

## **BOARD OF DIRECTORS**

### **DIRECTORS**

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

### **CFO**

Anita Choudhari

### **COMPANY SECRETARY**

Priyanka Bang  
(Resigned on 17th February, 2018)  
Pooja Sharma  
(W.e.f. 28th March, 2018)

### **AUDITORS**

Talati & Talati  
Chartered Accountants  
625, The Summit Business Bay, Near Cinemax Theatre,  
Andheri Kurla Road, Andheri (E), Mumbai-400 093

### **BANKERS**

Catholic Syrian Bank  
Kotak Mahindra Bank

### **REGISTRARS & TRANSFER AGENTS**

Bigshare Services Pvt. Ltd.  
Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis  
Next to Keys Hotel, Makwana Road, Andheri (E)  
Mumbai – 400059

### **REGISTERED OFFICE**

422,4th Floor The Summit Business Bay  
Near Cinemax Theatre, Andheri Kurla Road, Andheri (E), Mumbai-400 093

### **E-MAIL ADDRESS**

info@ecoreco.com  
shareholders@ecoreco.com

### **WEBSITE**

www.ecoreco.com

## NOTICE OF 24<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF ECO RECYCLING LIMITED WILL BE HELD ON SATURDAY, 15<sup>TH</sup> SEPTEMBER, 2018 AT 11.00 A.M. AT 422, 4<sup>TH</sup> FLOOR, THE SUMMIT BUSINESS BAY, NEAR CINEMAX THEATER, ANDHERI-KURLA ROAD, ANDHERI (E) MUMBAI - 400093 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, 2018 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, 2018 and the Report of the Auditors thereon;
2. To appoint a Director in the place of Mr. B. K. Soni (DIN: 01274250), who retires by rotation and, being eligible, seeks re-appointment;

### SPECIAL BUSINESS:

3. **Revision of remuneration of director Mr. Shashank Soni DIN: 06572759 and in this regard to consider an if thought fit, to pass, with or without modification(s) as Special Resolution:**

“RESOLVED THAT, in partial modification to the Ordinary Resolution passed by members at the Annual General Meeting held on 4th August, 2017 a pursuant to provision of section 197 read with part I and section II of part II

of schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) applicable clauses of the Article of Association of company and recommendation of Nomination and Remuneration Committees and Audit Committee, subject to such other consents, approvals and permissions if any needed, for revision in remuneration of Mr. Shashank Soni (DIN : 06572759), Executive director with effect from April 1, 2017, be and is hereby payable on the terms & condition including hereinafter mentioned:

Consolidated salary up to 24 Lakh p.a. which includes variable pay, Insurance coverage, Gratuity and Provident Fund as per company's policy.

RESOLVED FURTHER THAT pursuant to provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 the revised remuneration of Mr. Shahshank Soni, Executive Director is hereby confirmed that it is well within the prescribed limit mentioned in the said section.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or, any Key Managerial Personnel be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. **Authority to Borrow Money under section 180 (1) (a) & (c) and in this regard to consider an if thought fit, to pass, with or**

**without modification(s) as Special Resolution:-**

The Chairman informed to the Board that due to the increasing business operations and future growth plans of the Company would necessitate borrowing from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets as well as unsecured loan from Directors and Shareholders, as may be considered suitable by the Board.

The Board discussed the matter in detail and passed the following resolution unanimously.

“RESOLVED THAT consent of the members of the Company be and is hereby accorded in terms of Section 180 (1) (a) & (c) and other applicable provisions, if any, of the Companies Act, 2013 and/or Companies Act, 1956 as may be applicable (including any statutory modifications, amendments or re-enactments thereto for the time being in force) to borrow any sum or sums of monies from time to time for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons of India or otherwise from the foreign parties/entities subject to the provisions of the FDI and/or FEMA and from Directors, Shareholders, as may be considered appropriate and suitable by the Board notwithstanding that the sum or sums of monies to

be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free-reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹50.00 Crore (Rupees Fifty Crore) over and above the paid up capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board of Directors and/or, any Key Managerial Personnel of the Company be and are jointly / or severally authorized to do as they may think fit and for that purpose to execute such documents, papers, deeds, and writings containing such conditions

and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution."

**5. To Approve the Expenses for Service of Documents to Members:**

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

"**RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under, the consent of the Company be and is hereby accorded to charge from a member fee in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular

mode, if any request has been made by such member for delivery of such document to him/ her through such mode of service provided that such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

**RESOLVED FURTHER THAT** Board of the Directors of the Company be and are hereby authorized to do all acts deeds and matters as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution."

---

**Registered Office:**

422, The Summit Business Bay  
Near Cinemax Theatre  
Andheri Kurla Road, Andheri East  
Mumbai – 400 093  
CIN: L74120MH1994PLC079971

14<sup>th</sup> August 2018  
Mumbai

**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.

**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. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 15<sup>th</sup> September 2018 (Pursuant to Regulation 36 (3) of the SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015) and additional Information under Schedule V provided as a part of this notice.
4. Pursuant to Provisions of Section 91 of the Companies Act, 2013, the Register of Members and share transfer book of the Company will remain closed during the period from 9<sup>th</sup> September, 2018 to 15<sup>th</sup> September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
5. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 15<sup>th</sup> September, 2018 (Pursuant to Regulation 36 (3) of the SEBI (Listing Obligation & Disclosure Requirement), Regulations, 2015) and additional Information under Schedule V provided as a part of this notice.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
7. Members seeking any information are requested to write to the Company by email at [shareholders@ecoreco.com](mailto:shareholders@ecoreco.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. The company has notified closure of register of members and share transfer books (For the purpose of AGM) from 9<sup>th</sup> September, 2018 to 15<sup>th</sup> September, 2018 (both days inclusive).
9. 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. Big Share 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;
10. 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;
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the details of such folios together with the share certificates to Bigshare Services Private Limited, for consolidation into a single folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
12. 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;
13. 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;

14. 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;
15. 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;
16. 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;
17. 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
18. Member are requested to address all correspondences, to the Registrar

and Share Transfer Agents, M/s. Bigshare Services Private Limited, Bharat Tin Works Building, First Floor, Opposite Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai – 400059 Tel No: 022-6263 8294, Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

19. In accordance with the provisions of Section 101 of the Companies Act, 2013, Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (LODR) Regulations, 2015 and the Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Bigshare Services Private Limited to enable the Company to send all

communications electronically.

20. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic form, the nomination form may be filed with the respective depository participant.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare Services Private Limited.
22. Members may also note that the Annual Report for FY 2017-18 is also available for downloading on Company's website [www.ecoreco.com](http://www.ecoreco.com).
23. The route map showing directions to reach the venue of the Twenty-Fourth AGM is annexed.
24. **Voting through electronic means**
  - i. 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 24th 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.

II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

#### 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 Wednesday 12<sup>th</sup> September, 2018 day and ends on Friday 14<sup>th</sup> September, 2018 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 Saturday 8<sup>th</sup> September, 2018 may cast their vote electronically. The evoting 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;
- 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;
- 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. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 8<sup>th</sup> September 2018, may obtain the login ID and password by sending a request to Bigshare Services Private Limited at [joyv@bigshareonline.com](mailto:joyv@bigshareonline.com).
- x. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xi. After entering these details appropriately, click on “SUBMIT” tab;

- xii. 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;
- xiii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xiv. Click on the EVSN for the relevant **ECO RECYCLING LIMITED** on which you choose to vote;
- xv. 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;
- xvi. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details;
- xvii. 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;
- xviii. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote;
- xix. You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page;
- xx. 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;
- xxi. 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;
- xxii. **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](mailto: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.
- xxiii. 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](mailto:helpdesk.evoting@cdslindia.com)
- In case of members receiving the physical copy:**
25. Please follow all steps from sr. no. (i) to sr. no. (xxiii) above to cast vote. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question ("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](mailto:helpdesk.evoting@cdslindia.com)
26. Mr. Alok Khairwar, Partner of M/s. Alok Khairwar & Associates, Practicing Company Secretaries

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.  
14<sup>th</sup> August, 2018  
Mumbai

(Membership No. ACS 34555) , 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;

27. The results shall be declared on or after the AGM of the Company. 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.

**Registered Office:**  
422, The Summit Business Bay  
Near Cinemax Theatre  
Andheri Kurla Road, Andheri East  
Mumbai – 400 093  
CIN: L74120MH1994PLC079971

---

**Venue of the AGM Meeting**  
**Landmark: Near to Cinemax Theater**  
**ROUTE MAP TO VENUE**





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

**The following explanatory statements, pursuant to section 102 of the Companies Act, 2013 ('the Act'), set out all material facts relating to the business mentioned at Item No. 3 accompanying:**

Mr. Shashank Soni is an MBA from Cardiff University, UK and holds a Bachelor of Commerce degree from Narsee Monjee Institute of Management Studies (NMIMS) and is Director of the Company. He is associated with the Company since 2013.

The members of the Company at Considering the inflationary trend and the substantial increase in the business activities of the Company which results in increase in the work load and responsibilities of Managerial Personnel, the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee has increased the monthly remuneration of above stated Director w.e.f. 1<sup>st</sup> April 2017 on the same terms and conditions as mentioned in the Ordinary Resolution passed by the members of the Company at their meeting held on 04<sup>th</sup> August, 2017. His experience, commitment and capabilities are playing a crucial role in the growth of the Company and have proved to be an invaluable asset for the Company. Considering their sincerity, commitment, hard work, devotion and concern about the company and its

growth, the Board feels it absolutely necessary to increase the remuneration up to 24 Lakh p.a. which includes variable pay, Insurance coverage, Gratuity and Provident Fund as per company's w.e.f 1<sup>st</sup> April 2017. The Board recommends to pass special resolutions as set out in Item No. 3 of the notice.

Mr. B.K. Soni, Chairman & Managing Director and Ms. Aruna Soni being relative of above director may also be deemed as concerned or interested financially or otherwise in the resolutions. Except them none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution

**The following explanatory statements, pursuant to section 102 of the Companies Act, 2013 ('the Act'), set out all material facts relating to the business mentioned at Item No. 4 accompanying:**

As a measure of achieving greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of its plans, it is proposed that the Board of Directors be authorized to borrow upto ₹50 Crore/- (Fifty Crore Rupees Only) over and above the paid up capital of the Company and its free reserves from any bank, financial institutions or any other lending institutions, firms, bodies corporate or

persons of India or otherwise from the foreign parties/entities subject to the provisions of the FDI and/or FEMA and from Directors, Shareholders, as my be considered appropriate.

As per Section 180 of the Companies Act, 2013, a Company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings and borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business, unless it is previously authorized by a Special Resolution. Hence, it is necessary to obtain approval for the same from the Members.

The Board recommends passing of the above resolution(s) by the members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the proposed resolutions.

## ANNEXURE I

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND ADDITIONAL INFORMATION UNDER SCHEDULE V IS PROVIDED AS A PART OF THIS NOTICE:**

<b>Details of the Directors seeking appointment at Twenty- Fourth Annual General Meeting to be held on Saturday 15<sup>th</sup> September, 2018</b>	
<b>Name of the Director</b>	Mr. B. K. Soni
<b>Item No.</b>	2
<b>Date of Birth</b>	17/03/1959
<b>Brief Resume</b>	<p>B. K. Soni is the Chairman and Managing Director of Eco Recycling Ltd (Ecoreco) and the chief promoter of the group. 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>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.</p>
<b>Expertise in specific functional area</b>	Strategic growth initiatives of the company.
<b>Directorships (other than Eco Recycling Limited)</b>	<ol style="list-style-type: none"> <li>1. ECORECO PARK PRIVATE LIMITED</li> <li>2. ECORECO VENTURES PRIVATE LIMITED</li> <li>3. ECORECO ENVIRO EDUCATION PRIVATE LIMITED</li> <li>4. REVERSE LOGISTICS &amp; WAREHOUSING PRIVATE LIMITED</li> <li>5. EPR COMPLIANCE PRIVATE LIMITED</li> <li>6. WEEE INDIA 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>	2167763 Shares

## BOARDS REPORT

### The Members of ECO RECYCLING LIMITED

The Directors are pleased to present the Twenty Fourth Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31<sup>st</sup> March, 2018.

#### 1. THE STATE OF THE COMPANY'S AFFAIRS

We are proud to share that, your company who pioneered formal recycling of electrical & electronic waste (E-waste) in the year 2005 in India is now completing 14th year of its services to the nation and environment. The growth of e-waste generation will certainly improve business of the formal recyclers and your company is poised to take advantage of this unfolding opportunity.

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.

#### 1.1 KEY FINANCIAL HIGHLIGHTS (₹ in Lacs)

Particulars	2017-18	2016-17
Income	1417.00	1990.00
Expenditure	1360.00	1965.00
Profit/(Loss) before Depreciation and Tax	94.00	58.00
Exceptional Item	901.00	135.00
Depreciation	37.00	33.00
Profit/(Loss) before Tax	(844.00)	(110.00)
Deferred Tax/Current Tax	-	5.00
Profit/(Loss) after Tax	(844.00)	(105.00)

During the year under review, the Company has reported a total

income of ₹1417 lakhs out of which non-operating income amounts to ₹265.66 lakhs. Income from operations is ₹1151.00 lakhs which has decreased by ₹793.69 lakhs i.e. by 40.80% as compared to the previous year.

#### 1.2 Change in nature of Business

During the year there was no change in business activity of the company.

#### 1.3 Changes in Share Capital

During the Financial Year 2017-18 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2018 is ₹17.54 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

#### 1.4 Revision of Annual Financial Statement

There was no case of revision in financial statement during the year.

#### 2. DIVIDEND

Your Directors have not recommended any dividend for the financial year ended March 31, 2018.

#### 3. TRANSFERS TO RESERVES

During the year the Company has not transferred any amount to the reserves.

#### 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.

#### 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	2017-18	2016-17
Earnings in Foreign Currency	94.59	29.66
Expenses in Foreign Currency	Nil	-

#### 7. EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2018 forms part of this report as Annexure I.

## 8. DEPOSITS

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## 9. 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.

The Board in its meeting held on 30.05.2018 has appointed Abhishek Ruia & Company, Chartered Accountants, having Membership No. 135938 as Internal Auditor of the Company for the financial year 2018-19.

## 10. BOARD MEETINGS

The Board of Directors (herein after called as “the Board”) met for 8 (Eight) 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	09.05.2017	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Srikrishna B. iv) Shashank Soni	i) Vijay Acharaya ii) Dattatraya Devale
2	30.05.2017	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Srikrishna B. iv) Shashank Soni	i) Vijay Acharaya ii) Dattatraya Devale
3	03.07.2017	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Srikrishna B. iv) Shashank Soni	i) Vijay Acharaya ii) Dattatraya Devale
4	14.09.2017	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Dattatraya Devale	i) Vijay Acharaya ii) Shashank Soni iii) Srikrishna B.
5	17.11.2017	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Vijay Acharaya	i) Dattatraya Devale ii) Srikrishna B. iii) Shashank Soni

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
6	14.12.2017	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Srikrishna B.	i) Dattatarya Devale ii) Vijay Acharaya iii) Shashank Soni
7	20.01.2018	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) Shashank Soni ii) Srikrishna B. iii) Aruna Soni	i) B K Soni ii) Dattatraya Devale iii) Vijay Acharya
8	28.03.2018	422, 4 <sup>th</sup> Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 400093  Time: 4:00 P.M.	i) B K Soni ii) Srikrishna B. iii) Shashank Soni iv) Aruna Soni v) Dattatraya Devale	i) Vijay Acharaya

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

Mr. B. K. Soni, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

During the year under review Miss. Priyanka Bang, Company Secretary has been resigned from the office w.e.f. 17.02.2018 and Ms. Pooja Sharma has been appointed as Company Secretary as on 28.03.2018 to be consider as KMP under Section 203 of the Companies Act, 2013.

#### Disqualifications of Directors

During the year declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. The Board appraised the same and found that none of the director is disqualified for holding office as director as on 31<sup>st</sup> March, 2018.

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

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013 and the Rules made thereunder.

#### 13. FAMILIARIZATION PROGRAMME:

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

With a view to familiarize the independent directors with the Company's operations, as required

under regulation 25(7) of the SEBI Listing Regulations, 2015, the familiarization programme has been posted on the website of the Company under the web link: [http://ecoreco.com/Uploads/Downloads/Familiarization\\_Programme.pdf](http://ecoreco.com/Uploads/Downloads/Familiarization_Programme.pdf)

#### 14. CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and senior management and Independent Directors of the Company. All the Board members including independent directors and senior management personnel have affirmed compliance with the code of conduct.

#### 15. NOMINATION & REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015 the Company has constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms of reference detailed in the Corporate Governance report.

#### 16. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Shrikrishna Bhamidipati as Chairman, Mr. Dattatraya Devale and Mrs. Aruna Soni as members. All the recommendations made by the Audit Committee were accepted by the Board. The details of meetings of Audit Committee held during the year, its composition, terms of reference are given in the Report on Corporate Governance.

#### 17. REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration

Committee has approved and adopted a Remuneration Policy for selection and appointment of Directors, Senior Management personnel and their remuneration. The Remuneration Policy of the Company forms part of this report as **Annexure II**.

#### 18. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees of the Company to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Directors/ employees and direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been disclosed on the Company's at [www.ecoreco.com](http://www.ecoreco.com) and circulated to all the Directors and employees.

#### 19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-clause (c) of sub-section (3) 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-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### 20. COMMISSION RECEIVED BY DIRECTORS FROM HOLDING/ SUBSIDIARY COMPANY

None of director is in receipt of any commission from the company and commission from any holding company or subsidiary company of company. Hence provisions of section 197 (14) of Companies Act, 2013 are not applicable to the Company.

#### 21. RISK MANAGEMENT

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. 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.

## 22. AUDITORS:

### 22.1 STATUTORY AUDITOR

The Shareholders of the Company at the 23<sup>rd</sup> Annual General Meeting (AGM) held on August 4<sup>th</sup>, 2018, had appointed M/s. Talati & Talati, Chartered Accountants, Statutory Auditor of the Company (Firm Registration No.110758W) as the Statutory Auditors of the Company for one term of five consecutive years i.e. up to the conclusion of the 28<sup>th</sup> Annual General Meeting, subject to ratification of their appointment by the members at every AGM of the Company.

However, the requirement of ratifying the appointment of Auditors at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors. The Company has received a confirmation from the Auditors that they are not disqualified from continuing as Auditors of the Company.

