



ECOBBOARD INDUSTRIES LIMITED

23RD ANNUAL REPORT 2013 - 2014

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. 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. Narasimhan Krishnan, Independent Director

COMPANY SECRETARY

Ms. Shambhavi Wagle

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

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

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NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of 'Ecoboard Industries Limited' will be held on Friday 28th November, 2014 at 11.00 a.m. at Hotel Shangrila Gardens, Off Karve Road, Near Nal Stop, Pune – 411 004, to transact the following business as :

ORDINARY BUSINESS:

Adoption of Financial Statements

1. To consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon with such annexures, attachments and inclusions as may be applicable.

Reappointment of retiring director

2. To appoint Director in place of Mr. Vegesna Subba Raju (DIN 00842835) who retires by rotation at this AGM, and being eligible, seeks re-appointment.

Reappointment of retiring director

3. To appoint Director in place of Mr. Penmetsa Satyanarayana Raju (DIN 00843110), who retires by rotation at this AGM, and being eligible, seeks re-appointment.

Appointment of Auditors

4. To appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the second consecutive AGM and to fix their remuneration and to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution

“RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s Chaturvedi SK & Fellows. Chartered Accountants, Mumbai, (Firm Reg. No. 112627W), be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the second consecutive AGM, subject to ratification of the appointment by the members at next annual general meeting held after this annual general meeting and that the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.

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

Special Business

Permission to borrow in excess of capital and reserves

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of all earlier resolutions passed by the Company in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or substitution thereof and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which expression shall also include a committee thereof) of the Company to borrow such sum or sums of monies in any manner from time to time with or without security and upon such terms and conditions as they may think fit, notwithstanding that monies to be borrowed together with monies already borrowed by the Company (apart from temporary loan obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the company and its free reserves, provided that the total amount so borrowed by the Board and outstanding at any time, shall not exceed the sum of Rs. 140 crores (Rupees One Forty crores only) or the aggregate of the paid-up share capital and free reserves of the Company, at the relevant time, whichever is higher.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate to the extent permitted by law, all or any of the powers herein conferred to any committee of directors or the Managing Director or any director(s) or any other Key Managerial Personnel or any other officer(s) of the Company.”

Appointment of Mr. Seetha Ramchandra Raju Penmetsa as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all 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 Clause 49 of the Listing Agreement, Mr. Seetha Ramachandra Raju Penmetsa (DIN 01411574),

who was appointed as an Independent Director whose period of office was liable to determination by retirement of directors by rotation, in respect of whom the company has received a notice in writing from a member u/s 160 of the Companies Act, 2013 signifying his intention to propose Mr. Seetha Ramchandra Raju Penmetsa as a candidate for the office of independent director of company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 28 November 2019, not liable to retire by rotation."

Appointment of Mr. Uttam Sampatrao Kadam as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all 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 Clause 49 of the Listing Agreement, Mr. Uttam Sampatrao Kadam (DIN 01517289), who was appointed as an Independent Director whose period of office was liable to determination by retirement of directors by rotation, in respect of whom the company has received a notice in writing from a member u/s 160 of the Companies Act, 2013 signifying his intention to propose Mr. Uttam Sampatrao Kadam as a candidate for the office of independent director of company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 28 November 2019, not liable to retire by rotation."

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

Place : Pune.
Date : 31st October, 2014

**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. The proxy form is enclosed to the report.**

A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. While attending the meeting the members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed
3. The Register of Members and Share Transfer Register will remain closed from Monday, 24th November, 2014 to Friday 28th November, 2014 (both days inclusive) for the purpose of Annual General Meeting.
4. 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.
5. Members are requested to note that dividends not claimed within seven years from the date of transfer to the

Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents **M/s Link Intime India Private Limited, 202-A, 2nd Floor, "Akshay Complex" off Dhole Patil Road, Pune – 411 001.**
9. Additional information pursuant to Clause 49 IV (G) of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is also furnished through the explanatory statement and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

11. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
12. Copies of the Annual Report 2014 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.

You are requested to send your e mail ID if you want the annual report to be sent on e-mail. If you choose to receive the annual report on your e-mail then no separate annual report would be sent to you by post.

It would be your responsibility to report any changes in the e-mail ID that you have registered with us or your decision to receive the annual report by post instead. Any member may insist for physical copies of the annual report and the same would be sent to him free of cost.

