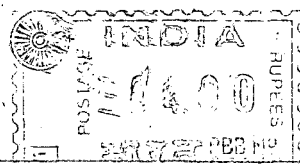
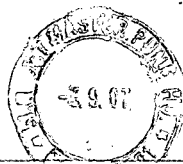


Annual Report 2006-07



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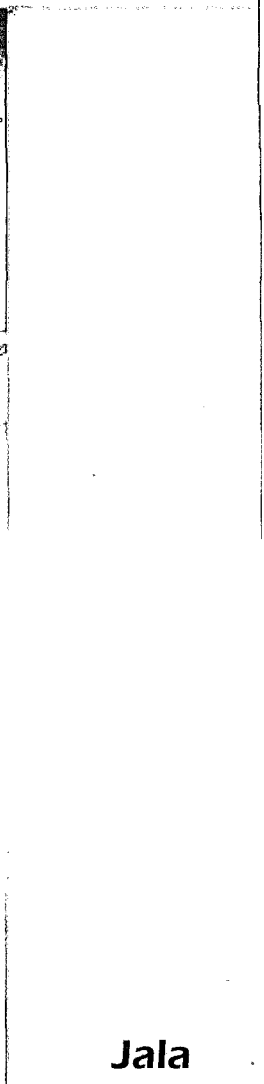
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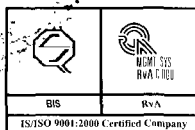
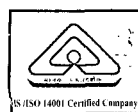


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Mr. V S Raju

Chairman & Managing Director

Ecoboard Industries Ltd.

Chairman's Message

Dear Friends,

The year gone by left with mixed results to the company. Your company successfully completed payment of settlement dues to the financial institutions and banks for their project loans. With this, your company is now relieved of big burden of debt service. It is now positioned as strong player in the market with low cost of production and economy of scales. These strengths shall go long way in securing pivotal role for your company in the market place for Particle Boards.

On the other hand, your company faced over 6 month long production disruption at Jambhulwadi plant due to acts of some misguided elements. This seriously impacted operations of the company during the year and led to fall of 11% in sales of the company.

Management now looks forward to recovering lost ground by aiming for a 30% growth during the current FY 2007-08.

Improvement in sugarcane cultivation in Maharashtra had sobering effect on availability of bagasse, the main raw material for your company, at reasonable price. Industry also made representation to the Government for reduction in rate of VAT on eco-friendly bagasse boards.

With these positive developments, we now look forward to having improvement in the performance of your company during the current year.

With warm regards, thanking you

V. S. Raju

Chairman & Managing Director



ECOBOARD INDUSTRIES LIMITED

16TH ANNUAL REPORT 2006-2007

BOARD OF DIRECTORS

Mr. V S Raju, *Chairman & Managing Director.*
Mr. G Ramakrishna Raju, *Executive Vice Chairman.*
Mr. P Satyanarayana Raju, *Joint Managing Director.*
Mr. U S Kadam Director
Mr. Srinivas Raju P. Director
Dr. N A Ramaiah Director
Mr. S Venkataswamy Director
Mr. Ramachandra Raju P S Director
Mr. V. P. Rane Director
Mr. A B Saha. Nominee IIBI
Mr. G M Yadwadkar Nominee IDBI

COMPANY SECRETARY

Mr. Vishwas K. Bodas

AUDITORS

M/s. Chaturvedi SK & Fellows, Mumbai

REGISTERED OFFICE

65/1A, 'ECOHOUSE', "Akarshak Building"
Opp. Nat Stop, Karve Road, Pune 411 004.

REGISTRAR & TRANSFER AGENT

INTIME SPECTRUM REGISTRY LIMITED
C-13, Pannalal Silk Mill Compound,
L.B. Shashtri Marg, Bhandup (W)
Mumbai - 400 078.