**Explanation to Auditor's Remark**  
 The Board has duly reviewed the statutory Auditors Report on the Accounts. The notes forming part of the accounts referred

to in the Auditors Report of the Company are self-explanatory and do not call for any further explanation.

### 22.2 SECRETARIAL AUDITOR

The Board has appointed M/s. Pramod S. Shah and Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board in its meeting held on 14.08.2018 has appointed M/s. Pramod S. Shah and Associates, Practicing Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2018-19.

### 22.3 COST RECORD AND COST AUDIT

Your company does not fall within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

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

Sr. No.	Name of the Company	Subsidiary / Associate
1	Ecoreco Enviro Education Private Limited	Subsidiary

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<sup>st</sup>, 2018 as per Form AOC – 1 attached to the this report as **Annexure III**.

## 24. 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**.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <http://ecoreco.com/Uploads/Downloads/Materiality-Policies.pdf>

## 25. PARTICULARS OF LOANS, 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.

## 26. CORPORATE SOCIAL RESPONSIBILITY

Your company does not meet the requirements of Section 135 of Companies Act, 2013 for establishing Corporate Social responsibility (CSR) committee; therefore no such committee was established by the Board.

## **27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant or material orders passed by the Regulators / Courts which would impact the future operations / going concern status of the Company.

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

Pursuant to the provisions of section 134(3)(p) of Companies Act 2013 and Regulation 25(4)(a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

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.

## **29. EQUITY SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued any

equity shares with differential voting rights.

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

- a. 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.
- b. 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**.

## **31. VOTING RIGHTS OF EMPLOYEES**

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67 (3) (c) of Companies Act, 2013.

## **32. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS**

The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014.

## **33. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES**

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 during the Financial Year.

## **34. CORPORATE GOVERNANCE REPORT**

Your Company and its Board has

been complying with Corporate Governance practices as set out in a separate report in pursuance of requirement of para C of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure VI**. Auditor's certificate confirming compliance of the Corporate Governance as stipulated under the said Regulations is also attached to this Report.

## **35. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis statement in pursuance of requirement of para B of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached to this report.

## **36. LISTING AT STOCK EXCHANGE**

The Equity shares of the Company are listed with BSE Ltd, Mumbai and the listing fee for the year 2018-19 has been duly paid.

## **37. INSURANCE**

The Company's assets are adequately insured against the loss of fire and other risk, as consider necessary by the Management from time to time.

## **38. BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Reporting as required by Regulation 34(2) (f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31<sup>st</sup>, 2018.

## **39. DEPOSITORY SYSTEM**

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National



Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

#### 40. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

#### 41. INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere, hard work, loyal, dedicated efforts and contribution of all the employees in the growth and performance of the Company during the year.

#### 42. 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 endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended March 31<sup>st</sup>, 2018, no complaints have been received pertaining to sexual harassment.

#### 43. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. Internal

Complaints Committee has been set up to redress complaints received regarding sexual harassment. It may be noted that during the year 2017-18 no grievance/ complaint from any women employee was reported.

#### 44. ACKNOWLEDGEMENTS

On the occasion of the beginning of Silver Jubilee Year, Your Directors place on record their special gratitude to all the Government and semi government departments and Company's Bankers, for the assistance and co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Customer, Vendors, Employees and all other stakeholders in ensuring an excellent all around operational performance.

For and on behalf of the Board of Directors  
**Eco Recycling Limited**  
**B. K. Soni**  
 Chairman & Managing Director  
 DIN: 01274250

14<sup>th</sup> August 2018  
 Mumbai

## MANAGEMENT DISCUSSION AND ANALYSIS

We are proud to share that, your company who pioneered formal recycling of electrical & electronic waste (E-waste) in the year 2005 in India is now completing 14<sup>th</sup> year of its services to the nation and environment. Eco Recycling Ltd is the first company registered by the Central Pollution Control Board (CPCB) and authorized by the Maharashtra Pollution Control Board (MPCB) to undertake the responsibility of managing e-waste.

During this journey of 14 years, your company set several milestones and set direction for the industry.

E-waste generation is directly proportionate to the consumption of electrical & electronic devices and the same is increasing because of change in fashion, technology, buying power etc. This hazardous waste was completely collected & dismantled by the informal

sector before Ecoreco came in to existence and even now more than 95% of e-waste is managed by the informal sector but unfortunately in a polluted manner. To curb such informal practices and track movement of e-waste in the country, the Ministry of Environment, Forest & Climate Change (MOEFCC) notified E-waste Management Rules, 2016 which became effective from 1st October, 2017.

As per the above Rules, now all the producers / importers of electrical & electronic equipment will have to collect back / get collected “end of life equipment” from the end consumer and give to authorised e-waste recycling facilities for environment friendly disposal. Ecoreco being the first company registered & authorized by the CPCB & MPCB is a preferred partner of large number of prominent corporates, MNC’s, BFSI Companies, original equipment manufacturers (OEM), who prefers to avail services of Eco Recycling Ltd for complete compliance of the above Rules.

The above Rules envisage collection of 10% to 70% of the equipment placed in the market when they reach end of life and get them recycled by the formal recycling facilities. It may not be out of place to mention that generation of e-waste is increasing very rapidly and is expected to touch more than 15 million MT by 2022. This growth of e-waste generation will certainly improve business of the formal recyclers and your company is poised to take advantage of this unfolding opportunity.

As per a report published by The Economic Times on 23<sup>rd</sup> December, 2017, it reads as under:

**“I would say for every Rs. 5000 crore of sales, the estimated cost could be anywhere around 1% to 4% of the cost,” said an accounting expert helping some companies. So it would come to ₹50 crore to ₹200 crore per year for a company with such revenue.”**

If we go by the above example, the size of e-waste recycling industry works out to more than ₹25,000 Crores against the present consumption level of USD

160 billion and the same will touch to ₹60,000 Crores when the consumption of electronic devices reaches to USD 400 Billion in India in the year 2022, which is most likely because of Digital India & Smart Cities Programs of Government of India and also growing requirement and buying power of the consumers.

One of the most important driver of growth of business will be effective implementation of Extended Producers’ Responsibility (EPR) which is a Globally accepted practice and an integral part of The E-waste Management Rules, 2016 also. On strict implementation of the same, this one principle alone can transform e-waste industry and change behavior of the consumer to follow environment friendly practices.

To enhance effortless & seamless collection of e-waste Ecoreco has initiated process of installation of Eco-Bins (Collection Boxes) in Educational Institutions like Schools, Colleges etc. and Spiritual Places like Mandir, Masjid, Gurudwara, Churches etc. as to these places, almost all the members of the family visits either daily or occasionally. We are confident that these Eco-Bins will not only increase awareness but encourage every individual to drop in small e-waste in to these boxes and for larger items they may contact company by any means of communication. We are of the view that corporates will certainly sponsor our idea out of their Corporate Social responsibility (CSR) Funds in the best interest of the environment & society.

In India, the Kabadies (scrap merchants / informal collectors) can play major role in formalizing the e-waste industry after attaining required skill sets relating to collection, packing, transportation, segregation, dismantling and other

non-polluting activities. Ecoreco with the financial support of National Skill Development Corporation (NSDC), has launched a nationwide skill development program for the present waste workers and new aspirants who considers Waste Management as a Career Opportunity. Your company is confident that the present waste workers will certainly opt for such program which will uplift their health and social participation.

**Your company is committed to participate & support the initiative of the Government of India to achieve Swachh Bharat Abhiyan by 2nd Oct, 2019 (150<sup>th</sup> Birth Anniversary of the Father of the Nation, Mahatma Gandhi).** We are of the opinion that for effective participation, there is a need to install 100,000 Eco-Bins and open hundreds of collection centers by the Skilled Waste Managers across nation out of the CSR Funds or funded by the Original Equipment Manufacturers (OEM) as part of their obligation under the above Rules for collection of e-waste.

In the developed world, producers of electrical & electronic equipment (EEE) pays costs of collection, transportation and recycling to the Recyclers and we expect that these global producers will certainly follow their own best practices in India also.

Before we sign off, we wish an extremely bright future to the stakeholders. We invite all the shareholders to contribute time & efforts for Swasth & Swachh Bharat, may be in the smallest way you can.

## ANNEXURE TO BOARD'S REPORT

**Annexure I Form No. MGT-9**

### EXTRACT OF ANNUAL RETURN

as on the financial year ended **March 31, 2018**

[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 of the Company (Sub-Category of the Company)	Company Limited by shares (Indian Non-Government Company)
v)	Address of the Registered office and Contact Details	422 4th Floor, The Summit Business Bay, Near Cine Max Theater ,Andheri Kurla Road ,Andheri (E) Mumbai- 400093 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 Private Limited. Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road, Andheri (E)Mumbai – 400059 Tel. No.: +91 22 28470652/53

#### 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	99.99	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	-	2(6)
5	Data De-End Private Limited	U74120MH2013PTC246523	Associate	-	2(6)
6	Eco Remarketing Private Limited	U74999MH2013PTC246347	Associate	-	2(6)

Sr. No	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
7	Ecoreco Ventures Private Limited	U70100MH1994PTC076836	Holding	-	2(46)
8	EPR Compliance Private Limited	U74999MH2017PTC292758	Associate	-	2(6)
9	Reverse E-Commerce Private Limited	U74999MH2016PTC281344	Associate	-	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 [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	3,002,066	-	3,002,066	17.11	31,38,549	-	31,38,549	17.89	0.78
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Gov.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9,139,250	-	9,139,250	52.10	9139250	-	9139250	52.10	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total of (A) (1):-</b>	<b>12,141,316</b>	<b>-</b>	<b>12,141,316</b>	<b>69.21</b>	<b>12,277,799</b>	<b>-</b>	<b>12,277,799</b>	<b>69.99</b>	<b>0.78</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total of (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>12,141,316</b>	<b>-</b>	<b>12,141,316</b>	<b>69.21</b>	<b>12,277,799</b>	<b>-</b>	<b>12,277,799</b>	<b>69.99</b>	<b>0.78</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	800	-	800	0.004	800	-	800	0.004	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	360,000	-	360,000	2.05	185,013	-	185,013	1.05	(1.00)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>360,800</b>	<b>-</b>	<b>360,800</b>	<b>2.054</b>	<b>185,813</b>	<b>-</b>	<b>185,813</b>	<b>1.054</b>	<b>(1.00)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	2,270,576	22,200	2,292,776	13.07	2,276,470	22,200	2,298,670	13.10	0.03
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	632,654	283,572	916,226	5.22	893,352	278,722	1,172,074	6.68	1.46
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	817,924	62,500	880,424	5.02	570,687	62,500	633,187	3.61	(1.41)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
- NRI	-	-	-	-	2026	0	2026	0.01	0.01
- NRI (Repat)	34,241	-	34,241	0.20	50,643	-	50,643	0.29	0.09
- NRI (Non Repat)	111,197	-	111,197	0.63	102,603	-	102,603	0.58	(0.05)
- OCB	800,000	-	800,000	4.56	800,000	-	800,000	4.56	-
- Clearing Member	5,520	-	5,520	0.03	19,385	-	19,385	0.11	0.08
-NBFCs registered with RBI	-	-	-	-	300	-	300	0.00	-
<b>Sub-total (B)(2)</b>	<b>4,672,112</b>	<b>368,272</b>	<b>5,040,384</b>	<b>28.73</b>	<b>4,715,466</b>	<b>363,422</b>	<b>5078,888</b>	<b>28.95</b>	<b>0.22</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>5,032,912</b>	<b>368,272</b>	<b>5,401,184</b>	<b>30.78</b>	<b>4,901,279</b>	<b>363,422</b>	<b>5,264,701</b>	<b>30.01</b>	<b>(0.78)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>17,174,228</b>	<b>368,272</b>	<b>17,542,500</b>	<b>100</b>	<b>17,179,078</b>	<b>363,422</b>	<b>17,542,500</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year [As on 01-04-2017]			Shareholding at the end of the year [As on 31-03-2018]			% 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	2,164,963	12.34	1.94	2,167,763	12.35	1.94	0.01
3	Aruna Brijkishor Soni	685,456	3.90	0	807,189	4.60	0	0.69
4	Brijkishor Soni (HUF)	151,647	0.86	0	163,597	0.93	0	0.07

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

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
1	Brijkishor Soni	2,164,963	12.34	01/04/2017				
				8/11/2017	2800	Transfer	28601	0.1630
				31/03/2018			2167763	12.357
2	Aruna Soni	685,456	3.9074	01/04/2017				
				25/08/2017	4507	Transfer	689,963	3.9331
				01/09/2017	5552	Transfer	695,515	3.9647
				15/09/2017	20071	Transfer	715,586	4.0792
				22/09/2017	14407	Transfer	729,993	4.1613
				29/09/2017	2138	Transfer	732,131	4.1735
				06/10/2017	10273	Transfer	742,404	4.2320
				13/10/2017	327	Transfer	742,731	4.2339
				31/10/2017	800	Transfer	743,531	4.2385
				10/11/2017	10585	Transfer	754,116	4.2988
				17/11/2017	250	Transfer	754,366	4.3002
				08/12/2017	1000	Transfer	755,366	4.3059
				22/12/2017	1500	Transfer	756,866	4.3145
				29/12/2017	4351	Transfer	761,217	4.3393
				05/01/2018	7851	Transfer	769,068	4.3840
				12/01/2018	1232	Transfer	770,300	4.3911
				19/01/2018	20880	Transfer	791,180	4.5101
				02/02/2018	3001	Transfer	794,181	4.5272
		23/02/2018	2174	Transfer	796,355	4.5396		
		02/03/2018	1021	Transfer	797,376	4.5454		
		16/03/2018	405	Transfer	797,781	4.5477		
		23/03/2018	9408	Transfer	807,189	4.6013		
		31/03/2018				807,189	4.6013	
3.	Brij Kishore Soni (HUF)	151,647	0.8645	01/04/2017				
				23/03/2018	11950	Transfer	163,597	0.9326
				31/03/2018			163,597	0.9326
4.	Ecoreco Ventures Private Limited	9,139,250	52.0978	01/04/2017		Nil Movement during the year		
				31/03/2018	-			9,139,250

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

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
1.	Bennett Coleman & Company Limited	1,400,000	7.98	01/04/2017		Nil movement during the year		
					-			
				31/03/2018			1,400,000	7.98
2.	Nippon Magnetic Dressing Company Limited	800,000	4.56	01/04/2017		Nil movement during the year		
					-			
				31/03/2018			800,000	4.56
3.	Lotus Global Investments Ltd	360,000	2.05	01/04/2017				
				22/09/2017	(99)	Transfer	359,901	2.05
				08/12/2017	(58)	Transfer	359,843	2.05
				15/12/2017	(9739)	Transfer	350,104	2.00
				22/12/2017	(4177)	Transfer	345,927	1.97
				29/12/2017	(13698)	Transfer	332,229	1.89
				05/01/2018	(31612)	Transfer	300,617	1.71
				12/01/2018	(34649)	Transfer	265,968	1.52
				19/01/2018	(79553)	Transfer	186,415	1.06
				26/01/2018	(22016)	Transfer	164,399	0.94
				16/03/2018	(9971)	Transfer	154,428	0.88
				23/03/2018	(4390)	Transfer	150,038	0.86
				30/03/2018	(25)	Transfer	150,013	0.86
		31/03/2018			150,013	0.86		
4.	Jayati Finance And Investments Pvt Ltd.	323,885	1.85	01/04/2017				
				03/11/2017	(25000)	Transfer	298,885	1.70
				15/12/2017	9596	Transfer	308,481	1.76
				29/12/2017	(400)	Transfer	308,081	1.76
				26/01/2018	(50000)	Transfer	258,081	1.47
				23/02/2018	37308	Transfer	295,389	1.68
				31/03/2018			295,389	1.68



S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
5.	Shailesh Satyendra Parikh	295,414	1.68	01/04/2017				
				11/08/2017	(20000)	Transfer	275,414	1.57
				18/08/2017	(1000)	Transfer	274,414	1.56
				25/08/2017	(919)	Transfer	273,495	1.56
				01/09/2017	(12)	Transfer	273,483	1.56
				08/09/2017	(16178)	Transfer	257,305	1.47
				15/09/2017	7983	Transfer	265,288	1.51
				22/09/2017	(2176)	Transfer	263,112	1.50
				29/09/2017	(10633)	Transfer	252,479	1.44
				27/10/2017	(2000)	Transfer	250,479	1.43
				03/11/2017	(5706)	Transfer	244,773	1.40
				17/11/2017	(132)	Transfer	244,641	1.39
				24/11/2017	(6093)	Transfer	238,548	1.36
				08/12/2017	(1017)	Transfer	237,531	1.35
				15/12/2017	(1025)	Transfer	236,506	1.35
				22/12/2017	(7192)	Transfer	229,314	1.31
				29/12/2017	5534	Transfer	234,848	1.34
				05/01/2018	(20000)	Transfer	214,848	1.22
				12/01/2018	(1553)	Transfer	213,295	1.22
				19/01/2018	(1696)	Transfer	211,599	1.21
		26/01/2018	(11143)	Transfer	200,456	1.14		
		02/02/2018	(4250)	Transfer	196,206	1.12		
		09/02/2018	(2900)	Transfer	193,306	1.10		
		16/02/2018	(2017)	Transfer	191,289	1.09		
		31/03/2018			191,289	1.09		
6.	Bunkim Finance And Investments Pvt Ltd	292700	1.67	01/04/2017		Nil movement during year		
				31/03/2018	-		292,700	1.67
7.	Shweta Parikh	193,117	1.10	01/04/2017				
				18/08/2017	(1000)	Transfer	192,117	1.10
				09/03/2018	(847)	Transfer	191,270	1.09
				16/03/2018	(8634)	Transfer	182,636	1.04
				23/03/2018	(3543)	Transfer	179,093	1.02
				30/03/2018	(500)	Transfer	178,593	1.02
		31/03/2018			178,593	1.02		

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
8.	Shailesh S Parikh	131,139	0.75	01/04/2017				
				18/08/2017	(1000)	Transfer	130,139	0.74
				29/12/2017	(20000)	Transfer	110,139	0.63
				05/01/2018	(1209)	Transfer	108,930	0.62
				12/01/2018	(99275)	Transfer	9,655	0.06
				26/01/2018	(9655)	Transfer	0	0.00
				31/03/2018			0	0.00
9	Upsurge Investment & Finance Ltd	113,725	0.65	01/04/2017				
					-	Nil Movement during the year	113,725	0.65
				31/03/2018				
10	Vijay Acharya	89,100	0.51	01/04/2017				
					-	Nil Movement during the year	89,100	0.51
				31/03/2018				

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
1	Brijkishor Soni	2,164,963	12.34	01/04/2017				
				08/11/2017	2800	Transfer	28601	0.1630
				31/03/2018			2167763	12.357

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of Company				No. of Shares	% of total shares of Company
2	Aruna Soni	685,456	3.9074	01/04/2017				
				25/08/2017	4507	Transfer	689,963	3.9331
				01/09/2017	5552	Transfer	695,515	3.9647
				15/09/2017	20071	Transfer	715,586	4.0792
				22/09/2017	14407	Transfer	729,993	4.1613
				29/09/2017	2138	Transfer	732,131	4.1735
				06/10/2017	10273	Transfer	742,404	4.2320
				13/10/2017	327	Transfer	742,731	4.2339
				31/10/2017	800	Transfer	743,531	4.2385
				10/11/2017	10585	Transfer	754,116	4.2988
				17/11/2017	250	Transfer	754,366	4.3002
				08/12/2017	1000	Transfer	755,366	4.3059
				22/12/2017	1500	Transfer	756,866	4.3145
				29/12/2017	4351	Transfer	761,217	4.3393
				05/01/2018	7851	Transfer	769,068	4.3840
				12/01/2018	1232	Transfer	770,300	4.3911
				19/01/2018	20880	Transfer	791,180	4.5101
				02/02/2018	3001	Transfer	794,181	4.5272
				23/02/2018	2174	Transfer	796,355	4.5396
				02/03/2018	1021	Transfer	797,376	4.5454
		16/03/2018	405	Transfer	797,781	4.5477		
		23/03/2018	9408	Transfer	807,189	4.6013		
		31/03/2018				807,189	4.6013	

#### 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	11,536,100	90,000,000		101,536,100
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>11,536,100</b>	<b>90,000,000</b>	-	-

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	6,114,841	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,421,259	90,000,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5,421,259</b>	<b>90,000,000</b>	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Managing Director Mr. B.K. Soni	Executive Director Mr. Shashank Soni	Executive Director Mr. Aruna Soni	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	3,000,000	1,979,600	-	4,979,600
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) of 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>1,979,600</b>	<b>-</b>	<b>4,979,600</b>
	Ceiling as per the Act	The total managerial remuneration payable in respect of financial year 2017-2018 is within the limits of Schedule V Part II of section II of the Companies Act 2013.			

