

12<sup>th</sup> October, 2016

Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

**Sub.: Submission of 22<sup>nd</sup> Annual Report of Eco Recycling Limited for the financial year 2015-16 pursuant to Regulation 34(1) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 approved and adopted in the Annual General Meeting held on September 30<sup>th</sup>, 2016.**

Dear Sir,

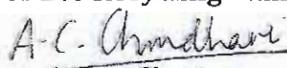
With reference to the captioned subject, enclosed herewith please find duly approved and adopted 22<sup>nd</sup> Annual Report of Eco Recycling Limited for the financial year 2015-2016 in the Annual General Meeting held on September 30<sup>th</sup>, 2016 for your records as per regulation 34(1) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

Kindly take the same on your record and oblige.

Thanking You,

Yours faithfully,

**For Eco Recycling Limited**

  
**Anita Choudhari**  
**Compliance Officer**

Encl.: a/a

## **BOARD OF DIRECTORS**

### **DIRECTORS**

B K Soni – CMD  
D. T. Devale - Ex-MPCB  
Vijay Acharya  
Srikrishna B.  
Aruna Soni  
Shashank Soni

### **COMPLIANCE OFFICER**

Anita Choudhari

### **AUDITORS**

GMJ & Co.  
Chartered Accountants  
VastuDarshan,  
Andheri (East), Mumbai – 400 059.

### **BANKERS**

Catholic Syrian Bank  
Kotak Mahindra Bank

## **REGISTRARS & TRANSFER AGENTS**

Bigshare Services Private Limited  
E/2, Ansa Industrial Estate,  
Saki Vihar Road,  
Saki Naka, Andheri (East),  
Mumbai – 400 072

### **REGISTERED OFFICE**

205, Centre Point,  
Next to Hotel Kohinoor,  
Andheri Kurla Road, Andheri (E),  
Mumbai-400 059

### **E-MAIL ADDRESS**

info@ecoreco.com  
shareholders@ecoreco.com

### **WEBSITE**

www.ecoreco.com

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** THAT THE TWENTY-SECOND ANNUAL GENERAL MEETING OF ECO RECYCLING LIMITED WILL BE HELD ON FRIDAY, 30TH SEPTEMBER, 2016 AT 11.00 A.M. 205, CENTRE POINT, NEXT TO HOTEL KOHINOOR, ANDHERI KURLA ROAD, ANDHERI EAST, MUMBAI – 400 059. TO TRANSACT THE FOLLOWING BUSINESS:

### Ordinary Business:

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2016, and the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of the Auditors thereon;
2. To appoint a Director in the place of Mr. Shashank Soni (DIN: 06572759), who retires by rotation and, being eligible, seeks re-appointment;
3. 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, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), as amended from time to time, the consent of the Members of the Company be and is hereby accorded to re-appoint M/s. GMJ & Co., Chartered Accountants having Firm

Registration No. 103429W, being retiring Auditors of the Company, as Statutory Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2021, subject to ratification of their appointment at every Annual General Meeting, to examine and audit the accounts of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors and the Auditors.”

### Special Business:

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

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force), pursuant to the Articles of Association of the Company and as approved by the members of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company hereby approves the re-appointment of Mr. B. K. Soni as the Managing Director (DIN: 01274250) of the Company for a period of five years with effect from September 1, 2015 to August 31, 2020, on such terms and conditions as set out in Clause A to E below:

- A. Period of Appointment : September 1, 2015 to August 31, 2020.
- B. Salary: INR 250,000 (Rupees Two Lac Fifty Thousand only) per month with such annual increments as may be

recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- C. Commission: Such amount for each Financial Year as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- D. Perquisites: In addition to the Salary and commission as outlined above, Mr. B. K. Soni shall be entitled to perquisites/allowance as under:
  - i. Housing: Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Managing Director on hiring accommodation shall be made by the Company subject to the ceiling of 60% of the salary as defined in para (B) above.  
  
In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishing, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.
  - ii. Medical Benefits: Payment/ reimbursement of expenses incurred for self and family (including mediclaim/medical insurance premium) or medical allowance in accordance with the rules of the Company.
  - iii. Leave Travel Allowance/ Assistance: Once in a year on actual for traveling within the Country or once in a year on a foreign tour with family.

## ECO RECYCLING LIMITED

- iv. Club Fees: Payment/ reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.
- v. Personal Accident Insurance Premium: For a personal accident insurance cover not exceeding ₹100 lacs.
- vi. Contribution to Provident Fund, Pension/Superannuation or Annuity Funds: As per the Rules framed under the Company's relevant scheme.
- vii. Gratuity: As per the Rules of the Company and applicable statutory provisions from time to time.
- viii. Leave Encashment: Leave with full pay and allowance as per rules of the Company. Accumulation/encashment of unavailed earned or privilege leave will be permissible in accordance with the Rules specified by the Company.
- ix. Car/Communication Facilities: The following shall not be included in the computation of perquisites-
  - (a) Provision of Company's car(s) with driver for the official use.
  - (b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls.

### Explanation(s):

- (a) The said perquisites and allowances shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per the Income Tax Act, 1961 or any rules there under as are in force from time to time.
- (b) The Company's contribution to or provision for provident fund, pension/superannuation or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, commission, perquisites and allowances.
- (c) For the purpose of gratuity, pension and other benefits, the services of Mr. B. K. Soni will be considered continuous service with the Company from the date he joins the services of sister concern(s) of this Company in any capacity from time to time and termination of the appointment/ agreement or renewal(s) will not be considered as a break in service. However, in case of gratuity any benefit already obtained from such sister concern(s) or the Company shall be deducted from the final amount payable.
- (d) The Company shall reimburse travelling, entertainment and other business promotion expenses actually and properly incurred, by the Managing Director, in the course of the legitimate business of the Company in accordance with rules and regulations of the Company in force from time to time or as may

be approved by the Board. Expenses relating to spouse accompanying on any official domestic and overseas trip or other trip or other facilities, if any, shall be dealt with in accordance with the practices and policies of the Company as applicable from time to time.

- E. Termination: The appointment is liable for termination by either party giving 6 months' notice in writing to the other.

**RESOLVED FURTHER THAT** all such acts, deeds, matters and things executed by Mr. B. K. Soni in the capacity of managing director during the period starting from September 1, 2015 to August 12, 2016 be and are hereby ratified and all such acts, deeds, matters and things executed shall be treated to be exercised in the good faith of the Company.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure as a Managing Director, the Company is required to obtain the Central Government approval under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. B. K. Soni under the provisions of Section 196, 197 and 203 (and other relevant Sections) of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

**RESOLVED FURTHER THAT** on receipt of the approval of the Central Government the amount of remuneration on the terms as approved by the Central Government as reduced by the Remuneration already paid for the period for which the Central Government's approval is sought, be



paid to Mr. B. K. Soni, Managing Director in lumpsum and that after the date of the approval, Mr. B. K. Soni be paid the remuneration as per the terms and conditions approved by the Central Government

**RESOLVED FURTHER THAT** the terms and conditions of the re-appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Nomination and Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Section 197 read with Schedule V to the Companies Act, 2013, other relevant provision of the Companies Act, 2013 and in accordance to statutory modification/amendments made under

the relevant provisions of the Companies Act, 2013 and Schedule(s) thereof and as agreed between the Board of Directors and Mr. B. K. Soni.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution any Director of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by Central Government from time to time."

#### ECO RECYCLING LIMITED

By order of the Board of Directors  
B. K. Soni  
Chairman & Managing Director  
DIN: 01274250

**Address:**

Flat No. 501, 5th Floor,  
Nilgiri Building, JVPD, 9<sup>th</sup> Road,  
Vileparle (W), Mumbai - 400049,  
Maharashtra, India.

13<sup>th</sup> August 2016  
Mumbai

**Registered Office:**

205, Centre Point,  
Next to Hotel Kohinoor,  
Andheri Kurla Road,  
Andheri East,  
Mumbai – 400 059  
CIN: L74120MH1994PLC079971



## ECO RECYCLING LIMITED

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
2. A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder;
3. The Register of Members and Transfer Books of the Company will be closed from 23rd September, 2016 to 29th September, 2016, inclusive of both the days;
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Bigshare Services Private Limited;
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s. Bigshare Services Private Limited for any assistance in this regard;
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or M/s. Bigshare Services Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon;
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote;
8. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting service provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice;
9. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 read with its rules made thereunder, will be available for inspection by the members at the Annual General Meeting;
10. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting. 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;
11. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such a representative to attend and vote on their behalf at the meeting;
12. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 A. M. and 1.00 P.M. on all working days up to the date of the Meeting.
13. Member are requested to address all correspondences, to the Registrar



and Share Transfer Agents, M/s. Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400072 Tel No: 022-40430200, Fax No.: 022-40430251, Email: investor@bigshareonline.com

14. Members desirous of obtaining any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting;
15. The requirements of the Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the profile of the Director to be re-appointed is enclosed as **Annexure I**;
16. A Statement pursuant to section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto;
17. Members are requested to bring their copy of Annual Report to the Meeting;
18. To support the 'Green Initiative', The Members who have not registered their e-mail addresses are requested to register the same with the Company/Depositories;
19. As per the provisions of the Companies Act, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer Agents of the Company;

## 20. E-voting:

In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 96<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

### Process for E –Voting –

#### The procedure and instructions for e-voting are as follows:

- i. The voting period begins from 9.00 a.m. on Tuesday 27<sup>th</sup> September, 2016 and ends on Thursday 29<sup>th</sup> September, 2016 at 5.00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as cut-off date of Friday 23<sup>rd</sup> September, 2016 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](http://www.evotingindia.com);
- iii. Click on "Shareholders" tab to cast your votes;

## ECO RECYCLING LIMITED

- iv. Now, select the Electronic Voting Sequence Number "EVSN" along with ECO RECYCLING LIMITED from the drop down menu and click on "SUBMIT";
- v. 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.
- vi. Next enter the Image Verification as displayed and Click on Login;
- vii. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used;



## ECO RECYCLING LIMITED

viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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 last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth DOB	<p>Enter the Dividend Bank Details or Date of Birth(in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>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 (v).</p>

- ix. After entering these details appropriately, click on "SUBMIT" tab;
- x. Members holding shares in physical form will then reach directly 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;
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xii. Click on the EVSN on which you choose to vote;
- xiii. 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;
- xiv. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details;
- xv. 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;
- xvi. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote;

xvii. You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page;

xviii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system;

xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile;

xx. 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](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 linked in the login 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.
- xx. 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](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com

**In case of members receiving the physical copy:**

21. Please follow all steps from sr. no. (i) to sr. no. (xxi) above to cast vote.

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.co.in](http://www.evotingindia.co.in) under help section or write an email to helpdesk.evoting@cdslindia.com

22. Mr. Pramod S. Shah, Partner of M/s. Pramod S. Shah & Associates, Practising Company Secretaries (Membership No. FCS 334), has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witness not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company;
23. The results shall be declared on or after the AGM of the Company.

**ECO RECYCLING LIMITED**

The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.ecoreco.com](http://www.ecoreco.com) and on the website of CDSL immediately after the result is declared by the Chairperson.

By order of the Board of Directors  
B. K. Soni  
Chairman & Managing Director  
DIN: 01274250

**Address:**

Flat No. 501, 5<sup>th</sup> Floor,  
Nilgiri Building, JVPD, 9<sup>th</sup> Road,  
Vileparle (W), Mumbai - 400049,  
Maharashtra, India.

13<sup>th</sup> August 2016  
Mumbai

**Registered Office:**  
205, Centre Point,  
Next to Hotel Kohinoor,  
Andheri Kurla Road,  
Andheri East,  
Mumbai – 400 059  
CIN: L74120MH1994PLC079971

**Venue of the AGM Meeting**  
**Landmark: Near to Hotel Kohinoor.**  
**ROUTE MAP TO VENUE**



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**Item No. 4:** At the Nomination and Remuneration Committee Meeting and Meeting of the Board of Directors held on August 13<sup>th</sup>, 2016, the directors of the Company approved the re-appointment of Mr. B. K. Soni as Managing Director of the Company for a period of 5 years with effect from September 1, 2015 to August 31, 2020.

Further, all such acts, deeds, matters and things executed by Mr. B. K. Soni in the capacity of Managing Director during the period starting from September 1, 2015 to August 12, 2016 needs to be ratified and all such acts deeds, matters and things executed shall be treated to be exercised in the good faith of the Company.

The remuneration proposed is in accordance with Section 196, Section 197 and Section 203 of the Companies Act, 2013 read with its relevant rules made thereunder and Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by the Members of the Nomination and Remuneration Committee and Board of Directors and subject to the approval of Shareholders of the Company

by way of the Special Resolution in the forthcoming AGM.

As per Section 197 of the Companies Act, 2013, the reappointment of Mr. B. K. Soni as the Managing Director terms as set out in the body of resolution in the Clause A to E of the resolutions in the accompanying Notice shall be paid with the approval of the shareholders in the forthcoming Annual General Meeting.

The aforesaid terms of re-appointment of Mr. B. K. Soni as Managing Director, presently requires the approval of the Shareholders pursuant to Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends the resolutions to be passed as special resolution, set out at item no. 4 of the accompanying notice. Your approval is sought for the same.

Mr. B. K. Soni is interested in the resolutions as it pertains to his re-appointment as Managing Director at item no. 4 and remuneration payable to him. None of the other Directors of the Company are in any way concerned or interested in this resolution.

This explanation together with the notice is and should be treated as abstract of the terms of re-appointment of Mr. B. K. Soni as Managing Director of the Company

and a Memorandum as to the nature of the concern or interest of the Directors in the said re-appointments, as required under Section 190 of the Companies Act, 2013. Information required on the matter pursuant to Section II, Part II of Schedule V to the Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in **Annexure II**.

By order of the Board of Directors  
B. K. Soni  
Chairman & Managing Director  
DIN: 01274250

**Address:**  
Flat No. 501, 5<sup>th</sup> Floor,  
Nilgiri Building, JVPD, 9<sup>th</sup> Road,  
Vileparle (W), Mumbai - 400049,  
Maharashtra, India.

13<sup>th</sup> August 2016  
Mumbai

**Registered Office:**  
205, Centre Point,  
Next to Hotel Kohinoor,  
Andheri Kurla Road,  
Andheri East,  
Mumbai – 400 059  
CIN: L74120MH1994PLC079971



## ANNEXURE I

### DISCLOSURES REGARDING APPOINTMENT OR REAPPOINTMENT OF DIRECTORS AS REQUIRED UNDER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Details of the Directors seeking appointment at Twenty- Second Annual General Meeting to be held on Friday, 30 <sup>th</sup> September, 2016	
<b>Name of the Director</b>	Mr. Shashank Soni
<b>Item No.</b>	2
<b>Date of Birth</b>	26/11/1990
<b>Brief Resume</b>	<p>Mr. Shashank Soni is an Executive Director of Eco-Recycling Limited. Mr. Shashank Soni is responsible for developing and rolling out a pan-India marketing and sales strategy for the company. He oversees the de-manufacturing &amp; factory operations and also looks into commercial negotiations. With rich exposure to international markets, Mr. Shashank Soni is leading Ecoreco's transformation into an integrated pan-India e-waste management company.</p> <p>Mr. Shashank Soni holds an MBA from Cardiff University, UK and holds a Bachelor of Commerce degree from Narsee Monjee Institute of Management Studies (NMIMS). Having travelled extensively, he has been part of industry events like Computex Taipei, Taiwan, RWM, Birmingham, UK and various other conferences and events across Europe and Asia.</p>
<b>Expertise in specific functional area</b>	Business Planing and Corporate Management
<b>Directorships (other than Eco Recycling Limited)</b>	<ol style="list-style-type: none"> <li>1. WEEE INDIA PRIVATE LIMITED</li> <li>2. ECO REMARKETING PRIVATE LIMITED</li> <li>3. REVERSE E-COMMERCE PRIVATE LIMITED</li> </ol>
<b>Chairman/ Member of Committees of the Board of Directors of other Companies in which he is a Director*</b>	Not Applicable
<b>Shareholding in the Company</b>	Nil

\*(only Audit Committee and Shareholders'/Investors' Grievance Committee)



## ANNEXURE II

### DISCLOSURES REGARDING APPOINTMENT OR REAPPOINTMENT OF DIRECTORS AS REQUIRED UNDER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Details of the Directors seeking appointment at Twenty- Second Annual General Meeting to be held on FRIDAY, 30 <sup>th</sup> September, 2016	
Name of the Director	Mr. B. K. Soni
Item No.	4
Date of Birth	17/03/1959
Brief Resume	<p>B. K. Soni is the Chairman and Managing Director of Eco Recycling Ltd (Ecoreco) and the chief promoter of the group. Under Mr. Soni's stewardship the company has attained a leadership position as India's foremost e-waste management company with a dominant pan-India market presence. He is responsible for the strategic growth initiatives of the company and building a professional team of leaders. After delivering market dominance in the B2B segment, Mr. Soni is driving Ecoreco's next phase of growth, building a B2C franchisee led retail model to share the benefits of alarming but unfolding opportunity of e-waste management with all the stakeholders in one or the other form.</p> <p>Recognized as a visionary and expert in e-waste management, Mr. Soni saw the opportunity of the Indian e-waste management industry way back in 2005 much ahead of other players. Since then, he has been responsible for giving direction to the Indian e-waste management industry and bringing global best practices to India. As a pioneer and thought leader in e-waste management, his formal and informal views are often sought by industry players, policy makers, regulators and government functionaries.</p> <p>Mr. Soni is a qualified Cost Accountant from the Institute of Cost Accountants of India. He has been a part of several industry associations and a member of the Expert Group on E-waste Management constituted by the Maharashtra Pollution Control Board. A person with deep intellect and impeccable integrity is very passionate to see that India emerges as the global hub for e-waste management so that neither the developed nations finds land fill cheaper alternate then processing e-waste nor the developing nations becomes dumping grounds and he is of the view that this is certainly possible because India is well placed between the two scenarios since cost of recycling is affordable in India subject to capacity utilisation.</p>

<b>Expertise in specific functional area</b>	Business Planing and Corporate Management
<b>Directorships (other than Eco Recycling Limited)</b>	<ol style="list-style-type: none"> <li>1. ECORECO PARK PRIVATE LIMITED;</li> <li>2. WEEE INDIA PRIVATE LIMITED;</li> <li>3. L M J EXPORTS PRIVATE LIMITED;</li> <li>4. REVERSE LOGISTICS &amp; WAREHOUSING PRIVATE LIMITED;</li> <li>5. ECORECO VENTURES PRIVATE LIMITED;</li> <li>6. I-LAND INFORMATICS LIMITED;</li> <li>7. ECORECO ENVIRO EDUCATION PRIVATE LIMITED.</li> </ol>
<b>Chairman/ Member of Committes of the Board of Directors of other Companies in which he is a Director*</b>	Not Applicable
Shareholding in the Company	2,139,162

\*(only Audit Committee and Shareholders'/Investors' Grievance Committee)

**INFORMATION REQUIRED ON THE MATTER PURSUANT TO SECTION II, PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013:**

Information / Disclosure Statement Information

**I. GENERAL INFORMATION:**

1. Nature of Industry: Eco Recycling Limited provides the full spectrum of activities covered under e-waste management right from collection of e-waste from the door step of the generators, transporting, sorting them into working / nonworking equipments / components, secured data destruction, dismantling of end of life equipments, size reduction, sorting in to different commodities like glass, plastic, iron / steel, aluminum, copper and other fractions, remarketing of reusable equipments, components and various recovered commodities as well as disposal of hazardous substances as per the prescribed Rules.
2. Date or expected date of commencement of commercial production: Not applicable as the Company is an existing Company.



## ECO RECYCLING LIMITED

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators – as per audited financial results for the year ended 31<sup>st</sup> March, 2016:

Sr. No	Particulars	2015-2016 (₹In Lakhs)
1	Income from operations	3671.36
2	Other income	69.08
3	Profit/(Loss) before interest, depreciation & Taxation	152.48
4	Net Profit/ (Loss) After Tax	15.99
5	Profit computed as per the Section 198 of the Companies Act, 2013	62.49

5. Foreign investments or collaborations, if any: Not applicable.

## II. INFORMATION ABOUT THE APPOINTEE:

- i. Background details: Mr. B. K. Soni is associated with the Company since 01.08.1994 and was designated as a Managing Director of the Company since 1994. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company since inception and handling corporate relationships.
- ii. Past remuneration: Mr. B. K. Soni has been appointed as Managing Director of the Company w.e.f. September 1, 2010. For the financial year ended on March 31, 2016, the Company has paid ₹2,50,000/- per month as remuneration to Mr. B. K. Soni.
- iii. Recognition or awards: Gold medal from Department of Science and Technology, FICCI and Lockheed Martin, US for "Mobile Recycling on Wheel Innovation".
- iv. Job profile and their suitability: Same as stipulated in Para II (i) above

- v. Remuneration proposed: Same as mentioned in the body of Resolution at Item No. 4.
- vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Taking into consideration the size of the Company, the profile of Mr. B. K. Soni, Managing Director and the responsibilities shouldered on him and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
- vii. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration to be paid to him, Mr. B. K. Soni is a major promoter of the Company. He is interested in the resolution as it pertains to his re-appointment and remuneration payable to him.

## III. NAMES OF COMPANIES IN WHICH THE PERSON ALSO HOLDS THE DIRECTORSHIP AND THE MEMBERSHIP OF COMMITTEES OF THE BOARD:

NAME OF THE COMPANY	DIRECTORSHIP	COMMITTEE MEMBER
ECORECO PARK PRIVATE LIMITED	DIRECTOR	NOT APPLICABLE
WEEE INDIA PRIVATE LIMITED	DIRECTOR	NOT APPLICABLE
L M J EXPORTS PRIVATE LIMITED	DIRECTOR	NOT APPLICABLE
REVERSE LOGISTICS & WAREHOUSING PRIVATE LIMITED	DIRECTOR	NOT APPLICABLE
ECORECO VENTURES PRIVATE LIMITED	DIRECTOR	NOT APPLICABLE
I-LAND INFORMATICS LIMITED	DIRECTOR	NOT APPLICABLE
ECORECO ENVIRO EDUCATION PRIVATE LIMITED	DIRECTOR	NOT APPLICABLE



## The Members of ECO RECYCLING LIMITED

The Directors are pleased to present the Twenty Second Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31<sup>st</sup> March, 2016.

### The State of the Company's Affairs

It is very pleasant to share that the Central Government has come out with the stricter E-waste Management Rules, 2016, which will be effective from 1<sup>st</sup> October, 2016 across India. As per the Rules, the producers of the respective IT & Home Appliances are responsible to collect back end of life equipment from the consumer and get them recycled by the authorized recyclers. With the implementation of the above Rules, we are confident that your company will gain immensely over a period of time. Your company is gearing up to shoulder greater responsibility and is working on larger business plans to implement to avail the growing opportunity in the e-waste recycling segment.