INSTITUTIONS & BANKERS

Industrial Investment Bank of India Ltd.
Industrial Development Bank of India
Andhra Bank
Bank of Maharashtra
The South Indian Bank
The Federal Bank Ltd.

MANUFACTURING FACILITIES

OBIO SYSTEMS DIVISION ○

Village Velapur, Taluka Malshiras,
Dist. - Solapur, Maharashtra.

OPARTICLE BOARD DIVISION ○

Village Jambhulwadi, Taluka - Walwa
Dist. Sangli, Maharashtra.

Village Velapur, , Taluka, Malshiras,
District - Solapur, Maharashtra.

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of Ecoboard Industries Limited will be held at Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune 411 004, on Friday, 28th September, 2007 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss account for the year ended 31st March, 2007 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Srinivas Raju P., who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a director in place of Dr. N. A. Ramaiah., who retires by rotation, and being eligible offers himself for reappointment
4. To re-appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modifications, the following resolution/s as an ordinary resolution:

"Resolved that pursuant to Section 257 of the Companies Act 1956, Mr. V P Rane be and hereby appointed as a Director of the Company."

6. To consider and if thought fit, to pass with or without modifications, the following resolutions as an ordinary resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII as amended up to date, approval of the members be and is hereby accorded to the appointment of Mr. V. S. Raju as Chairman and Managing Director of the Company for a period of 5 years with effect from 1st April 2007 on the terms and conditions and on the remuneration as set out in the Explanatory Statement relating to this resolution with powers to the Board of Directors to alter or vary the said terms and conditions and the remuneration payable to Mr. V. S. Raju in such manner as the Board may deem fit and is acceptable to Mr. V. S. Raju."

"RESOLVED FURTHER that in the event of there being a loss or inadequacy of profits in any financial year, the aforesaid remuneration payable to Mr. V. S. Raju shall be the minimum remuneration subject to the limits set out in schedule XIII of the Companies Act 1956."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary and expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modifications, the following resolution/s as an ordinary resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act

1956, read with Schedule XIII as amended up to date, approval of the members be and is hereby accorded to increase the remuneration of Mr. G. R.K. Raju (Executive vice chairman) as set out in the Explanatory Statement relating to this resolution with powers to the Board of Directors to alter or vary the said terms and conditions and the remuneration payable to Mr. G. R.K. Raju in such manner as the Board may deem fit and is acceptable to Mr. G. R.K. Raju."

"RESOLVED FURTHER that in the event of there being a loss or inadequacy of profits in any financial year, the aforesaid remuneration payable to Mr. G. R.K. Raju shall be the minimum remuneration subject to the limits set out in schedule XIII of the Companies Act 1956."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary and expedient to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modifications, the following resolution/s as an ordinary resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act 1956, read with Schedule XIII as amended up to date, approval of the members be and is hereby accorded to increase the remuneration of Mr. P.S. Raju (Joint Managing Director) as set out in the Explanatory Statement relating to this resolution with powers to the Board of Directors to alter or vary the said terms and conditions and the remuneration payable to Mr. P.S. Raju in such manner as the Board may deem fit and is acceptable to Mr. P.S. Raju."

"RESOLVED FURTHER that in the event of there being a loss or inadequacy of profits in any financial year, the aforesaid remuneration payable to Mr. P.S. Raju shall be the minimum remuneration subject to the limits set out in schedule XIII of the Companies Act 1956."

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary and expedient to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modifications, the following resolution/s as an ordinary resolution:

"RESOLVED THAT pursuant to the Section 310 and other applicable provisions, if any, of the Companies Act and provisions contained in Articles of Association of the Company, approval of the members be and is hereby accorded to increase the sitting fees of Non-Executive Directors to Rs. 5,000/- (Rupees Five Thousand only) for attending each meeting of the Board of Directors of the Company."