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors			
		Mr. Srikrishna B.	Mr. Shashank Soni	Mr. Dattatraya Devale	Aruna Soni
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>	10,000	10,000	10,000	20,000
	Total (i)	10,000	10,000	10,000	20,000
	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>				
	Total Managerial Remuneration Overall				
	Ceiling as per the Act per Board Meeting				

**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	-	198,991	841,700	1,040,691
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(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>	-	198,991	841,700	1,040,691

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

## ANNEXURE II

### 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 forming majority are Non-Executive Independent Directors. The same has been reconstituted on 3<sup>rd</sup> July, 2018 as per requirement of section 178 of The Companies Act, 2013 and Regulation 19 of LODR, 2015 constituting 3 Non-Executive Independent Directors as member of committee.

#### 1. Purpose of the Policy:

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

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.
- 2.6 **Senior Management** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 2.7 **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- 2.8 **Company** means Eco Recycling Limited.
- 2.9 **Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### 3. Applicability:

The Policy is applicable to

- 3.1 Directors (Executive and Non-Executive)
- 3.2 Key Managerial Personnel
- 3.3 Senior Management Personnel

### 4. ROLE OF COMMITTEE

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

#### The Committee shall:

- 4.1.1 Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down.
- 4.1.2 Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance.
- 4.1.3 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 4.1.4 Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees.
- 4.1.5 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.
- 4.1.6 Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

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

#### 4.2.1. 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.

#### 4.2.2. 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 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.
- 4.2.3. 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.
- 4.2.4. 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.
- 4.2.5. Evaluation
- The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).
- 4.2.6. 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.
- 4.2.7. 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.
- 4.3 Policy relating to the Remuneration for the Whole-time and Director.
- 4.3.1. 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.

#### 4.3.2. 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.

### 5. Membership

- 5.1 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.
- 5.2 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.

- 5.3 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.
- 5.4 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.

### 6. Frequency of the meetings

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities.

### 7. Committee Members' Interests

- 7.1 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.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### 8. 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.

### 9. Amendment:

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

## 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)

Sr. No.	Particulars	Details
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	(136.45)
6	Total assets	202.77
7	Total Liabilities	202.77
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	(39.83)
11	Provision for taxation	Nil
12	Profit after taxation	(39.83)
13	Proposed Dividend	Nil
14	% of shareholding	100

## 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

## ANNEXURE - V SECRETARIAL AUDIT REPORT

Form No. MR-3

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

*[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 31st March 2018, complied with the statutory provisions listed here under 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 31st March, 2018 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, 2016;
- (v) Hazardous Waste Management Rules, 2008;
- (vi) 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 (Prohibition of Insider Trading) Regulations, 1992;

We have also examined compliance with the applicable clauses of the following:

- (i) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India (SS – 1 & SS – 2). Company has complied with the Secretarial Standards to the extent possible.

### **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.

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, along with consent for shorter notice has been

taken 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 V.I.**

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 V.II**)

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

Pramod S. Shah & Associates  
(Practicing Company Secretaries)

Place: Mumbai  
Date: 14/08/2018

Bharat Sompura-Partner  
Pramod S. Shah & Associates  
Membership No.: 10540 (ACS)  
C P No.: 5540

## Annexure V. I

To,  
The Members  
The 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.

Pramod S. Shah & Associates  
(Practicing Company Secretaries)

Place: Mumbai  
Date: 14/08/2018  
Bharat Sompura-Partner  
Pramod S. Shah & Associates  
Membership No.: 10540 (ACS)  
C P No.: 5540

## Annexure V. II

1. Employees' Provident Fund Act, 1952 and Rules
2. Professional Tax Act, 1975 and Rules
3. Payment of Gratuity Act, 1972
4. Apprentices Act, 1961
5. Contract Labour (R&A) Act, 1970
6. Employment Exchanges (Compulsory Notification of vacancies ) Act, 1959
7. Employees State Insurance Act, 1948

8. Employees' Provident Fund and Misc Provisions Act, 1952
9. Equal Remuneration Act, 1976
10. Minimum Wages Act, 1948
11. Payment of Bonus Act, 1965
12. Shop and Establishment Act, 1948
13. Income Tax Act, 1961
14. Finance Act, 1994

Pramod S. Shah & Associates  
(Practicing Company Secretaries)

Place: Mumbai  
Date: 14/08/2018  
Bharat Sompura-Partner  
Pramod S. Shah & Associates  
Membership No.: 10540 (ACS)  
C P No.: 5540

## ANNEXURE - VI

### CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2017-2018

(Forming part of the Board Report of Eco Recycling Limited)

Effective Corporate Governance practices constitute the foundations on which successful commercial enterprises are built to last. Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparent, accountability, responsibility, compliance ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance and goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

#### 1. COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has a strong legacy of fair, transparent and ethical governance practices. The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders value and protecting the interest of all stakeholders.

Philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all faces of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. Your company shall continue to follow

the same with a desire for further development on continuous basis.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015.

#### 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 & Executive Director	6	-	-	-
2.	Mrs. Aruna Soni	Executive Director	7	-	-	-
3.	Mr. Srikrishna Bhamidipati	Independent Non-Executive Director	1	1	-	-
4.	Mr. Shashank Soni	Executive Director	3	-	-	-
5.	Mr. Vijay Acharya	Independent Non-Executive Director	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 of Listing Regulations.

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

During the Financial Year 2017-18, 8 Meeting of Board of Directors were held. The dates of Board meeting are as under: 09<sup>th</sup> May 2017; 30<sup>th</sup> May 2017; 03<sup>rd</sup> July 2017; 14<sup>th</sup> September 2017; 17<sup>th</sup> November 2017; 14<sup>th</sup> December 2017; 20<sup>th</sup> January 2018 and 28<sup>th</sup> March 2018.

The last Annual General Meeting of the Company was held on August 04<sup>th</sup>, 2017.

Sr. No.	Date of Meeting	Attendance at the Board Meetings held on					
		Mr. B. K. Soni	Mrs. Aruna Soni	Mr. Srikrishna Bhamidipati	Mr. Shashank Soni	Mr. Vijay Acharya	Mr. Dattatraya Trimbak Devale
1	09 <sup>th</sup> May 2017	Present	Present	Present	Present	Absent	Absent
2	30 <sup>th</sup> May 2017	Present	Present	Present	Present	Absent	Absent
3	03 <sup>rd</sup> July 2017	Present	Present	Present	Present	Absent	Absent
4	14 <sup>th</sup> September 2017	Present	Present	Absent	Absent	Absent	Present
5	17 <sup>th</sup> November 2017	Present	Present	Absent	Absent	Present	Absent
6	14 <sup>th</sup> December 2017	Present	Present	Present	Absent	Absent	Absent
7	20 <sup>th</sup> January 2018	Absent	Present	Present	Present	Absent	Absent
8	28 <sup>th</sup> March 2018	Present	Present	Present	Present	Absent	Present

Sr. No.	Date of Meeting	Attendance at the Annual General Meeting held on August 04 <sup>th</sup> , 2017					
		Mr. B. K. Soni	Mrs. Aruna Soni	Mr. Srikrishna Bhamidipati	Mr. Shashank Soni	Mr. Vijay Acharya	Mr. Dattatraya Trimbak Devale
1	August 04 <sup>th</sup> , 2017	Present	Absent	Present	Absent	Absent	Absent

**c. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting:**

Mrs. Brijkishor Soni (DIN: 01274250) is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**d. Relationship between the Directors inter-se:**

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.

**e. Familiarisation programmes imparted to Independent Directors**

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The familiarisation programmes aims to provide insight to the Independent Directors to understand the business of the company. A familiarization programme was conducted for non-executive directors on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarization programme is provided on the Company's website at [http://ecoreco.com/Uploads/Downloads/Familiarization\\_Programme.pdf](http://ecoreco.com/Uploads/Downloads/Familiarization_Programme.pdf)

**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.

f. **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.

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

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable. All matters

requiring Board's approval including statutory matters are put up for the consideration of the Board.

A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. All the agenda items are appended with by necessary supporting information and documents (except for price sensitive information, which was circulated separately before the meeting) 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:

- Audit Committee;
- Nomination and Remuneration Committee;
- 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:**

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only Independent Directors.

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 composition of the Audit Committee as at March 31, 2018 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					
			09.05.2017	30.05.2017	03.07.2017	14.09.2017	14.12.2017	20.01.2018
1	Mr. Srikrishna Bhamidipati	<b>Chairman</b> - Non-Executive Independent Director	Present	Present	Present	Absent	Present	Present
2	Mrs. Aruna Soni	<b>Member</b> - Executive Director	Present	Present	Present	Present	Present	Present
3	Mr. Dattatraya Trimbak Devale	<b>Member</b> -Independent Non-Executive Director	Absent	Absent	Absent	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;
  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 to all the Members and confirmed at the subsequent Meeting.

## II. NOMINATION AND REMUNERATION COMMITTEE:

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board. 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:-

Your company has formed this committee to consider and approve the remuneration payable to the directors. 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 composition of the Nomination and Remuneration Committee as at March 31, 2018 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			
			09.05.2017	30.05.2017	03.07.2017	28.03.2018
1	Mr. Srikrishna Bhamidipati	Chairman - Non-Executive Independent Director	Present	Present	Present	Present
2	Mr. Dattatraya Trimbak Devale	Member - Independent Non-Executive Director	Absent	Absent	Absent	Present
3	Mr. Vijay Acharya	Member - Independent Non-Executive Director	Absent	Absent	Absent	Absent
4	Aruna Soni* (up to 3 <sup>rd</sup> July, 2017)	Member - Executive Director	Present	Present	Present	N/A

\*The Composition of Nomination and Remuneration Committee was not in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation. As per provision Nomination and Remuneration Committee should have all Non-Executive Director, to comply with it Mrs. Aruna Soni (Executive Director) is removed from committee. Hence there was reconstitution of Nomination and Remuneration committee on board meeting held on 3<sup>rd</sup> July, 2017.

### 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;
- To formulate criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;

5. Whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors.

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

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee, Executive Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee has been carried out.

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

### iv. Nomination & 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 purpose of the Committee to review, redress shareholders' grievances and to approve all share transfers.

#### a. Size and Composition:-

The Company constituted Shareholders Grievance Committee, to specifically look into the Redressal of the shareholder's grievances, share transfers and other investor related matters.

The composition of the Stakeholders Relationship Committee / Shareholders Grievance Committee as on March 31, 2018 is as under:-

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

Miss. Priyanka Bang, Company Secretary, 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 2017-2018, 1 Meetings of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee was held on 14.09.2017.

#### 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<sup>st</sup>, 2018 have been acted upon. There were no share transfers pending as on March 31<sup>st</sup>, 2018, 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, 2018 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	-	-	-	-	20,000	20,000
Mr. Srikrishna B.	-	-	-	-	10,000	10,000
Mr. Shashank Soni	1,979,600	-	-	-	10,000	1,989,600
Mr. Vijay Acharya	-	-	-	-	-	-
Mr. Dattatraya Devale	-	-	-	-	10,000	10,000

**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
2014-2015	Saturday, September 26, 2015	Eco House, Bhoirpada, Near Range office, Next to Top Class Enclave, Sativali, Vasai (East), District - Thane - 401 208	11:00 A.M.	No Special Resolution
2015-2016	Friday, September 30, 2016	205, Centrepont, Next to hotel Kohinoor, andheri Kurla Road, Andheri - East, Mumbai - 400 059.	11:00 A.M.	Reappointment of Mr. B. K. Soni as Managing Director for a period of five years.
2016-2017	4 <sup>th</sup> August, 2017	422, The Summit Business Bay, Near Cinemax Theater, Andheri Kurla Road, Andheri (E) Mumbai-400093	11.00 A.M.	To adopt new set of Articles of associations.

**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 formulated a policy on Related Party Transaction and the said policy is uploaded on website of company (<http://ecoreco.com/download-policies.aspx>)

- 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 behaviour and same has been uploaded on website of company.

The company has formulated a policy on Whistle Blower Policy and the said policy is up - loaded on website of company

- The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

#### **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 i.e Free Press Journal and Navshakti. 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 2017-2018:

Date: 15<sup>th</sup> September, 2018

Day: Saturday

Time: 11:00 A.M.

Venue: 422, The Summit Business Bay, Near WEH Metro Station, Andheri – Kurla Road, Andheri (E), Mumbai - 400 093.

The Company shall also provide facility of e-Voting and ballot voting for the ensuing Annual General Meeting of the Company.

II. Financial Year 2018- 2019:  
Calendar of event for the financial year 2018-19 are as follows:

Name of the Quarter/ Half year	Due date for the compliance
Quarter ending June 30, 2018	On or before 14th August, 2018
Quarter/Half year ending September 30, 2018	On or before 14th November, 2018
Quarter ending December 31, 2018	On or before 14th February, 2019
Quarter/Year ending March 31, 2019	On or before 30th May, 2019

III. Dividend:

During the year, Company has not declared any dividend.

Date of Book Closure: 9<sup>th</sup> September, 2018 to 15<sup>th</sup> September, 2018 (both days inclusive).

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

- Name of the Stock exchange: The Bombay Stock Exchange Limited
- Listing fee for the year 2017-18 has been paid to the Stock Exchange.
- Stock Code- Physical: 530643 on The Bombay Stock Exchange Limited
- ISIN No. NSDL & CDSL:INE316A01038
- Market Price Data: High / Low price during each Month of 2017-18 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-17	37.3	50	36	48.95	27650	254	1217617	24429	88.35	14	11.65
May-17	50.4	51.95	40.45	43.5	50713	180	2379942	48264	95.17	11.5	-6.9
Jun-17	42	46.9	36.3	40.3	18991	173	798570	15278	80.45	10.6	-1.7
Jul-17	44	56.2	42	46.45	92951	778	4801401	51493	55.4	14.2	2.45
Aug-17	45.05	47.9	39	44	37527	328	1617817	28527	76.02	8.9	-1.05
Sep-17	45.8	49	37.5	42.05	89818	486	3814872	76783	85.49	11.5	-3.75
Oct-17	46.2	57	40.2	55.45	36925	433	1797938	30763	83.31	16.8	9.25
Nov-17	56.9	73	45.8	62	104592	922	6030431	81288	77.72	27.2	5.1
Dec-17	62	66.5	45.5	50.3	98370	865	5254682	88390	89.85	21	-11.7
Jan-18	51	98.75	47.5	66.05	781767	4021	58709526	637858	81.59	51.25	15.05
Feb-18	66.1	70	60.1	64	42562	450	2758927	42562	100	9.9	-2.1
Mar-18	65.05	66.8	45.2	49	66962	366	3533090	66962	100	21.6	-16.05

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  
Bharat Tin Works Building,  
First Floor, Opposite Vasant Oasis,

Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai - 400059.  
Tel No.: 91 22 28470652/53  
Fax No.: 91 22 28475207  
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, Bharat Tin Works Building, First Floor, Opposite Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai - 400 059, Tel No.: 91 22 28470652/53 Fax No.: 91 22 28475207

Email: investor@bigshareonline.com

- Distribution of Shareholding as on 31<sup>st</sup> March 2018

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
1 - 500	3134	87.59%	472,666	2.69%
501 - 1000	197	5.50%	162,378	0.92%
1001 - 2000	100	2.79%	147,352	0.84%
2001 - 3000	47	1.31%	123,819	0.70%
3001 - 4000	9	0.25%	31,099	0.17%
4001 - 5000	21	0.58%	98,867	0.56%
5001 - 10000	31	0.86%	231,792	0.32%
10001 AND ABOVE	39	1.09%	16,274,527	92.77%
<b>TOTAL</b>	<b>3,106</b>	<b>100%</b>	<b>17,542,500</b>	<b>100%</b>

- Shareholding Pattern as on March 31<sup>st</sup>, 2018:

Category	No. of shares held	Percentage to total (%)
a. Promoters, Directors & Promoter group	12,277,799	69.99%
b. Banks, FIs & Insurance Cos.	185,813	1.06%
c. Bodies Corporate	3,273,327	18.66%
d. Indian Public	1,805,561	10.29%
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% (17174228 shares) of the Company's shares have been dematerialised as on 31.03.2018.