### 1. KEY FINANCIAL HIGHLIGHTS (₹ in Lacs)

Particulars	2015-16	2014-15
Income	3740.44	3140.63
Expenditure	3684.72	2987.00
Profit/ (Loss) before Depreciation and Tax	55.72	153.63
Depreciation	29.96	28.87
Profit /(Loss) before Tax	25.76	124.76
Deferred Tax/Current Tax	9.76	31.28
Profit/ (Loss) after Tax	16.00	93.48

## DIRECTORS' REPORT

During the year under review, the Company has reported a total income of ₹3740.44 lakhs out of which non-operating income amounts to ₹69.08 lakhs. Income from operations is ₹3671.36 lakhs which has increased by ₹575.75 lakhs i.e. by 18.60% as compared to the previous year.

### 2. DIVIDEND

Your Directors have not recommended any dividend for the financial year ended March 31, 2016.

### 3. TRANSFERS TO RESERVES

The Company has proposed to transfer Nil amount to the General Reserve out of amount available for appropriations.

### 4. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

### 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since Recycling is the core activity of your Company, Section 134(3) of the Companies Act, 2013 read with the rules made thereunder, the clause relating to Conservation of Energy and Technology absorption is not applicable to your Company and hence the information required to be disclosed in the Board's Report is not given.

### 6. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo in terms of actual outflows during the year is as follows:

(₹ in Lacs)

Particulars	2015-16	2014-15
Earnings in Foreign Currency	20.98	61.37
Expenses in Foreign Currency	1.04	1.02

### 7. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms part of this Annual Report.

### 8. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

### 9. REVISION OF FINANCIAL STATEMENT OF THE COMPANY/THE REPORT OF THE BOARD:

The Financial Statement of the Company/Board Report has not been revised during the Financial Year 2015-2016 as per Section 131 of the Companies Act, 2013.

### 10. ANNUAL RETURN

The extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 (subject to amendment and re-enactment from time to time) in the prescribed Form **MGT - 9** is hereby attached with this Report in **Annexure I** and is a part of this Report. The same is as on 31<sup>st</sup> March, 2016.

### 11. FIXED DEPOSITS

## ECO RECYCLING LIMITED

The Company has not accepted any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the Rules made thereunder.

### 12. The details in respect of adequacy of internal financial controls with reference to the financial statements

The Company has adequate internal financial controls beside timely statutory audit, limited reviews and internal audits taking place periodically.

### 13. Board Meetings

The Board of Directors (herein after called as “the Board”) met for five times during the Year under review:

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1	30.05.2015	205, Centre Point, 2nd Floor, J.B. Nagar, Andheri-Kurla Road, Andheri(E), Mumbai – 400 059  Time: 2:00 P.M.	i) B K Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B. v) 91 22 40052951/52/53	Vijay Acharaya
2	14.08.2015	205, Centre Point, 2nd Floor, J.B. Nagar, Andheri-Kurla Road, Andheri(E), Mumbai – 400 059  Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B. v) Dattatarya Devale	Vijay Acharaya
3	01.09.2015	Hilton London Gatwik Airport, South Terminal Eastway, Gatwik RH60LL, United Kingdom  Time: 2:00 P.M.	i) B K Soni ii) Vijay Acharaya	Aruna Soni Shashank Soni Srikrishna B. Dattatarya Devale
4	03.11.2015	205, Centre Point, 2nd Floor, J.B. Nagar, Andheri-Kurla Road, Andheri(E), Mumbai – 400 059  Time: 2:00 P.M.	i) B K Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B.	Vijay Acharya Dattatarya Devale
5	13.02.2016	205, Centre Point, 2nd Floor, J.B. Nagar, Andheri-Kurla Road, Andheri(E), Mumbai – 400 059  Time: 2:00 P.M.	i) B K Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B.	Vijay Acharya Dattatarya Devale

### 14. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Changes in Directors and Key Managerial Personnel are as follows:

Sr. No.	Name of the Director / KMP	DIN No. / PAN No.	Appointment / Cessation	Date of Event
1	Dattatraya Devale - Director	07186290	Appointment	16/05/2015
2	T. R. Rao - Director	00288601	Cessation	19/09/2015
3	Anita Choudhari - CFO	AQCPC2259B	Appointment	14/08/2015

The appointment of Mr. Dattatraya Devale and Mr. Vijay Acharya who were appointed as an additional director was regularized in the 21<sup>st</sup> Annual General Meeting of the Company held on September 26, 2015.

#### 15. STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013:

Pursuant to Section 149(4) of the Companies Act, 2013 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 (subject to amendment and re-enactment from time to time), the Central Government has prescribed that your Company shall have minimum two Independent Directors on its Board.

In view of the above provisions, your Company has following Independent Directors:

Sr. No.	Name of the Independent Director	Date of Appointment
1	Mr. Dattatraya Devale	16/05/2015
2	Mr. Vijay Acharya	08/01/2015
3.	Mr. Srikrishna B.	14/03/2013

All the above Independent Directors meet the criteria of 'independence' prescribed under section 149(6) and have submitted declaration to the effect that they meet with the criteria of 'independence' as required under section 149(7) of the Companies Act, 2013.

#### 16. COMMITTEES OF BOARD:

##### I. Nomination and Remuneration Committee:

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with rules, the Company has appropriate Nomination and Remuneration Committee consisting of four Directors, out of which three are Non-Executive Independent Directors. The Committee acts in accordance with the 'Terms of Reference' approved and adopted by the Board from time to time.

The Composition of the Committee is as under:

Sr. No.	Name of the Member	Designation
1	Mr. Srikrishna B.	Chairperson - Non-Executive Independent Director
2	Mrs. Aruna Soni	Member - Executive Director
3	Mr. Vijay Acharya	Member - Non-Executive Independent Director
4	Mr. Dattatraya Devale	Member - Non-Executive Independent Director

The Nomination and Remuneration Committee has formulated policy on Directors' appointment and remuneration including criteria for determining qualifications,

#### ECO RECYCLING LIMITED

positive attributes, independence of a Director and other matters provided under subsection (3) of section 178 and the policy formulated by the Committee is attached herewith in Annexure II.

##### II. Audit Committee:

The existing 'Audit Committee' of the Company consists of three Directors with Independent Directors forming a majority and the said constitution is in line with the provisions of Section 177 of the Companies Act, 2013, read with the rules. The Audit Committee acts in accordance with the 'Terms of Reference' specified by the Board in writing from time to time.

The Composition of the Committee is as under:

Sr. No.	Name of the Member	Designation
1	Mr. Srikrishna B.	Chairperson - Non-Executive Independent Director
2	Mrs. Aruna Soni	Member - Executive Director
3	Mr. Dattatraya Devale	Member - Non-Executive Independent Director

##### Terms of Reference of the Audit Committee

The functions of the Audit Committee are broadly as under:

- 1 Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2 Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- 3 Approval of payment to Statutory Auditors for any other services rendered by them;

## ECO RECYCLING LIMITED

4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this

matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Reviewing, with the management performance of statutory and internal auditors, and adequacy of internal control system;
9. Discussion with statutory auditors before the audit commences, as well as have post-audit discussion to ascertain any area of concern;
10. Reviewing the company's financial and risk management policies;
11. Overseeing vigil mechanism for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate and exceptional cases;

### III. Stakeholders Relationship Committee / Shareholders Grievance Committee:

The Committee has the mandate to review, redress shareholders' grievances and to approve all share transfers.

The composition of the Stakeholders Relationship Committee / Shareholders Grievance Committee as on March 31, 2016 is as under:-

Name of the Director	Category
Mr. Srikrishna B.	<b>Chairman</b> - Independent Non-Executive Director
Mrs. Aruna Soni	<b>Member</b> - Executive Director
Mr. Dattatraya Devale	<b>Member</b> - Independent Non-Executive Director

Ms. Anita Choudhari, Chief Financial Officer, has been designated as the Compliance Officer of the Company.

The functions of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee include the following:-

1. Transfer /Transmission of shares;
2. Issue of duplicate share certificates;
3. Review of shares dematerialized and all other related matters;
4. Monitors expeditious redressal of investors' grievances;
5. Non receipt of Annual Report and declared dividend;
6. All other matters related to shares.

### IV. The vigil mechanism:

Your Company believes in promoting a fair, transparent, ethical and professional work environment. The Board of Directors of the Company has established a Whistle Blower Policy & Vigil Mechanism in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for reporting the genuine concerns or grievances or concerns of actual or suspected, fraud or violation of the Company's code of conduct. The said Mechanism is established for directors and employees to report their concerns. The policy provides the procedure and other details required to be known for the purpose of reporting such grievances or concerns.

### 17. RISK MANAGEMENT:

The Board of Director of your Company have identified industry specific risk and other external, internal, political and technological risk which in opinion of the board are threaten to the Company and Board has taken adequate measures and actions which are required to take for diminishing the adverse effect of the risk.

### 18. QUALIFICATIONS GIVEN BY THE AUDITORS:

#### A. QUALIFICATION GIVEN BY THE STATUTORY AUDITORS

1. We draw attention to Note 33 of the Notes forming part of financial statements regarding method of accounting of miscellaneous expenditure which are in our opinion is not in accordance with the Accounting Standard 26 – Intangible Aseets aggregating to ₹14,51,548/-.
2. Company has not carried out Acturial Valuation for Gratuity and has made an adhoc provision of ₹2,00,000/-, which is not in confirmity with AS-15 "Employee Benefits" as required under the provisions of The Payment of Gratuity Act, 1972.

Explanations or Comments By The Board On Every Qualification, Reservation Or Adverse Remark Or Disclaimer Made By Auditor

1. As regards 1<sup>st</sup> qualification on Miscellaneous Expenditure it is a call taken by the Management to amortize the said Miscellaneous Expenditure.
2. The Management has taken a view of making adhoc provision of ₹200000/- based on earlier year report, the same will be regularized in FY 2016-2017.

#### B. QUALIFICATION GIVEN BY THE SECRETERIAL AUDITOR

1. As per the provision of Section 138 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint an Internal Auditor for the Financial Year 2015-16. Company has appointed Internal Auditor at the Board Meeting held on 13<sup>th</sup> February, 2016. However, the Company has not filed an e-form

MGT-14 for the said appointment of internal auditor with the Registrar of Companies.

2. As per the provision of Section 2(24) of the Companies Act, 2013 and the rules made thereunder, "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who should be appointed by the Company to perform the functions of a Company Secretary under this Act. However, the same has not been appointed by the Company.
3. As per the provision of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint an Secretarial Auditor. Company has appointed Secretarial Auditor at the Board Meeting held on 13<sup>th</sup> February, 2016. However, the Company has not filed an e-form MGT-14 for the said appointment with the Registrar of Companies.

Explanations or Comments By The Board On Every Qualification, Reservation Or Adverse Remark Or Disclaimer Made By Auditor

1. With regards to the 1<sup>st</sup> qualification, we would like to state that the company is in the process of intimating appointment of Internal Auditor to the Registrar of Companies and will file necessary e-forms as may be required under the provisions of the Companies Act, 2013 and the rules made thereunder in due course of time.
2. With regards to the 2<sup>nd</sup> qualification, we would like to state that the Company is in the process of recruiting suitable candidate for performing the functions of Company Secretary.

#### ECO RECYCLING LIMITED

3. With regards to the 3<sup>rd</sup> qualification, we would like to state that the company is in the process of intimating appointment of Secretarial Auditor to the Registrar of Companies and will file necessary e-forms as may be required under the provisions of the Companies Act, 2013 and the rules made thereunder in due course of time.

#### 19. REPORT ON PERFORMANCE OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

Name of the Company	Subsidiary / Associate
Ecoreco Enviro Education Private Limited	Subsidiary
Weeee India Private Limited	Associate

There has been no material change in the nature of the business of the subsidiary company. Pursuant to Rule 5(1) of the Companies (Accounts) Rules, 2014 the performance and financial position of the subsidiary company and associate company is included for the financial year ended March 31, 2016 as per Form AOC – 1 attached to the this report as Annexure III.

#### 20. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:

The company has entered into transactions with related parties in accordance with the provisions of the Companies Act, 2013 read with rules and the particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as Annexure – IV.

#### 21. PARTICULARS OF LOANS,



## ECO RECYCLING LIMITED

### **GUARANTEES OR INVESTMENTS:**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

### **22. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board.

The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation

methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

### **23. AUDITORS:**

M/s. GMJ & Co, Chartered Accountants (Firm Registration No. 103429W), Statutory Auditors of your Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment to hold the office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2021, subject to ratification of their appointment at every Annual General Meeting. The Auditors have given their consent in writing and have furnished a certificate to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 139(1) and that they meet with the criteria prescribed under section 141 of the Companies Act, 2013. Your Directors recommend their re-appointment in the ensuing Annual General Meeting.

### **24. SECRETARIAL AUDITOR:**

The Company has appointed M/s. Pramod S. Shah and Associates, Practicing Company Secretaries as a Secretarial Auditor of the Company, according to the provision of section 204 of the Companies, Act 2013 read with rules for conducting Secretarial Audit of Company for the financial year 2015-2016. The Report of the Secretarial Audit is annexed herewith as Annexure V.

### **25. EQUITY SHARES WITH DIFFERENTIAL RIGHTS:**

The Company has not issued any equity shares with deferential voting rights.

### **26. DISCLOSURE OF REMUNERATION PAID TO DIRECTOR, KEY MANAGERIAL PERSONNEL AND EMPLOYEES:**

- None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- Details of remuneration of each director to the median remuneration of the employees pursuant to section 197 read with rule 5 of the Companies, Act 2013 are attached to this report as Annexure II.

### **27. SEXUAL HARASSMENT:**

Your Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended March 31, 2016, no complaints have been received pertaining to sexual harassment.

### **28. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the operating Management, your Directors make the following statement and confirm that-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 29. ACKNOWLEDGEMENT:

Your Directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from all stakeholders. The Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

#### ECO RECYCLING LIMITED

For and on behalf of the Board  
B. K. Soni  
Chairman & Managing Director  
DIN: 01274250

#### Address:

Flat No. 501, 5<sup>th</sup> Floor,  
Nilgiri Building, JVPD, 9<sup>th</sup> Road,  
Vileparle (W), Mumbai - 400049,  
Maharashtra, India.

13<sup>th</sup> August 2016  
Mumbai



## MANAGEMENT DISCUSSION AND ANALYSIS

### Eco Recycling Ltd (Ecoreco)

Eco Recycling Ltd (Ecoreco) is India's first and leading professional E-waste Management Company that has set industry benchmarks time and again with its innovative & environment friendly disposal practices. As the industry pioneer and market leader, Ecoreco provides an end to end seamlessly integrated solution for e-waste management to multinational companies (MNCs), Indian multinational corporates (Indian MNCs), other corporate, retailers, bulk consumers, original equipment manufacturers (OEMs), government departments, NGOs, households, philanthropy organizations, educational institutions and all other entities willing to get their e-waste recycled in an environment friendly manner.

To meet the international standards & practices, Ecoreco preferred technologies from US, Europe & Japan to develop India-centric solutions. It is equally proud to share that, Ecoreco has developed Recycling on Wheels Facilities for E-waste, Data Destruction & Lamp Recycling. Today, Ecoreco boasts of a unique business model that has evolved to meet changing customer needs and regulatory requirements of the India's e-waste management industry.

### Present scenario

With the socio economic development, consumption of electronic equipment is increasing rapidly that generates e-waste in the same proportion. In spite of rapid growth of e-waste in India, there was no formal recycling till 2005, the birth year of Ecoreco. India generates close to 3.2 million MT of e-waste annually consisting of various metals, plastics, glass which is expected to touch 20 million MT / PA by 2020.

### Impacts of unorganized dismantling of e-waste

Thanks to almost 5 lac Kabadies of our country who so far collected and dismantled our e-waste but because of their poor understanding of the hazardous nature of e-waste they did not take care of pollutants while recovering saleable commodities and in turn spoiled air, water & soil. Unfortunately, we are forced to breathe polluted air, drink polluted water and practically all eatables have one or the other toxic element. In fact, these Kabadies spend almost 40% of their earnings on medical expenses, live shorter than 60 years, their children hardly goes for formal education and ladies are the worst sufferers.

### Regulatory frame work

To channelize movement of end of life equipment (e-waste), the Central Government has notified E-waste Management Rules, 2016, which will replace previous Rules of 2011 and the new rules will be applicable from 1st October, 2016. As per the requirements of the Rules; the producers of electrical & electronic equipment (EEE) are responsible to collect back waste electrical & electronic equipment (WEEE) from the respective generators for environment friendly recycling of end of life equipment. Your company has drawn a very large business plan to avail benefits from this unfolding opportunity.

### Steps required for formalizing environment friendly recycling

There are two ways to deal with, either we make the entire 1.3 billion public aware about the hazardous nature of end of life electrical & electronic equipment and suggest everyone to give their e-waste for environment friendly recycling or

simply enhance skill sets of the 500,000 informal sectors and integrate them with the formal reverse logistic and recycling network, so that, they can continue to earn their livelihood and provide healthier & respectable life to their family members. It is pleasant to share that a subsidiary of your company namely Ecoreco Enviro Education Pvt Ltd has been mandated by NSDC for skilling of the above informal sector

### EPR & CSR tools can play wonderful roles

Globally, there are a few countries, which has Extended Producers' Responsibility (EPR) model in place but there is no other country except India which also has Corporate Social Responsibility (CSR) as a mandatory requirement to spend 2% of profits on certain types of projects which includes waste management and skill development. We are once again, pleased to share that, Ecoreco provides Skill Development & Entrepreneurship Opportunity to the existing e-waste workers and new aspirants.

### Strength, Weakness, Opportunities & Threats

#### Strengths

- Increasing awareness amongst e-waste generators (Swachh Bharat Abhiyan is playing a great role)
- Global demand for raw materials is driving the growth of the recycling industry
- Rising commodity prices resulting in increased profitability for the recycling industry
- It is now mandatory to dispose e-waste with the registered recyclers only
- Stricter Rules & Regulation

- Extended Producers' Responsibility (EPR) is now a reality with targets to collect WEEE
- With the RoHS in place there is greater discard of e-waste for recycling
- Ecoreco has a very strong Brand Image and client base
- Ecoreco has several innovations at its credit and winners of several awards for its innovation & efforts

#### Weaknesses

- Continuity of informal sector
- Consumers prefers exchange / resale model
- Several E-waste management

companies are getting registered without basic infrastructure in place

- A lot is yet to be done for the awareness amongst individual generators
- Lack of respect for the environment & ecology
- Lack of financial support by the Government
- Lack of exemption from taxes & duties

#### Opportunities

- EPR with Targets to collect back end of life products
- Deposit Refund Scheme to promote recycling is a welcome step

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- Swachh Bharat Mission by 2nd Oct, 2019 is another major driver
- Landfill of e-waste is an unacceptable model and also significantly expensive in comparison to recycling

#### Threats

- Insufficient resources to enforce Rules and also lack of financial and legal penalties for non-compliance
- Insufficient capital investments in processing equipment and training
- Generators have too many ways to circumvent the regulation
- Fluctuating commodity prices.



## ANNEXURE TO BOARD'S REPORT

Annexure I Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended **March 31, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i)	CIN:-	L74120MH1994PLC079971
ii)	Registration Date –	01/08/1994
iii)	Name of the Company -	ECO RECYCLING LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
v)	Address of the Registered office and contact details	205, Centre Point, 2nd Floor, J.B. Nagar, Andheri-Kurla Road, Andheri (E), Mumbai-400059 Tel.: No.: +91 22 4005 2951 / 52 / 53
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400072 Tel. No.: +91 22 40430200

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Waste Collection, treatment and disposal activities	Division 38 Code 38221	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sr. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Ecoreco Enviro Education Private Limited	U80904MH2015PTC269515	Wholly owned Subsidiary	100%	2(87)
2	Reverse Logistics & Warehousing Private Limited	U51900MH1995PTC086879	Associate	-	2(6)
3	Ecoreco Park Private Limited	U37100MH2013PTC247051	Associate	-	2(6)
4	Weee India Private Limited	U37200MH2013PTC244079	Associate	50%	2(6)
5	Data De-End Private Limited	U74120MH2013PTC246523	Associate	-	2(6)
6	Eco Remarketing Private Limited	U74999MH2013PTC246347	Associate	-	2(6)
7	Ecoreco Ventures Private Limited	U70100MH1994PTC076836	Holding	-	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2,938,265	-	2,938,265	16.75	2,971,726	-	2,971,726	16.94	0.19
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9,139,250	-	9,139,250	52.10	9,139,250	-	9,139,250	52.10	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	12,077,515	-	12,077,515	68.85	12,110,976	-	12,110,976	69.04	0.19
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
a) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total share holding of Promoter (A) = (A)(1) + (A)(2)	12,077,515	-	12,077,515	68.85	12,110,976	-	12,110,976	69.04	0.19
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	800	-	800	-	800	-	800	-	
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

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g) FIIs	360,000	-	360,000	2.05	360,000	-	360,000	2.05	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-		-	-	-	-	-
<b>Sub-total (B) (1):-</b>	360,800	-	360,800	2.05	360,800	-	360,800	2.05	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	2,289,544	22,200	2,311,744	13.18	2,171,776	22,200	2,193,976	12.51	(0.67)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	633,872	286,272	920,144	5.25	668,210	283,772	951,982	5.43	0.18
ii) Individual shareholders holding nominal share capital in excess of ₹ lakh	882,863	62,500	945,363	5.39	919,049	62,500	981,549	5.60	0.21
c) Others (specify)	-	-	-	-	-	-	-	-	-
-NRI	124,841	-	124,841	0.71	132,266	-	132,266	0.75	0.04
-OCB	800,000	-	800,000	4.56	800,000	-	800,000	4.56	-
-Clearing Member	2,093	-	2,093	0.01	10,951	-	10,951	0.06	0.05
<b>Sub-total (B) (2):-</b>	4,733,213	370,972	5,104,185	29.10	4,702,252	368,472	5,070,724	28.91	(0.19)
Total Public Shareholding (B)=(B)(1)+ (B) (2)	5,094,013	370,972	5,464,985	31.15	5,063,052		5,431,524	30.96	(0.19)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	17,171,528	370,972	17,542,500	100	17,174,028	368,472	17,542,500	100	-



(ii) Shareholding of promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of company	%of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	%of Shares Pledged / encumbered to total shares	
1	Ecoreco Ventures Pvt. Ltd.	9,139,250	52.10	0	9,139,250	52.10	0	0
2	Brijkishor Soni	2,139,162	12.19	1.94	2,151,102	12.26	1.94	0.07
3	Aruna Brijkishor Soni	647,456	3.69	0	668,977	3.81	0	0.12
4	Brijkishor Soni (HUF)	151,647	0.86	0	158,247	0.90	0	0.04

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Promoter : Brijkishor Soni

Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	01/04/2015	2,139,162	12.19	2,139,162	12.19
Date wise increase / decrease in shareholding	08/01/2016	3,000	0.02	2,142,162	12.21
	15/01/2016	1,000	0.01	2,143,162	12.22
	22/01/2016	400	0.00	2,143,562	12.22
	29/01/2016	2,500	0.01	2,146,062	12.24
	05/02/2016	1,500	0.01	2,147,562	12.25
	26/02/2016	3,040	0.02	2,150,602	12.26
	11/03/2016	500	0.00	2,151,102	12.26
At the End of the year	31/03/2016	2,151,102	12.26	2,151,102	12.26