By order of the Board

V S Raju

Chairman & Managing Director

Pune, 29th June 2007

Registered Office:

65/1-A, "Ecohouse", "Akarshak Building"
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.
- (2) Proxies, in order to be effective, should be duly completed, stamped, signed and should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (3) An Explanatory statement pursuant to Section 173 of the Companies Act 1956, relating to the special business to be transacted at the meeting, is annexed hereto.
- (4) Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 22nd September 2007 to Friday, 28th September 2007 (both days inclusive).
- (5) As per the provisions of Section 205A(5) read with section 205C(2) of the Companies Act 1956, the company has deposited all unclaimed dividends declared upto and including the financial year ended 31st March 1997, in the Investor Education and Protection Fund. The Company has not declared any dividend since then.
- (6) As per the provisions of the Companies Act, 1956 facility for making nominations is now available to individuals holding shares in the company. The nomination Form 2B prescribed by the government can be obtained for the purpose from the Registrar & Share Transfer Agents or from the company.
- (7) In case of joint holders attending the meeting, the joint holder whose name appears first in the list of members / beneficiary owners will be entitled to vote.
- (8) Members desirous of getting any information about the accounts and operations of the company are requested to send their queries, well in advance, so as to reach the registered office of the company at least ten days before the date of annual general meeting to enable the management to make the information readily available at the meeting.

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING SCHEDULED TO BE HELD ON 28TH SEPTEMBER 2007. EXPLANATORY STATEMENT

Name	Mr Shrinivas Raju P.	Dr. N A Ramaiah	Mr. V. P. Rane
Address	Shreyas, Road No. 92 564-A47/S1, Jubilee hills, Phase III Hyderabad - 500034	14, Ocean View Layout, Beach Road, Visakhapatnam 530003	1076/24, Giriraj Housing Society, Old Chatusringhi Road, Pune -411016.
Date of Birth	24-08-1965	26-08-1923	20-12-1936
Date of Appointment	21-11-1992	20-11-1991	29-06-2007
Qualification	B. E. (Electronics & Telecommunication)	MSC, PHD, FRIC	B.A.B.Com, L.L.B, C.S. Financial Management from University of Glasgow, U.K as a Colombo Plans Scholar (deputed by Government of India)
Experience	Worked as Scientist in Remote Sensing Agency of Government of India. During 1992-2003, worked as an Executive Director of ECOBOARD INDUSTRIES LIMITED.	Worked as a Technical Expert in sugar Industry for a period of over 30 years Director: National Sugar Institute, Kanpur and Vasu Dada Sugar Institute, Pune Secretary: Sugar Enquiry Commission, Govt. of India. Director: World sugar Science Congress, U. K.	Experience in Administration & Management as Senior Level as- • Director / Commissioner of Sugar, Maharashtra State • District Magistrate • Director of Animal Husbandry • Registrar, Co-operation Presently, working as Director General of Vasantdada Sugar Institute
List of Other Companies in which Directorships held	Jisnu Communications Ltd. Susee Spacetek Private Ltd. Blc Consulting Services Private Ltd.	Nil	Nil

Pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5

Mr. V. P. Rane was appointed as additional Director of the Company at the meeting of the Board of Directors held on 29th June 2007. As per the Provisions of Section 260 of the Companies Act, 1956, he holds office only upto the date of the forthcoming Annual General Meeting of The Company. Notice has been received pursuant to Section 257 of the Companies Act, 1956 together with requisite deposit of Rs. 500/- proposing the appointment of Mr. V. P. Rane to the Board of Directors of the Company.

Details of Mr. V. P. Rane including his brief resume have been given below the Explanatory Statement herein. Keeping in view his experience and expertise, the Board recommends his appointment as the Director of the Company.

Mr. V. P. Rane may be deemed to be interested in the resolution relating to his own appointment.

Item No. 6

Mr. V. S. Raju was appointed as Chairman & Managing Director of the Company for a period of 5 years with effect from 1st April 2002 at the eleventh Annual General Meeting of the Company held on 25th September 2002.