17542500

- Outstanding ADRs/ GDRs:

Nil/ Warrants or any Convertible Instrument, conversion date and likely impact on equity.

- Commodity price risk or foreign Exchange risk and hedging activities:

No such activities.

- Plant location:

Eco House, Near Range office, Bhoidapada, Sativali Road, Vasai (East), Dist. Palghar.

- Address of the Company:  
Eco Recycling Limited  
422, The Summit Business Bay, Near  
WEH Metro Station, Andheri - Kurla  
Road, Andheri (East), Mumbai-400  
093  
Tel. No.: 91 22 40052951/52/53  
Fax No.: 91 22 40052954  
Email: info@ecoreco.com  
accounts@ecoreco.com  
shareholders@ecoreco.com  
Web: www.ecoreco.com

#### Auditor Certificate on Corporate Governance:

The Company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D, and E of Schedule V to the SEBI Listing Regulations which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company

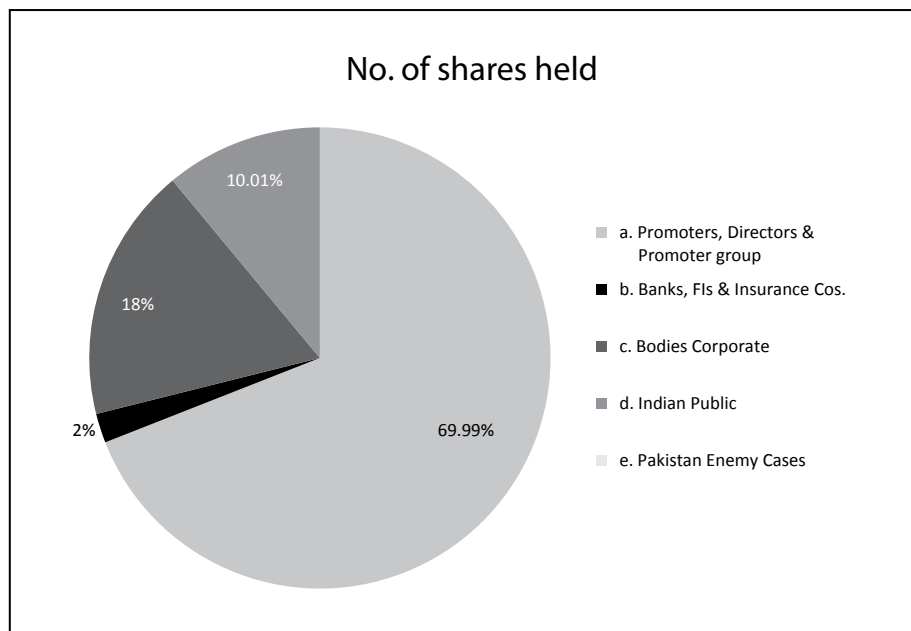
#### 10. CODE OF CONDUCT:

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company.

The company has formulated a policy on Code of Conduct and the said policy is uploaded on website of company (<http://ecoreco.com/download-policies.aspx>)

#### 11. CODE OF CONDUCT FOR INDEPENDENT DIRECTOR

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.

#### 12. POLICY ON PROHIBITION OF INSIDER TRADING

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



### 13. 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. Brijkishor Soni will be retiring by rotation at the ensuing Annual General Meeting of the Company. Mr. Brijkishor Soni, being eligible, offers himself for re-appointment.

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

#### 1) **Brief resume of Mr. Brijkishor Soni:**

Aruna Soni is an Executive Director of Eco Recycling Limited and part of the promoter group. Mrs. Soni is responsible for driving the day-to-day operations of the Company including human

resources (HR), administration and other non-technical functions.

With over two decades of work experience, she has partnered the company right from its inception to build a people-driven and customer-focused organization. An accomplished business woman, Mrs. Soni is responsible for the growth journey of the company along with the Chairman. Her direction has enabled the setting up of an efficient administrative back end that is critical for scaling up the company.

- 2) **Nature of his expertise in specific functional areas:**  
Strategic Planner and Administrator
- 3) **Disclosures of relationships between directors inter-se:**  
Mr. B K Soni is Husband of Mrs. Aruna Soni and Father of Mr. Shashank Soni
- 4) **Names of listed entities in which the person also holds the directorship and membership of committees of the board:**

- a. ECORECO PARK PRIVATE LIMITED
  - b. ECORECO VENTURES PRIVATE LIMITED
  - c. ECORECO ENVIRO PRIVATE LIMITED
  - d. EPR COMPLIANCE PRIVATE LIMITED
  - e. REVERSE LOGISTICS & WAREHOUSING PRIVATE LIMITED
  - f. WEEE INDIA PRIVATE LIMITED
5. Shareholding of Mr. Brijkishor Soni: 21,67,763 Shares

### 14. CFO CERTIFICATION:

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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (As annexed as Annexure - A)

**ANNEXURE - A**  
**CFO CERTIFICATION**  
**Under Regulation 17(8) of (Listing Obligations and Disclosure Requirements)**  
**Regulations, 2015 for Financial Year Ended 31st March, 2018**

The Board of Directors  
Eco Recycling Limited  
Mumbai

**Dear members of the Board**

I Ms. Anita Choudhari, Chief Financial officer of Eco Recycling Limited, to the best of my knowledge and belief, certify that:

- (a) I have reviewed the audited Financial Statements and the cash flow statement for the financial year ended 31<sup>st</sup> March 2018 and that to the best of their knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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.
- (b) I further certify that, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that there is
- i. No significant change in internal control over financial reporting during the year.
  - ii. No significant change in accounting policies during the year under review and same have been disclosed in the notes to the financial statements.
  - iii. No instance of any fraud in the company in which the management has any role in the Company's internal control system over financial reporting.
- (e) We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**For Eco Recycling Limited**

Mumbai  
30.05.2018

**Anita Choudhari**  
Chief Financial Officer

## **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<sup>st</sup>, 2018 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.

14<sup>th</sup> August 2018  
Mumbai

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

---

### **Declaration Regarding Compliance by Board Members with the Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board, affirmation that they have complied with the Code of Conduct for Directors for the Financial Year 2017-18.

**For Eco Recycling Limited**

**B K Soni**  
**Chairman & Managing Director**

Mumbai  
14<sup>th</sup> August, 2018

## INDEPENDENT AUDITOR'S REPORT

### To the members of Eco Recycling Limited Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of M/s Eco Recycling Limited ("the Company"), which comprises of the Balance Sheet as at March 31<sup>st</sup>, 2018, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS 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 the standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under.

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 other 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 standalone Ind AS 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 the standalone Ind AS 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 conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order

to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 financial position of the Company as at March 31<sup>st</sup>2018, its financial performance including other comprehensive income, its cash flows and changes in equity, for the year ended on that date.

### Emphasis of Matter

We draw attention to the following notes in the standalone Ind AS financial statements annexed to the auditor's report

- a) **Note 4.4, 4.5 and 4.7:** The company has not done any fair valuation of its financial assets and financial liabilities as it believes that the carrying amounts of these financial assets and financial liabilities approximate their fair values and that the impact of change, if any, on account of fair valuation these financial assets and financial liabilities, will be insignificant.
- b) **Note no 37:** The company has a pending legal dispute with M/s KUD Realtors Pvt. Ltd relating to the transfer of assets purchased in

favour of the company. The company has paid amount of Rs 2, 10, 95,615 as advance for purchase of the assets. The company is however of the opinion that the dispute will be resolved in its favor soon.

**Our opinion is not modified in any of the above matters**

**Other Matters**

The comparative financial information of the company for the year ended 31<sup>st</sup> March 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April 2016 included in these standalone Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules 2006 and which have not been audited by us. This comparative financial information has been furnished to us by the Management and the Auditor's report for the years ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 contain a qualified opinion on those standalone financial statements.

The financial information for the periods 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016, have been adjusted for differences in accounting policies adopted by the Company on transition to Ind AS.

**Report on other Legal and Regulatory Requirements**

1. 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 purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, the statement of cash flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with relevant rules there under;
  - e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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**".
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note Nos. 36 and 37 to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contract having material foreseeable losses for which provision was required to be made under the applicable law or the accounting standards.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Talati and Talati  
Chartered Accountants  
Firm Registration No.: 110758W

**Rovin Kothari**  
Partner  
M. No.: 133326

Mumbai  
30<sup>th</sup> May, 2018

## “ANNEXURE A” TO THE INDEPENDENT AUDITOR'S REPORT

Referred to paragraph 3 of our “Reporting on Other legal and Regulatory Environment” on even date, we report that:

- |   |   |   |
|---|---|---|
| <p>(i) In respect of fixed assets:</p> <p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;</p> <p>(b) As explained to us the fixed assets are being physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.</p> <p>(c) As explained to us, the title deeds of immovable properties were held in the name of the company except assets mentioned in note no 37 to the standalone Ind AS financial statements</p>  | <p>(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under with regard to acceptance of deposits, are not applicable to the company. Accordingly, paragraph 3(v) of the Order is not applicable to the company.</p> <p>(vi) The cost records are not required to be maintained under section 148(1) of the Companies Act 2013, as prescribed by the Central Government. Accordingly paragraph 3(vi) of the Order is not applicable to the company.</p> | <p>repayment of dues to banks and financial institutions</p>  |
| <p>(ii) According to information and explanations given to us, the physical verification of inventories has been conducted by the management at reasonable intervals and no material discrepancies were noticed during the physical verification of the inventories, during the year.</p> <p>(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 Act. Accordingly, the paragraphs 3(iii) (a) to (c) of the Order are not applicable to the Company.</p> <p>(iv) The company has provided financial guarantee on behalf of its subsidiary and in respect of loans, investments, guarantees and security, it has complied with sections 185 and 186 of the Companies Act 2013.</p> | <p>(vii) In respect of payment of statutory dues:</p> <p>(a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Service Tax, Cess, Professional Tax and any other statutory dues with the appropriate authorities.</p> <p>(b) There are no statutory dues that have not been deposited by the company with appropriate statutory authorities, on account of any dispute as at 31<sup>st</sup> March 2018.</p>   | <p>(ix) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans have been applied by the company for the purposes for which they were raised.</p> <p>(x) Based on our audit procedures and according to the information and explanations given to us, neither there has been any fraud on the company by its officers or employees, noticed during the year nor have we been informed of such cases by the Management.</p> <p>(xi) The company has paid / provide for managerial remuneration during the year in accordance with requisite approvals mandated by provisions of section 197 read with Schedule V of the Companies Act 2013</p> <p>(xii) The Company is not a Nidhi Company and hence paragraph 3(xii) of the Order is not applicable to the company.</p> <p>(xiii) According to the information and explanation given to us and based on our examination of the records of the company, the transaction with the related party are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.</p> |
|   | <p>(viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in the</p>   | <p>(xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or</p>   |

For **Talati and Talati**  
Chartered Accountants  
Firm Registration No.: 110758W

**Rovin Kothari**  
Partner  
M. No.: 133326

Mumbai  
30<sup>th</sup> May, 2018

private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has

not entered into any non-cash transactions with directors or other persons connected with the directors. Accordingly, the paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT**

### **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 **M/s Eco Recycling Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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. 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 conducted 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, 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 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 the standalone Ind AS 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 the standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the stand alone Ind AS 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 deducted. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to 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,

## **ECO RECYCLING LIMITED**

2018, 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 **Talati and Talati**  
Chartered Accountants  
Firm Registration No.: 110758W

**Rovin Kothari**  
Partner  
M. No.: 133326

Mumbai  
30<sup>th</sup> May, 2018







**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

Particulars	Note	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>I ASSETS</b>				
<b>(1) Non Current Assets</b>				
[a] Property Plant and Equipment	5	221,797,227	78,788,331	77,949,054
[b] Capital Work in Progress	5	-	86,155,152	75,177,399
[c] Investment Property		-	-	-
[d] Other Intangible assets	6	-	65,277,332	65,277,332
[e] Intangible assets under development		-	-	-
[f] Investments in subsidiaries, associates and joint ventures	7	8,499,990	8,499,990	8,549,990
<b>[g] Financial Assets</b>				
(i) Investments	7	34,639,025	24,249,967	64,970,157
(ii) Loans	8	46,806,600	11,816,600	11,806,600
(iii) Other financial assets	9	3,789,638	3,482,344	3,205,007
[h] Other non current assets	10	2,451,464	924,738	11,328,376
<b>Total non-current assets</b>		<u>317,983,944</u>	<u>279,194,455</u>	<u>318,263,916</u>
<b>(2) Current Assets</b>				
[a] Inventories	11	64,673,891	89,610,281	88,615,102
<b>[b] Financial Assets</b>				
(i) Investments		-	-	-
(ii) Trade receivables	12	44,615,826	103,358,163	238,001,060
(iii) Cash and cash equivalents	13	1,340,283	999,485	2,917,961
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	14	-	9,750,000	10,250,000
[c] Other current assets	15	53,277,002	67,895,354	72,415,579
<b>Total current assets</b>		<u>163,907,002</u>	<u>271,613,284</u>	<u>412,199,702</u>
<b>Total assets</b>		<u>481,890,946</u>	<u>550,807,739</u>	<u>730,463,617</u>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
[a] Equity Share Capital	16	175,425,000	175,425,000	175,425,000
[b] Instruments entirely equity in nature		-	-	-
[b] Other Equity	16	74,596,933	113,070,816	127,492,902
<b>Total equity</b>		<u>250,021,933</u>	<u>288,495,816</u>	<u>302,917,902</u>
<b>LIABILITIES</b>				
<b>(1) Non Current Liabilities</b>				
<b>[a] Financial liabilities</b>				
(i) Borrowings	17	153,303,439	95,472,637	101,496,542
(ii) Other financial liabilities		-	-	-
[b] Provisions	18	1,773,739	1,215,206	-
[c] Deferred tax liabilities (Net)	19	21,948,467	3,672,938	4,204,745
[d] Other non current liabilities		-	-	-
<b>Total non-current liabilities</b>		<u>177,025,645</u>	<u>100,360,781</u>	<u>105,701,287</u>
<b>(2) Current Liabilities</b>				
<b>[a] Financial liabilities</b>				
(i) Borrowings	20	47,527,875	96,612,878	82,967,973
(ii) Trade payables	21	297,555	39,791,388	224,757,985
(iii) Other financial liabilities	22	3,067,500	6,063,463	6,053,075
[b] other current liabilities	23	3,950,438	19,460,552	8,065,395
[c] Provisions	24	-	22,861	-
<b>Total current liabilities</b>		<u>54,843,368</u>	<u>161,951,142</u>	<u>321,844,428</u>
<b>Total liabilities</b>		<u>231,869,013</u>	<u>262,311,923</u>	<u>427,545,715</u>
<b>Total equity and liabilities</b>		<u>481,890,946</u>	<u>550,807,739</u>	<u>730,463,617</u>
Notes forming part of financial statements In terms of our report attached				

For Talati & Talati  
Chartered Accountants  
FRN. 110758W  
Rovin Kothari  
Partner  
Membership No.: 133326  
Mumbai | 30<sup>th</sup> May, 2018

For and behalf of the Board  
Aruna Soni  
Director DIN: 01502649  
Anita Choudhari  
CFO

Srikrishna B.  
Director DIN: 02083384  
Pooja Sharma  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from Operations	25	115,155,501	194,525,705
II Other Income	26	26,566,261	4,475,153
<b>III Total Income (I+II)</b>		<b>141,721,763</b>	<b>199,000,858</b>
<b>IV Expenses</b>			
[a] Cost of Materials Consumed		-	-
[b] Purchases of Stock in trade	27	74,507,674	119,776,894
[c] Changes in inventories of finished goods, stock in trade and work in progress	28	106,994	(995,179)
[d] Employee benefits expenses	29	11,941,479	12,785,876
[e] Finance costs	30	11,777,168	12,421,230
[f] Depreciation and amortisation	5	3,702,823	3,334,991
[g] Other expenses	31	33,989,999	48,421,635
<b>Total Expenses</b>		<b>136,026,137</b>	<b>195,745,447</b>
<b>V Profit / (Loss) before exceptional items (III - IV)</b>		<b>5,695,626</b>	<b>3,255,411</b>
<b>VI Exceptional Item</b>		90,094,400	13,543,114
<b>VII Profit / (Loss) before exceptional items V -VI)</b>		<b>(84,398,774)</b>	<b>(10,287,703)</b>
<b>VIII Tax Expense</b>			
[i] Current tax		-	-
[ii] Deferred tax		-	(531,807)
<b>Total tax expense</b>		<b>-</b>	<b>(531,807)</b>
<b>IX Profit / (Loss) for the year from continuing operations (VII - VIII)</b>		<b>(84,398,774)</b>	<b>(9,755,896)</b>
<b>X Profit / (Loss) from discontinued Operations</b>		-	-
<b>XI Tax expense from discontinued operation</b>		-	-
<b>XII Profit / (Loss) from discontinuing operations (X -XI)</b>		-	-
<b>XIII Profit / (Loss) for the year (IX + XII)</b>		<b>(84,398,774)</b>	<b>(9,755,896)</b>
<b>XIV Other Comprehensive Income (OCI)</b>			
[a] Items that will not be re-classified to profit or loss			
(i) Measurement of defined employee benefit plans		(300,213)	(1,136,116)
(ii) Changes in fair value of equity instruments carried at fair value through OCI		2,911,061	(3,923,262)
(iii) Changes on account of revaluation of assets		61,589,573	-
[b] Income tax relating to items that will not be re-classified to profit or loss		(18,275,530)	393,187
<b>Total comprehensive income (net of tax)</b>		<b>45,924,891</b>	<b>(4,666,191)</b>
<b>XV Total Comprehensive income (XIII + XIV)</b>		<b>(38,473,883)</b>	<b>(14,422,087)</b>
<b>XVI Earnings per equity share (for continuing operations)</b>			
(1) Basic		(4.81)	(0.56)
(2) Diluted		(4.81)	(0.56)
<b>XVII Earnings per equity share (for discontinuing operations)</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>XVIII Earnings per equity share for continuing and discontinuing operations</b>			
(1) Basic		(4.81)	(0.56)
(2) Diluted		(4.81)	(0.56)

**Notes forming part of financial statements**

In terms of our report attached

For Talati & Talati  
Chartered Accountants  
FRN. 110758W  
Rovin Kothari  
Partner  
Membership No.: 133326  
Mumbai | 30<sup>th</sup> May, 2018