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Name of the Promoter: Aruna Soni

Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	01/04/2015	647,456	3.69	647,456	3.69
Date wise increase / decrease in shareholding	28/08/2015	5,200	0.03	652,656	3.72
	02/10/2015	11,101	0.06	663,757	3.78
	06/11/2015	3,550	0.02	667,307	3.80
	11/12/2015	1,000	0.01	668,307	3.81
	18/12/2015	670	0.00	668,977	3.81
At the End of the year	31/03/2016	668,977	3.81	668,977	3.81

## (iv) Shareholding pattern of top ten Shareholders' (other than Directors', Promoters and holders' of GDRs and ADRs)

Sr. No.	Name	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
			Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Bennet, Coleman & Company Limited	At the beginning of the year	01/04/2015	1,400,000	7.98	1,400,000	7.98
		Date wise increase / decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2016	1,400,000	7.98	1,400,000	7.98
2	Nippon Magnetic Dressing Company Limited	At the beginning of the year	01/04/2015	800,000	4.56	800,000	4.56
		Date wise increase/ decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2016	800,000	4.56	800,000	4.56

3	Lotus Global Investments Ltd	At the beginning of the year	01/04/2015	360,000	2.05	360,000	2.05
		Date wise increase/ decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2016	360,000	2.05	360,000	2.05
4	Jayati Finance And Investments Pvt Ltd	At the beginning of the year	01/04/2015	323,885	1.85	323,885	1.85
		Date wise increase/ decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2016	323,885	1.85	323,885	1.85
5	Shailesh Parikh	At the beginning of the year	01/04/2015	425,410	2.43	425,410	2.43
		Date wise increase/ decrease in shareholding	01/05/2015	22,800	0.13	448,210	2.56
			08/05/2015	(2,000)	(0.01)	446,210	2.55
			15/05/2015	(1,000)	(0.01)	445,210	2.54
			22/05/2015	(500)	(0.00)	444,710	2.54
			29/05/2015	(250)	(0.00)	444,460	2.54
			31/07/2015	(7,000)	(0.04)	437,460	2.50
			14/08/2015	(1,200)	(0.01)	436,260	2.49
			15/01/2016	(4,000)	(0.02)	432,260	2.47
			22/01/2016	(1,500)	(0.01)	430,760	2.46
			12/02/2016	(540)	(0.00)	430,220	2.46
		At the end of the year	31/03/2016	430,220	2.46	430,220	2.46
6	Bunkim Finance And Investments Pvt Ltd	At the beginning of the year	01/04/2015	292,700	1.67	292,700	1.67
		Date wise increase/ decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2016	292,700	1.67	292,700	1.67

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7	Shweta Parikh	At the beginning of the year	01/04/2015	210,752	1.20	210,752	1.20
		Date wise increase/decrease in shareholding	08/01/2016	(500)	(0.00)	210,252	1.20
			15/01/2016	(5,646)	(0.03)	204,606	1.17
			22/01/2016	(1,000)	(0.01)	203,606	1.16
			12/02/2016	(25)	(0.00)	203,581	1.16
			19/02/2016	(25)	(0.00)	203,556	1.16
			04/03/2016	(80)	(0.00)	203,476	1.16
		At the end of the year	31/03/2016	203,476	1.16	203,476	1.16
8	Upsurge Investment & Finance Ltd	At the beginning of the year	01/04/2015	166,146	0.95	166,146	0.95
		Date wise increase/decrease in shareholding	10/05/2015	250	0.00	166,396	0.95
			05/06/2015	1,589	0.01	167,985	0.96
			19/06/2015	4,000	0.02	171,985	0.98
			28/08/2015	(81,260)	(0.46)	90,725	0.52
		At the end of the year	31/03/2016	90,725	0.52	90,725	0.52
9	Vijay Acharya	At the beginning of the year	01/04/2015	89,100	0.51	89,100	0.51
		Date wise increase/decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2016	89,100	0.51	89,100	0.51
10	Anurag Gupta	At the beginning of the year	01/04/2016	32,015	0.18	32,015	0.18
		Date wise increase/decrease in shareholding	28/08/2016	27,000	0.15	59,015	0.34
		At the end of the year	31/03/2016	59,015	0.34	59,015	0.34

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
			Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Brijkishor Soni	At the beginning of the year	01/04/2015	2,139,162	12.19	2,139,162	12.19
		Increase/ Decrease in shareholding		11,940	0.07	2,151,102	12.49
		At the end of the year	31/03/2016	2,151,102	12.49	2,151,102	12.49
2	Aruna Soni	At the beginning of the year	01/04/2015	647,456	3.69	647,456	3.69
		Increase/ Decrease in shareholding		21,521	0.12	668,977	3.81
		At the end of the year	31/03/2016	668,977	3.81	668,977	3.81
3	Vijay Acharya	At the beginning of the year	01/04/2015	89,100	0.51	89,100	0.51
		Date wise increase/ decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2016	89,100	0.51	89,100	0.51

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19,089,312	90,000,000		109,089,312
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>19,089,312</b>	<b>90,000,000</b>	<b>-</b>	<b>109,089,312</b>

Change in Indebtedness during the financial year				
Addition	3,418,764	-	-	3,418,764
Reduction	(4,958,459)	-	-	(4,958,459)
<b>Net Change</b>	<b>(1,539,695)</b>	<b>-</b>	<b>-</b>	<b>(1,539,695)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	17,549,617	90,000,000	-	107,549,617
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>17,549,617</b>	<b>90,000,000</b>		<b>107,549,617</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Managing Director Mr. B. K. Soni	Executive Director Mr. Shashank Soni	Executive Director Mrs. Aruna Soni	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,000,000	1,200,000	450,000	4,650,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>3,000,000</b>	<b>1,200,000</b>	<b>450,000</b>	<b>4,650,000</b>
	Ceiling as per the Act	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	-



**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Srikrishna B.	Mr. Vijay Acharya	Mr. Dattatraya Devale	
1.	Gross salary	-	-	-	-
	i. Independent Directors <ul style="list-style-type: none"> <li>• Fee for attending Board/ Committee Meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	40,000	-	20,000	60,000
	Total (i)	40,000	-	20,000	60,000
	ii. Other Non-Executive Directors <ul style="list-style-type: none"> <li>• Fee for attending Board / Committee Meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>				
	Total (ii)	-	-	-	-
	<b>Total =(i+ ii)</b>	40,000	-	20,000	60,000
	Total Managerial Remuneration Overall	40,000	-	20,000	60,000
	Ceiling as per the Act per Board Meeting	100,000	100,000	100,000	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	864,383	864,383
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission <ul style="list-style-type: none"> <li>- as % of profit</li> <li>- others, specify...</li> </ul>	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	864,383	864,383

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable**

## ANNEXURE 2

### Nomination and Remuneration Policy

The Board of Directors of Eco Recycling Limited ("the Company") constituted Remuneration Committee in the year 2007, which was renamed as Nomination and Remuneration Committee in the year 2014 pursuant to section 178 of Companies Act, 2013 consisting of four (4) Directors of which majority are Non-Executive Independent Directors.

#### 1. Purpose of the Policy:

The Nomination and Remuneration Committee ("Committee") of the Company and this Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other rules / regulations as may be applicable to the Company.

The Policy is framed with the objective(s):

- 1.1 To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the working potential of all the Directors and Key managerial Personnel (KMP) of the Company;
- 1.2 To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 1.3 To ensure that the remuneration to Directors and Key Managerial Personnel (KMP) of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- 1.4 To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration;
- 1.5 To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- 1.6 To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and

- 1.7 To lay down criteria for appointment, removal of directors and Key Managerial Personnel and evaluation of their performance.

#### 2. Definitions:

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company
- 2.4 **Policy or this Policy** means, "Nomination and Remuneration Policy."
- 2.5 **Key Managerial Personnel means**
  - 2.5.1. Chief Executive Officer or the Managing Director or the Manager;
  - 2.5.2. Whole-time director;
  - 2.5.3. Chief Financial Officer;
  - 2.5.4. Company Secretary; and
  - 2.5.5. Such other officer as may be prescribed.

#### 3. ROLE OF COMMITTEE

- 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.

##### The Committee shall:

- 3.1.1 Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down.
- 3.1.2 Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance.
- 3.1.3 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.4 Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees.
- 3.1.5 To consider and determine the Remuneration Policy, based on the performance and also

bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate.

- 3.1.6 Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

### 3.2. Policy for appointment and removal of Director and Key Managerial Personnel (KMP)

#### 3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### 3.2.2. Criteria for Remuneration to Directors, Key Managerial Personnel and Senior Management:

- (a) **Performance:** The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive

### ECO RECYCLING LIMITED

and beneficial in generating commercial for the Company.

- (b) **Responsibilities and Accountability:** The roles and responsibilities towards the organisation and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration.
- (c) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- (d) **Flexibility:** The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation.
- (e) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

#### 3.2.3. Remuneration to Directors and Key Managerial Personnel:

The Committee shall ensure that the Remuneration payable to Directors and Key Managerial Personnel shall be paid after complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Companies Act, 2013.

#### 3.2.4. Term / Tenure

##### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### b) Independent Director:

-An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

-No Independent Director shall hold office

for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

#### 3.2.5. Evaluation

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

#### 3.2.6. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### 3.2.7. Retirement

The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 3.3 Policy relating to the Remuneration for the Whole-time and Director.

#### 3.3.1. General

- a) The remuneration / compensation / commission etc. to the Whole-time Director, and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.

- b) In determining the remuneration of Whole-time Director and Key Managerial Personnel the Committee should consider among others:

- Conducting benchmarking with companies of similar type on the remuneration package;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Clear linkage of remuneration and appropriate performance benchmarking; and
- Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the Company and its goals.

- c) Increments including bonuses, incentive and other rewards to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Central Government, wherever required.

#### 3.3.2. Remuneration to Non- Executive / Independent Director

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed ₹10,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### 4. Membership

- 4.1 Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.
- 4.2 The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the

- Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- 4.3 Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
- 4.4 The Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.
- 5. Frequency of the meetings**
- The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities.
- 6. Committee Members' Interests**
- 6.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 6.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- 7. Minutes of Committee Meetings:**
- Proceedings of all the meetings are recorded and signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting are tabled at the Meeting of the Board and entered in the Minutes binder.

## **ANNEXURE - III**

### **Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### **Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

#### **Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakh)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the subsidiary	Ecoreco Enviro Education Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	85.00
5	Reserves & surplus	(37.85)
6	Total assets	357.01
7	Total Liabilities	357.01
8	Investments	Nil
9	Turnover	8.50
10	Profit before taxation	(37.85)
11	Provision for taxation	Nil
12	Profit after taxation	(37.85)
13	Proposed Dividend	Nil
14	% of shareholding	100

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures  
 (₹ In Lakh)

<b>Name of associates/Joint Ventures</b>	WEEE India Private Limited
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	5000
Amount of Investment in Associates/Joint Venture	50000
Extend of Holding%	50%
3. Description of how there is significant influence	Pursuant to Shareholding
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
6. Profit/Loss for the year	
i. Considered in Consolidation	Nil
ii. Not Considered in Consolidation	Not Applicable

\*Note: WEEE India Pvt. Ltd. is yet to commence operations.

## ANNEXURE - IV

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of material contracts or arrangement or transactions not at arm's length basis: NOT APPLICABLE
2. Details of material contracts or arrangements or transactions at arm's length basis: NIL





## **SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,  
The Members,  
Eco Recycling Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Eco Recycling Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the

Regulations and Bye-laws framed thereunder;

- (iv) E-waste (Management and Handling) Rules, 2011;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:-

1. As per the provision of Section 138 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint an Internal Auditor for the Financial Year 2015-16. Company has appointed Internal Auditor at the Board Meeting held on 13<sup>th</sup> February, 2016. However, the Company has not filed an e-form MGT-14 for the said appointment of internal auditor with the Registrar of Companies and the management has informed us that they are under the process of filing the said e-form MGT-14 and will make condonation application, if required.
2. As per the provision of Section 2(24)

of the Companies Act, 2013 and the rules made thereunder, "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who should be appointed by the Company to perform the functions of a Company Secretary under this Act. However, the same has not been appointed by the Company.

3. As per the provision of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company was required to appoint a Secretarial Auditor. Company has appointed Secretarial Auditor at the Board Meeting. Held on 13<sup>th</sup> February, 2016. However, the Company has not filed an e-form MGT-14 for the said appointment with the Registrar of Companies and the management has informed us that they are under the process of filing the said e-form MGT-14 and will make condonation application, if required.
4. As per Section 168 of the Companies Act, 2013, Company has filed the Resignation of Mr. T. R. Rao (Director) under Form DIR - 12 with the Ministry of Corporate Affairs within the stipulated time period. Inadvertently the same has not been informed to the Stock Exchange. The necessary intimation will be sent in due course of time.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board

of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meetings were carried out unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor, Internal Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure II.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. (As mentioned above and listed in Annexure II)

**We further report that** during the audit period there were no specific events/actions having a major bearing on the Company's affairs.

Place: Mumbai  
Date: August 13, 2016

Pramod Shah-Partner  
(Practising Company Secretaries)  
Pramod S. Shah & Associates  
FCS No.: 334  
C.P No.: 3804

### Annexure I

To,  
The Members,  
Eco Recycling Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure

that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: August 13, 2016

Pramod Shah-Partner  
(Practising Company Secretaries)  
Pramod S. Shah & Associates  
FCS No.: 334  
C.P No.: 3804

### Annexure II

- |   |  |
|---|--|
| 1. Employees' Provident Fund Act, 1952 and Rules                          | 8. Employees' Provident Fund and Misc Provisions Act, 1952 |
| 2. Professional Tax Act, 1975 and Rules                                   | 9. Equal Remuneration Act, 1976                            |
| 3. Payment of Gratuity Act, 1972  | 10. Minimum Wages Act, 1948                                |
| 4. Apprentices Act, 1961  | 11. Payment of Bonus Act, 1965                             |
| 5. Contract Labour (R&A) Act, 1970  | 12. Shop and Establishment Act, 1948                       |
| 6. Employment Exchanges (Compulsory Notification of vacancies ) Act, 1959 | 13. Income Tax Act, 1961                                   |
| 7. Employees State Insurance Act, 1948                                    | 14. Finance Act, 1994                                      |

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-16

A report for the financial year ended March 31, 2016 on the compliance by the Company with the Corporate Governance requirements under the Security and Exchange Board of India (Listing obligations & Disclosure Requirements) Regulation, 2015 (hereinafter referred to as 'Listing Regulations') is furnished below.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is "the application of best management practices, compliance of law in letter and spirit and adherence to ethical standard for effective management and distribution of wealth and discharge of social responsibility." The heart of Corporate Governance is transparency, disclosure, accountability and integrity. Corporate Governance structure specifies the distribution of rights and responsibilities among different participants in the Company such as Board, Management, Shareholders and other Stakeholders and spells out the rules and procedure for corporate decision-making. By doing this, it provides structure through which the Company's objective are set along with the means of attaining these objectives as well as for monitoring performance.

The Corporate Governance philosophy of M/s. Eco Recycling Limited is based on the following principles:

1. Management must have the executive freedom to drive the enterprise forward without undue restraints and Management is the trustee of the shareholders capital and not the owner. This freedom of management should be exercised within a framework of effective accountability.

2. Provide an enabling environment to harmonise the goals of maximizing stakeholder value and maintaining a customer-centric focus.
3. Have a simple and transparent corporate structure driven solely by business needs.
4. Communicate externally, in a truthful manner, about how the Company is running internally.
5. Make clear distinction between personal conveniences and corporate resources.
6. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
7. Satisfy the spirit of the law and not just the letter of the law.
8. Our philosophy on Corporate Governance is thus concerned with the ethics, values and morals of Eco Recycling Limited and its Directors, who are expected to act in the best

interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

### 2. BOARD OF DIRECTORS:

The Board of Directors and its Committees play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its Members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth.

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Director on the Board of the Company.

#### a. Composition of the Board of Directors

The name and category of Director on the Board, the number of Directorship held by them in other Company and numbers of the Committees in which they are the Member are given herein below:

Sr. No.	Name of Directors	Category of the Director	No. of Directorships in each Companies		No. of Membership/Chairmanship of other Board Committees	
			Public#	Private	Member	Chairman
1.	Mr. B. K. Soni	Chairperson & Managing Director	1	6	-	-
2.	Mrs. Aruna Soni	Executive Director	-	5	-	-
3.	Mr. Srikrishna B.	Independent Non-Executive Director	1	1	-	-
4.	Mr. Shashank Soni	Executive Director	-	3	-	-
5.	Mr. Vijay Acharya	Independent Non-Executive Director	1	1	-	-
6.	Mr. Dattatraya Devale	Independent Non-Executive Director	-	-	-	-

The above composition is consistent with the relevant provisions of the Companies Act, 2013 and as per Regulation 17(1) of Listing Regulations.

## ECO RECYCLING LIMITED

### b. Attendance at Board Meeting and Annual General Meeting :-

During the Financial Year 2015-16, 5 Meeting of Board of Directors were held. The dates of Board meeting are as under:

May 30, 2015; August 14<sup>th</sup>, 2015; September 01<sup>st</sup>, 2015; November 03<sup>rd</sup>, 2015 and February 13, 2016.

The Annual General Meeting of the Company for the financial year 2014-2015 was held on September 26, 2015.

Name of the Director	Attendance at the Board Meetings held on					Attendance at the Annual General Meeting held on September 26, 2015
	30 <sup>th</sup> May, 2015	14 <sup>th</sup> Aug, 2015	01 <sup>st</sup> Sep, 2015	03 <sup>rd</sup> Nov, 2015	13 <sup>th</sup> Feb, 2016	
Mr. B. K. Soni	Present	Present	Present	Present	Present	Present
Mrs. Aruna Soni	Present	Present	Absent	Present	Present	Present
Mr. Srikrishna B.	Present	Present	Absent	Present	Present	Present
Mr. Shashank Soni	Present	Present	Absent	Present	Present	Present
Mr. Vijay Acharya	Absent	Absent	Present	Absent	Absent	Absent
Mr. Dattatraya Devale	Present	Present	Absent	Absent	Absent	Absent

### c. Changes in Board of Directors:

Mr. T. R. Rao, Independent Director, stepped down as a Director of the Company with effect from September 19, 2015, in view of his other professional commitments. The Company places on record its appreciation and gratitude for the invaluable contribution made by Mr. T. R. Rao during his tenure of the Board of Directors.

Mr. Dattatraya T. Devale, Independent Director, has been appointed as a Director of the Company with effect from May 16, 2015. The Company is glad to welcome Mr. Devale on board to join the team and help propel the organization to the next level of growth.

### d. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting:

Mr. Shashank Soni is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Relationship between the Directors inter-se:

### e. Mr. B. K. Soni, the Chairperson and Managing Director of the Company, is husband of Mrs. Aruna Soni, Executive Director of the Company and father of Mr. Shashank Soni, Executive Director of the Company.

None of the Directors other than the above mentioned Directors are related to each other.

### f. Familiarisation programmes imparted to Independent Directors:

Non-Executive Director/Independent Director play a key role in the Decision making process of the Board and in shaping various strategic initiatives of the Company. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making.

At the time of appointing a Director, a formal letter of appointment is given to Director and the details pertaining to his/her roles, responsibilities, functions and the Board's expectation are explained to him/her in the Meeting.

In furtherance to the above, the Company holds a meeting every year as a part of Familiarization Programme of the Company.

- Core area under Familiarization Programme:
- Nature of the Industry in which the Company operates;
- Business model of the Company;
- Risk and Challenges for the Company;
- Changes in Business Environment;
- Strategic discussion and future outlook.

### g. Meeting of Independent Directors:

The Company's Independent Directors met during the year under review without the presence of Executive Director or members of Management. At this meeting the Independent Directors reviewed the following:

- Performance of Chairman;

- Performance of Non- Independent Director;
- Performance of Board as a whole and Committees.

**h. Board's Functioning & Procedures:**

The Board has complete access to any information within the Company. At Meetings of the Board, it welcomes the presence of Senior Management who can provide additional insights into the items being discussed.

The items placed at the Meeting of the Board include the following:-

- i. Unaudited Quarterly/Half Yearly financial results and Audited Annual Accounts of the Company, results and capital employed for consideration and approval;
- ii. Minutes of Meetings of Audit Committee, Stakeholders Relationship Committee / Shareholders Grievance Committee and Nomination and Remuneration Committee;
- iii. Abstracts of circular resolutions passed;
- iv. General notices of interest;
- v. Sale and/or purchase of investments, fixed assets;
- vi. Review compliance of all laws applicable to the Company including the requirements of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and steps taken by the Company to rectify instances of non-compliances, if any;
- vii. Related party transactions;

- viii. Reviewing the Company's Financial and Risk Management policies;
- ix. Reviewing the business plan and strategy of the Company;
- x. Annual operating plans and budgets and any updates;
- xi. The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial officer and Company Secretary;
- xii. Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans and financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions. The Minutes of the Meetings of the Board and committees thereof are circulated and thereafter tabled for discussion at the subsequent Board Meeting.

**3. STATUTORY COMMITTEES OF THE BOARD:**

The Company has developed all the necessary Committees of the Board namely:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;

**ECO RECYCLING LIMITED**

- c. Stakeholders Relationship Committee / Shareholders Grievances Committee.

The constitution, terms of reference and the functioning of the above mentioned Committees of the Board is explained herein.

The Board reviews the functioning of these committees from time to time. The Chairman of these Committees conducts the Meetings and also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors and are tabled at the respective Board / Committee Meetings.

**I. AUDIT COMMITTEE:**

Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors. The primary objective of the Audit Committee is to provide effective supervision of the Management's Financial Reporting process with a view to ensure accurate, timely and proper disclosures.

**i. Composition of the Audit Committee:-**

The Composition of Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulation.

The Company has Re-constituted the Audit Committee due to resignation of Mr. T. R. Rao from the Board of the Company.



## ECO RECYCLING LIMITED

The composition of the Audit Committee as at March 31, 2016 and dates and details of the Members participation at the Meetings of the Committee are as under:

Sr. No.	Name of the Director	Category	Attendance at the Audit Committee Meetings held on			
			30.05.2015	14.08.2015	03.11.2015	13.02.2016
1.	Mr. Srikrishna B.	<b>Chairman</b> - Non-Executive Independent Director	Present	Present	Present	Present
2.	Mrs. Aruna Soni	<b>Member</b> - Executive Director	Present	Present	Present	Present
3.	Mr. Dattatraya Devale	<b>Member</b> -Independent Non-Executive Director	Present	Present	Absent	Absent

All the Members on the Audit Committee possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal control.

As prescribed under the Act, the Chairman of the Committee who is an Independent Director was present at the Annual General Meeting of the Company.