At the Board Meeting held on 29th June 2007, he is reappointed as the Chairman & Managing Director for the further period of 5 years with effect from 1st April 2007, subject to the approval of the members in the forthcoming Annual General Meeting of the Company. Hence the resolution at item No. 6 of the notice.

Mr. V. S. Raju is one of the founder member and the promoters of ECOBOARD INDUSTRIES LIMITED. He has a vast industrial experience. He is instrumental in the growth of the Company and has successfully sailed this Company through rough weather during the period of crisis.

The Board of Directors has fixed the following terms and conditions and the remuneration payable to Mr. V. S. Raju which are within the ceiling laid down under Sections 198, 309 and Schedule XIII of the Companies Act 1956, viz;

A. Appointment of Mr. V. S. Raju as Chairman & Managing Director shall be for a period of 5 years with effect from 1st April 2007.

B. Remuneration payable to Mr. V. S. Raju as Chairman & Managing Director shall be as follows:

1 Salary: Rs. 80,000/- p. m. in the scale of 70000-10000-120000.

2. Commission: @ 1% of Net profits of the Company in any financial year, subject to the maximum as may be laid down by the Board of Directors from time to time.

3. Perquisites: In addition to the aforesaid salary and commission, the Chairman & Managing Director shall also be eligible for the following perquisites, viz;

a) **House Rent Allowance/Rent free Accommodation** as per rules of the Company.

b) **Medical Expenses** reimbursement for self & family actuals.

c) **Leave Travel Concession:** Return 1st class passage by Air, Sea, Rail and/or Road for a period not exceeding 30 days, once a year, anywhere in the world and reimbursement of lodging and boarding and other incidental expenses during that period for self and family.

d) **Entertainment Expenses** at actuals.

e) **Club fees** at actuals (excluding admission fees).

f) **Expenses of domestic servants, personal gardner and personal driver** - reimbursement at actuals.

g) **Expenses for books, periodicals and newspapers** - reimbursement at actuals.

h) **Medical Insurance.**

i) **Personal Accident Insurance.**

j) **Company car with driver** for official purposes.

k) **Telephone at residence.**

l) **Casual, sick and annual Earned Leave** shall be as per the rules of the Company.

Perquisites shall be evaluated as per Income-Tax Rules, wherever applicable and in absence of any such rules, the same shall be evaluated at actual cost.

4. Minimum Remuneration: Notwithstanding anything contained hereinabove, where in any financial year during the currency of tenure of Mr. V. S. Raju as an Chairman & Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. V. S. Raju by way of salary, perquisites and other allowances shall be limited to the limits laid down in Schedule XIII of the Companies Act 1956.

5. Additional Perquisites: In addition to the salary, commission and perquisites referred above, Mr. V. S. Raju shall also be eligible for the following perquisites which shall not be included in the computation of ceiling on remuneration, viz.

- a) Contribution to provident fund, super-annuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) Encashment of leave at the end of the tenure.

The Board of Directors recommends passing of the resolution. The extract of remuneration given herein above shall also be considered as extract of remuneration required to be furnished under section 302 of the Companies Act 1956.

Mr. V. S. Raju himself and Messers. G R K Raju, P Satyanarayana Raju and Srinivas Raju P., Directors, being relatives of Mr. V. S Raju shall be deemed to be concerned or interested in passing of the resolution at item No. 6 of the notice.

Item No. 7

At the Board Meeting held on 29th June 2007, the remuneration payable to Mr. G.R.K.Raju (Executive Vice Chairman) is increased with effect from 1st April 2007, subject to the approval of the members in the forth coming Annual General Meeting of the Company. Hence the resolution at item No.7 of the notice.

Mr. G.R.K. Raju is one of the founder member and the promoters of ECOBOARD INDUSTRIES LIMITED. He has a vast industrial experience. He is also instrumental in the growth of the Company.