For and behalf of the Board  
Aruna Soni  
Director DIN: 01502649  
  
Anita Choudhari  
CFO

Srikrishna B.  
Director DIN: 02083384  
  
Pooja Sharma  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Cash Flow from Operating Activities</b>		
Net Profit before Tax	(84,398,774)	(11,037,634)
<b>Add:</b>		
Depreciation	3,702,823	3,334,991
Interest Expenses	11,777,168	12,421,230
Deferred Revenue Expenditure	860,076	591,472
Exchange rate fluctuation	479,307	5,466
Sundry balance w/off	415,948	292,158
Branding expenses written off	65,277,332	-
Inventory written off	24,817,068	-
<b>Less:</b>		
Interest Income	(290,294)	
Interest Income		(273,587)
(Profit)/Loss on sale of Investment	(7,017,634)	(85,824)
Sundry balance Written Back	(17,228,855)	(234,171)
Dividend Income		(26,026)
Loss on sale of shares	-	13,543,114
<b>Operating Profit before Working Capital Changes</b>	<b>(1,605,835)</b>	<b>18,531,189</b>
<b>Adjustment:</b>		
(Increase)/Decrease in Trade receivable	58,326,389	134,350,737
(Increase)/Decrease in Inventories	12,328	(988,176)
(Decrease)/Increase in Trade Payable	(22,744,285)	(184,737,892)
(Decrease)/Increase in Other Current Liabilities	(15,510,114)	11,405,543
(Decrease)/Increase in Short Term Provisions	(22,861)	22,861
(Decrease)/Increase in Long Term Provisions	558,533	1,215,206
(Increase)/ Decrease in Short term Loans & Advance	9,750,000	3,928,752
(Increase)/ Decrease in Long term Loans & Advance	(34,990,000)	11,460,613
(Increase)/ Decrease in Other Non-Current Assets	(604,288)	(707,375)
(Increase)/ Decrease in Other Current Assets	13,758,276	430,040
(Increase)/ Decrease in Other Non-Current Financial Assets	(307,294)	-
<b>Net Cash generated from Operations</b>	<b>6,620,850</b>	<b>(5,088,502)</b>

**For Talati & Talati**  
Chartered Accountants  
Firm Registration No. 110758W

**Rovin Kothari**  
Partner  
Membership No.: 133326

**Place:** Mumbai  
**Date:** 30<sup>th</sup> May, 2018

**For and behalf of the Board**

**Aruna Soni**  
Director  
DIN: 01502649

**Anita Choudhari**  
CFO

**Srikrishna B.**  
Director  
DIN: 02083384

**Pooja Sharma**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Taxes paid	(922,438)	(566,975)
<b>Net Cash generated from Operating Activities</b>	<b>7,543,287</b>	<b>(5,655,476)</b>
<b>Cash Flow from Investing Activities</b>		
Sale proceeds from fixed assets	1,033,006	(15,152,021)
Purchase of Non current investments	(24,866,761)	23,389,639
Net receipt from sale proceeds of Investments	24,367,273	
Interest Income	290,294	273,587
Dividend Income	-	26,026
<b>Net Cash from Investing Activities</b>	<b>823,813</b>	<b>8,537,232</b>
<b>Cash Flow from Financing Activities</b>		
(Decrease)/Increase in Long Term Borrowings	57,830,802	(6,023,905)
(Decrease)/Increase in Short Term Borrowings	(49,085,003)	13,644,904
(Decrease)/Increase in Current financial liabilities	(2,995,963)	
Interest Expenses	(11,777,168)	(12,421,230)
<b>Net Cash Flow from Financing Activities</b>	<b>(6,027,332)</b>	<b>(4,800,231)</b>
<b>Net Increase in Cash and Cash Equivalent during the Year (A+B+C)</b>	<b>2,339,768</b>	<b>(1,918,476)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>(999,485)</b>	<b>2,917,961</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>1,340,283</b>	<b>999,485</b>

For Talati & Talati  
 Chartered Accountants  
 FRN. 110758W  
 Rovin Kothari  
 Partner  
 Membership No.: 133326  
 Mumbai | 30<sup>th</sup> May, 2018

For and behalf of the Board  
 Aruna Soni  
 Director DIN: 01502649

Anita Choudhari  
 CFO

Srikrishna B.  
 Director DIN: 02083384

Pooja Sharma  
 Company Secretary

## STATEMENT OF CHANGES IN EQUITY

A	Equity share Capital	No of shares	Face Value (RS)	RS.
	As At 1st April 2016	17,542,500	10	175,425,000
	Changes in Equity share capital	-	-	-
	As At 1st April 2017	17,542,500	10	175,425,000
	Changes in Equity share capital	-	-	-
	As At 31st March 2018	17,542,500	10	175,425,000

B	Other Equity	Reserves and Surplus				Items of Other Comprehensive Items RS			
	Particulars	Capital Reserve	Securities Premium reserve	General Reserves	Retained Earnings	Equity Instruments through OCI	Revaluation reserve	Other OCI items	TOTAL Other Equity
	Balance as at 1st April 2016	35,115,495	98,400,000	157,130	1,729,190	(7,908,913)	-	-	127,492,902
	Profit for the year	-	-	-	(9,755,896)	-	-	-	(9,755,896)
	Other Comprehensive Income for the year	-	-	-	-	(3,923,262)	-	(742,929)	(4,666,191)
	<b>Total Comprehensive Income for the year</b>	-	-	-	(9,755,896)	(3,923,262)	-	(742,929)	(14,422,087)
	Balance as at 31st March 2017	35,115,495	98,400,000	157,130	(8,026,706)	(11,832,175)	-	(742,929)	113,070,815
	Profit for the year	-	-	-	(84,398,774)	-	-	-	(84,398,774)
	Other Comprehensive Income for the year	-	-	-	-	2,911,061	43,314,043	(300,213)	45,924,891
	<b>Total Comprehensive Income for the year</b>	-	-	-	(84,398,774)	2,911,061	43,314,043	(300,213)	(38,473,884)
	Balance as at 31st March 2018	35,115,495	98,400,000	157,130	(92,425,480)	(8,921,114)	43,314,043	(1,043,142)	74,596,932

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 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 Basis of preparation of financial statements

#### 2.1 Statement of compliance and basis of preparation:

These financial statements are prepared in accordance with the

Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules 2016.

The company prepared its standalone financial statements as per Indian GAAP in accordance with accounting standards notified under Companies (Accounting Standards) Rules 2006. These financial statements are the Company's first Ind AS standalone financial statements

The date of transition to Ind AS is April 01, 2016.

The standalone financial statements have been prepared on historical cost basis, except for certain items of financial assets and financial liabilities which have been measured at fair values.

The presentation of the standalone Ind AS Balance sheet, Statement of profit and loss and Statement of Changes in equity is as per Schedule III (Division II) notified by the Companies Act 2013.

#### 2.2 Use of accounting estimates, assumption and judgements:

The preparation of the financial statements requires management to make estimates, assumptions and

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of incomes and expenses for the periods presented.

### 2.3 Useful lives of property plant and equipment:

The useful lives and the residual values of the property plant and equipment are reviewed by the management at least at every financial year end.

### 2.5 Impairment of Assets

The carrying amount of fixed assets and investments is regularly reviewed by the management and whenever there is an indication of impairment. In case of impairment loss, the asset is reduced to its recoverable amount

### 2.6 Employee benefit obligation:

The company uses actuarial valuation method to determine its defined employees benefits obligation at the end of each reporting period. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates

### 3 Significant Accounting policies:

#### 3.1 Property Plant and Equipment ("PPE"):

PPE is measured at initial recognition at cost less accumulated depreciation and accumulated impairment losses if any. Cost of an item of PPE shall comprise of purchase price (less trade discounts and rebates), import duties and non-refundable purchase taxes, initial estimate of dismantling and other costs required to restore the site on which it is located and all

directly attributable costs to bring the asset to its location and condition necessary for it to be capable of operating in the manner as intended by the management.

An item of PPE shall always be recognised initially at cost. The cost of an item of PPE acquired is the cash price equivalent at the recognition date. If payment of an item of PPE is deferred beyond the normal credit terms, the difference between the total payment and cash price equivalent is deferred and recognised separately as finance cost over the period of credit.

Any component of an item of PPE which has a cost significant in relation to the total cost of the item, shall be depreciated separately.

The depreciable amount of a PPE shall be allocated on a systematic basis over its useful live. The useful lives of PPE is determined in accordance with Schedule II of the Companies Act 2013 and the residual value shall not exceed 5% of the original cost of the asset.

After initial recognition the company adopts the Cost model for subsequent measurement of its PPE.

On disposal of an item of PPE, any gains or losses are recognised in the profit and loss.

#### 3.2 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

##### 3.2.1 Financial Assets - Initial Recognition and Measurement:

Initial recognition of financial assets is always at fair value. An entity shall classify all financial assets as subsequently measured either at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (i) the entity's business model for managing financial assets, and (ii) the contractual cash flow characteristics of the financial asset.

**Reclassification:** an entity shall reclassify financial assets when and only when it changes the business model for managing those financial assets

**Financial Assets - De-recognition:** Financial assets are de-recognised when and only when:

"(a) The contractual rights to cash flows from the financial asset expires; or (b) The financial asset is transferred and the transfer qualifies for de-recognition"

A transfer qualifies for de-recognition, when the entity transfers substantially all the risks and rewards of ownership of the financial asset.

On derecognition, the difference between the carrying amount of the financial asset and the consideration received shall be recognised in the statement of profit and loss

Investments in subsidiaries, associates and joint ventures: Investment in subsidiaries, joint ventures and associates are measured at cost as per Ind AS 27.

**Trade Receivables:** Trade receivables do not have significant financing component and are carried at fair value which is the initial transaction price.

**Impairment of Financial Assets:**

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Expected credit losses (ECL) are recognised for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables that do not carry any significant component, expected credit losses are measured or measured either using the 12-month expected credit loss approach or the lifetime expected credit loss approach depending on whether the credit on the financial asset has increased significantly since its initial recognition.

For trade receivables that do not contain significant financing component, the company has adopted the simplified approach to measure loss allowance at an amount equal to life time expected credit losses i.e. expected cash shortfalls. The impairment losses and reversals are recognised in the Statement of Profit and Loss.

### 3.2.2 Financial Liabilities - Initial Recognition and Measurement:

Initial recognition of financial liabilities shall always be at fair value. All financial liabilities shall be subsequently measured at amortised cost except for financial liabilities at FVTPL and financial guarantee contracts.

A financial liability shall be derecognised when and only when it is extinguished ie. When the obligation specified in the contract is discharged or cancelled or expires. Any difference between the carrying amount of the financial liability and consideration paid, shall be recognised in profit or loss.

### **Financial Liabilities - Financial Guarantee contracts:**

"Financial guarantee contracts issued by the company, are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make payment when due, in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised as financial liability at the time the guarantee is issued and measured initially at fair value. Subsequently financial guarantee liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 – Financial Instruments and the amount initially recognised less cumulative amortisation, where appropriate"

### **Financial Liabilities - De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### 3.3 Inventories:

Inventories are valued at lower of cost and net realisable value. Cost of work in progress and finished goods comprise of purchase cost, conversion costs and other costs

incurred in bringing the inventories to their present location and condition.

Cost is determined using the weighted average basis.

Net realisable is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 3.4 Income Taxes:

Income tax comprises of current tax and deferred tax. Income tax is recognised in the statement of profit and loss except for items that are recognised directly in equity or in other comprehensive income.

**Current tax:** current tax liabilities (assets) for the current and prior periods shall be measured at the amounts expected to be paid to (recovered from) the taxation authorities. Current tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities shall be offset if and only if the entity has a legally enforceable right to set off the recognised amounts and where the entity intends to either settle on a net basis or to realise the asset and liability simultaneously.

**Deferred tax:** Deferred tax is recognised using the balance sheet liability approach. Deferred income tax assets and liabilities are recognised for all deductible temporary differences and taxable temporary differences arising from differences between the carrying amounts of assets and liabilities and their respective tax bases.

Deferred income tax liabilities (assets)



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

are based on tax rates that are expected to apply to the period when the assets is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred assets are shall be recognised for carry forward of unused tax laws and unused tax credits to the extent it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period and shall be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all that deferred tax asset to be utilised. Deferred tax assets and liabilities shall be offset, if and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle current tax liabilities and assets on net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.5 Revenue Recognition:

a) **Sale of Goods:** Revenue from sale of goods is recognised when all significant risks and rewards of ownership are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount

of revenue can be measured reliably. The company retains no effective control of the goods transferred and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of goods.

Revenue is measured at fair value of consideration received or receivable after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax, value added tax etc.

- b) **Rendering of Services:** Income from services is recognised based on agreements/ arrangements with the customers, as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.
- c) **Interest Income and Dividend:** Interest income is recognised using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established.

### 3.6 Finance Cost:

Finance cost includes interest expense on borrowings calculated using the effective interest rate (EIR) method.

The entity capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. All other borrowing costs is recognised as an expense in the period in which incurred.

### 3.7 Employee Benefit Expenses:

a) **Short Term Employee Benefits:** Short term employee benefits include wages and salaries, paid annual leaves, paid sick leave, profit sharing and bonuses etc. expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the financial statements at an undiscounted amount, as an expense, for the period in which the employee has rendered the service.

b) **Post Employment Benefits:** Under defined contribution plans the entity pays fixed contributions into a separate entity (a fund) with no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The related actuarial and investment risks fall on the employee. The reporting entity's obligation is determined by the amounts contributed for that period and the contribution paid / payable is recognised as an expense for the period the related services are rendered by the employee

### 3.8 Foreign Currency Translation:

The company's function currency is Indian rupees (INR). All foreign currency transactions are initially translated into the functional currency using exchange rates at the

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

date of transaction. At each reporting date, all monetary foreign currency items are translated into functional currency using the closing rate. All non monetary items foreign currency items are translated into functional currency at transaction date rates or at exchange rates at the date the fair value of non monetary items were re-valued, wherever applicable. All resulting exchange gains / losses are recognised in profit or loss.

In case of foreign operations, all monetary and non monetary items are translated into the functional currency using the closing rates. The resultant exchange differences are recognised in other comprehensive income net of taxes and accumulated in other equity as a separate component.

### 3.9 Earnings Per Share:

Basic earnings per share (BEPS) is computed by dividing the Net profit for the year attributable to equity share holders of the company by the weighted average number of equity shares (WAN) outstanding during the period. For calculating Diluted earnings per share (DEPS), the net profit for the period attributable to equity share holders of the company is divided by WAN, adjusted for the effects of all dilutive potential equity shares.

### 3.10 Provisions and Contigent Liabilities:

A provision is a liability of uncertain timing or amount. Provision is recognised when the entity has a present obligation based on a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where the effect of time value of money is material, the amount of provision shall be the

present value of the expenditures expected to be required to settle the obligation.

Contingent liability shall never be recognised. A contingent liability is disclosed, unless the possibility of outflow of resources embodying economic benefits is remote.

### 3.11 Leases:

Leases in which a substantial portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments and receipts are recognised in profit and loss on a straight line basis over the lease term unless the lease payments are structured to increase in line with expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the same is recognised as expense or income in line with the contractual term.

A Lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

### 4 Notes on Transition to Ind AS:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified by the Ministry with effect from April 01, 2016.

The company's transition date is April 01, 2016 (Opening Ind AS balance sheet).

Ind AS 101 First time adoption to Indian Accounting Standards provides mandatory and optional exemptions, to a first time adopter of the Indian Accounting standards from retrospective application of certain or all aspects of the other standards.

This standard mandates that a first time adopter shall use the same accounting policies in its opening Ind AS balance sheet and throughout all periods presented in its first Ind AS financial statements. Any difference in the carrying value of assets and liabilities between Ind AS and Previous GAAP have been recognised directly in retained earnings (or if appropriate, another category of equity) at the date of transition to Ind AS (i.e. Opening balance sheet as at April 01, 2016).

### 4.1 Mandatory Exceptions:

a) **Estimates:** the company's estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b) **Classification and measurement of financial assets:** The company has classified financial assets as subsequently measured at amortised cost or at fair value through other comprehensive income on the basis of facts and circumstances that exist at the date of transition to Ind AS.

c) **De-recognition of financial assets and financial liabilities:** The company has decided to apply the de-recognition requirements in Ind AS 109 Financial Instruments prospectively for transactions occurring on or after the date of transition to Ind AS.

### 4.2 Optional Exceptions:

(a) **Property Plant and Equipment:** The company has opted for exemption given under paragraph D7AA of Ind AS

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

101 for all its property plant and equipment recognised in its financial statements as per previous GAAP on the date of transition to Ind AS. Accordingly all the property plant and equipment are carried at their existing previous GAAP carrying values, which will be their respective deemed costs at the date of transition to Ind AS.

**associates and joint ventures:**  
The company has opted for exemption given in paragraph D15 of Ind AS 101. Accordingly the investments in subsidiaries, associates and joint ventures are carried at their respective previous GAAP carrying values, as deemed costs on the date of transition to Ind AS.

Ind AS 101 permits investments in equity instruments to be designated as at fair value through OCI (FVTOCI) in accordance with Ind as 109, on the basis of facts and circumstances that existed at the date of transition to Ind AS. The company has opted to avail this exemption to designate certain equity investments as FVTOCI on the date of transition to Ind AS.