### ii. Terms of Reference of the Audit Committee are as follows

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement forming part of the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report;

5. Reviewing, with the Management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk Management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of

internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
  - a. Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - b. The vigil mechanism under sub-section (9) of Section 177 of Companies Act, 2013, shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;

## ECO RECYCLING LIMITED

21. The Audit Committee shall have powers, which should include the following:
  - a. To investigate any activity within its terms of reference;
  - b. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of Companies Act, 2013, or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
  - c. To seek information from any employee;
  - d. To obtain outside legal or other professional advice;
  - e. To secure attendance of outsiders with relevant expertise, if it considers necessary;
22. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company;
23. All Related Party Transactions shall require prior approval of the Audit Committee.  
Approval or any subsequent modification of transactions of the company with related parties;



24. When money is raised through an issue (public issues, rights issues, preferential issues etc.), the company shall disclose the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc.), on a quarterly basis as a part of their quarterly declaration of financial results to the Audit Committee.

Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and place it before the audit committee. Such disclosure shall be made only till such time that the full money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company. Furthermore, where the company has appointed a monitoring agency to monitor the utilization of proceeds of a public or rights issue, it shall place before the Audit Committee the monitoring report of such agency, upon receipt, without any delay. The audit committee shall make appropriate recommendations to the Board to take up steps in this matter.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial results, detailed presentations are made. The Agenda and the relevant notes are sent

in advance separately to each Member to enable the Committee to take informed decisions.

The Minutes of the Meetings of the Committee are circulated through email to all the Members and confirmed at the subsequent Meeting.

## II. NOMINATION AND REMUNERATION COMMITTEE:

The purpose of the Committee shall be to discharge the Board's responsibilities relating to formulation of compensation plans and policies of the Company's Executive Directors.

### i. Composition of the Nomination and Remuneration Committee:-

The Composition of Nomination and Remuneration Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation.

The Company has Re-constituted the Nomination and Remuneration Committee due to resignation of Mr. T. R. Rao from the Board of the Company.

The composition of the Nomination and Remuneration Committee as at March 31, 2016 and dates and details of the Members participation at the Meetings of the Committee are as under:

Sr. No.	Name of the Director	Category	Attendance at the Nomination and Remuneration Committee Meeting held on	
			16.05.2015	14.08.2015
1.	Mr. Srikrishna B.	<b>Chairman</b> - Non-Executive Independent Director	Present	Present
2.	Mrs. Aruna Soni	<b>Member</b> - Executive Director	Present	Present
3.	Mr. Dattatraya Devale	<b>Member</b> - Independent Non-Executive Director	-	Present
4.	Mr. Vijay Acharya	<b>Member</b> - Independent Non-Executive Director	Absent	Absent

### ii. Terms of Reference of the Nomination and Remuneration Committee are as follows:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- To identify persons who are qualified to become directors and who may be appointed in Senior Management and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

3. To determine such policy, taking into account all factors which it deems necessary. The objective of such policy shall be to ensure that members of the Executive Management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
4. To review the ongoing appropriateness and relevance of the remuneration policy;
5. To approve the design of any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
6. To decide on all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior executives and the performance targets to be used;
7. To consider and make recommendations in respect of any other terms of the service contracts of the executives and any proposed changes to these

contracts, and to review the company's standard form contract for executive directors from time to time;

8. To consider any other matters relating to the remuneration of or terms of employment applicable to the remuneration of the Directors, Key Managerial Personnel and other employees.

### III. Criteria's for the Performance Evaluation of the Independent Directors:

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairperson of the Company has been carried by your company.

For the purpose of carrying out performance evaluation exercise, three types of evaluation forms were devised in which the evaluating director has allotted to the individual director, the Board as a whole, its Committees and the Chairperson appropriate rating on the scale of five (as per the Performance Evaluation Policy).

Such evaluation exercise has been carried out:

- (i) of Independent Directors by the Board;

### ECO RECYCLING LIMITED

- (ii) of Non-Independent Directors by all the Independent Directors in separate Meeting held for the purpose;
- (iii) of the Board as a whole and its Committees by all the Independent Directors in separate Meeting held for the purpose;
- (iv) of the Chairperson of your Company by the Independent Directors in separate Meeting after taking into account the views of the Executive/ Non-Executive Directors;
- (v) of the Board by itself.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

The Independent Directors of the Company are evaluated by the Non-Executive Directors and the other Directors of the Board. The criteria's for the evaluation of the Independent Directors are:

- a. Prior preparation and detailed study of the matters to be discussed at the Meetings of Board and members;
- b. Participation in deliberations and bringing relevant experience to the board table at its various Meetings;

- c. Devotion of sufficient time and attention to his responsibilities;
- d. Awareness of company's code of conduct or ethics policy and its compliance in true spirit;
- e. Proper assistance is provided by them in protecting the legitimate interest of the Company, Shareholder and Employees.
- f. Contribution made by them in important decisions making, in planning the strategies formulated by the management for progress of the Company and promoting the objects of the Company for the benefit of the Company's stakeholders.
- g. Assistance provided by them to the Board of Directors in implementing the best corporate governance practices.
- h. Abidance with the fiduciary duties and the accompanying liabilities that had come by reason of their appointment.
- i. Attendance and/or assistance provided in organizing special events on behalf of the Board.
- j. Specific contributions made during the year under review and if such contributions have made a positive effect on the governance of the Company.

iv. Nomination and Remuneration Policy:

In terms of Section 178 of the Companies Act, 2013 and as per Listing Regulation, the policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The policy act as guidelines for determining, inter-alia, qualification, positive attribute and Independence of Director, matters relating to remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE / SHAREHOLDERS GRIEVANCE COMMITTEE:**

The Committee has the mandate to review, redress shareholders' grievances and to approve all share transfers.

a. Size and Composition:-

The Company constituted Shareholders Grievance Committee, which was renamed as Stakeholder's Relationship Committee in the year 2014 to specifically look into the redressal of the shareholder's grievances, share transfers and other investor related matters.

The Company has Re-constituted the Stakeholder Relationship Committee due to resignation of Mr. T. R. Rao from the Board of the Company.

The composition of the Stakeholders Relationship Committee / Shareholders Grievance Committee as on March 31, 2016 is as under:-

Name of the Director	Category
Mr. Srikrishna B.	<b>Chairman</b> - Independent Non-Executive Director
Mrs. Aruna Soni	<b>Member</b> - Executive Director
Mr. Dattatraya Devale	<b>Member</b> - Independent Non-Executive Director

Ms. Anita Choudhari, Chief Financial Officer, has been designated as the Compliance Officer of the Company.

b. Meeting of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee Meetings:-

During the Financial Year 2015-2016, 1 Meetings of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee was held on 14.08.2015.

c. The functions of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee includes the following:-

1. Transfer /Transmission of shares;
2. Issue of duplicate share certificates;
3. Review of shares dematerialized and all other related matters;

4. Monitors expeditious redressal of investors' grievances;

5. Non receipt of Annual Report and declared dividend,;

6. All other matters related to shares.

d. Investor Grievance Redressal:

Number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of complaint	No. of complaints
Non Receipt of Annual Report	-
Non Receipt of Dividend Warrant	-
Non Receipt of Shares lodged for Transfer/Exchange	-
Non Receipt of Certificates	-
Others (Duplicate/ Transmission/Procedure etc.)	-
<b>Total</b>	-

All valid share transfers received during the accounting year ended March 31, 2016 have been acted upon. There were no share transfers pending as on March 31, 2016, for more than 30 days.

The Stakeholder's Relationship Committee / Shareholders' Grievance Committee Meetings attends the matters related to Share Transfers, Transmission and redressal of Shareholder's Complaints.

#### 4. REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY:

At present, Non-executive and Independent Directors are not paid any remuneration except sitting fees for attending Board Meetings / Audit Committee Meetings / Nomination and Remuneration Committee Meetings. No Sitting fees are paid for the Stakeholders Relationship Committee / Shareholders' Grievance Committee Meetings.

Details of remuneration paid to Directors during the financial year ended March 31, 2016 are as under:

Name of the Director	Salary	Contribution to P.F. Gratuity and Superannuation Fund	Perquisites	Performance Pay	Sitting fees	Total
Mr. B. K. Soni	3,000,000	-	-	-	-	3,000,000
Mrs. Aruna Soni	450,000	-	-	-	30,000	480,000
Mr. Srikrishna B.	-	-	-	-	40,000	40,000
Mr. Shashank Soni	12,00,000	-	-	-	40,000	1,240,000
Mr. Vijay Acharya	-	-	-	-	-	-
Mr. Dattatraya Devale	-	-	-	-	20,000	20,000

#### 5. GENERAL BODY MEETING:

a. The particulars of the last three Annual General Meetings are as under:

Financial Year	Day and Date of the Annual General Meeting	Venue of the Annual General Meeting	Time of the Annual General Meeting	Details of Special Resolution Passed
2012-2013	Monday, September 30, 2013	All India Plastic Manufacturer Association, Street No.1, MIDC, Andheri (East), Mumbai - 400 059	10:00 A.M.	1. Appointment and payment of remuneration to Mr. Shashank Soni, Director of the Company; 2. Payment of Remuneration to Mr. B. K. Soni, Managing Director of the Company.
2013-2014	Tuesday, September 30, 2014	All India Plastic Manufacturer Association, Street No.1, MIDC, Andheri (East), Mumbai - 400 059	10:00 A.M.	No Special Resolution
2014-2015	Saturday, September 26, 2015	Eco House, Bhoidapada, Near Range office, Next to Top Class Enclave, Sativali, Vasai (East), District- Thane - 401 208	11:00 A.M.	No Special Resolution

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- b. Extra ordinary General Meeting:  
No Extra ordinary General Meeting of the members was held during the year under review.
- c. Details of the Special Resolution passed through Postal Ballot:  
During the year under review, no resolution has been passed through the exercise of postal ballot.

### 6. DISCLOSURE:

- There are no materially significant related party transactions of the Company which have potential conduct with the interests of the Company at large.
- The Company has complied with the requirements of the Bombay Stock Exchange (BSE), the Securities and Exchange Board of India (SEBI) and Statutory Authorities on all matters related to Capital Markets and no penalties/ structures were imposed on the Company during the last three years.
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior.

### 7. COMPLIANCE WITH MANDATORY/ NON- MANDATORY REQUIREMENTS:

- The Company has complied with all the applicable mandatory requirements of the Listing Regulations;
- Though, the Company does not comply with some of the non-mandatory requirements on date, the Company is committed towards complying with as a whole and will take suitable measures as and when possible.

### 8. MEANS OF COMMUNICATION:

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issue raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person in person at the Annual General Meeting.

Some of the modes of communication are mentioned below:

- The quarterly, half yearly and annual results are communicated to all the members of the Company by publishing the same in English and Marathi National dailies. The Financial Statements are also displayed on the website of the Company [www.ecoreco.com](http://www.ecoreco.com);
- The Management Discussion and Reports forms part of Annual Report;
- SEBI Complaints Redress System (SCORES): SCORES is a system implemented by SEBI which enables investor to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralised web based complaints redressal system. The Salient features of this system are centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other Complaints;
- The Company informs the Stock Exchange all price sensitive matters or such other matters which are material and of relevance to the shareholders.

### 9. GENERAL SHAREHOLDERS INFORMATION:

- I. Details of the Annual General Meeting for the financial year 2015-2016:  
Date: September 30, 2016  
Day: Friday  
Time: 11:00 A.M.  
Venue: 205, Centre Point, 2nd Floor, J.B. Nagar Andheri-Kurla Road, Andheri (E) Mumbai - 400059  
The Company shall also provide facility of e-Voting and ballot voting for the ensuing Annual General Meeting of the Company.
- II. Financial Year 2016- 2017:  
Calendar of event for the financial year 2016-17 are as follows:

Name of the Quarter/ Half year	Due date for the compliance
Quarter ending June 30, 2016	On or before 14 <sup>th</sup> August, 2016
Quarter/Half year ending September 30, 2016	On or before 14 <sup>th</sup> November, 2016
Quarter ending December 31, 2016	On or before 14 <sup>th</sup> February, 2017
Quarter/Year ending March 31, 2017	On or before 30 <sup>th</sup> May, 2017

**III. Dividend:**

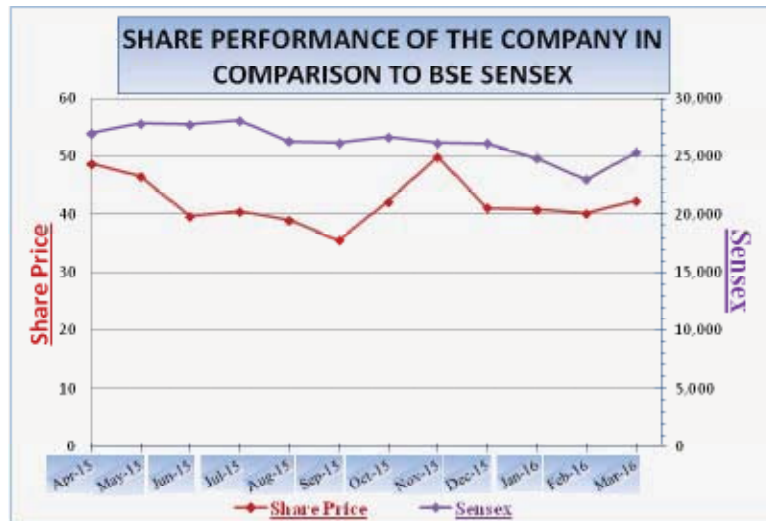
During the year, Company has not declared any dividend.

Date of Book Closure: September 23, 2016 to September 29, 2016 (both days inclusive).

**IV. Details of the Stock Exchange in which the Company is listed:**

- Market Price Data: High / Low price during each Month of 2015-16 on The Bombay Stock Exchange Limited and BSE Sensex are as under:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹)	Deliverable Quantity	% Deli. Qty to Traded Qty	Spread High-Low	Spread Close-Open
Apr-15	53.30	63.00	45.00	48.75	29829	965	1498842	20994	70.38	18.00	-4.55
May-15	50.00	58.00	39.50	46.55	30608	411	1491289	24930	81.45	18.50	-3.45
Jun-15	47.95	60.00	35.70	39.65	32381	364	1404589	24622	76.04	24.30	-8.30
Jul-15	44.30	47.00	35.80	40.55	40089	360	1617844	30589	76.30	11.20	-3.75
Aug-15	41.50	50.00	31.20	39.00	138020	437	5007238	116502	84.41	18.80	-2.50
Sep-15	41.95	44.00	29.20	35.50	60221	293	2217202	28553	47.41	14.80	-6.45
Oct-15	32.15	50.00	31.15	42.20	24959	242	999329	14982	60.03	18.85	10.05
Nov-15	37.30	51.00	36.65	49.95	31376	300	1420611	21804	69.49	14.35	12.65
Dec-15	55.00	55.00	39.00	41.10	28040	254	1263667	21298	75.96	16.00	-13.90
Jan-16	40.30	45.00	35.05	40.85	36941	217	1456059	29329	79.39	9.95	0.55
Feb-16	41.00	46.00	34.05	40.15	14350	146	568232	11675	81.36	11.95	-0.85
Mar-16	41.00	49.00	37.20	42.35	33110	161	1338237	26511	80.07	11.80	1.35





## ECO RECYCLING LIMITED

### V. Liquidity:

Shares of the Company are actively traded on BSE as is seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the Investor.

### VI. Share Transfer Agent and other related matters:

- Registrar and Share Transfer Agent:  
For both physical & demat segments:  
M/s. Bigshare Services Private Limited  
E-2, Ansa Industrial Estate, Saki Vihar Road, Saki naka, Andheri (East), Mumbai - 400 072  
Tel No.: 91 22 40430200  
Fax No.: 91 22 40430251  
Email: investor@bigshareonline.com  
Web: www.bigshareonline.com

### Share Transfer System:

The shares lodged for transfer are processed by the Registrar and Share Transfer Agent and are approved by Stakeholder's Relationship Committee/Shareholders' Grievance Committee. Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all aspects. Similarly, all requests for demat are received and processed by the Registrar and Share Transfer Agent and confirmations given to the depositories within the prescribed time limit.

- Nomination Facility for Shareholding:  
As per the provisions of the Companies Act, 2013, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer agent of the Company.

### Payment of Dividend through Electronic Clearing Service:

The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.

### Correspondence regarding Change in Address:

Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Saki Vihar Road, Saki naka, Andheri (East), Mumbai-400 072, Tel No.: 91 22 40430200 Fax No.: 91 22 40430251  
Email: investor@bigshareonline.com

### Distribution of Shareholding as on 31<sup>st</sup> March 2016

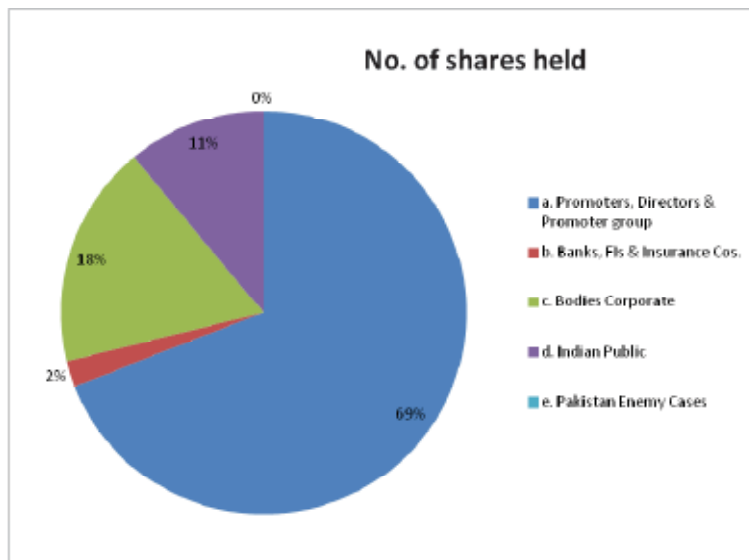
No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
1 - 50	479	14.95%	10,637	0.06%
51 - 100	1,332	41.57%	131,659	0.75%
101 - 200	551	17.20%	106,071	0.60%
201 - 300	203	6.34%	58,616	0.33%
301 - 400	105	3.28%	40,629	0.23%
401 - 500	180	5.62%	89,350	0.91%
501 - 1000	166	5.18%	135,460	0.77%
1001 AND ABOVE	188	5.87%	16,970,078	96.74%
<b>TOTAL</b>	<b>3,204</b>	<b>100%</b>	<b>17,542,500</b>	<b>100%</b>

### Shareholding Pattern as on March 31, 2016:

Category	No. of shares held	Percentage to total (%)
a. Promoters, Directors & Promoter group	12,110,976	69.04%
b. Banks, FIs & Insurance Cos.	360,800	2.06%
c. Bodies Corporate	3,137,193	17.88%
d. Indian Public	1,933,531	11.02%
e. Pakistan Enemy Cases	NA	NA
<b>Total</b>	<b>17,542,500</b>	<b>100.00</b>







- **Dematerialization of Shares:**  
The shares of the Company can be held and traded in electronic form.  
97.90% (17174028 shares) of the Company's shares have been dematerialised as on 31.03.2016.
- **Outstanding ADRs/ GDRs:**  
Nil
- **Plant location:**  
Eco House, Near Range office, Bhoidapada, Sativali Road, Vasai (East), Dist. Palghar.
- **Address of the Company:**  
Eco Recycling Limited  
205, Center Point, Next to Hotel Kohinoor, AndheriKurla Road, Andheri (East), Mumbai-400 059  
Tel. No.: 91 22 40052951/52/53  
Fax No.: 91 22 40052954  
Email: info@ecoreco.com  
accounts@ecoreco.com  
Web: www.ecoreco.com

## ECO RECYCLING LIMITED

### 10. CODE OF CONDUCT:

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2015-16.

### 11. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

The Code of Conduct for Independent Directors ('Code') has been adopted by the Company to comply with the Section 149, read with Schedule IV under the Companies Act, 2013 ('Act') and such other rules and regulations as applicable.

The Code is a guide to professional conduct for Independent Directors. It is believed that adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators in the institution of independent directors.

Further pursuant to the provisions of Act and the Listing Regulation, Independent Directors of the Company hold at-least one meeting in a financial year without attendance of Non-Independent Directors and the members of the Management. The said meeting was held on March 31, 2016.

### 12. POLICY ON PROHIBITION OF INSIDER TRADING

The Company has in place a Code of Conduct for Prohibition of Insider

## ECO RECYCLING LIMITED

Trading and Code for Fair Disclosure ('the Code') pursuant to Section 195 of the Companies Act, 2013, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company has instituted reporting system to prevent insider trading by employees, as applicable, and also takes periodic disclosures from them as stipulated in the said Code of Conduct.

Further, Company has put in place a 'Pre-Intimation / Pre-Clearance of trade' mechanism which makes it mandatory for all the designated employees to pre-intimate / obtain prior approval, before dealing in Company's securities, depending upon respective minimum threshold limit set out in the said Code. Pursuant to the Code, all the designated employee(s) of the Company are also required to inform his/her shareholding in the Company, if any, as on the date of joining, being promoted to the designation, subject to the Insider Trading Code and at the time of leaving the organisation. The Code of Conduct also provides for post transaction disclosure(s) based on which the Company makes filing with the Stock Exchange(s), pursuant to the relevant SEBI Regulations.

### 13. TRADING IN COMPANY'S SHARES BY DIRECTORS AND DESIGNATED EMPLOYEES:

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our Company has appointed Ms. Anita Choudhari as the Compliance Officer who is responsible for setting policies, procedures for the preservation

of price sensitive information, pre clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

### 14. DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AS REQUIRED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

In accordance with the provisions of Section 152 of the Companies Act, 2013, one-third of the total number of Directors for the time being is liable to retire by rotation. Accordingly one Directors of the Company viz. Mr. Shashank Soni will be retiring by rotation at the ensuing Annual General Meeting of the Company. Mr. Shashank Soni, being eligible, offers himself for re-appointment.

Details as per Regulation 36 of SEBI (LODR) Regulation, 2015.

A Brief resume of Shashank Soni :

Mr. Shashank Soni is an Executive Director of Eco-Recycling Limited. Mr. Shashank is responsible for developing and rolling out a pan-India marketing and sales strategy for the company. He oversees the de-manufacturing & factory operations and also looks into commercial negotiations. With rich exposure to international markets, Mr. Shashank

Soni is leading Ecoreco's transformation into an integrated pan-India e-waste management company.

Mr. Shashank Soni holds an MBA from Cardiff University, UK and holds a Bachelor of Commerce degree from Narsee Monjee Institute of Management Studies (NMIMS). Having travelled extensively, he has been part of industry events like Computex Taipei, Taiwan and various other conferences and events across Europe and Asia.

- 1) Nature of his expertise in specific functional areas : Business Planning and Corporate Management
- 2) Disclosures of relationships between directors inter-se : Son of Mr. B K Soni and Mrs. Aruna Soni
- 3) Names of listed entities in which the person also holds the directorship and membership of committees of the board: Eco Remarketing Pvt. Ltd. WEEE India Pvt. Ltd. Reverse E-Commerce Pvt.Ltd.
- 4) Shareholding of Mr. Shashank Soni : NIL

A Brief resume of B. K. Soni :

B. K. Soni is the Chairman and Managing Director of Eco Recycling Ltd (Ecoreco) and the chief promoter of the group. Under Mr. Soni's stewardship the company has attained a leadership position as India's foremost e-waste management company with a dominant pan-India market presence. He is responsible for the strategic growth initiatives

of the company and building a professional team of leaders. After delivering market dominance in the B2B segment, Mr. Soni is driving Ecoreco's next phase of growth, building a B2C franchisee led retail model to share the benefits of alarming but unfolding opportunity of e-waste management with all the stakeholders in one or the other form.