The Board of Directors has fixed the following terms and conditions and the remuneration payable to Mr. G. R.K. Raju which are within the ceiling laid down under Sections 198, 309 and Schedule XIII of the Companies Act 1956, viz;

Remuneration payable to Mr. G. R.K. Raju as Executive vice chairman shall be as follows:

Salary: Rs. 70,000/- p. m. in the scale of 70000-10000-120000.

Rest of the terms and conditions regarding payment of commission, perquisites, minimum remuneration and additional perquisites are same as stated in **item no 6** of the explanatory statement.

Item No. 8

At the Board Meeting held on 29th June 2007, the remuneration payable to Mr.P.S.Raju (Joint Managing Director) is increased with effect from 1st April 2007, subject to the approval of the members in the forth coming Annual General Meeting of the Company. Hence the resolution at item No.8 of the notice.

Mr. P. S. Raju is one of the founder member and the promoters of ECOBOARD INDUSTRIES LIMITED. He plays a very significant role in the growth of the Company and has contributed greatly to the company because of his vast experience.

The Board of Directors has fixed the following terms and conditions and the remuneration payable to Mr. P.S. Raju which are within the ceiling laid down under Sections 198, 309 and Schedule XIII of the Companies Act 1956, viz;

Remuneration payable to Mr. P.S. Raju as Executive vice chairman shall be as follows:

Salary: Rs. 70,000/- p. m. in the scale of 70000-10000-120000.

Rest of the terms and conditions regarding payment of commission, perquisites, minimum remuneration and additional perquisites are same as stated in **item no 6** of the explanatory statement.

Item No.9

As all the Non- Executive Directors of the Company are giving their precious time for the growth of the Company and advising Company on all the critical issues from time to time and keeping in view their experience and expertise, the Board recommends to increase the sitting fees payable to these Directors to Rs. 5,000/- for attending each meeting of the Board of Directors.

The Board of Directors recommends passing of the resolution.

By order of the Board

V S Raju
Chairman & Managing Director

Pune, 29th June 2007

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you their report and the audited accounts of the Company for the year ended 31st March 2007.

Financial Results:	Current year	Previous year
	2006-07 (Rs. In lakhs)	2005-06 (Rs. In lakhs)
Sales & Other Income	4946.64	5140.56
Operating Profit	1008.16	1143.76
Less:		
Interest	363.22	280.21
Depreciation	512.91	514.60
Profit for the year	132.03	348.95
Less: Provision for Tax	11.96	13.67
(Fringe benefit tax)	3.96	
Income Tax		
Net Profit before Tax	116.38	335.28
Add: Balance brought forward from the Previous year	(3658.50)	(3993.78)
Balance carried to Balance Sheet	(3542.12)	(3658.50)

Dividend:

In view of insufficient profit for the year and future financial commitments, the Directors do not recommend payment of any Dividend for the year ended 31st March 2007.

Operations:

During the year 2006-07, the sales at Rs. 4477.71 lakhs as compared to Rs. 5012.56 lakhs has reflected a decrease of over 10.7 %. During the year under review, labour unrest at Company's Islampur Unit for over 6 months had adversely affected the operations. But for this incidence, the operations were smooth. During the year under review, the Company, successfully concluded "One time settlements" with IDBI and IIBI and has paid off their dues in full.

For the purpose of raising funds to pay off the dues under "One Time Settlement", during the year the company raised Rs. 88 lakhs through a Preferential Allotment of 8,00,000 equity shares of Rs. 10/- each at a premium of Rs. 1/- per shares to the Promoter Group.

Future Prospects:

Satisfactory monsoon during the previous year has ensured availability of the basic raw material 'Bagasse' in sufficient quantity and at competitive price. The Company is seriously contemplating value addition by venturing into furniture manufacturing using ECOBOARD. With aggressive marketing, the Company hopes to achieve higher turnover during the current year.

