



In collaboration with the Earth

ANNUAL REPORT

2020-2021

30th Annual General Meeting

Chairman's Communiqué



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

I welcome you all to this 30th Annual General Meeting of our company.

The meeting is taking place in the time of company's revival and transitioning-into positive financial progress by-reducing significant liabilities-creating new sustainable opportunities in both divisions EcoBuild (Sustainable Building Materials) and EcoEnergy (Bio-Fuels from Waste).

On completion of three decades, your company is-proud to announce-success-in manufacturing products that are-CCS (Carbon Capture & Storage) positive in its-both divisions "EcoBuild" and "EcoEnergy". About "30 million tons" of CO₂ is removed from atmosphere.

EcoBuild Division: We are executing World's largest Sustainable Building made of over 1.5 Million Sq ft of Fire-retardant EcoBoard®. Project helps to reduce over 1500 Tons of CO₂-from atmosphere and high carbon foot-print materials like steel (i.e. 1500 Tons of Steel in this Project). Also, we have done 50 feet high-wall for a German Company and also Hospitals for customers like Infosys Foundation and IKEA Foundation, replacing internal concrete walls. EcoBoard® is instrumental in substituting high carbon emission products like Steel, Gypsum, Cement, etc. Company's Products are enabling customers to reach their sustainable goals by creating positive impact on Environment.

EcoEnergy Division: Paris Climatic Change Agreement has urged Global citizens to reduce use of petroleum based energy with sustainable Bio-fuels. Govt. of India is promoting Bio-CNG from Waste, which is creating demand-for EcoEnergy Plants of the Company. Our technology expertise in CSTR and our experience in executing-Bio-CNG projects are-getting orders for-this division.

While Company's new products & technology expertise are-driving Company's growth, the company could successfully achieve significant-debt reduction-through sale of non-core assets.

I once again re-iterate that "Company's perseverance on its sustainable products highlights our philosophy, capability and dedication towards providing the world with more 'ecologically' and 'economically' viable sustainable products and solutions."

I truly thank each one of you for your long-standing support and take pride in being part of this noble mission. I sincerely acknowledge with thanks your support to ECOBOARD Industries in its 30 Years Journey.

Thanking You,

Sincerely,

Mr. Ramakrishna Raju Gottumukkala
Chairman & Managing Director
DIN: 01516984

ECOBOARD INDUSTRIES LIMITED

30TH ANNUAL REPORT 2020-2021

REGISTERED OFFICE: 65/1A, Ecohouse, Akarshak Building Opp. Nal Stop, Karve Road Pune MH 411004

CIN: L24239MH1991PLC064087

Email: cs.ecoboard@gmail.com

Tel: (020) 25432345

Website: www.ecoboard.in

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Shilpa Soni*
Mob: 8600300993
Email: cs.ecoboard@gmail.com

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

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

AUDITORS

M/S BM Chaturvedi & Companies, Mumbai
32, Jolly Maker Chambers II, Nariman Point,
Mumbai - 400 021
Phone: (+9122) 2285 4274/75),

BANKERS

Union bank of India (Andhra Bank),
Pune – Camp (e-AB) Branch [09061],
598/598A, Sachapir Street, Camp, Pune
411 001

BIO SYSTEMS DIVISION (Eco Energy Division)

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

FACTORY (Eco build Division)

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

*Appointed w.e.f. December 03, 2020.

Note: All correspondence shall be made to registered office Address

CONTENTS

| | Page No. |
|---|----------|
| Notice of AGM..... | 05 |
| Board's Report with Annexure..... | 33 |
| Secretarial audit report- Form No. MR-3..... | 50 |
| Management Discussion & Analysis Report..... | 57 |
| Corporate Governance Report..... | 63 |
| Auditors Certificate on Corporate Governance | 78 |
| Certificate of Non-Disqualification of Directors..... | 79 |
| Certification by Managing Director | 80 |
| Declaration for Compliance with the code of conduct | 80 |
| Auditors Report | 81 |
| Balance Sheet | 91 |
| Statement of Profit and Loss | 92 |
| Cash Flow Statement | 93 |
| Notes Forming part of the Financial Statements | 95 |

“GO GREEN” INITIATIVE BY THE COMPANY

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

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

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

ECOBOARD INDUSTRIES LIMITED

30TH ANNUAL REPORT 2020-2021

REGISTERED OFFICE: 65/1A, Ecohouse, Akarshak Building Opp. Nal Stop, Karve Road Pune MH 411004

CIN: L24239MH1991PLC064087

Tel: (020) 25432345

Email: cs.ecoboard@gmail.com

Website: www.ecoboard.in

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting (AGM) of the Members of 'Ecoboard Industries Limited' will be held on **Friday, 03rd September, 2021** at **11.00 a.m.** IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Financial statements of the Company for the Financial Year ended 31st March, 2021 including the audited Balance Sheet as at 31st March, 2021 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Statutory Auditors thereon, including Annexures thereto; and

2. DESIGNATE **MR. RAMAKRISHNA RAJU GOTTUMUKKALA (DIN: 01516984), MANAGING DIRECTOR OF THE COMPANY AS CHIEF EXECUTIVE OFFICER (C.E.O.) OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution: -

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") including any statutory modification(s) or re-enactment thereof for the time being in force read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 as amended from time to time and Article 62 of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to designate Mr. Ramakrishna Raju Gottumukkala (DIN: 01516984), Managing Director of the Company as a Chief Executive Officer (CEO) of the Company for the period of Five years from 10th August, 2021, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of his appointment), with liberty to the Board of Directors ("the Board") to alter and vary the terms and conditions of the said appointment in such manner as may be agreed upon between Mr. Ramakrishna Raju Gottumukkala and the board.