13. E-voting facility

Pursuant to provisions of section 108 read with rule 20 of Companies (Management and Administrative) Rules 2014, and clause 35B of listing agreement all the members have option to transact the business and cast their votes in respect of the business through electronic voting system. This facility of e-voting is not in derogation of but in addition to attending the meeting personally / through proxy/ through authorized representative.

The Company is pleased to provide members such e-voting facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL) :

Process for e-voting:

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

The instructions for shareholders voting electronically are as under:

- (i) The voting period is open for two days and begins on Sunday 23rd November 2014, at 10.00 a.m. and ends on Monday 24th November 2014 at 10.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 31st October, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note

that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the company **Ecoboard Industries Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Voting, can be exercised only by the shareholder or his/her duly constituted attorney or, in case of bodies corporate, the duly authorized person.
- (xxi) A member need not use all his/her votes.
- (xxii) The Company has appointed M/s. Milind Kulkarni & Associates, Company Secretaries as the Scrutinizer for conducting the e-voting process in fair and transparent manner who would submit his report within three working days from conclusion of e-voting to the chairman of the meeting .
- (xxiii) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the Annual General Meeting.

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

Place : Pune.
Date : 31st October, 2014

**V.S. Raju
Chairman**

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

As required under Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the Special Business set out from Item No. 5 of the accompanying Notice dated 31st October, 2014.

Item Nos. 5 in the notice

Under Section 180(1)(c) of the Companies Act, 2013 ("Act"), the Board of Directors of a company cannot, except with the consent of the members by a special resolution, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up share capital and free reserves of the company.

The shareholders, at the Annual General Meeting of the Company held on 26th September, 2003, by way of an ordinary resolution under Section 293(1)(d) of the Companies Act, 1956, had authorized the Board of Directors of the Company to borrow up to the higher of Rs. 140 Crores (Rupees One Forty Crores Only) or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time. However, the provisions of Sections 180(1)(c) the Companies Act, 2013, the corresponding provisions of Sections 293(1)(d) of the Companies Act, 1956, require passing of special resolution by the members of the Company to authorize the Board of Directors of the Company to exercise such powers.

Further, Ministry of Corporate Affairs vide General Circular No. 4/2014 dated 25.03.2014 clarified that the resolutions passed under Section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings and / or creation of security on the assets of the Company will be regarded as sufficient compliance of requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Companies Act, 2013. Section 180 of the Companies Act, 2013 was notified on 12.09.2013.

In view of the above, it is necessary to pass resolution(s) pursuant to the provisions of Section 180(1)(a) and 180(1)(c) the Companies Act, 2013 to enable the Board of Director to exercise powers in relation to borrowings and / or creation of security over and above the limit referred in Section 180 of the Companies Act, 2013.

The above proposals are in the interest of the Company and the Directors recommend the Resolutions in Item Nos. 5 of the Notice for approval by the Members by way of special resolution.

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions at Item Nos. 5 of the accompanying Notice.

Item No. 6 in the notice

Mr. Seetha Ramchandra Raju Penmetsa (DIN 01411574) is

a non executive (Independent) Director of the company, Mr. Seetha Ramchandra Raju Penmetsa retires by rotation at the ensuing AGM under the provisions of erstwhile Companies Act, 1956.

In terms of Section 149 and any other provisions of the Companies Act 2013, Ramchandra Raju P.S. being eligible and seeking reappointment, is proposed to be appointed as an Independent Director for a fresh term of 5 years.

The company has received a notice in writing under the provisions of Section 160 of the Companies Act 2013, from a member along with a deposit of Rs. 100,000/- Proposing the Candidature of Mr. Seetha Ramchandra Raju Penmetsa for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act 2013.

The company has received from Mr. Seetha Ramchandra Raju Penmetsa,

- (I) Consent in writing to Act as a Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014.
- (II) Intimation In Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of section 164 of The Companies Act 2013, and
- (III) A declaration to the effect that he meets the criteria of Independence as provided in sub section 6 of Section 149 of the Companies Act 2013.

The resolution seeks the approval of members for the appointment of Mr. Seetha Ramchandra Raju Penmetsa as an Independent Director of the company upto 28th November, 2019, pursuant to section 149 and other applicable provisions of the Companies Act 2013 and the rules made there under. He is not liable to retire by rotation.

In the Opinion of the Board of Directors, Mr. Seetha Ramchandra Raju Penmetsa, the Independent Directors proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and, is Independent of the Management.