- (b) Investments in subsidiaries, (c) Designation of previously recognised financial assets:

### 4.3 Reconciliation between previous GAAP and Ind AS

#### I Effect of Ind AS adoption on Equity as at March 31, 2018 and March 31, 2017

Particulars	As At March 31, 2017	As At April 1, 2016	
<b>Total Equity as per previous GAAP</b>	300,327,991	310,826,815	
Effect of changes in fair value of equity instruments	(11,832,176)	(7,908,913)	(a)
<b>Total adjustment to equity</b>	(11,832,176)	(7,908,913)	
<b>Total Equity Under Ind AS</b>	<u>288,495,815</u>	<u>302,917,902</u>	

#### II Effect of Ind AS adoption on total comprehensive income for the year ended March 31, 2017

Particulars	For the year ended March 31, 2017	
<b>Net Profit (Loss) after tax as previously reported</b>	(10,498,825)	
Employee Benefit expense	742,929	(b)
<b>Profit for the year under Ind AS</b>	(9,755,896)	
<b>Other Comprehensive Income (Net of tax)</b>		
Effect of changes in fair value of equity instruments	(3,923,262)	(a)
Employee defined benefit plan actuarial gains / (losses)	(742,929)	(b)
<b>Other Comprehensive Income for the year (Net of tax)</b>	(4,666,191)	
<b>Total comprehensive income for the year ended March 31, 2017</b>	<u>(14,422,087)</u>	

#### Notes to reconciliation of equity and total comprehensive income:

- (a) **Fair valuation of investments:** Under previous Indian GAAP, current investments are measured at lower of cost and fair value, and long term investments are measured at cost less diminution in value which is other than temporary. Under Ind AS, investments, long term as well as current, are measured at fair market value, with gains or losses recognised either in profit or loss or in other comprehensive income based on the business model of the company for managing these investments.
- (b) **Deferred tax:** Under previous GAAP, deferred tax liabilities and assets was recognised using the income approach i.e. based on timing differences between the accounting profit and taxable profits for the period. Under Ind AS deferred tax calculations are based on balance sheet liability method i.e. based on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and its tax base. This has resulted in recognising deferred tax on temporary differences that were not required to be recognised under previous Indian GAAP.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 4.4 Long term investments in unquoted equity instruments (other than investment in subsidiary)

Under previous Indian GAAP, non current investments are carried at cost with provision for diminution in their value which is other than temporary. under Ind AS, the company has designated unquoted equity instruments as financial assets at fair value through other comprehensive income and certain unquoted preference shares as financial assets at fair value through profit and loss. The company has not performed a fair valuation of its unquoted investments in equity shares and preference shares, as the company believes that the impact of change on account of the fair valuation of such investments is insignificant

### 4.5 Fair value disclosures for financial assets and financial liabilities

The company believes that the

fair values of non-current financial assets (security deposits, lease rental deposits) , current financial assets (trade receivables etc.) and non current financial liabilities approximate their carrying amounts

### 4.6 Investment in quoted equity shares

The company has designated investments in quoted equity shares as subsequently measured at fair value through other comprehensive income FVTOCI. On transition date, the difference between the existing carrying amount and fair value has been recognised as an adjustment to opening retained earnings. Subsequent adjustment to the fair values of such quoted equity investments is recognised in other comprehensive and accumulated separately under other equity in the balance sheet

### 4.7 Financial Guarantee contracts

Under previous Indian GAAP, financial

guarantee given by parent on behalf of its subsidiaries is recognised as "Contingent liability"

Under Ind AS, corporate / financial guarantee is treated as a financial liability and is recognised at fair value on initial as well as subsequent recognition. The fair value of the financial guarantee is treated as "investment in subsidiary". Finance income is recognised over the term of the guarantee using the effective interest method.

The company has given a corporate / financial guarantee to National Skills Development Corporation (NSDC) on behalf of its 100% subsidiary Ecoreco Enviro Education P.Ltd. The company has however not done a fair valuation of the financial guarantee given to NSDC, as the company feels that its impact on the financial statements is insignificant

## Note 5: Property Plant and Equipment and Capital Work in Progress

### I Property Plant and Equipment

(Rs in Lacs)

Particulars	Facility land & Building	Plant and Machinery	Furniture and fixtures	Leasehold improvements	Computers	Vehicles	Office Equipments	Total
<b>A Gross Block</b>								
Deemed costs as at April 01, 2016	33,647,167	43,877,624	645,698	-	2,727,943	11,371,939	1,140,457	93,410,828
Additions	-	-	-	3,531,835	61,400	-	581,033	4,174,268
Disposals / adjustments	-	-	-	-	-	-	-	-
<b>As At March 31, 2017</b>	<b>33,647,167</b>	<b>43,877,624</b>	<b>645,698</b>	<b>3,531,835</b>	<b>2,789,343</b>	<b>11,371,939</b>	<b>1,721,490</b>	<b>97,585,096</b>
Additions	10,977,753	136,766,972	-	-	-	-	-	147,744,725
Disposals / adjustments	-	1,372,009	-	-	-	-	-	1,372,009
<b>As At March 31, 2018</b>	<b>44,624,920</b>	<b>179,272,587</b>	<b>645,698</b>	<b>3,531,835</b>	<b>2,789,343</b>	<b>11,371,939</b>	<b>1,721,490</b>	<b>243,957,811</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### Note 5: Property Plant and Equipment and Capital Work in Progress

I Property Plant and Equipment								(Rs in Lacs)
Particulars	Facility land & Building	Plant and Machinery	Furniture and fixtures	Leasehold improvements	Computers	Vehicles	Office Equipments	Total
<b>B Accumulated depreciation</b>								
As at April 01, 2016	-	8,082,257	340,672	-	2,727,943	3,528,475	782,427	15,461,774
Depreciation for the year	-	1,792,368	160,436	83,881	37,430	1,120,648	140,228	3,334,991
Disposals / adjustments	-	-	-	-	-	-	-	-
<b>As At March 31, 2017</b>	-	9,874,625	501,108	83,881	2,765,373	4,649,123	922,655	18,796,765
Depreciation for the year	-	1,916,740	112,304	335,524	12,893	1,178,140	147,219	3,702,820
Disposals / adjustments	-	339,001	-	-	-	-	-	339,001
<b>As At March 31, 2018</b>	-	11,452,365	613,412	419,405	2,778,266	5,827,263	1,069,874	3,363,820
<b>B Net Block</b>								
As at April 01, 2016	33,647,167	35,795,367	305,026	-	-	7,843,464	358,030	77,949,054
As at March 31, 2017	33,647,167	34,002,999	144,590	3,447,954	23,970	6,722,816	798,835	78,788,331
As at March 31, 2018	44,624,920	167,820,222	32,286	3,112,430	11,077	5,544,676	651,616	221,797,227
<b>II Capital Work in Progress</b>								
As at April 01, 2016								75,177,399
As at March 31, 2017								86,155,152
As at March 31, 2018								-

### Note 6: Other intangible assets

(Rs in Lacs)		Branding
<b>A Gross Block</b>		
Deemed costs as at April 01, 2016		65,277,332
Additions		-
Disposals / adjustments		-
<b>As At March 31, 2017</b>		65,277,332
Additions		-
Disposals / adjustments		-
<b>As At March 31, 2018</b>		65,277,332
<b>B Accumulated depreciation</b>		
As at April 01, 2016		-
Depreciation for the year		-
Disposals / adjustments		-
<b>As At March 31, 2017</b>		-
Depreciation for the year		-
Disposals / adjustments		65,277,332
<b>As At March 31, 2018</b>		65,277,332
<b>C Net Block</b>		
As at April 01, 2016		65,277,332
As at March 31, 2017		65,277,332
As at March 31, 2018		-

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Note 7: Investments	Face Value	As At March 31,2018		As At March 31,2017		As At April 01,2016	
	Rs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
<b>I In equity instruments at Fair value through Other Comprehensive Income</b>							
<b>[1] In Subsidiaries at Cost</b>							
<b>Unquoted</b>							
(a) Ecoreco Enviro Education Private limited	10	849,999	8,499,990	849,999	8,499,990	849,999	8,499,990
<b>In Associate at Cost</b>							
(a) WEEE India Private Limited						5,000	50,000
<b>[2] In Associate at Cost</b>							
<b>Unquoted</b>							
(a) Wee India Private Limited	10	-	-	-	-	-	-
<b>[3] In equity instruments at Fair value through Other Comprehensive Income</b>							
<b>Quoted</b>							
Aditya Birla Chemicals (India) Ltd	10	200	222	400	-	400	-
Anik Industries Ltd.	10	-	-	14,950	472,420	18000	576000
Gujarat Intrux Limited	10	2,000	190,900	-	-	-	-
Hindustan Copper Limited	10	1,000	62,950	-	-	-	-
Jai Corp Limited	10	1,500	200,250	-	-	-	-
Jeypore Sugar Company Limited	10	1,000	101,750	-	-	-	-
Mazda Limited	10	500	166,875	-	-	-	-
M B Parikh Limited	10	8,150	116,268	-	-	-	-
NEPC Limited	10	6,000	107,687	-	-	-	-
Prism Cement Limited	10	2,000	217,300	2,000	154,900	2,000	165,900
Punjab National Bank	10	3,000	286,350	-	-	-	-
Ruchi Infrastructure Limited	10	425,000	1,551,250	338,865	1,206,359	338,865	2,100,963
Ruchi Soya Industries Limited	10	85,000	1,347,250	-	-	-	-
Shipping Corporation of India Limited	10	500	32,175	500	38,000	500	33,150
Sintex Industries Limited	10	10,000	179,500	-	-	-	-
Spicejet Limited	10	1,000	125,150	-	-	-	-
Stresscrete Limited	10	20,000	108,000	-	-	-	-
Subex Limited	10	230,000	1,764,100	-	-	-	-
Tata Teleservices (Mah) Limited	10	15,901,301	11,320,009	1,574,406	11,335,723	1,500,009	10,155,061
Upsurge Investment & Finance Limited	10	268,945	11,914,264	368,945	5,441,939	368,945	9,278,967
Zenlab Ethica Limited	10	40,000	2,080,000	-	-	-	-
Zodiac Clothing Limited	10	1,000	166,150	-	-	-	-
Essar Steel Limited	10	20,000	-	-	-	-	-
Anant Raj Ind Ltd	-	-	-	-	-	500	57,849
National Peroxide Ltd	-	-	-	-	-	1,000	231,275
Hindustan Motors Ltd	-	-	-	-	-	42,000	775,572
Malu Paper Mills Ltd	-	-	-	-	-	9,997	375,336
Ruchi Infrastructure Ltd	-	-	-	-	-	255,075	11,294,721

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Note 7: Investments	Face Value	As At March 31,2018		As At March 31,2017		As At April 01,2016	
	Rs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
Anik Industries Ltd	-	-	-	-	-	10,000	494,630
NOCIL Ltd	-	-	-	-	-	49,000	1,539,872
BSEL Infrastructure Realty Ltd	-	-	-	-	-	13,000	138,056
Harrison Malayalam Ltd	-	-	-	-	-	3,000	241,752
Hindustan Organic Chemicals Ltd	-	-	-	-	-	10,000	302,060
Indian Card Clothing Company Ltd	-	-	-	-	-	3,459	563,019
KPR Mills Ltd	-	-	-	-	-	1,997	292,227
Murli Industries Ltd	-	-	-	-	-	3,500	119,008
Financial Analysis Credential Ltd	-	-	-	-	-	56	7,527
**India Bull Securities Ltd	-	-	-	-	-	160,000	1,672,640
Tata Tele Services (Maharashtra) Ltd	-	-	-	-	-	1,413,543	16,929,700
Jubilant Food Works Ltd	-	-	-	-	-	5	6,449
Kingfisher Airlines Ltd	-	-	-	-	-	45,000	434,749
Srei Infra Ltd	-	-	-	-	-	5,000	136,919
JSW Energy Ltd	-	-	-	-	-	500	61,683
Himachal Futuristic Communications Ltd	-	-	-	-	-	3,000	108,000
Brigade Enterprises Limited	-	-	-	-	-	800	320,960
Electrosteel Castings Limited	-	-	-	-	-	2,000	189,249
GTL Infrastructure Limited	-	-	-	-	-	3,000	130,710
IFCI Ltd	-	-	-	-	-	800	26,264
Jensen & Nicolsan Ltd	-	-	-	-	-	5,000	35,500
Lok Housing Ltd	-	-	-	-	-	1,000	149,322
Moschip Semiconductor Technology Ltd	-	-	-	-	-	2,000	31,320
NRC Ltd	-	-	-	-	-	3,999	109,693
Shree Digvijay Cement Ltd	-	-	-	-	-	3,000	70,110
***Videocon Appliances Ltd	-	-	-	-	-	5,000	213,319
<b>Total (Quoted)</b>			<b>32,038,399</b>		<b>18,649,341</b>		<b>59,369,532</b>
<b>Unquoted</b>							
Dombivli Sahkari Bank Limited	10	10,000	100,000	10,000	100,000	10,000	100,000
Shamrao Vithal Coop bank	25	625	625	625	625	625	625
<b>Total (Unquoted)</b>			<b>100,625</b>		<b>100,625</b>		<b>100,625</b>
<b>Total investment in equity shares</b>			<b>40,639,014</b>		<b>27,249,956</b>		<b>68,020,147</b>
<b>II In Preference shares (fully paid up)</b>							
<b>[1] In preference shares at Fair Value through profit and loss</b>							
<b>Unquoted</b>							
(a) MGI Investments	10	10,000	2,500,000	10,000	2,500,000	10,000	2,500,000
(b) Sanjay Chemical	10	-	-	3,000	3,000,000	3,000	3,000,000
<b>Total investment in preference shares</b>			<b>2,500,000</b>		<b>5,500,000</b>		<b>5,500,000</b>
<b>Total investments (I+II)</b>			<b>43,139,014</b>		<b>32,749,957</b>		<b>73,520,147</b>
Aggregate market value of quoted investment			32,038,399		18,649,341		59,369,532
Aggregate carrying value of unquoted investment			11,100,615		14,100,615		14,150,615

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Note [8]: Non Current Financial Assts - Loans**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered good			
Lease rental deposits	46,500,000	11,500,000	11,500,000
Other security deposits	306,600	316,600	306,600
<b>Total</b>	<b>46,806,600</b>	<b>11,816,600</b>	<b>11,806,600</b>

**Note 9: Other Non Current Financial Assets**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Margin Money deposits with bank	1,820,750	1,803,750	1,800,000
Interest accrued on margin money deposits	1,968,888	1,678,594	1,405,007
<b>Total</b>	<b>3,789,638</b>	<b>3,482,344</b>	<b>3,205,007</b>

**Note 10: Other Non-Current Assets**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital advances	-	-	11,182,752
Payment of taxes	1,847,176	924,738	145,624
GST Credit	604,288		-
<b>Total</b>	<b>2,451,464</b>	<b>924,738</b>	<b>11,328,376</b>

**Note 11: Inventories**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Finished goods	64,673,891	89,610,281	88,615,102
<b>Total</b>	<b>64,673,891</b>	<b>89,610,281</b>	<b>88,615,102</b>

**Note 12: Trade Receivables**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered good	44,615,826	103,358,163	238,001,060
<b>Total</b>	<b>44,615,826</b>	<b>103,358,163</b>	<b>238,001,060</b>

**Note 13: Cash & Cash Equivalents**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Cash on Hand	1,404	55,095	1,132,988
Balances in Banks - Current Accounts	1,338,879	944,390	1,784,973
<b>Total</b>	<b>1,340,283</b>	<b>999,485</b>	<b>2,917,961</b>

**Note 14: Current Financial Assets - Loans**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered good			
Advances Recoverable or in kind or value to be received	-	9,750,000	10,250,000
<b>Total</b>	<b>-</b>	<b>9,750,000.00</b>	<b>10,250,000</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### Note 15: Other Current Assets

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Earnest Money Deposit	1,001,350	550,083	537,448
Advance for expenses	25,616,780	26,661,209	35,192,948
Prepaid expenses	897,617	1,347,516	600,483
Advance to customers	4,281,479	3,412,219	2,804,289
Advance to employee	114,106	446,400	322,357
Other advances	21,365,670	34,617,852	31,506,505
Miscellaneous expenditure	-	860,076	1,451,548
<b>Total</b>	<b>53,277,002</b>	<b>67,895,354</b>	<b>72,415,579</b>

### Note 17: Non Current Financial liabilities - Borrowings

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
<b>SECURED</b>			
Term loan from banks	1,190,297	4,300,014	9,240,853
Car Loan	1,163,462	1,172,623	2,255,689
IIFL loan	60,949,680	-	-
<b>UNSECURED</b>			
From DSIR (refer note 17.1 below)	90,000,000	90,000,000	90,000,000
<b>Total</b>	<b>153,303,439</b>	<b>95,472,637</b>	<b>101,496,542</b>

**Note 17.1:** The Company had set up a small facility for recycling of e-waste near Mumbai and were carrying out R&D for the recovery of various metals from printed circuit boards & other complicated e-waste. In the process we approached Department of Scientific & Industrial Research (DSIR) for their financial support to complete technology development and commercialize the same with an optimum capacity to recycle. DSIR was kind enough to sanction Rs.1186 lacs as grant payable back on commercialization of the above project. To implement the above project Company had withdrawn Rs.900 lacs from the above grant and invested its own funds of Rs. 2134.53 lacs to develop / procure required Plant & Machineries. Unfortunately, we could not develop / commercialize the project so far because access road to the Project Site has been blocked by the local villagers who also owns some parcel of land around the above project site. The company has approached to practically all the levels of Administration at the Local & State level for their kind intervention and resolution. The Company has also appealed to the office of the PMO and the same has been forwarded to the Ministry of Environment & Forests for their attention.