Recognized as a visionary and expert in e-waste management, Mr. Soni saw the opportunity of the Indian e-waste management industry way back in 2005 much ahead of other players. Since then, he has been responsible for giving direction to the Indian e-waste management industry and bringing global best practices to India. As a pioneer and thought leader in e-waste management, his formal and informal views are often sought by industry players, policy makers, regulators and government functionaries.

Mr. Soni is a qualified Cost Accountant from the Institute of Cost Accountants of India. He has been a

part of several industry associations and a member of the Expert Group on E-waste Management constituted by the Maharashtra Pollution Control Board. A person with deep intellect and impeccable integrity is very passionate to see that India emerges as the global hub for e-waste management so that neither the developed nations finds land fill cheaper alternate then processing e-waste nor the developing nations becomes dumping grounds and he is of the view that this is certainly possible because India is well placed between the two scenarios since cost of recycling is affordable in India subject to capacity utilization.

- 1) Nature of his expertise in specific functional areas : Business Planning & Corporate Management
- 2) Disclosures of relationships between directors inter-se : Father of Mr. Shashank Soni and husband of Mrs. Aruna Soni
- 3) Names of listed entities in

## ECO RECYCLING LIMITED

which the person also holds the directorship and membership of committees of the board:

Ecoreco Park Private Limited  
Weee India Private Limited  
LMJ Exports Private Limited  
Ecoreco Ventures Private Limited  
I-Land Informatics Limited  
EcorecoEnviroEducationPvt.Ltd.

- 4) Shareholding of Mr. B. K. Soni: 21,51,102

### 15. CEO/CFO CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company gives Annual Certification on Financial Reporting and Internal Controls to the Board in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director and the Chief Financial Officer also gives quarterly certification on financial results to the Board in terms of Regulation 33(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As annexed as Annexure - A)

## ANNEXURE - A

### CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Brijkishor Soni, Chairman & Managing Director and Anita Choudhari, Compliance Officer of **ECO RECYCLING LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity

## ECO RECYCLING LIMITED

pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.			
4. We have indicated, to the auditors and the Audit committee:	b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and		employee having a significant role in the listed entity's internal control system over financial reporting.
a. significant changes, if any, in	c. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an	B K Soni <b>Chairman &amp; Managing Director</b>	Anita Choudhari <b>Compliance Officer</b>
		Place: Mumbai Date: August 13, 2016	

## CERTIFICATE ON CORPORATE GOVERNANCE

**Certificate on compliance with the conditions of Corporate Governance as per the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Members,  
Eco Recycling Limited

We have examined the compliance of conditions of Corporate Governance by Eco Recycling Limited for the financial year ended March 31, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with the stock exchanges.

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

Date: August 13, 2016  
Place: Mumbai

For Pramod S. Shah & Associates  
Practicing Company Secretaries  
Pramod S. Shah – Partner  
Membership No. 334 | CP No. 3804

## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of,  
**Eco Recycling Limited**  
**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of "**Eco Recycling Limited**" ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has

in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Basis of Qualified Opinion :**

- i. **The Company has not carried out Actuarial Valuation as required under AS-15 "Employee Benefits" for Gratuity Liability and has instead made anad hoc provision of ₹2,00,000 /- only. The impact of the difference, if any, on the Balance sheet and Statement of Profit and Loss Account is unascertainable.**
- ii. **We draw attention to Note No. 33 of the "Notes forming part of Financials Statements" regarding method of accounting of 'Miscellaneous expenditure (to the extent not written off)', which in our opinion is not in accordance with the Accounting Standard 26 "Intangible Assets" aggregating to ₹14,51,548/-**

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us **except for the effects of the matter described in the 'Basis for qualified opinion' paragraph above**, the aforesaid standalone financial statements give the information required

## ECO RECYCLING LIMITED

by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016, its Profits and its cash flows for the year ended on that date.

### Emphasis of Matter:

We draw attention of the management to the following observations without qualifying our opinion:

- We draw attention to Note 31 of the Notes forming part of Financial Statements regarding holding of equity shares which are currently not being reflected in the Company's De-mat account due to a dispute with "Keynote Capital Limited" and hence Company has not accounted the loss of ₹213.39/- Lacs which is considered as fully recoverable by the Management. The Company has assessed the recoverability of these claims based on legal advice. Considering the Contractual tenability and legal advice from Company's counsel in the matter, the management is confident of recovery of the same. In view of Significant uncertainty, the amount of loss for eventual non-recovery of claim made by the company, if any is presently not ascertainable.
- We draw attention to Note 34 of the Notes forming part of Financial Statements regarding uncertainties in relation to assets purchased from KUD Realtors Pvt. Ltd. due to certain legal disputes.
- We draw attention to Note 37 of the Notes forming part of Financial Statements regarding Balances of some of the trade receivables, trade payables and creditor of expenses, loans and advances (given and

taken) and loans are subject to confirmation and reconciliation. The consequential adjustments if any, arising out of these are not quantifiable.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. **Except for the effects of the matter described in the Basis for qualified opinion paragraph above**, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. **Except for the effects of the matter described in the Basis for qualified opinion paragraph above**, in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The Company does not have any pending litigations which would impact its financial position.
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For GMJ & Co**  
Chartered Accountants  
Firm's Reg. No. 103429W  
CA P. Somani

Partner  
Place: Mumbai  
Date: 30<sup>th</sup> May, 2016  
M. No. 40637



## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are in the name of the Company except 173.37 Gunthas.
- ii According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such physical verification during the year.
- iii The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3 (iii), (iii)(a), (iii)(b) and (iii) (c) of the said order are not applicable to the company.
- iv The Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 in respect of corporate guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd. The Company has not given any loans or made any investments.
- v The company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under to the extent notified.
- vi The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.
- vii (a) The company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no outstanding dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there have been no disputed dues which have not been deposited in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added taxes at 31<sup>st</sup> March, 2016.
- viii The Company has not defaulted in repayment of loans or borrowings to any financial institution, banks or Government during the year and the Company has not issued any debentures.
- ix The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans availed during the year were applied for the purposes for which the loans were obtained.
- x According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi The Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18.
- xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the Company.
- xv The Company has not entered in to non-cash transactions with directors or persons connected with him. Accordingly, the provision of Clause 3(xv) of the Order is not applicable to the Company.
- xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For GMJ & Co**  
Chartered Accountants  
Firm's Reg. No. 103429W  
**(CA P. Somani)**  
Partner  
M. No. 040637

**Place:** Mumbai.  
**Date:** 30<sup>th</sup> May, 2016



## “ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the standalone financial statements of Eco Recycling Limited)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Eco Recycling Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable

to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For GMJ & Co**

Chartered Accountants

Firm’s Reg. No. 103429W

CA P. Somani

**Place:** Mumbai

Partner

**Date:** 30<sup>th</sup> May, 2016

M. No. 40637

**BALANCE SHEET AS AT 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>31.03.2016 (Amount in ₹)</b>	<b>31.03.2015 (Amount in ₹)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	175,425,000	175,425,000
b) Reserves and Surplus	3	135,401,815	133,802,888
		<u>310,826,815</u>	<u>309,227,888</u>
<b>2) Non-Current Liabilities</b>			
a) Long-Term Borrowing	4	101,496,542	104,199,312
b) Deferred Tax Liability (Net)	5	4,204,745	3,755,357
		<u>105,701,287</u>	<u>107,954,669</u>
<b>3) Current Liabilities</b>			
a) Short-Term Borrowing	6	82,967,973	63,680,227
b) Trade Payables	7	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		224,757,985	67,849,493
c) Other Current Liabilities	8	14,118,472	80,632,624
d) Short Term Provisions	9	-	1,992,129
		<u>321,844,431</u>	<u>214,154,473</u>
<b>Total</b>		<u><b>738,372,532</b></u>	<u><b>631,337,030</b></u>
<b>ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets	10		
i) Tangible Assets		77,949,054	75,871,018
ii) Intangible Assets		65,277,332	58,109,660
iii) Capital work in progress		75,177,399	75,177,399
		<u>218,403,786</u>	<u>209,158,077</u>
b) Non-Current Investments	11	81,429,060	66,278,085
c) Long-Term Loans and Advances	12	33,384,976	33,081,288
d) Other Non-Current Assets	13	3,205,007	4,400,554
		<u>336,422,829</u>	<u>312,918,003</u>
<b>2) Current Assets</b>			
a) Inventories	14	88,615,102	85,068,182
b) Trade Receivables	15	238,001,060	164,600,130
c) Cash and Bank Balances	16	2,917,961	1,406,517
d) Short-Term Loans and Advances	17	70,964,030	64,876,229
e) Other Current Assets	18	1,451,548	2,467,968
		<u>401,949,702</u>	<u>318,419,025</u>
<b>Total</b>		<u><b>738,372,532</b></u>	<u><b>631,337,030</b></u>

**Notes forming part of the financial statements** No. 1-41

As per our report of even date

**For GMJ & Co**

Chartered Accountants

FRN No. 103429W

**CA. P. Somani** (Partner)

M No.40637

Mumbai | 30<sup>th</sup> May 2016

**For and on behalf of the Board**

**Anita Choudhari** (CFO)

**Aruna Soni** (Director) - DIN : 01502649

**Srikrishna B.** (Director) - DIN : 02083384

**Dattatraya Devale** (Director) - DIN : 07186290

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Note No.	2015-16 (Amount in ₹)	2014-15 (Amount in ₹)
<b>INCOME</b>			
a) Revenue from Operations	19	367,135,725	309,560,522
b) Other Income	20	6,908,251	4,503,060
<b>Total</b>		<b>374,043,976</b>	<b>314,063,582</b>
<b>EXPENSES</b>			
a) Purchase of Stock-in-Trade	21	315,222,310	256,929,749
b) Changes in inventories of Stock-in-Trade	22	(3,578,824)	(6,971,684)
c) Employee Benefits Expense	23	15,522,258	13,791,578
d) Finance Costs	24	9,676,480	8,505,556
e) Other Expenses	25	31,630,151	26,444,461
f) Depreciation and Amortization Expense	10	2,996,288	2,887,091
<b>Total</b>		<b>371,468,662</b>	<b>301,586,751</b>
<b>Profit Before Tax</b>		<b>2,575,314</b>	<b>12,476,831</b>
<b>Tax expense:</b>			
-Current tax		527,000	2,400,000
-Deferred tax		449,387	727,849
<b>Profit for the year</b>		<b>1,598,927</b>	<b>9,348,982</b>
Earnings per equity share: (face value of ₹10/-)	41		
Basic and Diluted		0.09	0.53

Notes forming part of the financial statements No. 1-41

As per our report of even date

For GMJ &amp; Co

Chartered Accountants

FRN No. 103429W

CA. P. Somani (Partner)

M No.40637

Mumbai | 30<sup>th</sup> May 2016

For and on behalf of the Board

Anita Choudhari (CFO)

Aruna Soni (Director) - DIN : 01502649

Srikrishna B. (Director) - DIN : 02083384

Dattatraya Devale (Director) - DIN : 07186290

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Year ended 31.03.2016 (Amount in ₹)</b>	<b>Year ended 31.03.2015 (Amount in ₹)</b>
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Tax	2,575,314	12,476,831
Depreciation	2,996,288	2,887,091
Interest Expenses	9,676,480	8,505,556
Interest Income	(256,002)	(48,854)
Dividend Income	(20,332)	(25,211)
(Profit)/Loss on sale of Investment	949,231	3,077,447
Sundry balance Written Back	(151,052)	(1,857,079)
Miscellaneous Expenditure written off	2,467,969	2,579,100
<b>Operating Profit before Working Capital Changes</b>		
<b>Adjusted For:</b>		
(Increase)/Decrease in Trade receivable	(73,400,930)	(40,210,702)
(Increase)/Decrease in Inventories	(3,546,920)	(6,971,684)
(Decrease)/Increase in Trade Payable	157,059,544	(34,137,318)
(Decrease)/Increase in Other Current Liabilities	(66,514,152)	64,910,808
(Decrease)/Increase in Short Term Provisions	(2,268,897)	3,323,210
(Increase)/ Decrease in Short term Loans & Advance	(6,087,802)	2,760,683
(Increase)/ Decrease in Long term Loans & Advance	(158,064)	(4,582,343)
(Increase)/ Decrease in Other Non-Current Assets	(256,002)	(2,429,568)
(Increase)/ Decrease in Other Current Assets	(0)	111,140
<b>Net Cash generated from Operations</b>	<b>23,064,674</b>	<b>10,369,107</b>
Taxes paid	(395,857)	(352,909)
<b>Net Cash generated from Operating Activities</b>	<b>22,668,817</b>	<b>10,016,198</b>
<b>B Cash Flow from Investing Activities</b>		
(Increase)/Decrease in Fixed Assets, Capital WIP & Intangible Assets	(12,241,997)	1,031,690
(Increase)/Decrease in Non-Current Investments	(16,100,206)	(12,071,757)
Interest Income	256,002	48,854
Dividend Income	20,332	25,211
<b>Net Cash from Investing Activities</b>	<b>(28,065,869)</b>	<b>(10,966,002)</b>
<b>C Cash Flow from Financing Activities</b>		
(Decrease)/Increase in Long Term Borrowings	(2,702,770)	6,929,022
(Decrease)/Increase in Short Term Borrowings	19,287,746	3,490,092

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Year ended 31.03.2016 (Amount in ₹)	Year ended 31.03.2015 (Amount in ₹)
Interest Expenses	(9,676,480)	(8,505,556)
<b>Net Cash Flow from Financing Activities</b>	<b>6,908,497</b>	<b>1,913,558</b>
<b>Net Increase in Cash and Cash Equivalent during the Year (A+B+C)</b>	<b>1,511,444</b>	<b>963,754</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>1,406,517</b>	<b>442,763</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,917,961</b>	<b>1,406,517</b>
<b>Cash and Cash Equivalents include:</b>		
Cash in Hand	1,132,989	1,218,744
Balance with Scheduled Banks:		
- Current Account	1,784,973	187,773
	<b>2,917,962</b>	<b>1,406,517</b>

#### NOTES:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) 3 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.

As per our report of even date

**For GMJ & Co**

Chartered Accountants

FRN No. 103429W

**CA. P. Somani** (Partner)

M No.40637

Mumbai | 30<sup>th</sup> May 2016

**For and on behalf of the Board**

**Anita Choudhari** (CFO)

**Aruna Soni** (Director) - DIN : 01502649

**Srikrishna B.** (Director) - DIN : 02083384

**Dattatraya Devale** (Director) - DIN : 07186290



## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

### **1 COMPANY OVERVIEW**

The Company was incorporated in August 1994 having CIN No. L74120MH1994PLC079971, at Mumbai under The Companies Act, 1956. The Company is engaged in the e-waste recycling business in an organised manner, with the help of superior technology, complying norms set by the Pollution Control Board for the environmental safety.

### **2 SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of preparation of financial statements:**

The financial statements are prepared to comply in all material aspects under the Historical Cost convention and in accordance with generally accepted accounting principles in India and the mandatory Accounting Standards prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule- 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

#### **2.2 Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### **2.3 Fixed Assets:**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs of capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of fixed assets are disclosed as "Capital advances" under Loans and Advances and the cost of assets not ready to be put to use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

#### **2.4 Depreciation:**

##### **a) Tangible Fixed Assets**

Depreciation on fixed assets is provided under straight line method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 with the exception of the following:

Plant & Machinery	23 Yrs.
Vehicle	11Yrs.

Depreciation is provided on pro-rata basis from/up to the date of purchase or disposal, for asset purchased or sold during the year. Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

#### **2.5 Impairment Loss**

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the statement of profit and loss. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical costs.

#### **2.6 Branding Expenses:**

Brand building expenses have been considered as intangible fixed asset and shown at actual cost. Branding expenses will be amortized over its useful life of assets, however, not exceeding a period of 10 years. The write off will commence from the year in which the branding exercise is completed.

#### **2.7 Revenue Recognition:**

Revenue (income) is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

- a) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Sales Tax & Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- b) Revenue from service charges are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- c) Interest Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate.
- d) Dividend Income is recognized when the company's right to receive dividend is established.
- 2.8 Inventories:**  
Closing Stock are valued at cost and net realizable value, whichever is lower.
- 2.9 Investments:**  
Investment that are readily realizable and intended to be held for not more than a year from the date on which such investment are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investments basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.
- 2.10 Retirement and Other Employee Benefits:**  
Retirement benefits in the form of provident fund and employee state insurance scheme are a defined contribution scheme. The contribution to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable towards provident fund and employee state insurance scheme.  
The company has paid the liability towards leave encashment at the year end as an when accrued to the company and does not provide any liability. The amount paid is charged to the Statement of profit and loss account.
- 2.11 Borrowing Costs:**  
Borrowing Costs include interest, incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.
- 2.12 Foreign Exchange Transactions:**  
Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with the statement of profit and loss account.
- 2.13 Operating Leases:**
- a) **Where the company is lessee**  
Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental thereon are charged to statement of profit and loss.
- b) **Where the company is the lessor**  
Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating lease are included in fixed assets (Facility Land). Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term.
- 2.14 Finance Lease:**  
Finance Lease or similar arrangements, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed under Tangible Assets. Finance Expenses to the extent of Borrowing cost are capitalized and remaining are charged to statement of profit and loss account.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

### 2.15 Research and Development Expenditure:

Research costs are expensed as incurred. Development expenditure incurred on a project is recognized as an intangible asset where the company can demonstrate the criteria laid down in AS-26 for recognition of an Intangible Asset.

### 2.16 Taxes on Income:

"Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period.

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of The Income Tax Act, 1961. Deferred Tax represents the effect of "timing

differences" between taxable income and accounting income for the reporting period that originate in one period and capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized only on reasonable certainty of realization and on unabsorbed depreciation and brought forward losses only on virtual certainty.

### 2.17 Provisions and Contingencies:

A provision is recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

### 2.18 Earning Per Share:

"Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.19 Cash and Cash Equivalents:

Cash and Cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>2 Share Capital</b>		
<b>Authorized</b>		
30,000,000 Equity Shares of ₹10/- each	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
17,542,500 (Previous Year 17,542,500) Equity Shares of ₹10/- each fully paid up	<u>175,425,000</u>	<u>175,425,000</u>
<b>Total</b>	<u><b>175,425,000</b></u>	<u><b>175,425,000</b></u>
a) 11,342,500 (P.Y.11,342,500) Equity Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the schemes of amalgamation of Eco Recycling Limited and Infotrek Syscom Limited without payments being received in cash.		
b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
<b>Equity Shares</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
At the beginning of the year	17,542,500	17,542,500
Shares Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<u><b>17,542,500</b></u>	<u><b>17,542,500</b></u>
c) <b>Terms / rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.		
d) <b>Shares held by Holding Company</b>		
<b>Ecoreco Ventures Private Limited, the holding company</b>		
91,39,250 (P.Y. 91,39,250) Equity Shares of ₹10/- each fully paid up	91,392,500	91,392,500

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	31.03.2016 (Amount in ₹)		31.03.2015 (Amount in ₹)	
e) Details of Shareholders holding more than 5 % shares in the Company				
Name of Shareholder	31.03.2016		31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹10/- each fully paid up				
Ecoreco Ventures Private Limited	9,139,250	52%	9,139,250	52%
Brijkishor Soni	2,151,102	12%	2,139,162	12%
Bennett, Coleman and Company Limited	1,400,000	8%	1,400,000	8%
3 Reserves and Surplus				
a) Capital Reserve				
Balance as per last financial statements			35,115,495	35,115,495
Balance as at the end of the year			35,115,495	35,115,495
b) Securities Premium Reserves				
Balance as per last financial statements			98,400,000	98,400,000
Balance as at the end of the year			98,400,000	98,400,000
c) General Reserve				
Balance as per last financial statements			157,130	268,130
Add: Transferred from surplus balance in the statement of profit and loss			-	13,500,000
Less : Goodwill on merger			-	(13,611,000)
Balance as at the end of the year			157,130	157,130
d) Surplus/(Deficit) in the Statement of profit and loss				
Balance as per last financial statements			130,263	4,280,470
Add : Profit for the year			1,598,927	9,348,982
Less: Appropriation				
Transferred to General Reserve			-	(13,500,000)
Net Surplus in the Statement of profit and loss			(1,729,190)	130,263
Total			135,401,815	133,802,888
(Amount in ₹)				
4 Long-Term Borrowings				
	Non - Current		Current Maturities	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Secured, Term loan				
Indian Rupee loan from Bank*	9,240,853	14,199,312	4,890,000	4,890,000
Car Loan**	2,255,689	-	1,163,075	-
Unsecured, Term loan				
From Government	90,000,000	90,000,000	-	-
Total	90,000,000	104,199,312	6,053,075	4,890,000

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>Secured Long Term Borrowings</b>		
* Indian Rupee term loan from bank is repayable in equated periodic installments upto a 5 year period each along with interest. Further, the loan has been guaranteed by personal guarantee of the chairman and managing director of the company, Ecoreco Ventures Private Limited, the holding company and by collateral security of the registered office in the name of B.K.Soni (HUF) and Pledge of 3.40 lakhs equity shares of the company by the chairman and managing director of the company Mr. B.K. Soni.		
** The Vehicle loan from ICICI bank is repayable in equated periodic installments upto 36 months period each along with interest. Further, the loan has been secured by hypothecation of Vehicle and personal guarantee of Director.		
<b>Unsecured Long-Term Borrowings:</b>		
c) Repayment to start after 1 year from the date of commercialisation of the project in 5 annual instalments.		
<b>5 Deferred Tax Liability (Net)</b>		
Major components of deferred tax balances consist of the following:		
<b>Deferred Tax Liability</b>		
Related to fixed assets	4,204,745	3,755,357
<b>Total</b>	<b>4,204,745</b>	<b>3,755,357</b>
<b>6 Short-Term Borrowings</b>		
<b>Secured</b>		
<b>Working Capital Loans</b>		
From Banks*	44,456,116	57,662,621
<b>Unsecured Loan Repayable on Demand</b>		
From Director's	-	-
From Others	38,511,857	6,017,606
<b>Total</b>	<b>82,967,973</b>	<b>63,680,227</b>
*Working Capital Loans from banks are secured by way of hypothecation of Stock, Book-Debts and Personal Gurantee of the Chairman and Managing Director of the company Mr. B.K. Soni.		