Directors:

Mr. V. P. Rane was appointed as additional Director with effect from 29th June 2007. Under Section 260 of the Companies Act 1956, he would hold office only upto the ensuing Annual General meeting. Notice has been received under Section 257 of the Act along with requisite deposit from a shareholder proposing Mr. V. P. Rane as a Candidate for the office of Director.

At the Board Meeting held on 29th June 2007, Mr. V. S. Raju, was re-appointed as the Chairman and Managing Director of the Company for the further period of 5 years with effect from 1st April 2007 subject to the approval of the members at the ensuing Annual General Meeting of the Company.

Industrial Investment Bank of India Limited (IIBI) withdrew the nomination of Mr. A. B. Saha with effect from 15th June 2007. The Board places on record its appreciation for the valuable contributions made by Mr. Saha during his tenure on the Board.

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

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

Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- 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, 07 and of the profit of the Company for the year ended on that date;
- 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
- The Directors had prepared the annual accounts on 'going concern' basis.

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

In terms of Section 217(1)(e) of the Companies Act, 1956, information relating to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo is set out in

the annexure I, forming part of this report.

Management Discussion & Analysis and Corporate Governance

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

Deposits

During the year under review, the Company has not invited or accepted any deposits under section 58A of the Companies Act 1956.

Personnel

The employees of Company's Islampur Unit had resorted to a lightening strike on some trivial issues resulting in the stoppage of work for about 200 days.

Except for this stray incidence, 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 were no employees whose particulars are required to be given under section 217(2A) 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 conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

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.

For and On Behalf of the Board of Directors

Pune, 29th June 2007

V S Raju
Chairman & Managing Director.

ANNEXURE I to the Directors' Report

Particulars as per Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A. Conservation of Energy:

- i). In order to conserve energy, preventive maintenance of the Plant & Machinery is carried out on a regular basis. The production is taken in batches to obtain optimum output. The Company uses pith and the sanding dust generated during the manufacture of Particle Boards for Steam Generation. 1MW co-generation Power Plant at our Velapur factory also uses the steam so generated when available in sufficient quantity. Electrical power is used for the manufacture of Company's products. Diesel oil is also used to a little extent for operating mobile cranes and other material handling equipment.
- ii). No sizable additional investment is envisaged to implement any proposal to reduce energy consumption.
- iii). The average of energy consumed in relation to the total production is normal. Consequently, there will not be any significant impact on the cost of production on account of reduction in the consumption of energy.

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

- i) **Specified area in which the R&D is carried out by the Company** Efforts are being made on a continuous basis to maintain and improve the quality of the products. The Company has successfully developed technology to use unconventional agricultural waste material like Cotton, Tur, Maize & Jawar stalks as Raw Material in the manufacture of Particle Boards.

- ii) **Benefits derived as a result of the above R&D** Reduction in the risk of dependence on single source of Raw material.

- iii) **Future Plans of Action** Steps are being taken on a continuous basis to upgrade the technology and improvement of product quality with an aim of offering better products to the customers.

- iv) **Expenses on R&D** The expenses of the Company on R&D are incurred primarily using agricultural waste & for testing the product quality & specifications. Amount spent on such activity will not, therefore, reflect the true expenses on R & D efforts.

b. Technology absorption, adaptation and Innovation:

- i) **Efforts, in brief for Technical Absorption, Adaptation and Innovation on the basis of the Company's own R&D activities** Absorption and Adaptation of the technology developed by the Company's own R&D has been smooth and is under implementation.

- ii) **Benefits derived as a result of the above efforts** Less dependency on a single source of Raw Material i.e. Bagasse.

- iii) **Imported Technology** The imported technology is fully absorbed and is smoothly in operation.

C. Foreign Exchange Earnings & Outgo

- i) **Activities relating to exports: Initiatives taken to increase exports, development of new Export Market for products and services; and export plans** The Company is continuously making efforts to find