### Note 18: Long term Provisions

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Gratuity	1,773,739	1,215,206	-
<b>Total</b>	<b>1,773,739</b>	<b>1,215,206</b>	<b>-</b>

### Note 19: Deferred Tax Liability

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deferred Tax Liability	21,948,467	3,672,938	4,204,745
<b>Total</b>	<b>21,948,467</b>	<b>3,672,938</b>	<b>4,204,745</b>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Note 20: Current Financial liabilities - Borrowings**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Working Capital loans from banks	22,967,431	59,951,660	44,456,116
loans from related parties - subsidiary	19,371,814	27,149,361	30,050,000
Loans from others	5,188,630	9,511,857	8,461,857
<b>Total</b>	<b>47,527,875</b>	<b>96,612,878</b>	<b>82,967,973</b>

**Note 21: Trade Payables**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Trade payables	297,555	39,791,388	224,757,985
<b>Total</b>	<b>297,555</b>	<b>39,791,388</b>	<b>224,757,985</b>

**Note 22: Other Financial Liabilities**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Current Maturities of long term rupee loan	3,067,500	6,063,463	6,053,075
<b>Total</b>	<b>3,067,500</b>	<b>6,063,463</b>	<b>6,053,075</b>

**Note 23: Other Current Liabilities**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Creditors for Expenses	2,389,487	2,153,142	2,175,085
Advance from customers	-	11,165,711	-
Statutory Dues*	1,560,951	5,060,221	4,313,813
Other Payable	-	1,081,478	1,576,500
<b>Total</b>	<b>3,950,438</b>	<b>19,460,552</b>	<b>8,065,398</b>

**Note 24: Provisions**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Gratuity	-	22,861	-
<b>Total</b>	<b>-</b>	<b>22,861</b>	<b>-</b>

**Note 25: Revenue from Operations**

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Sale of Stock in Trade		
Electrical & Electronic Equipment	104,727,190	184,744,942
Sale of Services		
Data Destruction Charges	10,428,311	9,780,763
<b>Total</b>	<b>115,155,501</b>	<b>194,525,705</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### Note 26: Other Income

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest Income on Bank Deposits	290,294	273,587
Dividend	-	26,026
Profit/(Loss) on sale of shares held as investment	7,017,634	85,824
Membership Fees	200,000	100,000
Reimbursement of Expenses	1,633,200	3,755,545
Sundry Balance written back	17,228,855	234,171
Miscellaneous Income	196,279	-
<b>Total</b>	<b>26,566,261</b>	<b>4,475,153</b>

### Note 27: Purchases of Stock in Trade

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Purchases of Electrical & Electronic Equipment	74,507,674	119,776,894
<b>Total</b>	<b>74,507,674</b>	<b>119,776,894</b>

### Note 28: Changes in Inventories of Stock in Trade

Particulars	2017-2018	2016-2017
Inventories at the end of Year	89,490,959	89,603,278
Inventories at the beginning of Year	89,597,952	88,615,102
<b>Total</b>	<b>106,994</b>	<b>(988,176)</b>

### Note 29: Employee Benefits of Expenses

Particulars	2017-2018	2016-2017
Salaries, Bonus and other allowances	11,579,481	12,531,799
Contribution in Provident & Other Funds	361,998	420,635
Employee Welfare Expenses	-	576,371
<b>Total</b>	<b>11,941,479</b>	<b>13,528,805</b>

### Note 30: Finance Costs

Particulars	2017-2018	2016-2017
<b>Interest Expenses</b>		
On Term Loan	6,478,013	1,607,527
On Working Capital Loan	3,651,995	7,688,858
Other Interest	821,510	2,779,845
Processing Fees	825,650	345,000
<b>Total</b>	<b>11,777,168</b>	<b>12,421,230</b>

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Note 31: Other Expenses**

Particulars	2017-2018	2016-2017
Lease Rent	9,381,837	13,642,712
Freight & Transportation	2,420,533	2,560,165
Travelling & Conveyance	2,363,558	2,490,648
Legal & Professional Fees	1,172,900	1,668,422
Labour Charges	62,380	309,565
Advertisement Expenses	1,618,544	4,445,774
Insurance Expenses	767,441	528,839
Printing & Stationery	231,477	225,178
Repairs & Maintenance	89,750	124,417
Electricity Charges	412,937	316,219
Security Charges	755,992	559,596
Auditor's Remuneration	250,000	250,000
Annual Listing Fees, Registrar & Agent Expenses	401,898	309,112
Bank Charges	92,437	60,995
Loss on Commodities Trading	-	13,760,036
Other Expenses	13,108,238	6,578,486
Miscellaneous Expenditure w/off	860,076	591,472
<b>Total</b>	<b>33,989,999</b>	<b>48,421,635</b>

**Note 32: Disclosure in Respect of Leases:**

**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:

Particulars	2017-2018	2016-2017
i) Not later than one year	7,857,576	7,630,841
ii) Later than one year and not later than five years	15,057,576	20,697,771
b) Lease payments recognized in the Statement of Profit and Loss for the period.	9,381,837	13,642,712

**Note 33: Contingent Liabilities**

Particulars	2017-18	2016-2017
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
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
Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	125,993,806	125,993,806

**Note 34: Payment to Auditors**

Particulars	2017-18	2016-2017
Audit Fees	200,000	200,000
Tax Audit Fees	50,000	50,000
<b>Total</b>	<b>250,000</b>	<b>250,000</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### Note 35: Earnings in Foreign Currency

Particulars	2017-18	2016-2017
Service Charges	3,449,829	2,965,722
<b>Total</b>	<b>3,449,829</b>	<b>2,965,722</b>

**Note 36:** 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.

**Note 37:** 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 Rs.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.

**Note 38:** 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.

**Note 39:** The company is in the business of E-waste and Asset Management.

### Note 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

(c) **Subsidiary(100%):-**  
Ecoreco Enviro Education 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  
WEEE India Pvt Ltd  
Reverse E-Commerce Private Limited  
EPR Compliance Private Limited

(e) **Key Management Personnel :-**  
Mr. Brijkishor Soni - C.M.D.  
Mrs. Aruna Soni - Director  
Mr. Srikrishna B. - Director  
Mr. Shashank Soni - Director  
Mr. Vijay Acharya - Director

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

(Amount in Rs.)

Particulars	Key management personnel	Holding/ Subsidiary	Associates
Remuneration (P.Y.)	3,000,000 (3,000,000)	-	-

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

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

(Amount in Rs.)

Particulars	Key management personnel	Holding/ Subsidiary	Associates
Salary (P.Y.)	1,979,600 (1,200,000)		
Sitting Fees (P.Y.)	50,000 (120,000)	-	-
Rent (P.Y.)	4,150,636 (4,200,000)	-	-
Advance Rent Paid (P.Y.)	- (2,464,729)	-	-
Deposit Paid (P.Y.)	30,000,000 -	-	-
Loan Repaid (P.Y.)	- -	(7,777,547) (3,700,639)	-
Loan Taken (P.Y.)	- -	- (800,000)	-
Expenses on behalf of Subsidiary (P.Y.)	- -	1,476,120 (1,727,700)	-
<b>Closing Balance at the Year End</b>			
Loan Taken (P.Y.)	- -	19,371,814 (27,149,361)	-
Deposit Given (P.Y.)	45,000,000 (15,000,000)	-	-
Advance Rent Paid (P.Y.)	- (1,750,636)	-	-

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

**Note 41: Earnings Per Share**

	Units	2017-2018	2016-2017
i) Profit after tax	Rs.	(84,398,774)	(9,755,896)
ii) Weighted average number of equity shares outstanding	Nos.	17,542,500	17,542,500
iii) Basic Earnings Per Share	Rs.	(4.81)	(0.56)
iv) Diluted Earning Per Share	Rs.	(4.81)	(0.56)
v) Face Value of Shares	Rs.	10.00	10.00

**Note 42:** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**Signature to Notes 1 to 42**

**For Talati & Talati**  
Chartered Accountants  
Firm Registration No. 110758W

**Rovin Kothari**  
Partner  
Membership No.: 133326

**Place:** Mumbai  
**Date:** 30<sup>th</sup> May, 2018

**For and behalf of the Board**

**Aruna Soni**  
Director  
DIN: 01502649

**Anita Choudhari**  
CFO

**Srikrishna B.**  
Director  
DIN: 02083384

**Pooja Sharma**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

### To the members of Eco Recycling Limited Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s Eco Recycling Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), which comprises of the consolidated Balance Sheet as at March 31<sup>st</sup>, 2018, consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS 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 the consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under.

This respective Board of Directors of the companies included in the Group 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 other 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 consolidated Ind AS 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 the consolidated Ind AS 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 conducted our audit of the consolidated Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on

the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS 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 consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 financial position of the Group as at March 31<sup>st</sup>2018, its consolidated financial performance including other comprehensive income, its consolidated cash flows and consolidated changes in equity, for the year then ended.

### Emphasis of Matter

We draw attention to the following notes in the consolidated Ind AS financial statements annexed to the auditor's report

- a) **Note 4.4, 4.5 and 4.7:** The holding company and its subsidiary company, have not done any fair valuation of its financial assets and financial liabilities as it believes that the carrying amounts of these financial assets and financial liabilities approximate their fair values and that the impact of change, if any, on account of fair valuation these financial assets and financial liabilities, will be insignificant.
- b) **Note no 37:** The holding company has a pending legal dispute with M/s KUD Realtors Pvt. Ltd relating to the transfer of assets purchased in favour of the company. The holding company has paid amount of Rs 2, 10, 95,615 as advance for purchase of the assets. The holding company is however of the opinion that the dispute will be resolved in its favor soon.

**Our opinion is not modified in any of the above matters**

**Other Matters**

The comparative consolidated financial information of the Group for the year ended 31<sup>st</sup> March 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April 2016 included in these consolidated Ind AS financial statements, are based on previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules 2006 and which have not been audited by us. This comparative financial information has been furnished to us by the Management of the Holding company and the Consolidated Auditor's report for the years ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 contain a qualified opinion on those respective years' consolidated financial statements. The consolidated financial information for the periods 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016, have been adjusted for differences in accounting policies

adopted by the Group on transition to Ind AS.

**Report on other Legal and Regulatory Requirements**

1. 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated Ind AS financial statements, have been kept by the Group so far as it appears from our examination of those books;
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other Comprehensive income, the consolidated statement of cash flows and the statement of changes in equity, dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with relevant rules there under;
  - e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2018 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiary company, none

of the directors of the Group companies, is disqualified as on March 31, 2018 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 Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The consolidated Ind AS financial statements disclose the impact of pending litigations on its financial position in its consolidated Ind AS financial statements. Refer Note Nos. 36 and 37 to the consolidated Ind AS financial statements.
  - b) The Group did not have any long-term contracts including derivative contract having material foreseeable losses for which provision was required to be made under the applicable law or the accounting standards.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **Talati and Talati**  
Chartered Accountants  
Firm Registration No.: 110758W

Mumbai  
30<sup>th</sup> May, 2018

**Rovin Kothari**  
Partner  
M. No.: 133326



## **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")**

We have audited the internal financial controls over financial reporting of **M/s Eco Recycling Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), as of March 31, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Group 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. 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 Group's internal financial

controls over Financial reporting based on our audit conducted 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, 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 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 judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Group'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 the consolidated Ind AS 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 the consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the stand alone Ind AS 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 deducted. Also projections of any evaluation of

the internal financial controls over financial reporting to future periods are subject to 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

and its subsidiary companies 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, 2018, based on the internal control over financial reporting criteria established by the holding Company considering the essential components of internal control stated in the Guidance Note on Audit of

## ECO RECYCLING LIMITED

Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **Talati and Talati**  
Chartered Accountants  
Firm Registration No.: 110758W

Mumbai  
30<sup>th</sup> May, 2018

**Rovin Kothari**  
Partner  
M. No.: 133326





CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

Particulars	Note	As At March 31, 2018	As At March 31, 2017	As At April 1, 2016
<b>I ASSETS</b>				
<b>(1) Non Current Assets</b>				
[a] Property Plant and Equipment	5	222,289,507	79,380,931	78,612,707
[b] Capital Work in Progress	5	-	86,155,152	75,177,399
[c] Investment Property		-	-	-
[d] Other Intangible assets	6	-	65,277,332	65,277,332
[e] Intangible assets under development		-	-	-
[f] Investments in subsidiaries, associates and joint ventures	7	-	-	50,000
<b>[g] Financial Assets</b>				
(i) Investments	7	34,639,025	24,249,967	64,970,157
(ii) Loans	8	46,806,600	11,816,600	11,806,600
(iii) Other financial assets	9	3,789,638	3,482,344	3,205,007
[h] Other non current assets	10	2,451,464	924,738	11,328,376
<b>Total non-current assets</b>		<u>309,976,234</u>	<u>271,287,065</u>	<u>310,977,579</u>
<b>(2) Current Assets</b>				
[a] Inventories	11	64,673,891	89,610,281	88,615,102
<b>[b] Financial Assets</b>				
(i) Investments		-	-	-
(ii) Trade receivables	12	44,615,826	103,358,163	238,001,060
(iii) Cash and cash equivalents	13	1,403,866	1,012,548	4,011,496
(iv) Bank balances other than (iii) above		-	-	-
(v) Loans	14	-	9,750,000	10,250,000
[c] Other current assets	15	53,626,252	64,646,938	70,623,412
<b>Total current assets</b>		<u>164,319,835</u>	<u>268,370,927</u>	<u>411,501,070</u>
<b>Total assets</b>		<u>474,296,069</u>	<u>539,657,992</u>	<u>721,878,648</u>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
[a] Equity Share Capital	16	175,425,000	175,425,000	175,425,000
[b] Instruments entirely equity in nature		-	-	-
[b] Other Equity	16	60,951,438	103,401,172	123,628,971
<b>Total equity</b>		<u>236,376,438</u>	<u>278,826,172</u>	<u>299,053,971</u>
<b>LIABILITIES</b>				
<b>(1) Non Current Liabilities</b>				
<b>[a] Financial liabilities</b>				
(i) Borrowings	17	178,267,578	120,436,776	126,460,681
(ii) Other financial liabilities		-	-	-
[b] Provisions	18	1,773,739	1,215,206	-
[c] Deferred tax liabilities (Net)	19	21,948,467	3,672,938	4,204,745
[d] Other non current liabilities		-	-	-
<b>Total non-current liabilities</b>		<u>201,989,784</u>	<u>125,324,920</u>	<u>130,665,426</u>
<b>(2) Current Liabilities</b>				
<b>[a] Financial liabilities</b>				
(i) Borrowings	20	28,156,061	69,469,517	52,917,973
(ii) Trade payables	21	297,555	39,791,388	224,757,985
(iii) Other financial liabilities	22	3,067,500	6,063,463	6,053,075
[b] other current liabilities	23	4,408,730	20,165,670	8,430,218
[c] Provisions	24	-	22,861	-
<b>Total current liabilities</b>		<u>35,929,846</u>	<u>135,506,899</u>	<u>292,159,251</u>
<b>Total liabilities</b>		<u>237,919,630</u>	<u>260,831,819</u>	<u>422,824,677</u>
<b>Total equity and liabilities</b>		<u>474,296,069</u>	<u>539,657,992</u>	<u>721,878,648</u>
Notes forming part of financial statements In terms of our report attached				

For Talati & Talati  
Chartered Accountants  
FRN. 110758W  
Rovin Kothari  
Partner  
Membership No.: 133326  
Mumbai | 30<sup>th</sup> May, 2018

For and behalf of the Board  
Aruna Soni  
Director DIN: 01502649  
Anita Choudhari  
CFO

Srikrishna B.  
Director DIN: 02083384  
Pooja Sharma  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from Operations	25	115,155,501	194,525,705
II Other Income	26	26,566,261	4,475,153
<b>III Total Income (I+II)</b>		<b>141,721,763</b>	<b>199,000,858</b>
<b>IV Expenses</b>			
[a] Cost of Materials Consumed		-	-
[b] Purchases of Stock in trade	27	74,507,674	119,776,894
[c] Changes in inventories of finished goods, stock in trade and work in progress	28	106,994	(995,179)
[d] Employee benefits expenses	29	13,917,413	15,623,598
[e] Finance costs	30	11,792,852	12,421,230
[f] Depreciation and amortisation	5	3,803,143	3,435,311
[g] Other expenses	31	34,240,713	50,571,298
<b>Total Expenses</b>		<b>138,368,789</b>	<b>200,840,155</b>
<b>V Profit / (Loss) before exceptional items (III - IV)</b>		<b>1,719,774</b>	<b>(3,372,497)</b>
<b>VI Exceptional Item</b>		90,094,400	13,543,114
<b>VII Profit / (Loss) before exceptional items V -VI)</b>		<b>(88,374,626)</b>	<b>(16,915,611)</b>
<b>VIII Tax Expense</b>			
[i] Current tax		-	-
[ii] Deferred tax		-	(531,807)
<b>Total tax expense</b>		-	(531,807)
<b>IX Profit / (Loss) for the year from continuing operations (VII - VIII)</b>		<b>(88,374,626)</b>	<b>(16,383,804)</b>
<b>X Profit / (Loss) from discontinued Operations</b>		-	-
XI Tax expense from discontinued operation		-	-
<b>XII Profit / (Loss) from discontinuing operations (X -XI)</b>		-	-
<b>XIII Profit / (Loss) for the year (IX + XII)</b>		<b>(88,374,626)</b>	<b>(16,383,804)</b>
<b>XIV Other Comprehensive Income (OCI)</b>			
[a] Items that will not be re-classified to profit or loss			
(i) Measurement of defined employee benefit plans		(300,213)	(1,136,116)
(ii) Changes in fair value of equity instruments carried at fair value through OCI		2,911,061	(3,923,262)
(iii) Changes on account of revaluation of assets		61,589,573	-
[b] Income tax relating to items that will not be re-classified to profit or loss		(18,275,530)	393,187
<b>Total comprehensive income (net of tax)</b>		<b>45,924,891</b>	<b>(4,666,191)</b>
<b>XV Total Comprehensive income (XIII + XIV)</b>		<b>(42,449,735)</b>	<b>(21,049,995)</b>
<b>XVI Earnings per equity share (for continuing operations)</b>			
(1) Basic		(4.81)	(0.56)
(2) Diluted		(4.81)	(0.56)
<b>XVII Earnings per equity share (for discontinuing operations)</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>XVIII Earnings per equity share for continuing and discontinuing operations</b>			
(1) Basic		(4.81)	(0.56)
(2) Diluted		(4.81)	(0.56)

**Notes forming part of financial statements**

In terms of our report attached

For Talati & Talati  
 Chartered Accountants  
 FRN: 110758W  
 Rovin Kothari  
 Partner  
 Membership No.: 133326  
 Mumbai | 30<sup>th</sup> May, 2018

For and behalf of the Board  
**Aruna Soni**  
 Director DIN: 01502649  
  
**Anita Choudhari**  
 CFO

**Srikrishna B.**  
 Director DIN: 02083384  
  
**Pooja Sharma**  
 Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>Cash Flow from Operating Activities</b>		
Net Profit before Tax	(88,374,626)	(16,915,610)
<b>Add:</b>		
Depreciation	3,803,143	3,435,311
Interest Expenses	11,792,852	12,076,230
Deferred Revenue Expenditure	860,076	591,472
Exchange rate fluctuation	479,307	5,466
Sundry balance w/off	415,948	292,158
Branding expenses written off	65,277,332	-
inventory written off	24,817,068	-
<b>Less:</b>		
Interest Income	(290,294)	(273,587)
(Profit)/Loss on sale of Investment	(7,017,634)	(234,171)
Sundry balance Written Back	(17,228,855)	(85,824)
Dividend Income	-	(26,026)
Loss on sale of shares	-	13,543,114
<b>Operating Profit before Working Capital Changes</b>	<b>(5,465,683)</b>	<b>12,408,533</b>
<b>Adjustment :</b>		
(Increase)/Decrease in Trade receivable	58,326,389	134,350,737
(Increase)/Decrease in Inventories	12,328	(988,176)
(Decrease)/Increase in Trade Payable	(22,744,285)	(184,737,892)
(Decrease)/Increase in Other Current Liabilities	(11,570,999)	13,292,214
(Decrease)/Increase in Short Term Provisions	(22,861)	22,861
(Decrease)/Increase in Long Term Provisions	558,533	1,215,206
(Increase)/ Decrease in Short term Loans & Advance	9,750,000	6,837,391
(Increase)/ Decrease in Long term Loans & Advance	(34,990,000)	11,460,613
(Increase)/ Decrease in Other Non-Current Assets	(604,288)	(707,375)
(Increase)/ Decrease in Other Current Assets	13,758,276	331,915
(Increase)/ Decrease in Other Non-Current Financial Assets	(307,294)	-
<b>Net Cash generated from Operations</b>	<b>6,700,117</b>	<b>(6,513,973)</b>