A copy of the draft letter for the appointment of Mr. Seetha Ramchandra Raju Penmetsa as an Independent Director setting out the terms and conditions is available for inspection without any fees by the members at the company's registered office during normal business hours on working days up to the date of AGM.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Mr. Seetha Ramchandra Raju Penmetsa as an Independent Director.

No director, Key Managerial Personnel or their relatives,

except Mr. Seetha Ramchandra Raju Penmetsa to whom the resolution relates is interested or concerned in the resolution

The board recommends resolution set forth in Item no. 6 for the approval of the members.

The resolution is to be passed as special resolution

Item No. 7 in the notice

Mr. Uttam Sampatrao Kadam (DIN 01517289) is a non executive (Independent) Director of the company. Mr. U. S. Kadam retires by rotation at the ensuing AGM under the provisions of erstwhile Companies Act, 1956.

In terms of Section 149 and any other provisions of the Companies Act 2013, Mr. U. S. Kadam being eligible and seeking reappointment, is proposed to be appointed as an Independent Director for a fresh term of 5 years.

The company has received a notice in writing under the provisions of Section 160 of the Companies Act 2013, from a member along with a deposit of Rs. 100,000/- Proposing the Candidature of US Kadam for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act 2013. The company has received from Mr. U. S. Kadam,

- (I) Consent in writing to Act as a Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014.
- (II) Intimation In Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of section 164 of The Companies Act 2013, and
- (III) A declaration to the effect that he meets the criteria of Independence as provided in sub section 6 of Section 149 of the Companies Act 2013.

The resolution seeks the approval of members for the appointment of Mr. U. S. Kadam as an Independent Director of the company up to 28th November 2019, pursuant to section 149 and other applicable provisions of the Companies Act 2013 and the rules made there under. He is not liable to retire by rotation.

In the Opinion of the Board of Directors, US Kadam, the Independent Directors proposed to be appointed fulfils the conditions specified in the Act and the Rules made there under and, is Independent of the Management. A copy of the draft letter for the appointment of Mr. U. S. Kadam as an Independent Director setting out the terms and conditions is available for inspection without any fees by the members at the company's registered office during normal business hours on working days up to the date of AGM.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Mr. U. S. Kadam as an Independent Director.

No director, Key Managerial Personnel or their relatives, except Mr. U. S. Kadam to whom the resolution relates is interested or concerned in the resolution

The board recommends resolution set forth in Item no. 7 for the approval of the members.

The resolution is to be passed as special resolution

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

Place : Pune.
Date : 31st October, 2014

**V.S. Raju
Chairman**

“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 23rd Annual Report on the business and operations of the Company together with the audited statements of accounts for the year ended 31st March 2014.

Financial Results

(Rs. In Lakhs)

Particulars	Current Year 2013-14	Previous Year 2012-13
Profit/ (Loss) before interest, depreciation, exceptional items and tax	(89.24)	124.21
Less:		
Interest	384.31	381.09
Depreciation	337.20	335.68
Profit/(Loss) for the year from ordinary activities	810.75	(592.56)
Add: Exceptional income	0	0
Profit/(loss) before Tax	810.75	(592.56)
Less: Provision for tax	0	0
Profit/(Loss) for the period from continuing operation	810.75	(592.56)
Profit/(Loss) for the period from discontinuing operation	(87.38)	(98.33)
Tax expenses of discontinuing operation	0	0
Profit/(Loss) for the period from discontinuing operation	(87.38)	(98.33)
Profit/(loss) for the period	(898.13)	(690.89)
Balance brought forward	(4422.62)	(3731.73)
Surplus for the year		
Balance carried to Balance Sheet	(5320.75)	(4422.62)

Dividend

In view of paucity of funds in the current year and due to counting losses the, the Board of Directors does not recommend any dividend for the F.Y. 2013-14.

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 consistence 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. 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. Vegesna Subba Raju and Mr. Penmetsa Satyanarayana Raju 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.

We wish to inform you that Mr. Srinivas Raju, Non Executive Director and Mr. V.P Rane, Independent Director resigned as Directors of the Company w.e.f. 10th August, 2013. The Board placed on record its sincere appreciation for the services rendered by Mr. Srinivas Raju and Mr. V.P Rane to the Company during their tenure of Directorship.

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, 2014 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;
- 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.