RESOLVED FURTHER THAT the Board of Directors of the company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) be and is hereby authorised to take all such steps as may be necessary, proper, and expedient to give effect to this resolution."

SPECIAL BUSINESS:

3. RE-APPOINTMENT OF MR. P. V. V. RAMA RAJU (DIN – 07464714) AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS, IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Article of Association of the Company, the consent of the members of the Company be and is hereby accorded for the re-designation/re-appointment of Mr. P. V. V. Rama Raju (DIN – 07464714), as an Independent Director of the Company, whose period of office is liable to expire on 13th November, 2020, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, for a period of five consecutive years with effect from 14th November, 2020, to 14th November, 2025 and the term shall not be liable to retire by rotation.”

4. TO RE-CLASSIFY THE STATUS OF CERTAIN PERSON/ENTITIES OF PROMOTER & PROMOTER GROUP

In this regard, to consider and if thought fits, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and any other applicable laws and the rules made there under and subject to necessary approvals from Securities and Exchange Board of India (SEBI), the Stock Exchanges and other appropriate statutory authorities as may be required, the consent of Members of the Company be and is hereby accorded to reclassify the status of person/entities (“Outgoing Promoters”) as named in Annexure I (as enclosed), and all the individuals and entities identified as Promoter group due to relation with the Outgoing Individual Promoter in accordance with Regulation 2(1)(zb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, if any, from ‘Promoter & Promoter Category’ to ‘Public Category’ in the shareholding of the Company.

RESOLVED FURTHER THAT, the status of the following person/entities forming part of the ‘Promoter & Promoter Category’ of the Company and from whom the Company has received the request for reclassification be and are hereby re-classified from ‘Promoter & Promoter Category’ to ‘Public Category’ of the Company:

| S. No. | Name of Outgoing Promoters & Promoter Group Individuals and Entities |
|--------|--|
| 1. | Satyavathi Vegesna |
| 2. | Subba Raju Vegesna |
| 3. | P Satyanarayana Raju |
| 4. | Prithvi Raju Venkata P |
| 5. | Lalita Rajeshwari P |
| 6. | P Anuradha |
| 7. | Srinivas Raju P |
| 8. | P Srinivas Raju (HUF) |
| 9. | Vegesna Subba Raju (HUF) |

RESOLVED FURTHER THAT the above 'Outgoing Promoters & promoter group Individual and entities' and the person acting in concert with them shall not hold more than ten percent of the paid-up equity share capital of the Company nor shall have any special right through formal or informal arrangements and shall not directly or indirectly exercise control, over the affairs of the Company.

RESOLVED FURTHER THAT on approval of the SEBI/stock exchange for the said reclassification of the above mentioned applicant, the Company shall effect such reclassification in the statement of shareholding pattern from immediate succeeding quarter under Regulation 31 of the Listing Regulations and in compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, and other applicable laws.

RESOLVED FURTHER THAT Mr. Praveen Kumar Raju Gottumukkala, Executive Director and Chief Financial officer of the Company be and is hereby authorized, on behalf of the Company, to submit the application for re-classification to the Stock exchange, where the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution and to do all acts, deeds, matters and things as may be necessary, or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the members of the Company or of the Board."

5. TO INCREASE THE OVERALL MANAGERIAL REMUNERATION

In this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to increase the overall limit of managerial remuneration payable by the Company in respect of any financial year from 11% (eleven per cent) to 25%

(Twenty-Five per cent) of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the board of Directors of the Company be and is hereby authorised to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

6. TO APPROVE UPWARD REVISION IN THE REMUNERATION OF MR. RAMAKRISHNA RAJU GOTTUMUKKALA , (DIN: 01516984) MANAGING DIRECTOR OF THE COMPANY

In this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, and rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V, of the Companies Act, 2013 and Article 63 of the Articles of Association of the Company and pursuant to the recommendation of Nomination and Remuneration Committee, consent of the shareholders of the Company be and is hereby accorded for upward revision of remuneration of Mr. Ramakrishna Raju Gottumukkala (DIN: 01516984), Managing Director of the Company by way of increase in performance based Commission, effective from 01st April, 2022 till remainder of duration of his tenure upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the tenure of his service), provided that the maximum remuneration payable to him for the financial year 2021-22 shall not exceed 25% of the Net Profits of the Company calculated in accordance with Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT all the existing terms and conditions of his appointment existing presently shall remain in force except the performance based commission which is revised and shall be payable as under:

