practice.
20. The company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of the service activities :
  - i) in our opinion, the company has a reasonable system of recording receipts, issues and consumption of materials and stores commensurate with its size and nature of its business and the system provides for a reasonable allocation of the materials and man-hours consumed to relative jobs.
  - ii) In our opinion, the company has reasonable system of authorisation at proper level with necessary controls on the issue of stores and labour on jobs and there is a system of internal control commensurate with the size of the company and the nature of its business.

**For CHATURVEDI SK & FELLOWS**  
**Chartered Accountants**

Place : Pune  
Dated : 27th May, 2001

(K. N. Chaturvedi)  
Partner