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>7 Trade Payables</b> (Unsecured, Considered Good)		
Trade Payables*	224,757,985	67,849,493
<b>Total</b>	<b>224,757,985</b>	<b>67,849,493</b>
*The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.		
<b>8 Other Current Liabilities</b>		
Current Maturity of Indian rupee term loan from Bank (Refer Note "4")	6,053,075	4,890,000
Interest accrued & due on borrowings	-	-
Creditors for Expenses	2,175,085	2,428,000
Advance from customers	-	71,408,338
Statutory Dues*	4,313,813	1,906,287
Other Payable	1,576,500	-
<b>Total</b>	<b>14,118,473</b>	<b>80,632,624</b>
*Includes Tax deducted at source, ESIC, Provident Fund and Profession Tax.		
<b>9 Short Term Provisions</b>		
Provision for Income Tax (Net)	-	1,992,129
<b>Total</b>	<b>-</b>	<b>1,992,129</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

### 10. Fixed Assets

#### A. Tangible Assets

(Amount in ₹)

Particulars	Facility Land	Plant and Machinery	Furniture and Fixtures	Computers	Vehicles	Office Equipment	Total
<b>Gross Block</b>							
As At 1 <sup>st</sup> April, 2015	33,647,167	43,603,861	645,698	2,727,943	6,921,940	789,895	88,336,504
Additions During the Year	-	229,275	-	-	4,450,000	395,050	5,074,325
Disposals During the Year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
As At 31 <sup>st</sup> March, 2016	33,647,167	43,833,136	645,698	2,727,943	11,371,940	1,184,945	93,410,829
<b>Depreciation / Amortization</b>							
As At 1 <sup>st</sup> April, 2015	-	6,246,360	180,237	2,625,914	2,911,639	501,337	12,465,487
Depreciation During the Year	-	1,815,994	160,436	102,029	616,839	300,990	2,996,288
Deduction During the Year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
As At 31 <sup>st</sup> March, 2016	-	8,062,354	340,673	2,727,943	3,528,477	802,327	15,461,775
<b>Net Block</b>							
As At 31 <sup>st</sup> March, 2015	33,647,167	37,357,501	465,461	102,029	4,010,301	288,558	75,871,018
As At 31 <sup>st</sup> March, 2016	33,647,167	35,770,782	305,025	-	7,843,463	382,618	77,949,054

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

**B. Intangible Assets under development**

(Amount in ₹)

Particulars	Branding
<b>Gross Block</b>	
As At 31 <sup>st</sup> March, 2015	58,109,660
Additions During the Year	7,167,672
Disposals During the Year	-
Other Adjustments	-
As At 31 <sup>st</sup> March, 2016	65,277,332
<b>Depreciation / Amortization</b>	
As At 31 <sup>st</sup> March, 2015	-
Depreciation During the Year	-
Deduction During the Year	-
Other Adjustments	-
As At 31 <sup>st</sup> March, 2016	-
<b>Net Block</b>	
As At 31 <sup>st</sup> March, 2015	58,109,660
As At 31 <sup>st</sup> March, 2016	65,277,332

**C. Capital Work-in-Progress**

	As at 31st March, 2016	As at 31st March, 2015
Plant and Machinery	64,815,625	64,815,625
Development "Precious Metal Recovery Plant"*	4,313,572	4,313,572
CRT & PCB Machine	6,048,202	6,048,202
<b>Total</b>	<b>75,177,399</b>	<b>75,177,399</b>

Note: \*It represents an expenditure for development of the project 'E-Waste recycling and Precious metal recovery' under TDDP of TDPU and DSIR.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of shares	₹	No. of shares	₹
<b>11 Non-Current Investments</b>				
<b>a) Quoted Equity Shares (In Demat)</b>				
Reliance Industries Limited (Face Value ₹10/-)	-	-	700	576,704
Ruchi Soya Industries Ltd (Face Value ₹10/-)	-	-	1,000	43,544
Upsurge Investment & Finance Ltd (Face Value ₹10/-)	368,945	8,131,973	95,000	1,881,699
Shipping Corporation Ltd (Face Value ₹10/-)	500	12,310	500	12,310
Aditya Birla Chemicals (India) Limited (Face Value ₹10/-)	400	222	400	222
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	1,500,009	12,003,842	1,158,357	10,305,024
Prism Cement Ltd (Face Value ₹10/-)	2,000	120,070	2,000	120,070
Ruchi Infrastructure Ltd (Face Value ₹1/-)	338,865	9,060,202	286,792	8,649,877
Anik Industries Ltd (Face Value ₹10/-)	18,000	890,334	40,000	1,978,520
<b>b) Quoted Equity Shares (Under Litigation)***</b>				
Anant Raj Ind Ltd (Face Value ₹2/-)	500	57,849	500	57,849
National Peroxide Ltd (Face Value ₹10/-)	1,000	231,275	1,000	231,275
Hindustan Motors Ltd (Face Value ₹5/-)	42,000	775,572	42,000	775,572
Malu Paper Mills Ltd (Face Value ₹10/-)	9,997	375,336	9,997	375,336
Ruchi Infrastructure Ltd (Face Value ₹1/-)	255,075	11,294,721	255,075	11,294,721
Anik Industries Ltd (Face Value ₹10/-)	10,000	494,630	10,000	494,630
NOCIL Ltd (Face Value ₹10/-)	49,000	1,539,872	49,000	1,539,872
BSEL Infrastructure Realty Ltd (Face Value ₹10/-)	13,000	138,056	13,000	138,056
Harrison Malayalam Ltd (Face Value ₹10/-)	3,000	241,752	3,000	241,752
Hindustan Organic Chemicals Ltd (Face Value ₹10/-)	10,000	302,060	10,000	302,060
Indian Card Clothing Company Ltd (Face Value ₹10/-)	3,459	563,019	3,459	563,019
KPR Mills Ltd (Face Value ₹10/-)	1,997	292,227	1,997	292,227
Murli Industries Ltd (Face Value ₹2/-)	3,500	119,008	3,500	119,008
Financial Analysis Credential Ltd (Face Value ₹10/-)	56	7,527	56	7,527
*India Bull Securities Ltd (Face Value ₹10)	160,000	1,672,640	160,000	1,672,640
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	1,413,543	16,929,700	1,413,543	16,929,700
Jubilant Food Works Ltd (Face Value ₹10/-)	5	6,449	5	6,449
Kingfisher Airlines Ltd (Face Value ₹10/-)	45,000	434,749	45,000	434,749
Srei Infra Ltd (Face Value ₹10/-)	5,000	136,919	5,000	136,919
JSW Energy Ltd (Face Value ₹10/-)	500	61,683	500	61,683
Himachal Futuristic Communications Ltd (Face Value ₹1/-)	3,000	108,000	3,000	108,000

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of shares	₹	No. of shares	₹
Brigade Enterprises Limited (Face Value ₹10/-)	800	320,960	800	320,960
Electrosteel Castings Limited (Face Value ₹10/-)	2,000	189,249	2,000	189,249
GTL Infrastructure Limited (Face Value ₹10/-)	3,000	130,710	3,000	130,710
IFCI Ltd (Face Value ₹10/-)	800	26,264	800	26,264
Jensen & Nicolsan Ltd (Face Value ₹10/-)	5,000	35,500	5,000	35,500
Lok Housing Ltd (Face Value ₹10/-)	1,000	149,322	1,000	149,322
Moschip Semiconductor Technology Ltd (Face Value ₹10/-)	2,000	31,320	2,000	31,320
NRC Ltd (Face Value ₹10/-)	3,999	109,693	3,999	109,693
Shree Digvijay Cement Ltd (Face Value ₹10/-)	3,000	70,110	3,000	70,110
***Videocon Appliances Ltd (Face Value ₹10/-)	5,000	213,319	5,000	213,319
<b>c) Unquoted Equity Shares</b>				
Ecoreco Enviro Education Pvt Ltd (Face Value ₹10/-)	849,999	8,499,990	-	-
Weee India Private Ltd (Face Value ₹10/-)	5,000	50,000	5,000	50,000
Dombivali Sahkari Bank Ltd (Face Value ₹10/-)	10,000	100,000	10,000	100,000
The Shamrao Vithal Coop Bank Ltd (Face Value ₹10/-)	25	625	25	625
Sanjay Chemical Pvt Ltd (Face Value ₹10/-)	3,000	3,000,000	3,000	3,000,000
MGI India Consulting Pvt Ltd (Face Value ₹10/-)	10,000	2,500,000	10,000	2,500,000
<b>Total</b>		<b>81,429,060</b>		<b>66,278,085</b>
Aggregated Value of Quoted Investments		67,278,445		60,627,460
Aggregated Market Value of Quoted Investments		63,996,889		39,268,948
Aggregated Value of Unquoted Investments		14,150,615		5,650,625

\*The company name has changed from "India Bull Securities Ltd" to "India Bull Ventures Ltd"

\*\*The company name has changed from "Videocon Appliances Ltd" to "Value Industries Ltd"

\*\*\*Investments sold by Keynote Capital (under Litigation)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>12 Long-Term Loans and Advances</b> <i>(unsecured, considered good)</i>		
Lease Rent Deposits	17,000,000	17,000,000
Other Security Deposits	306,600	285,750
<b>Other Loans and Advances</b>		
Capital Advance	11,182,752	9,649,038
Advances Recoverable in Cash or in Kind or value to be received	4,750,000	4,750,000
Balances with Statutory/Government Authorities	-	1,396,500
Payment of taxes (Net of Provision)	145,624	-
<b>Total</b>	<b>33,384,976</b>	<b>33,081,288</b>
<b>13 Other Non-Current Assets</b>		
<b>Deposits with Bank (with maturity more than 12 months)</b>		
Held as margin money	1,800,000	1,800,000
Interest Accrued	1,405,007	1,149,005
Miscellaneous Expenditure (To the extent not w/off)	-	1,451,549
<b>Total</b>	<b>3,205,007</b>	<b>4,400,554</b>
<b>14 Inventories</b>		
Stock of Electrical and Electronic Equipment	88,615,102	85,068,182
<b>Total</b>	<b>88,615,102</b>	<b>85,068,182</b>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>15 Trade Receivables</b> <i>(unsecured, considered good)</i>		
More than six months from the date they are due for payment	70,932,372	81,391,952
Other Debts	167,068,689	83,208,179
<b>Total</b>	<b>238,001,060</b>	<b>164,600,130</b>
<b>16 Cash and bank balances:</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	1,132,989	1,218,744
Balances with banks -		
On current accounts	1,784,973	187,773
<b>Total</b>	<b>2,917,962</b>	<b>1,406,517</b>
<b>17 Short-Term Loans and Advances</b> <i>(unsecured, considered good)</i>		
Earnest Money Deposit	537,448	444,000
<b>Other Loans and Advances</b>		
Advances Recoverable in Cash or in Kind	31,506,505	30,402,774
Advance for expenses	35,192,948	33,353,660
Prepaid Expenses	600,483	531,938
Advance to Employees	322,357	143,857
Advance to customers	2,804,289	-
<b>Total</b>	<b>70,964,030</b>	<b>64,876,229</b>
<b>18 Other Current Assets</b>		
Miscellaneous Expenditure <i>(To the extent not w/off)</i>	1,451,548	2,467,968
<b>Total</b>	<b>1,451,548</b>	<b>2,467,968</b>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>19 Revenue from Operations</b>		
<b>a) Sale of Stock in Trade</b>		
Electrical and Electronic Equipment	357,899,150	300,676,635
<b>b) Sale of Services</b>		
Data Destruction Charges	9,236,575	8,883,887
<b>Total</b>	<b><u>367,135,725</u></b>	<b><u>309,560,522</u></b>
<b>20 Other Income</b>		
Interest Income on		
- Bank Deposits	256,002	48,854
Dividend	20,332	25,211
Profit/(Loss) on sale of Shares held as Investments	35,763	-
Profit on commodities trading	27,838	-
Speculative Profit on sale of Shares	-	18,648
Exchange gain on rate fluctuation	-	2,356,150
Membership fees	850,000	-
Reimbursement of Expenses	5,548,560	-
Sundry Balances Written Back	151,052	1,857,079
Miscellaneous Income	18,705	197,118
<b>Total</b>	<b><u>6,908,251</u></b>	<b><u>4,503,060</u></b>
<b>21 Purchases of Stock-in-Trade</b>		
Purchases of Electrical and Electronic Equipment	315,222,310	256,929,749
<b>Total</b>	<b><u>315,222,310</u></b>	<b><u>256,929,749</u></b>
<b>22 Changes in Inventories of Stock-in-Trade</b>		
Inventories at the end of the year		
Stock of Electrical and Electronic Equipment	88,615,102	85,068,182
	<b><u>85,615,102</u></b>	<b><u>85,068,182</u></b>
Inventories at the beginning of the year		
Stock of Electrical and Electronic Equipment	85,068,182	78,096,498
	<b><u>85,068,182</u></b>	<b><u>78,096,498</u></b>
<b>Total</b>	<b><u>(3,546,920)</u></b>	<b><u>(6,971,684)</u></b>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>23 Employee Benefits Expense</b>		
Salaries, Bonus and Other Allowances	14,526,137	12,443,132
Contribution to Provident & Other Funds	510,389	652,530
Employee Welfare Expenses	485,732	695,916
<b>Total</b>	<b>15,522,258</b>	<b>13,791,578</b>
<b>24 Finance Costs</b>		
Interest Expense		
On Term Loan	664,534	1,064,049
On Working Capital Loan	7,586,623	7,152,634
Other Interest	1,082,823	288,873
Processing Fees	342,500	-
<b>Total</b>	<b>9,676,480</b>	<b>8,505,556</b>
<b>25 Other Expenses</b>		
Lease Rent	9,852,199	8,886,708
Freight and Transportation	3,023,124	2,953,225
Travelling and Conveyance	1,382,360	1,171,486
Legal and Professional Fees	524,649	1,190,335
Labour Charges	249,406	323,700
Advertisement Expenses	450,157	650,192
Insurance Expense	598,017	709,883
Printing and Stationery	305,966	215,403
Repairs and Maintenance	324,904	309,882
Electricity Charges	371,990	238,744
Security Charges	404,917	255,036
Auditor's Remuneration (Refer Note "29")	250,000	100,000
Annual Listing, Registrar and Transfer Agent Expense	255,987	201,770
Bank Charges	67,244	95,509
Loss on sale of shares held as investments	1,012,831	3,077,447
Software license	-	122,852
Other Expenses	10,088,430	3,363,189
Miscellaneous Expenditure w/off (Refer Note "33")	2,467,969	2,579,100
<b>Total</b>	<b>31,630,151</b>	<b>26,444,461</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>26 Disclosure in Respect of Leases:</b>		
<b>I Operating Lease: Company as Lessee</b>		
The Company's leasing arrangements are in respect of operating leases for factory, office premises and guest house occupied by the Company. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms.		
a) The total of future minimum lease payments during lock in period of operating leases for each of the following periods:		
i) Not later than one year	9,768,449	9,768,449
ii) Later than one year and not later than five years	23,077,324	23,077,324
iii) Later than five years	-	-
b) Lease payments recognized in the Statement of Profit and Loss for the period.	9,852,199	8,886,708
<b>II Operating Lease: Company as Lessor</b>		
a) The total of future minimum rental receivable during lock in period of operating leases are as follows:		
i) Not later than one year	-	-
ii) Later than one year and not later than five years	10,560,000	10,560,000
iii) Later than five years	-	-
b) Lease rental recognized in the Statement of Profit and Loss for the period.	-	-
<b>27 Capital and Other Commitments</b>		
<b>Capital Commitments:</b>		
Estimated value of contracts in capital account remaining to be executed		
From others	-	-
<b>28 Contingent Liabilities</b>		
a) Guarantee given by Bank on behalf of the Company Secured against equal fixed deposits Standing Bank Guarantee in favour of The Customs, JNPT	1,810,000	1,810,000
b) Custom Duty on Imported Machineries cannot be sold or transferred to any person or other organisation for a period of 5 years from the date of its import	12,400,000	12,400,000
c) Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	125,993,806	-



**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>29 Payment to Auditors</b>		
Audit Fees	200,000	75,000
Tax Audit Fees	50,000	25,000
<b>Total</b>	<b>250,000</b>	<b>100,000</b>
<b>30 Earnings in Foreign Currency</b>		
FOB Value of Goods Export	-	4,560,000
Reimbursement of Insurance Premium	197,776	212,179
Reimbursement of Security Charges	528,540	528,540
Service Charges	1,372,134	835,890
<b>Total</b>	<b>2,098,450</b>	<b>6,136,609</b>

- 31** The Company had been dealing with Keynote Capital Limited (Keynote) for its Share transactions. A substantial portion i.e 20,56,234 Nos. of shares amounting to ₹4,48,55,092/- out of the investment portfolio maintained by the company in demat form with Keynote has been misappropriated by the Keynote against the loss booked by Keynote on account of transactions in the F&O Segment carried out by Keynote on its own without any authorisation of the company. In this matter Company has won both the appeals of Arbitration Committee of The National Stock Exchange. In the month of August, 2014 Keynote has filed an appeal u/s 34 in the Bombay High Court against the second appellate award passed by the Arbitration Committee of The National Stock Exchange of India Limited, which is still pending. The matter is now pending with Bombay High Court and the disposal of the same in favour of Company is expected.
- 32** The Company has not carried out Actuarial Valuation for Gratuity and has made an adhoc provision of ₹2,00,000/-, which is not in conformity with AS-15 "Employee Benefits" as required under the provisions of The Payment of Gratuity Act, 1972. However in the opinion of the management the impact of difference, if any, on the Balance Sheet and Statement of profit and loss account is negligible.
- 33** The Company has not written off the "Miscellaneous Expenditure" amounting to ₹14,51,548/- fully in Statement of Profit and Loss account, which is not in conformity with AS - 26 - Intangible Assets which had arise at the time of amalgamation. However in the opinion of the management it will not create any discrepancy as the treatment taken is as per the provisions of The Income Tax Act, 1961.
- 34** The Company had entered in to an agreement with KUD Realtors Pvt. Ltd, Mumbai for purchase of 10 acres of land for a consideration of ₹ 650 lacs for setting up its e-waste recycling project at Kharbao, Bhiwandi and paid ₹615 lacs against the above. As of now, M/s KUD Realtors Pvt Ltd, could conveyance 5.78 acres of land in favor of the company and for the remaining amount they have offered some warehouses and incomplete construction at the same site.  
All the above land, warehouses and incomplete building are yet to be physically received because of incomplete documents for which the company has taken appropriate steps with the concerned authorities.
- 35** The office of the Whole Time Company Secretary has been vacant and the Company is in process of appointing a full time company secretary as per Companies Act 2013.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

- 36 The company is in the business of E-waste and Asset Management.
- 37 Balances of some of the trade receivables, trade payables and creditor of expenses, loans and advances (given and taken) and loans, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management, however is of the view that there will be no material adjustments in this regards.

### 38 Related Party Transactions

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below "

#### i) Relationships :

##### (a) Holding Company:-

Ecoreco Ventures Private Limited

##### (c) Associates (by common director and investment):-

WEEE India Pvt Ltd

##### (b) Associates (by common director):-

Reverse Logistics & Warehousing Private Limited

Ecoreco Park Private Limited

Eco Remarketing Pvt Ltd

Data De-End Private Limited

##### (d) Subsidiary(100%):-

Ecoreco Enviro Education Pvt Ltd

##### (e) Key Management Personnel:-

Mr. B. K. Soni - C.M.D.

Mrs. Aruna Soni - Director

Mr. Srikrishna B. - Director

Mr. T R Rao - Director

(Resigned on 19.09.2015)

Mr. Shashank Soni - Director

Mr. Vijay Acharya - Director

Ms. Anita Choudhari - CFO

#### ii) Transaction With Related Parties:-

(Amount in ₹)

Particulars	Key management personnel	Holding	Associates
Remuneration	3,450,000	-	-
(P.Y.)	(3,600,000)	-	-
Salary	2,064,383	-	-
(P.Y.)	(2,049,374)	-	-
Sitting Fees	130,000	-	-
(P.Y.)	-	-	-
Rent	4,200,000	-	-
(P.Y.)	(4,500,000)	-	-

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Interest Paid	-	-	-
(P.Y.)	(823,542)	-	-
Advance Rent Paid	1,967,938	-	-
(P.Y.)	(2,336,241)	-	-
Subscription in Shares	-	8,499,990	-
(P.Y.)	-	-	(50,000)
Deposit Paid	-	-	-
(P.Y.)	(10,000,000)	-	-
Deposit Repaid	-	-	450,000
(P.Y.)	-	-	-
Loan Given	-	-	-
(P.Y.)	-	-	-
Loan Repaid	-	-	-
(P.Y.)	-	-	-
Loan Taken	-	30,300,000	-
(P.Y.)	(300,000)	-	-
Loan Repaid	-	-	-
(P.Y.)	(11,995,000)	-	-
Expences on behalf of subsidiary	-	397,2167	-
(P.Y.)	-	-	-
<b>Closing Balance at the Year End</b>			
Loan Taken	-	30,050,000	-
(P.Y.)	-	-	-
Deposit Given	15,000,000	-	-
(P.Y.)	(15,000,000)	-	-
Advance Rent Paid	4,304,179	-	-
(P.Y.)	(2,336,241)	-	-

**NOTE:** Related party relationship is as identified by the company and relied upon by the Auditors

**39 Derivative Instruments**

Foreign Currency Exposures that have not been hedged by a derivative instrument or otherwise as at year end:

Particulars	Year	Currency	Amount
Advance recoverable in cash or in kind or value to be received	2015-16	USD	-
		INR	-
	2014-15	USD	-
		INR	-

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

### 40 Earnings Per Share

	Units	2015-16	2014-15
i) Profit after tax	₹	1,598,927	9,348,982
ii) Weighted average number of equity shares outstanding	Nos.	17,542,500	17,542,500
iii) Basic Earnings Per Share	₹	0.09	0.53
iv) Diluted Earning Per Share	₹	0.09	0.53
v) Face Value of Shares	₹	10.00	10.00

41 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

### Notes forming part of the financial statements 1 to 41

As per our report of even date

**For GMJ & Co**

Chartered Accountants

FRN No. 103429W

**CA. P. Somani** (Partner)

M No.40637

Mumbai | 30<sup>th</sup> May 2016

**For and on behalf of the Board**

**Anita Choudhari** (CFO)

**Aruna Soni** (Director) - DIN : 01502649

**Srikrishna B.** (Director) - DIN : 02083384

**Dattatraya Devale** (Director) - DIN : 07186290



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of,  
**Eco Recycling Limited**

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of "Eco Recycling Limited" ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associates, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and

detecting frauds and irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

### Basis of Qualified Opinion :

- (i) ***The Company has not carried out Actuarial Valuation as required under AS-15 "Employee Benefits" for Gratuity Liability and has instead made an adhoc provision of ₹2,00,000 /- only. The impact of the difference, if any, on the Balance sheet and Statement of Profit and Loss Account is unascertainable.***
- (ii) ***We draw attention to Note No. 33 of the "Notes forming part of the Consolidated Financials Statements" regarding method of accounting of 'Miscellaneous expenditure (to***

## ECO RECYCLING LIMITED

*the extent not written off)', which in our opinion is not in accordance with the Accounting Standard 26 "Intangible Assets" aggregating to ₹14,51,548/-*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us **except for the effects of the matter described in the 'Basis for qualified opinion' paragraph above**, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31<sup>st</sup> March 2016, their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter:

We draw attention of the management to the following observations without qualifying our opinion:

- 1) We draw attention to Note 31 of the Notes forming part of the Consolidated Financial Statements regarding holding of equity shares which are currently not being reflected in the Holding Company's De-mat account due to a dispute with "Keynote Capital Limited" and hence Holding Company has not accounted the loss of ₹213.39/- Lacs which is considered as fully recoverable by the Management. The Holding Company has assessed the recoverability of these claims based on legal advice. Considering the Contractual tenability and legal advice from Holding Company's counsel in the matter, the Holding company's Board of Directors/ management is confident

of recovery of the same. In view of Significant uncertainty, the amount of loss for eventual non-recovery of claim made by the company, if any is presently not ascertainable.