Commission: Performance based commission shall be payable to Mr. Ramakrishna Raju Gottumukkala (DIN: 01516984), Managing Director of the Company depending upon the availability of Net Profits and that the said performance based commission may be paid to him on monthly/quarterly/six monthly/yearly basis provided however that the overall managerial remuneration including performance based commission paid to him for financial year 2021-22 shall not exceed 25% of the net profits computed under Section 198 of the Companies Act, 2013 and the net profits of the Company shall be computed based upon the audited annual financial statements for the financial year 2021-22.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to alter, vary and modify the aforesaid managerial remuneration for the period stated above including salary, perquisites and commission payable to Mr. Ramakrishna Raju Gottumukkala in such manner as may be agreed to between the board and Mr. Ramakrishna Raju Gottumukkala within the maximum limits of 25% of the net profits of the Company computed under Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT if in the financial year 2021-22 the company has no profits or its profits are inadequate the managerial remuneration consisting of Salary, perquisites, amenities and performance based commission shall be payable to Mr. Ramakrishna Raju Gottumukkala, (DIN: 01516984), Managing Director of the Company in accordance with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all such steps and do all other acts, deeds and things as may be necessary, proper, and expedient to give effect to this resolution.”

7. TO APPROVE UPWARD REVISION IN THE REMUNERATION OF MR. PRAVEEN KUMAR RAJU GOTTUMUKKALA , (DIN: 05180152) AS WHOLE TIME DIRECTOR (DESIGNATED AS “EXECUTIVE DIRECTOR” AND “CHIEF FINANCIAL OFFICER”) OF THE COMPANY

In this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the recommendation of Nomination and Remuneration Committee and Board of Directors and pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V, of the Companies Act, 2013 and rules made there under (including any statutory modification or re-enactment thereof for the time being in force) and Article 63 of the Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded to revise the terms of remuneration payable to Mr. Praveen Kumar Raju Gottumukkala (DIN: 05180152), as a Whole Time Director (Designated as **“Executive Director”**) of the Company as follows:

Remuneration:

- a) **Salary:** Rs. 1,90,000/- (Rupees One Lakhs Ninety Thousand only) per month in the scale of 1,90,000-15000-246000. Salary can be paid as Basis Salary and through various allowances, which is a basket of various allowances/reimbursements, like leave Travel Allowances, Commutation Allowances, House Rent Allowances and Company leased Car & Accommodation, etc. which one can plan as per the Company policy. The Fixed Salary may include one-time payouts, if any, as well as Contribution to Provident Fund, Pension fund and Superannuation as per Company policy and Gratuity in accordance with the provisions of Payment of Gratuity Act. For the purpose of Gratuity, Provident fund, Pension Fund, Superannuation and other like benefits, if any, the service of Mr. Praveen Kumar Raju Gottumukkala will be considered as continuous service from the date of his joining the Company.
- b) **Commission:** Commission at the rate of 0.50% of the incremental consolidated net profits of the Company for the full year payable on an annual Basis as may be determined by the board Governance, Nomination and Compensation Committee.

Other Perquisites and Benefits:

- a) Furniture & Equipment Program: As per Company policy
- b) Corporation Club Fees: Fees of 2 identified clubs.
- c) Personal Accident Insurance, Group Life Insurance: Personal accident cover and group life insurance cover as per Company Policy.
- d) Medical: Reimbursement of self, spouse and dependent children up to maximum of one month's basic pay as per the Company policy. In addition, he will be entitled to medical insurance and annual health check-up as per Company Policy.
- e) Leave with full pay and allowance: Leave with full pay and allowance as per company policy.
- f) Reimbursement of Travel, stay and entertainment expenses actually and properly incurred in the course of business as per the Company's policy.
- g) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of Executive Director, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary including perquisites and allowances as specified under Section II of Schedule V of the Companies Act, 2013.
- h) Sitting Fees: The Executive Director shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or any Committees thereof.

RESOLVED FURTHER THAT the overall managerial remuneration payable to him for financial year 2021-22 shall not exceed 25% of the net profits computed under Section 198 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the net profits of the Company shall be computed based upon the audited annual financial statements for the financial year 2021-22.

RESOLVED FURTHER THAT apart from the aforesaid revision in remuneration, all the existing terms and conditions of his appointment existing presently shall remain in force and continue to be effective

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to alter, vary and modify the aforesaid managerial remuneration for the period stated above including salary, perquisites and commission payable to Mr. Praveen Kumar Raju Gottumukkala in such manner as may be agreed to between the board and Mr. Praveen Kumar Raju Gottumukkala within the maximum limits of 25% of the net profits of the Company computed under Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT if in the financial year 2021-22 the company has no profits or its profits are inadequate the managerial remuneration consisting of Salary, perquisites, amenities and performance based commission shall be payable to Mr. Praveen Kumar Raju Gottumukkala (DIN: 05180152), Whole Time Director of the Company in accordance with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take all such steps and do all other acts, deeds and things as may be necessary, proper, and expedient to give effect to this resolution."