- 2) We draw attention to Note 34 of the Notes forming part of the Consolidated Financial Statements regarding uncertainties in relation to recoverability of capital advances given to KUD Realtors Pvt. Ltd. in view of the capital assets (Land) being in dispute.
- 3) We draw attention to Note 37 of the Notes forming part of the Consolidated Financial Statements regarding Balances of some of the trade receivables, trade payables and creditor of expenses, loans and advances (given and taken) and loans are subject to confirmation and reconciliation. The consequential adjustments if any, arising out of these are not quantifiable.

### Other Matters

The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of an associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

Our opinion on the consolidated financial

statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act and based on the auditor's reports of the subsidiaries, associates and jointly controlled entities, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) **Except for the effects of the matter described in the Basis for qualified opinion paragraph above**, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) **Except for the effects of the matter described in the Basis for qualified opinion paragraph above**, in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act,

read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Group

and the operating effectiveness of such controls, **refer to our separate report in "Annexure A";** and

(g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

- i. The Group does not have any pending litigations which would impact its financial position.
- ii. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary and its associates incorporated in India.

For GMJ & Co  
Chartered Accountants  
Firm's Reg. No. 103429W

(CA P. Somani)  
Partner  
M. No. 040637

Place: Mumbai.  
Date: 30th May, 2016

## ANNEXURE "A"

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ECO RECYCLING LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Eco Recycling Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities

include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial



## ECO RECYCLING LIMITED

controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to an associate company, which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For GMJ & Co  
Chartered Accountants  
Firm's Reg. No. 103429W

(CA P. Somani)  
Partner  
M. No. 040637

Place: Mumbai.  
Date: 30th May, 2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Note No.	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2	175,425,000	175,425,000
b) Reserves and Surplus	3	131,587,886	133,802,888
		<u>307,012,886</u>	<u>309,227,888</u>
<b>2) Non-Current Liabilities</b>			
a) Long-Term Borrowing	4	126,460,681	104,199,312
b) Deferred Tax Liability (Net)	5	4,204,745	3,755,357
		<u>130,665,426</u>	<u>107,954,669</u>
<b>3) Current Liabilities</b>			
a) Short-Term Borrowing	6	52,917,973	63,680,227
b) Trade Payables	7		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		224,757,985	67,849,493
c) Other Current Liabilities	8	14,483,293	80,632,624
d) Short Term Provisions	9	-	1,992,129
		<u>292,159,252</u>	<u>214,154,473</u>
<b>Total</b>		<u><b>729,837,564</b></u>	<u><b>631,337,030</b></u>
<b>ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets	10		
i) Tangible Assets		78,612,707	75,871,018
ii) Intangible Assets Under Development		65,277,332	58,109,660
iii) Capital work in progress		<u>75,177,399</u>	<u>75,177,399</u>
		219,067,438	209,158,077
b) Non-Current Investments	11	72,929,071	66,278,085
c) Long-Term Loans and Advances	12	33,384,976	33,081,288
d) Other Non-Current Assets	13	<u>3,205,007</u>	<u>4,400,554</u>
		328,586,492	312,918,003
<b>2) Current Assets</b>			
a) Inventories	14	88,615,102	85,068,182
b) Trade Receivables	15	238,001,060	164,600,130
c) Cash and Bank Balances	16	4,011,496	1,406,517
d) Short-Term Loans and Advances	17	69,111,865	64,876,229
e) Other Current Assets	18	<u>1,511,548</u>	<u>2,467,968</u>
		401,251,071	318,419,025
<b>Total</b>		<u><b>729,691,939</b></u>	<u><b>631,337,030</b></u>

Notes forming part of the financial statements No. 1-44

As per our report of even date

**For GMJ & Co**

Chartered Accountants

FRN No. 103429W

**CA. P. Somani (Partner)**

M No.40637

Mumbai | 30<sup>th</sup> May 2016

**For and on behalf of the Board**

**Anita Choudhari (CFO)**

**Aruna Soni (Director) - DIN : 01502649**

**Srikrishna B. (Director) - DIN : 02083384**

**Dattatraya Devale (Director) - DIN : 07186290**

**ECO RECYCLING LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

PARTICULARS	Note No.	2015-16 (Amount in ₹)	2014-15 (Amount in ₹)
<b>INCOME</b>			
a) Revenue from Operations	19	367,985,725	309,560,522
b) Other Income	20	5,942,518	4,503,060
<b>Total</b>		<b>373,928,243</b>	<b>314,063,582</b>
<b>EXPENSES</b>			
a) Purchase of Stock-in-Trade	21	315,222,310	256,929,749
b) Changes in inventories of Stock-in-Trade	22	(3,578,824)	(6,971,684)
c) Employee Benefits Expense	23	16,005,656	13,791,578
d) Finance Costs	24	9,676,480	8,505,556
e) Other Expenses	25	34,821,329	26,444,461
f) Depreciation and Amortization Expense	10	3,019,908	2,887,091
<b>Total</b>		<b>375,166,858</b>	<b>301,586,751</b>
<b>Profit Before Tax</b>		<b>(1,238,615)</b>	<b>12,476,831</b>
<b>Tax expense:</b>			
-Current tax		527,000	2,400,000
-Deferred tax		449,387	727,849
<b>Profit for the year</b>		<b>(2,215,002)</b>	<b>9,348,982</b>
Earnings per equity share: (face value of ₹10/-)	42		
Basic and Diluted		(0.13)	0.53

Notes forming part of the financial statements No. 1-44

As per our report of even date

**For GMJ & Co**

Chartered Accountants

FRN No. 103429W

**CA. P. Somani** (Partner)

M No.40637

Mumbai | 30<sup>th</sup> May 2016

**For and on behalf of the Board**

**Anita Choudhari** (CFO)

**Aruna Soni** (Director) - DIN : 01502649

**Srikrishna B.** (Director) - DIN : 02083384

**Dattatraya Devale** (Director) - DIN : 07186290

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended 31.03.2016 (Amount in ₹)	Year ended 31.03.2015 (Amount in ₹)
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Tax	(1,238,615)	12,476,831
Depreciation	3,019,908	2,887,091
Interest Expenses	9,676,480	8,505,556
Interest Income	(256,002)	(48,854)
Dividend Income	(20,332)	(25,211)
(Profit)/Loss on sale of Investment	949,231	3,077,447
Miscellaneous balance Written Back	(151,052)	(1,857,079)
Deferred Revenue Expenditure	2,467,969	2,579,100
<b>Operating Profit before Working Capital Changes</b>		
<b>Adjusted For:</b>		
(Increase)/Decrease in Trade receivable	(73,400,930)	(40,210,702)
(Increase)/Decrease in Inventories	(3,546,920)	(6,971,684)
(Decrease)/Increase in Trade Payable	157,059,544	(34,137,318)
(Decrease)/Increase in Other Current Liabilities	(66,149,331)	64,910,808
(Decrease)/Increase in Short Term Provisions	(2,268,897)	3,323,210
(Increase)/ Decrease in Short term Loans & Advance	(4,235,636)	2,760,683
(Increase)/ Decrease in Long term Loans & Advance	(158,064)	(4,582,343)
(Increase)/ Decrease in Other Non-Current Assets	(256,002)	(2,429,568)
(Increase)/ Decrease in Other Current Assets	(60,000)	111,140
<b>Net Cash generated from Operations</b>	<b>21,431,351</b>	<b>10,369,107</b>
Taxes paid	(395,857)	(352,909)
<b>Net Cash generated from Operating Activities</b>	<b>21,035,494</b>	<b>10,016,198</b>
<b>B Cash Flow from Investing Activities</b>		
(Increase)/Decrease in Fixed Assets, Capital WIP & Intangible Assets	(12,929,269)	1,031,690
(Increase)/Decrease in Non-Current Investments	(7,600,217)	(12,071,757)
Interest Income	256,002	48,854
Dividend Income	20,332	25,211
<b>Net Cash from Investing Activities</b>	<b>(20,253,152)</b>	<b>(10,966,002)</b>
<b>C Cash Flow from Financing Activities</b>		
(Decrease)/Increase in Long Term Borrowings	22,261,369	6,929,022
(Decrease)/Increase in Short Term Borrowings	(10,762,254)	3,490,092

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31.03.2016 (Amount in ₹)	Year ended 31.03.2015 (Amount in ₹)
Interest Expenses	(9,676,480)	(8,505,556)
<b>Net Cash Flow from Financing Activities</b>	<b>1,822,636</b>	<b>1,913,558</b>
<b>Net Increase in Cash and Cash Equivalent during the Year (A+B+C)</b>	<b>2,604,977</b>	<b>963,754</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>1,406,517</b>	<b>442,763</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>4,011,494</b>	<b>1,406,517</b>
<b>Cash and Cash Equivalents include:</b>		
Cash in Hand	1,137,268	1,218,744
Balance with Scheduled Banks:		
- Current Account	2,874,228	187,773
	<b>4,011,496</b>	<b>1,406,517</b>

### NOTES:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) 3 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.

As per our report of even date

**For GMJ & Co**

Chartered Accountants

FRN No. 103429W

**CA. P. Somani** (Partner)

M No.40637

Mumbai | 30<sup>th</sup> May 2016

**For and on behalf of the Board**

**Anita Choudhari** (CFO)

**Aruna Soni** (Director) - DIN : 01502649

**Srikrishna B.** (Director) - DIN : 02083384

**Dattatraya Devale** (Director) - DIN : 07186290



## **CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

### **1(A) Principles of consolidation:**

The consolidated financial statements relate to the Company and all of its subsidiary companies and companies controlled, that is, companies over which the Company exercises control over ownership and voting power and the associates (herein after collectively referred to as the "Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses in accordance with the Accounting Standard – 21 "Consolidated Financial Statements" prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Central Government.
- Investments in subsidiaries are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiaries are recognised as goodwill or capital reserve, as the case may be.
- Investment in associates, where the Company directly or indirectly through subsidiaries holds 20% or more of equity, are accounted for using equity method in accordance with Accounting Standard – 23 "Accounting for investments in associates in consolidated financial statements". The Company accounts for its share in the change of the net assets of the associates, post acquisition after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the Associates' statement of profit and loss, based on available information. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as goodwill or capital reserve as the case may be.
- If, under the equity method, the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the Company discontinues recognizing its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the Company has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Company has guaranteed or to which the Company is otherwise committed. If the associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognized.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's stand alone financial statements.

The list of subsidiary companies which are included in the consolidated financial statements are as under:

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% holding</b>
Ecoreco Enviro Education Pvt. Ltd.	India	100%

The list of associate companies considered in the consolidated financial statements is as under:

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% holding</b>
Weee India Private Limited	India	50%

Investments other than in Subsidiaries and Associates are accounted as per Accounting Standard 13 – "Accounting for Investments".

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

### 1 (B) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

#### B.1 Basis of preparation of financial statements:

The consolidated financial statements have been prepared and presented on the historical cost convention on accrual basis and comprises mandatory accounting standards as prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

#### B.2 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates

are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

#### B.3 Fixed Assets :

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Advances paid towards the acquisition of fixed assets are disclosed as "Capital advances" under Loans and Advances and the cost of assets not ready to be put to use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

#### B.4 Depreciation:

##### a) Tangible Fixed Assets

Depreciation on fixed assets is provided under straight line method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 with the exception of the following:

Plant & Machinery 23 Yrs.

Vehicle 11Yrs.

Depreciation is provided on pro-rata basis from/up to the date of purchase or disposal, for asset purchased or sold during the year. Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

#### B.5 Branding Expenses:

Brand building expenses have been considered as intangible fixed asset and shown at actual cost. Branding expenses will be amortized over its useful life of assets, however, not exceeding a period of 10 years. The write off will commence from the year in which the branding exercise is completed.

#### B.6 Impairment Loss

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made



## **CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

for such impairment loss in the statement of profit and loss. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciated historical costs.

### **B.7 Revenue Recognition:**

Revenue (income) is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Sales Tax & Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- b) Revenue from service charges are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to

the company. Hence, they are excluded from revenue.

- c) Interest Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate.
- d) Dividend Income is recognized when the company's right to receive dividend is established.

### **B.8 Inventories:**

Closing Stock are valued at cost and net realizable value, whichever is lower.

### **B.9 Investments:**

Investment that are readily realizable and intended to be held for not more than a year from the date on which such investment are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investments basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **B.10 Retirement and Other Employee Benefits:**

Retirement benefits in the form

of provident fund and employee state insurance scheme are a defined contribution scheme. The contribution to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable towards provident fund and employee state insurance scheme.

The company has paid the liability towards leave encashment at the year end as an when accrued to the company and does not provide any liability. The amount paid is charged to the Statement of profit and loss account.

### **B.11 Borrowing Costs:**

Borrowing Costs include interest, incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

### **B.12 Foreign Exchange Transactions:**

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

the statement of profit and loss account.

### B.13 Operating Leases:

#### a) Where the company is lessee

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental thereon are charged to statement of profit and loss.

#### b) Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Asset subject to operating lease are included in fixed assets (Facility Land). Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term.

### B.14 Finance Lease:

Finance Lease or similar arrangements, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed under Tangible Assets. Finance Expenses to the extent of Borrowing cost are capitalized and remaining are charged to statement of profit and loss account.

### B.15 Research and Development Expenditure:

Research costs are expensed as incurred. Development expenditure incurred on a project is recognized as an intangible asset where the company can demonstrate the criteria laid down in AS-26 "Intangible Assets" for recognition of an Intangible Asset.

### B.16 Taxes on Income:

"Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period."

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of The Income Tax Act, 1961.

Deferred Tax represents the effect of "timing differences" between taxable income and accounting income for the reporting period that originate in one period and capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized only on reasonable certainty of realization and on unabsorbed depreciation and brought forward losses only on virtual certainty.

### B.17 Provisions and Contingencies:

A provision is recognized when

the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

### B.18 Earning Per Share:

"Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period."

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### B.19 Cash and Cash Equivalents:

Cash and Cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>2 Share Capital</b>		
<b>Authorized</b>		
30,000,000 Equity Shares of ₹10/- each	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
17,542,500 (Previous Year 17,542,500) Equity Shares of ₹10/- each fully paid up	<u>175,425,000</u>	<u>175,425,000</u>
<b>Total</b>	<u><b>175,425,000</b></u>	<u><b>175,425,000</b></u>
a) 11,342,500 (P.Y.11,342,500) Equity Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the schemes of amalgamation of Eco Recycling Limited and Infotrek Syscom Limited without payments being received in cash.		
b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
<b>Equity Shares</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>Number of Shares</b>	<b>Amount</b>
At the beginning of the year	17,542,500	175,425,000
Shares Issued during the year	-	-
<b>Outstanding at the end of the year</b>	<u><b>17,542,500</b></u>	<u><b>175,425,000</b></u>
c) Terms / rights attached to equity shares		
The Company has only one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of prefential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.		
d) Shares held by Holding Company		
<b>Ecoreco Ventures Private Limited, the holding company</b>		
91,39,250 (P.Y. 91,39,250) Equity Shares of ₹10/- each fully paid up	91,392,500	91,392,500

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)		31.03.2015 (Amount in ₹)	
e) Details of Shareholders holding more than 5 % shares in the Company				
Name of Shareholder	31.03.2016		31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹10/- each fully paid up				
Ecoreco Ventures Private Limited	9,139,250	52%	9,139,250	52%
Brijkishor Soni	2,151,102	12%	2,139,162	12%
Bennett, Coleman and Company Limited	1,400,000	8%	1,400,000	8%
3 Reserves and Surplus				
a) Capital Reserve				
Balance as per last financial statements			35,115,495	35,115,495
Balance as at the end of the year			<u>35,115,495</u>	<u>35,115,495</u>
b) Securities Premium Reserves				
Balance as per last financial statements			98,400,000	98,400,000
Balance as at the end of the year			<u>98,400,000</u>	<u>98,400,000</u>
c) General Reserve				
Balance as per last financial statements			157,130	268,130
Add: Transferred from surplus balance in the statement of profit and loss			-	13,500,000
Less : Goodwill on merger			-	(13,611,000)
Balance as at the end of the year			<u>157,130</u>	<u>157,130</u>
d) Surplus/(Deficit) in the Statement of profit and loss				
Balance as per last financial statements			130,263	4,280,470
Add : Profit for the year			(2,215,002)	9,348,982
Less: Appropriation				
Transferred to General Reserve			-	(13,500,000)
Net Surplus in the Statement of profit and loss			<u>(2,084,739)</u>	<u>130,263</u>
Total			<u>131,587,886</u>	<u>133,802,888</u>
(Amount in ₹)				
4 Long-Term Borrowings				
	Non - Current		Current Maturities	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Secured, Term loan				
Indian Rupee loan from Bank*	9,240,853	14,199,312	4,890,000	4,890,000
Car loan**	2,255,689	-	1,163,075	-
From NSDC***	24,964,139	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

			31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>Unsecured, Term loan</b>				
From Government	90,000,000	90,000,000	-	-
<b>Total</b>	<b>126,460,681</b>	<b>104,199,312</b>	<b>6,053,075</b>	<b>4,890,000</b>

**Secured Long-Term Borrowings:**

\*Indian Rupee term loan from bank is repayable in equated periodic installments upto a 5 year period each along with interest. Further, the loan has been guaranteed by personal guarantee of the chairman and managing director of the company, Ecoreco Ventures Private Limited, the holding company and by collateral security of the registered office in the name of B.K.Soni (HUF) and Pledge of 3.40 lakhs equity shares of the company by the chairman and managing director of the company Mr. B.K. Soni.

\*\*The Vehicle loan from ICICI bank is repayable in equated periodic installments upto 36 months period each along with interest. Further, the loan has been secured by hypothecation of Vehicle and personal guarantee of Director.

\*\*\*First charge on the assets, cash flow of the Company, charge on Intellectual Property of the Company, pledge of 51% shares held by Eco Recycling Ltd and corporate guarantee by Eco Recycling Ltd. The moratorium period is 3 years and no interest will be charged during that period. Also no interest is payable on the 1<sup>st</sup> tranche of disbursement. Repayment period is 10 years including moratorium period.

**Unsecured Long-Term Borrowings:**

c) Repayment to start after 1 year from the date of commercialization of the project in 5 annual installments.

**5 Deferred Tax Liability (Net)**

Major components of deferred tax balances consist of the following:

**Deferred Tax Liability**

Related to fixed assets	4,204,745	3,755,357
<b>Total</b>	<b>4,204,745</b>	<b>3,755,357</b>

**6 Short-Term Borrowings**

**Secured**

**Working Capital Loans**

From Banks*	44,456,116	57,662,621
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**Unsecured Loan Repayable on Demand**

From Others	8,461,857	6,017,606
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<b>Total</b>	<b>52,917,973</b>	<b>63,680,227</b>
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\*Working Capital Loans from banks are secured by way of hypothecation of Stock, Book-Debts and Personal Guarantee of the Chairman and Managing Director of the company Mr. B.K. Soni.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>7 Trade Payables</b>		
<b>I Total outstanding dues of micro enterprises and small enterprises*</b>		
a) Principal amount and interest due thereon remaining unpaid	-	-
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d) Interest accrued and remaining unpaid at the end of each accounting year	-	-
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure	-	-
<b>II Total outstanding dues of creditors other than micro enterprises and small enterprises (Unsecured, Considered Good)</b>		
Sundry Creditors	224,757,985	67,849,493
<b>Total</b>	<b>224,757,985</b>	<b>67,849,493</b>
<p>*The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.          The above information regarding Micro, Small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.</p>		
<b>8 Other Current Liabilities</b>		
Current Maturity of Indian rupee term loan from Bank (Refer Note "4")	6,053,075	4,890,000
Bank Overdraft on a Scheduled Bank	-	-
Creditors for Expenses	2,405,349	2,428,000
Advance from customers	-	71,408,338
Statutory Dues*	4,448,370	1,906,287
Other Payable	1,576,500	-
<b>Total</b>	<b>14,483,294</b>	<b>80,632,624</b>
*Includes Tax deducted at source, ESIC, Provident Fund and Profession Tax.		
<b>9 Short Term Provisions</b>		
Provision for Income Tax (Net)	-	1,992,129
<b>Total</b>	<b>-</b>	<b>1,992,129</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

**10. Fixed Assets**

**A. Tangible Assets**

(Amount in ₹)

Particulars	Facility Land	Plant and Machinery	Furniture and Fixtures	Computers	Vehicles	Office Equipment	Total
<b>Gross Block</b>							
As At 1 <sup>st</sup> April, 2015	33,647,167	43,603,861	645,698	2,727,943	6,921,940	789,895	88,336,504
Additions During the Year	-	229,275	380,000	-	4,450,000	702,323	5,761,597
Disposals During the Year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
As At 31 <sup>st</sup> March, 2016	33,647,167	43,833,136	1,025,698	2,727,943	11,371,940	1,492,218	94,098,102
<b>Depreciation / Amortization</b>							
As At 1 <sup>st</sup> April, 2015	-	6,246,360	180,237	2,625,914	2,911,639	501,337	12,465,487
Depreciation During the Year	-	1,815,994	169,461	102,029	616,839	315,585	3,019,908
Deduction During the Year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
As At 31 <sup>st</sup> March, 2016	-	8,062,354	349,698	2,727,943	3,528,477	816,922	15,485,395
<b>Net Block</b>							
As At 31 <sup>st</sup> March, 2015	33,647,167	37,357,501	465,461	102,029	4,010,301	288,558	75,871,018
As At 31 <sup>st</sup> March, 2016	33,647,167	35,770,782	676,000	-	7,843,463	675,295	78,612,707



**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**
**B. Intangible Assets Under Development**

(Amount in ₹)

Particulars	Branding	Total
<b><u>Gross Block</u></b>		
As At 31 <sup>st</sup> March, 2015	58,109,660	58,109,660
Additions During the Year	7,167,672	7,167,672
Disposals During the Year	-	-
Other Adjustments	-	-
As At 31 <sup>st</sup> March, 2016	65,277,332	133,332,332
<b><u>Depreciation / Amortization</u></b>		
As At 31 <sup>st</sup> March, 2015	-	68,055,000
Depreciation During the Year	-	-
Deduction During the Year	-	-
Other Adjustments	-	-
As At 31 <sup>st</sup> March, 2016	-	68,055,000
		-
<b><u>Net Block</u></b>		
As At 31 <sup>st</sup> March, 2015	58,109,660	58,109,660
As At 31 <sup>st</sup> March, 2016	65,277,332	65,277,332

**C. Capital Work-in-Progress**

	As at 31st March, 2016	As at 31st March, 2015
Plant and Machinery	64,815,625	64,815,625
Development "Precious Metal Recovery Plant"*	4,313,572	4,313,572
CRT & PCB Machine	6,048,202	6,048,202
<b>Total</b>	<b>75,177,399</b>	<b>75,177,399</b>

Note : \* It represents an expenditure for development of the project 'E-Waste recycling and Precious metal recovery' under TDDP of TDPU and DSIR.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of shares	₹	No. of shares	₹
<b>11 Non-Current Investments</b>				
<b>a) Quoted Equity Shares ( In Demant)</b>				
Reliance Industries Limited (Face Value ₹10/-)	-	-	700	576,704
Ruchi Soya Industries Ltd (Face Value ₹10/-)	-	-	1,000	43,544
Upsurge Investment & Finance Ltd (Face Value ₹10/-)	368,945	8,131,973	95,000	1,881,699
Shipping Corporation Ltd (Face Value ₹10/-)	500	12,310	500	12,310
Aditya Birla Chemicals (India) Limited (Face Value ₹10/-)	400	222	400	222
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	1,500,009	12,003,842	1,158,357	10,305,024
Prism Cement Ltd (Face Value ₹10/-)	2,000	120,070	2,000	120,070
Ruchi Infrastructure Ltd (Face Value ₹1/-)	338,865	9,060,202	286,792	8,649,877
Anik Industries Ltd (Face Value ₹10/-)	18,000	890,334	40,000	1,978,520
<b>b) Unquoted Equity Shares (Under Litigation)*</b>				
Anant Raj Ind Ltd (Face Vaue ₹2/-)	500	57,849	500	57,849
National Peroxide Ltd (Face Value ₹10/-)	1,000	231,275	1,000	231,275
Hindustan Motors Ltd (Face Value ₹5/-)	42,000	775,572	42,000	775,572
Malu Paper Mills Ltd (Face Value ₹10/-)	9,997	375,336	9,997	375,336
Ruchi Infrastructure Ltd (Face Value ₹1/-)	255,075	11,294,721	255,075	11,294,721
Anik Industries Ltd (Face Value ₹10/-)	10,000	494,630	10,000	494,630
NOCIL Ltd (Face Value ₹10/-)	49,000	1,539,872	49,000	1,539,872
BSEL Infrastructure Realty Ltd (Face Value ₹10/-)	13,000	138,056	13,000	138,056
Harrison Malayalam Ltd (Face Value ₹10/-)	3,000	241,752	3,000	241,752
Hindustan Organic Chemicals Ltd (Face Value ₹10/-)	10,000	302,060	10,000	302,060
Indian Card Clothing Company Ltd (Face Value ₹10/-)	3,459	563,019	3,459	563,019
KPR Mills Ltd (Face Value ₹10/-)	1,997	292,227	1,997	292,227
Murli Industries Ltd (Face Value ₹2/-)	3,500	119,008	3,500	119,008
Financial Analysis Credential Ltd (Face Value ₹10/-)	56	7,527	56	7,527
**India Bull Securities Ltd (Face Value ₹10)	160,000	1,672,640	160,000	1,672,640
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	1,413,543	16,929,700	1,413,543	16,929,700

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Jubilant Food Works Ltd (Face Value ₹10/-)	5	6,449	5	6,449
Kingfisher Airlines Ltd (Face Value ₹10/-)	45,000	434,749	45,000	434,749
Srei Infra Ltd (Face Value ₹10/-)	5,000	136,919	5,000	136,919
JSW Energy Ltd (Face Value ₹10/-)	500	61,683	500	61,683
Himachal Futuristic Communications Ltd (Face Value ₹1/-)	3,000	108,000	3,000	108,000
Brigade Enterprises Limited (Face Value ₹10/-)	800	320,960	800	320,960
Electrosteel Castings Limited (Face Value ₹10/-)	2,000	189,249	2,000	189,249
GTL Infrastructure Limited (Face Value ₹10/-)	3,000	130,710	3,000	130,710
IFCI Ltd (Face Value ₹10/-)	800	26,264	800	26,264
Jensen & Nicolsan Ltd (Face Value ₹10/-)	5,000	35,500	5,000	35,500
Lok Housing Ltd (Face Value ₹10/-)	1,000	149,322	1,000	149,322
Moschip Semiconductor Technology Ltd (Face Value ₹10/-)	2,000	31,320	2,000	31,320
NRC Ltd (Face Value ₹10/-)	3,999	109,693	3,999	109,693
Shree Digvijay Cement Ltd (Face Value ₹10/-)	3,000	70,110	3,000	70,110
***Videocon Appliances Ltd (Face Value ₹10/-)	5,000	213,319	5,000	213,319
<b>c) Unquoted Equity Shares</b>				
Weee India Private Ltd (Face Value ₹10/-)	5,000	50,000	5,000	50,000
Dombivali Sahkari Bank Ltd (Face Value ₹10/-)	10,000	100,000	10,000	100,000
The Shamrao Vithal Coop Bank Ltd (Face Value ₹10/-)	25	625	25	625
Sanjay Chemical Pvt Ltd (Face Value ₹10/-)	3,000	3,000,000	3,000	3,000,000
MGI India Consulting Pvt Ltd (Face Value ₹10/-)	10,000	2,500,000	10,000	2,500,000
<b>Total</b>		<b>72,929,071</b>		<b>66,278,085</b>
Aggregated Value of Quoted Investments		67,278,445		60,627,461
Aggregated Market Value of Quoted Investments		63,996,889		39,268,948
Aggregated Value of Unquoted Investments		5,650,625		5,650,625

\*Investments sold by Keynote Capital (under Litigation)

\*\*The company name has changed from "India Bull Securities Ltd" to "India Bull Ventures Ltd"

\*\*\*The company name has changed from "Videocon Appliances Ltd" to "Value Industries Ltd"

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of shares	₹	No. of shares	₹
<b>12 Long-Term Loans and Advances</b> <i>(unsecured, considered good)</i>				
Lease Rent Deposits			17,000,000	17,000,000
Other Security Deposits			306,600	285,750
<b>Other Loans and Advances</b>				
Capital Advance			11,182,752	9,649,038
Advances Recoverable in Cash or in Kind or value to be received			4,750,000	4,750,000
Balances with Statutory/Government Authorities			-	1,396,500
Payment of Taxes (Net of Provision)			145,624	-
<b>Total</b>			<b>33,384,976</b>	<b>33,081,288</b>
<b>13 Other Non-Current Assets</b>				
<b>Deposits with Bank (with maturity more than 12 months)</b>				
Held as margin money			1,800,000	1,800,000
Interest Accrued			1,405,007	1,149,005
Miscellaneous Expenditure (To the extent not w/off)			-	1,451,549
<b>Total</b>			<b>3,205,007</b>	<b>4,400,554</b>
<b>14 Inventories</b>				
Stock of Electrical and Electronic Equipment			88,615,102	85,068,182
<b>Total</b>			<b>88,615,102</b>	<b>85,068,182</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>15 Trade Receivables</b>		
<i>(unsecured, considered good)</i>		
More than six months from the date they are due for payment	70,932,372	81,391,952
Other Debts	167,068,689	83,208,179
<b>Total</b>	<b>238,001,060</b>	<b>164,600,130</b>
<b>16 Cash and bank balances:</b>		
<b>Cash and Cash Equivalents</b>		
Cash on hand	1,137,268	1,218,744
Balances with banks -		
On current accounts	2,874,228	187,773
<b>Total</b>	<b>4,011,496</b>	<b>1,406,517</b>
<b>17 Short-Term Loans and Advances</b>		
<i>(unsecured, considered good)</i>		
Earnest Money Deposit	537,448	444,000
<b>Other Loans and Advances</b>		
Advances Recoverable in Cash or in Kind	29,634,338	30,402,774
Advance for expenses	35,192,948	33,353,660
Prepaid Expenses	600,483	531,938
Advance to Employees	342,357	143,857
Advance to customers	2,804,291	-
<b>Total</b>	<b>69,111,865</b>	<b>64,876,229</b>
<b>18 Other Current Assets</b>		
Others	60,000	-
Miscellaneous Expenditure <i>(To the extent not w/off)</i>	1,451,548	2,467,968
<b>Total</b>	<b>1,511,548</b>	<b>2,467,968</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>19 Revenue from Operations</b>		
<b>a) Sale of Stock in Trade</b>		
Electrical and Electronic Equipment	357,899,150	300,676,635
<b>b) Sale of Services</b>		
Data Destruction Charges	9,236,575	8,883,887
Training Fees	850,000	-
<b>Total</b>	<b>367,985,725</b>	<b>309,560,522</b>
<b>20 Other Income</b>		
Interest Income on		
- Bank Deposits	256,002	48,854
Dividend	20,332	25,211
Profit/(Loss) on sale of Shares held as Investments	35,763	-
Profit on commodities trading	27,838	-
Speculative Profit on sale of Shares	-	18,648
Exchange gain on rate fluctuation	-	2,356,150
Membership fees	850,000	-
Reimbursement of Expenses	4,582,827	-
Sundry Balances Written Back	151,052	1,857,079
Miscellaneous Income	18,705	197,118
<b>Total</b>	<b>5,942,518</b>	<b>4,503,060</b>
<b>21 Purchases of Stock-in-Trade</b>		
Purchases of Electrical and Electronic Equipment	315,222,310	256,929,749
<b>Total</b>	<b>315,222,310</b>	<b>256,929,749</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>22 Changes in Inventories of Stock-in-Trade</b>		
Inventories at the end of the year		
Stock of Electrical and Electronic Equipment	88,615,102	85,068,182
	<u>88,615,102</u>	<u>85,068,182</u>
Inventories at the beginning of the year		
Stock of Electrical and Electronic Equipment	85,068,182	78,096,498
	<u>85,068,182</u>	<u>78,096,498</u>
<b>Total</b>	<u>(3,546,920)</u>	<u>(6,971,684)</u>
<b>23 Employee Benefits Expense</b>		
Salaries, Bonus and Other Allowances	14,989,914	12,443,132
Contribution to Provident & Other Funds	523,410	652,530
Employee Welfare Expenses	492,332	695,916
<b>Total</b>	<u>16,005,656</u>	<u>13,791,578</u>
<b>24 Finance Costs</b>		
Interest Expense		
On Term Loan	664,534	1,064,049
On Working Capital Loan	7,586,623	7,152,634
Other Interest	1,082,823	288,873
Processing Fees	342,500	-
<b>Total</b>	<u>9,676,480</u>	<u>8,505,556</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>25 Other Expenses</b>		
Lease Rent	9,852,199	8,886,708
Freight and Transportation	3,023,124	2,953,225
Travelling and Conveyance	1,565,713	1,171,486
Legal and Professional Fees	1,029,649	1,190,335
Labour Charges	249,406	323,700
Advertisement Expenses	450,157	650,192
Insurance Expense	598,017	709,883
Printing and Stationery	308,224	215,403
Repairs and Maintenance	324,904	309,882
Electricity Charges	371,990	238,744
Security Charges	404,917	255,036
Auditor's Remuneration (Refer Note "29")	275,000	100,000
Annual Listing, Registrar and Transfer Agent Expense	255,987	201,770
Bank Charges	67,244	95,509
Loss on sale of shares held as investments	1,012,831	3,077,447
Software license	-	122,852
Other Expenses	10,155,037	3,363,189
Miscellaneous Expenditure w/off (Refer Note "33")	4,876,929	2,579,100
<b>Total</b>	<b>34,821,329</b>	<b>26,444,461</b>

**26 Disclosure in Respect of Leases:**

**I Operating Lease: Company as Lessee**

The Company's leasing arrangements are in respect of operating leases for factory, office premises and guest house occupied by the Company. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms.

a) The total of future minimum lease payments during lock in period of operating leases for each of the following periods:

i) Not later than one year	9,768,449	9,768,449
ii) Later than one year and not later than five years	23,077,324	23,077,324
iii) Later than five years	-	-
b) Lease payments recognized in the Statement of Profit and Loss for the period.	9,852,199	8,886,708

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31.03.2016 (Amount in ₹)	31.03.2015 (Amount in ₹)
<b>II Operating Lease: Company as Lessor</b>		
a) The total of future minimum rental receivable during lock in period of operating leases are as follows:		
i) Not later than one year	-	-
ii) Later than one year and not later than five years	10,560,000	10,560,000
iii) Later than five years	-	-
b) Lease rental recognized in the Statement of Profit and Loss for the period.	-	-
<b>27 Capital and Other Commitments</b>		
<b>Capital Commitments:</b>		
Estimated value of contracts in capital account remaining to be executed		
From others	-	-
<b>28 Contingent Liabilities</b>		
a) Guarantee given by Bank on behalf of the Company Secured against equal fixed deposits Standing Bank Guarantee in favour of The Customs, JNPT	1,810,000	1,810,000
b) Custom Duty on Imported Machineries cannot be sold or transferred to any person or other organisation for a period of 5 years from the date of its import	12,400,000	12,400,000
c) Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	125,993,806	-
<b>29 Payment to Auditors</b>		
Audit Fees	225,000	75,000
Tax Audit Fees	50,000	25,000
Other Services	-	-
<b>Total</b>	<b>275,000</b>	<b>100,000</b>
<b>30 Earnings in Foreign Currency</b>		
FOB Value of Goods Export	-	4,560,000
Reimbursement of Insurance Premium	197,776	212,179
Reimbursement of Security Charges	528,540	528,540
Service Charges	1,372,134	835,890
<b>Total</b>	<b>2,098,450</b>	<b>6,136,609</b>

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

- 31 The Company had been dealing with Keynote Capital Limited (Keynote) for its Share transactions. A substantial portion i.e 20,56,234 Nos. of shares amounting to ₹4,48,55,092/- out of the investment portfolio maintained by the company in demat form with Keynote has been misappropriated by the Keynote against the loss booked by Keynote on account of transactions in the F&O Segment carried out by Keynote 2on its own without any authorisation of the company. In this matter Company has won both the appeals of Arbitration Committee of The National Stock Exchange. In the month of August, 2014 Keynote has filed an appeal u/s 34 in the Bombay High Court against the second appellate award passed by the Arbitration Committee of The National Stock Exchange of India Limited, which is still pending. The matter is now pending with Bombay High Court and the disposal of the same in favour of Company is expected.
- 32 The Company has not carried out Acturial Valuation for Gratuity and has made an adhoc provision of ₹2,00,000/-, which is not in conformity with AS-15 "Employee Benefits" as required under the provisions of The Payment of Gratuity Act, 1972. However in the opinion of the management the impact of difference, if any, on the Balance Sheet and Statement of profit and loss account is negligible.
- 33 The Company has not written off the "Miscellaneous Expenditure" amounting to ₹14,51,548/- fully in Statement of Profit and Loss account, which is not in conformity with AS - 26 - Intangible Assets which had arise at the time of amalgamation. However in the opinion of the management it will not create any discrepancy as the treatment taken is as per the provisions of The Income Tax Act, 1961.
- 34 The Company had entered in to an agreement with KUD Realtors Pvt. Ltd, Mumbai for purchase of 10 acres of land for a consideration of ₹650 lacs for setting up its e-waste recycling project at Kharbao, Bhiwandi and paid ₹615 lacs against the above. As of now, M/s KUD Realtors Pvt Ltd, could conveyance 5.78 acres of land in favor of the company and for the remaining amount they have offered some warehouses and incomplete construction at the same site.  
All the above land, warehouses and incomplete building are yet to be physically received because of incomplete documents for which the company has taken appropriate steps with the concerned authorities.
- 35 The office of the Whole Time Company Secretary has been vacant and the Company is in process of appointing a full time company secretary as per Companies Act 2013.
- 36 The company is in the business of E-waste and Asset Management.
- 37 Balances of some of the trade receivables, trade payables and creditor of expenses, loans and advances (given and taken) and loans, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management, however is of the view that there will be no material adjustments in this regards.
- 38 The company is operating in one segment i.e. e-waste recycling business.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

### 39 A. STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST :

Name of the entity	Country of incorporation	% of voting power as at March 31, 2016	% of voting power as at March 31, 2015	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
				As % of consolidated net assets	Amount in ₹	As % of consolidated profit or loss	Amount in ₹
Eco Recycling Limited	India	-	-	107.65	330,504,658	(28.59)	633,193
<b>Subsidiary (wholly owned)</b>							
Ecoreco Enviro Education Pvt Ltd	India	100	-	(7.65)	(32,491,772)	128.59	(2,848,196)
<b>Associate</b>							
Weee India Private Limited	India	50	50	-	-	-	-

#### B. The contribution of the subsidiaries acquired and incorporated during the year is as under:

	Revenue	Net Loss	Net Assets
Ecoreco Enviro Education Pvt Ltd	850,000	(3,784,673)	4,715,327

### 40 Related Party Transactions

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below "

#### i) Relationships :

##### (a) Holding Company:-

Ecoreco Ventures Private Limited

##### (b) Associates (By common Directors):

Reverse Logistics & Warehousing Private Limited

Ecoreco Park Private Limited

Eco Remarketing Private Limited

Data De-End Private Limited

##### (c) Key Management Personnel :-

Mr. B. K. Soni - C.M.D.

Mrs. Aruna Soni - Director

Mr. Srikrishna B. - Director

Mr. T. R. Rao - Director

(Resigned on 19.09.2015)

Mr. Shashank Soni - Director

Mr. Vijay Acharya - Director

Mr. Dattatraya Devale - Director

Ms. Anita Choudhari - CFO

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

ii) Transaction With Related Parties:-

(Amount in ₹)

Particulars	Key management personnel	Holding	Associates
Remuneration	3,450,000	-	-
(P.Y.)	(3,600,000)	-	-
Salary	2,064,383		
(P.Y.)	(2,049,374)		
Sitting Fees	130,000	-	-
(P.Y.)	-	-	-
Rent	4,200,000	-	-
(P.Y.)	(4,500,000)	-	-
Interest Paid	-	-	-
(P.Y.)	(823,542)	-	-
Advance Rent Paid	1,967,938	-	-
(P.Y.)	(2,336,241)	-	-
Subscription in Shares	-	-	-
(P.Y.)	-	-	(50,000)
Deposit Paid	-	-	-
(P.Y.)	(10,000,000)	-	-
Deposit Repaid	-	-	-
(P.Y.)	-	-	-
Loan Given	-	-	-
(P.Y.)	-	-	-
Loan Repaid	-	-	-
(P.Y.)	-	-	-
Loan Taken	-	-	-
(P.Y.)	(300,000)	-	-
Loan Repaid	-	-	-
(P.Y.)	(11,995,000)	-	-
Deposit For Advertisement Expenses	-	-	-
(P.Y.)	-	-	-
Sale of Shares	-	-	-
(P.Y.)	-	-	-
<b>Closing Balance at the Year End</b>			
Loan Taken	-	-	-
(P.Y.)	-	-	-
Deposit Given	15,000,000	-	-
(P.Y.)	(15,000,000)	-	-
Advance Rent Paid	4,304,179	-	-
(P.Y.)	(2,336,241)	-	-

**NOTE:** Related party relationship is as identified by the company and relied upon by the Auditors

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

### 41 Derivative Instruments

Foreign Currency Exposures that have not been hedged by a derivative instrument or otherwise as at year end:

Particulars	Year	Currency	Amount
Advance recoverable in cash or in kind or value to be received	2015-16	USD	-
		INR	-
	2014-15	USD	-
		INR	-

### 42 Earnings Per Share

	Units	2015-16	2014-15
i) Profit after tax	₹	(2,215,002)	9,348,982
ii) Weighted average number of equity shares outstanding	Nos.	17,542,500	17,542,500
iii) Basic Earnings Per Share	₹	(0.13)	0.53
iv) Diluted Earning Per Share	₹	(0.13)	0.53
v) Face Value of Shares	₹	10.00	10.00

43 Figures pertaining to the subsidiary company has been reclassified wherever necessary to bring them in line with the Group financial statements.

44 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

#### Notes forming part of the financial statements

As per our report of even date

#### For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. P. Somani (Partner)

M No.40637

Mumbai | 30<sup>th</sup> May 2016

No. 1 to 44

#### For and on behalf of the Board

Anita Choudhari (CFO)

Aruna Soni (Director) - DIN : 01502649

Srikrishna B. (Director) - DIN : 02083384

Dattatraya Devale (Director) - DIN : 07186290

## NOTES

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**ATTENDANCE SLIP**  
**ECO RECYCLING LIMITED**

**Registered Office:** 205, Centre Point, 2<sup>nd</sup> Floor, J.B. Nagar, Andheri Kurla Road, Andheri East, Mumbai – 400 059.  
**CIN:** L74120MH1994PLC079971

22nd Annual General Meeting, Friday, September 30, 2016

I/We hereby record my/our presence at the 22nd Annual General Meeting of the Company (including adjournment thereof) at **205, CENTRE POINT, 2<sup>ND</sup> FLOOR, J B NAGAR, ANDHERI-KURLA ROAD, ANDHERI (E) MUMBAI - 400059** held on Friday, September 30, 2016 at 11A.M.

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Signature of Shareholder / Proxy Present

**Note:**

1. Shareholders are requested to complete the attendance slip and hand over at the entrance of the hall.
2. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting.

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**Form No. MGT-11**

**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**ECO RECYCLING LIMITED**

**Registered Office:** 205, Centre Point, 2<sup>nd</sup> Floor, J.B. Nagar, Andheri Kurla Road, Andheri East, Mumbai – 400 059.  
**CIN:** L74120MH1994PLC079971

Name of the member (s): .....

Registered address: .....

..... E-mail Id: .....

Folio No/\* Client Id: \_\_\_\_\_ \*DP ID: \_\_\_\_\_

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: ..... Address: .....

E-mail Id: .....Signature: ..... or failing him

1. Name: ..... Address: .....

E-mail Id: .....Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual general meeting of the Company, to be held on Friday, September 30, 2016 at 11 A.M. at **205, CENTRE POINT, 2<sup>ND</sup> FLOOR, J B NAGAR, ANDHERI-KURLA ROAD, ANDHERI (E) MUMBAI - 400059** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2016, and the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Shashank Soni (DIN: 06572759) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.
4. Ratification of re-appointment of Mr. B. K. Soni (DIN: 01274250) as a Managing Director of the Company.

Signed this..... day of .....2016

.....  
Signature of Shareholder

.....  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

\* Applicable for investors holding shares in electronic form. \_\_\_\_\_

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

# CORPORATE SOCIAL RESPONSIBILITY

India's pioneer e-waste recycler provides you unique initiatives for Corporate Social Responsibility (CSR)



Green India | Skilled India | Responsible India

To know more, kindly contact on  
**022 4005-2951/2/3**

[www.ecoreco.com](http://www.ecoreco.com) / [csr-apt@ecoreco.com](mailto:csr-apt@ecoreco.com)



Green India | Skilled India | Responsible India

If undelivered, please return to:  
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2018, Central Post, Plot No. 10, Sector-10,  
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Andhra Pradesh, 500 000

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