**For Talati & Talati**  
Chartered Accountants  
Firm Registration No. 110758W

**Rovin Kothari**  
Partner  
Membership No.: 133326

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018

**For and behalf of the Board**

**Aruna Soni**  
Director  
DIN: 01502649

**Anita Choudhari**  
CFO

**Srikrishna B.**  
Director  
DIN: 02083384

**Pooja Sharma**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Taxes paid	(922,438)	(566,975)
<b>Net Cash generated from Operating Activities</b>	<b>7,622,555</b>	<b>(7,080,948)</b>
<b>Cash Flow from Investing Activities</b>		
Sale proceeds from fixed assets	1,033,006	(15,152,021)
Purchase of Non current investments	(24,866,761)	23,389,639
Net receipt from sale proceeds of Investments	24,367,273	-
Interest Income	290,294	273,587
Dividend Income	-	26,026
<b>Net Cash from Investing Activities</b>	<b>823,813</b>	<b>8,537,232</b>
<b>Cash Flow from Financing Activities</b>		
(Decrease)/Increase in Long Term Borrowings	57,830,802	(6,023,905)
(Decrease)/Increase in Short Term Borrowings	(49,085,003)	13,644,904
(Decrease)/Increase in Current financial liabilities	(2,995,963)	-
Interest Expenses	(11,792,852)	(12,076,230)
<b>Net Cash Flow from Financing Activities</b>	<b>(6,043,016)</b>	<b>(4,455,231)</b>
<b>Net Increase in Cash and Cash Equivalent during the Year (A+B+C)</b>	<b>2,403,352</b>	<b>(2,998,947)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>(999,485)</b>	<b>4,011,495</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>1,403,866</b>	<b>1,012,548</b>

For Talati & Talati  
 Chartered Accountants  
 FRN. 110758W  
 Rovin Kothari  
 Partner  
 Membership No.: 133326  
 Mumbai | 30<sup>th</sup> May, 2018

For and behalf of the Board  
**Aruna Soni**  
 Director DIN: 01502649  
  
**Anita Choudhari**  
 CFO

**Srikrishna B.**  
 Director DIN: 02083384  
  
**Pooja Sharma**  
 Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A	Equity share Capital	No of shares	Face Value (RS)	RS.
	As At 1st April 2016	17,542,500	10	175,425,000
	Changes in Equity share capital	-	-	-
	As At 1st April 2017	17,542,500	10	175,425,000
	Changes in Equity share capital	-	-	-
	As At 31st March 2018	17,542,500	10	175,425,000

B	Other Equity	Reserves and Surplus				Items of Other Comprehensive Items RS			
		Capital Reserve	Securities Premium reserve	General Reserves	Retained Earnings	Equity Instruments through OCI	Revaluation reserve	Other OCI items	TOTAL Other Equity
	Balance as at 1st April 2016	35,115,495	98,400,000	157,130	(2,134,741)	(7,908,913)	-	-	123,628,971
	Profit for the year	-	-	-	(16,383,803)	-	-	-	(16,383,803)
	Other Comprehensive Income for the year	-	-	-	-	(3,923,262)	-	(742,929)	(4,666,191)
	Total Comprehensive Income for the year	-	-	-	(16,383,803)	(3,923,262)	-	(742,929)	(21,049,994)
	Balance as at 31st March 2017	35,115,495	98,400,000	157,130	(17,696,349)	(11,832,175)	-	(742,929)	103,401,172
	Profit for the year	-	-	-	(88,374,626)	-	-	-	(88,374,626)
	Other Comprehensive Income for the year	-	-	-	-	2,911,061	43,314,043	(300,213)	45,924,891
	Total Comprehensive Income for the year	-	-	-	(88,374,626)	2,911,061	43,314,043	(300,213)	(42,449,735)
	Balance as at 31st March 2018	35,115,495	98,400,000	157,130	(106,070,975)	(8,921,114)	43,314,043	(1,043,142)	60,951,438

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 1 (A) Principles of consolidation:

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

a. The financial statements of the Company and its subsidiary 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 IND AS – 110 "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.

b. Investments in subsidiary 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.

c. 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

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

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

Investments other than in Subsidiaries are accounted as per IND AS – 109 – “Accounting for Investments”.

### 2 Basis of preparation of financial statements

#### 2.1 Statement of compliance and basis of preparation:

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules 2016.

The company prepared its standalone financial statements as per Indian GAAP in accordance with accounting standards notified under Companies (Accounting Standards) Rules 2006. These financial statements are the Company’s first Ind AS standalone financial statements

The date of transition to Ind AS is April 01, 2016.

The standalone financial statements have been prepared on historical cost basis, except for certain items of financial assets and financial liabilities which have been measured at fair values.

The presentation of the standalone Ind AS Balance sheet, Statement of profit and loss and Statement of Changes in equity is as per Schedule III (Division II) notified by the Companies Act 2013.

#### 2.2 Use of accounting estimates, assumption and judgements:

The preparation of the financial

statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of incomes and expenses for the periods presented.

#### 2.3 Useful lives of property plant and equipment:

The useful lives and the residual values of the property plant and equipment are reviewed by the management at least at every financial year end.

#### 2.5 Impairment of Assets

The carrying amount of fixed assets and investments is regularly reviewed by the management and whenever there is an indication of impairment. In case of impairment loss, the asset is reduced to its recoverable amount

#### 2.6 Employee benefit obligation:

The company uses actuarial valuation method to determine its defined employees benefits obligation at the end of each reporting period. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates

### 3 Significant Accounting policies:

#### 3.1 Property Plant and Equipment (“PPE”):

PPE is measured at initial recognition at cost less accumulated depreciation

and accumulated impairment losses if any. Cost of an item of PPE shall comprise of purchase price (less trade discounts and rebates), import duties and non-refundable purchase taxes, initial estimate of dismantling and other costs required to restore the site on which it is located and all directly attributable costs to bring the asset to its location and condition necessary for it to be capable of operating in the manner as intended by the management.

An item of PPE shall always be recognised initially at cost. The cost of an item of PPE acquired is the cash price equivalent at the recognition date. If payment of an item of PPE is deferred beyond the normal credit terms, the difference between the total payment and cash price equivalent is deferred and recognised separately as finance cost over the period of credit.

Any component of an item of PPE which has a cost significant in relation to the total cost of the item, shall be depreciated separately.

The depreciable amount of a PPE shall be allocated on a systematic basis over its useful life. The useful lives of PPE is determined in accordance with Schedule II of the Companies Act 2013 and the residual value shall not exceed 5% of the original cost of the asset.

After initial recognition the company adopts the Cost model for subsequent measurement of its PPE.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

On disposal of an item of PPE, any gains or losses are recognised in the profit and loss.

### 3.2 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

#### 3.2.1 Financial Assets - Initial Recognition and Measurement:

Initial recognition of financial assets is always at fair value. An entity shall classify all financial assets as subsequently measured either at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (i) the entity's business model for managing financial assets, and (ii) the contractual cash flow characteristics of the financial asset.

**Reclassification:** an entity shall reclassify financial assets when and only when it changes the business model for managing those financial assets

**Financial Assets - De-recognition:** Financial assets are de-recognised when and only when:

"(a) The contractual rights to cash flows from the financial asset expires; or (b) The financial asset is transferred and the transfer qualifies for de-recognition"

A transfer qualifies for de-recognition, when the entity transfers substantially all the risks and rewards of ownership of the financial asset.

On derecognition, the difference between the carrying amount of the financial asset and the consideration received shall be recognised in the statement of profit and loss

Investments in subsidiaries, associates

and joint ventures: Investment in subsidiaries, joint ventures and associates are measured at cost as per Ind AS 27.

**Trade Receivables:** Trade receivables do not have significant financing component and are carried at fair value which is the initial transaction price.

**Impairment of Financial Assets:** Expected credit losses (ECL) are recognised for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables that do not carry any significant component, expected credit losses are measured either using the 12-month expected credit loss approach or the lifetime expected credit loss approach depending on whether the credit on the financial asset has increased significantly since its initial recognition.

For trade receivables that do not contain significant financing component, the company has adopted the simplified approach to measure loss allowance at an amount equal to life time expected credit losses i.e. expected cash shortfalls. The impairment losses and reversals are recognised in the Statement of Profit and Loss.

#### 3.2.2 Financial Liabilities - Initial Recognition and Measurement:

Initial recognition of financial liabilities shall always be at fair value. All financial liabilities shall be subsequently measured at amortised cost except for financial liabilities at FVTPL and financial guarantee contracts.

A financial liability shall be de-recognised when and only when it is extinguished ie. When the obligation specified in the contract is discharged or cancelled or expires. Any difference between the carrying amount of the financial liability and consideration paid, shall be recognised in profit or loss.

#### **Financial Liabilities - Financial Guarantee contracts:**

"Financial guarantee contracts issued by the company, are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make payment when due, in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised as financial liability at the time the guarantee is issued and measured initially at fair value. Subsequently financial guarantee liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 – Financial Instruments and the amount initially recognised less cumulative amortisation, where appropriate"

#### **Financial Liabilities - De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 3.3 Inventories:

Inventories are valued at lower of cost and net realisable value. Cost of work in progress and finished goods comprise of purchase cost, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined using the weighted average basis.

Net realisable is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 3.4 Income Taxes:

Income tax comprises of current tax and deferred tax. Income tax is recognised in the statement of profit and loss except for items that are recognised directly in equity or in other comprehensive income.

**Current tax:** current tax liabilities (assets) for the current and prior periods shall be measured at the amounts expected to be paid to (recovered from) the taxation authorities. Current tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities shall be offset if and only if the entity has a legally enforceable right to set off the recognised amounts and where the entity intends to either settle on a net basis or to realise the asset and liability simultaneously.

**Deferred tax:** Deferred tax is recognised using the balance sheet liability approach. Deferred income tax assets and liabilities are recognised for all deductible temporary differences and taxable

temporary differences arising from differences between the carrying amounts of assets and liabilities and their respective tax bases.

Deferred income tax liabilities (assets) are based on tax rates that are expected to apply to the period when the assets is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred assets shall be recognised for carry forward of unused tax laws and unused tax credits to the extent it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period and shall be reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all that deferred tax asset to be utilised. Deferred tax assets and liabilities shall be offset, if and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle current tax liabilities and assets on net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.5 Revenue Recognition:

a) **Sale of Goods:** Revenue from sale of goods is recognised when all significant risks and rewards

of ownership are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The company retains no effective control of the goods transferred and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of goods.

Revenue is measured at fair value of consideration received or receivable after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax, value added tax etc.

b) **Rendering of Services:** Income from services is recognised based on agreements/ arrangements with the customers, as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

c) **Interest Income and Dividend:** Interest income is recognised using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established.

### 3.6 Finance Cost:

Finance cost includes interest expense on borrowings calculated using the effective interest rate (EIR) method.

The entity capitalises borrowing costs that are directly attributable to the acquisition, construction or

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

production of a qualifying asset as part of the cost of the asset. All other borrowing costs is recognised as an expense in the period in which incurred.

### 3.7 Employee Benefit Expenses:

#### a) Short Term Employee Benefits:

Short term employee benefits include wages and salaries, paid annual leaves, paid sick leave, profit sharing and bonuses etc. expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the financial statements at an undiscounted amount, as an expense, for the period in which the employee has rendered the service.

#### b) Post Employment Benefits:

Under defined contribution plans the entity pays fixed contributions into a separate entity (a fund) with no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The related actuarial and investment risks fall on the employee. The reporting entity's obligation is determined by the amounts contributed for that period and the contribution paid / payable is recognised as an expense for the period the related services are rendered by the employee

### 3.8 Foreign Currency Translation:

The company's function currency

is Indian rupees (INR). All foreign currency transactions are initially translated into the functional currency using exchange rates at the date of transaction. At each reporting date, all monetary foreign currency items are translated into functional currency using the closing rate. All non monetary items foreign currency items are translated into functional currency at transaction date rates or at exchange rates at the date the fair value of non monetary items were re-valued, wherever applicable. All resulting exchange gains / losses are recognised in profit or loss.

In case of foreign operations, all monetary and non monetary items are translated into the functional currency using the closing rates. The resultant exchange differences are recognised in other comprehensive income net of taxes and accumulated in other equity as a separate component.

### 3.9 Earnings Per Share:

Basic earnings per share (BEPS) is computed by dividing the Net profit for the year attributable to equity share holders of the company by the weighted average number of equity shares (WAN) outstanding during the period. For calculating Diluted earnings per share (DEPS), the net profit for the period attributable to equity share holders of the company is divided by WAN, adjusted for the effects of all dilutive potential equity shares.

### 3.10 Provisions and Contigent Liabilities:

A provision is a liability of uncertain timing or amount. Provision is recognised when the entity has a present obligation based on a past event and it is probable that an outflow of resources embodying

economic benefits will be required to settle the obligation. Where the effect of time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation.

Contingent liability shall never be recognised. A contingent liability is disclosed, unless the possibility of outflow of resources embodying economic benefits is remote.

### 3.11 Leases:

Leases in which a substantial portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments and receipts are recognised in profit and loss on a straight line basis over the lease term unless the lease payments are structured to increase in line with expected general inflation to compensate the lessor's expected inflationary cost increases, in which case the same is recognised as expense or income in line with the contractual term.

A Lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

### 4 Notes on Transition to Ind AS:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified by the Ministry with effect from April 01, 2016.

The company's transition date is April 01, 2016 (Opening Ind AS balance sheet).

Ind AS 101 First time adoption to Indian Accounting Standards provides mandatory and optional

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

exemptions, to a first time adopter of the Indian Accounting standards from retrospective application of certain or all aspects of the other standards. This standard mandates that a first time adopter shall use the same accounting policies in its opening Ind AS balance sheet and throughout all periods presented in its first Ind AS financial statements. Any difference in the carrying value of assets and liabilities between Ind AS and Previous GAAP have been recognised directly in retained earnings (or if appropriate, another category of equity) at the date of transition to Ind AS (i.e. Opening balance sheet as at April 01, 2016).

### 4.1 Mandatory Exceptions:

- a) **Estimates:** the company's estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.
- b) **Classification and measurement of financial assets:** The company has classified financial assets as

subsequently measured at amortised cost or at fair value through other comprehensive income on the basis of facts and circumstances that exist at the date of transition to Ind AS.

- c) **De-recognition of financial assets and financial liabilities:** The company has decided to apply the de-recognition requirements in Ind AS 109 Financial Instruments prospectively for transactions occurring on or after the date of transition to Ind AS.

### 4.2 Optional Exceptions:

- (a) **Property Plant and Equipment:** The company has opted for exemption given under paragraph D7AA of Ind AS 101 for all its property plant and equipment recognised in its financial statements as per previous GAAP on the date of transition to Ind AS. Accordingly all the property plant and equipment are carried at their existing previous GAAP carrying

values, which will be their respective deemed costs at the date of transition to Ind AS.

- (b) **Investments in subsidiaries, associates and joint ventures:** The company has opted for exemption given in paragraph D15 of Ind AS 101. Accordingly the investments in subsidiaries, associates and joint ventures are carried at their respective previous GAAP carrying values, as deemed costs on the date of transition to Ind AS.
- (c) **Designation of previously recognised financial assets:** Ind AS 101 permits investments in equity instruments to be designated as at fair value through OCI (FVTOCI) in accordance with Ind as 109, on the basis of facts and circumstances that existed at the date of transition to Ind AS. The company has opted to avail this exemption to designate certain equity investments as FVTOCI on the date of transition to Ind AS.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 4.3 Reconciliation between previous GAAP and Ind AS

#### I Effect of Ind AS adoption on Equity as at March 31, 2018 and March 31, 2017

Particulars	As At March 31, 2017	As At April 1, 2016	
<b>Total Equity as per previous GAAP</b>	290,658,339	306,962,884	
Effect of changes in fair value of equity instruments	(11,832,176)	(7,908,913)	(a)
<b>Total adjustment to equity</b>	(11,832,176)	(7,908,913)	
<b>Total Equity Under Ind AS</b>	<b>278,826,172</b>	<b>299,053,971</b>	

#### II Effect of Ind AS adoption on total comprehensive income for the year ended March 31, 2017

Particulars		For the year ended March 31, 2017	
<b>Net Profit (Loss) after tax as previously reported</b>		(16,383,803)	
Employee Benefit expense		742,929	(b)
<b>Profit for the year under Ind AS</b>		(15,640,874)	
<b>Other Comprehensive Income (Net of tax)</b>			
Effect of changes in fair value of equity instruments		(3,923,262)	(a)
Employee defined benefit plan actuarial gains / (losses)		(742,929)	(b)
<b>Other Comprehensive Income for the year (Net of tax)</b>		<b>(4,666,191)</b>	
<b>Total comprehensive income for the year ended March 31, 2017</b>		<b>(20,307,065)</b>	

#### Notes to reconciliation of equity and total comprehensive income:

- (a) **Fair valuation of investments:** Under previous Indian GAAP, current investments are measured at lower of cost and fair value, and long term investments are measured at cost less diminution in value which is other than temporary. Under Ind AS, investments, long term as well as current, are measured at fair market value, with gains or losses recognised either in profit or loss or in other comprehensive income based on the business model of the company for managing these investments.
- (b) **Deferred tax:** Under previous GAAP, deferred tax liabilities and assets was recognised using the

income approach i.e. based on timing differences between the accounting profit and taxable profits for the period. Under Ind AS deferred tax calculations are based on balance sheet liability method i.e. based on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and its tax base. This has resulted in recognising deferred tax on temporary differences that were not required to be recognised under previous Indian GAAP.

#### 4.4 Long term investments in unquoted equity instruments (other than investment in subsidiary)

Under previous Indian GAAP, non current investments are carried at cost with provision for diminution in their value which is other than temporary.

under Ind AS, the company has designated unquoted equity instruments as financial assets at fair value through other comprehensive income and certain unquoted preference shares as financial assets at fair value through profit and loss. The company has not performed a fair valuation of its unquoted investments in equity shares and preference shares, as the company believes that the impact of change on account of the fair valuation of such investments is insignificant

#### 4.5 Fair value disclosures for financial assets and financial liabilities

The company believes that the fair values of non-current financial assets (security deposits, lease rental deposits), current financial assets (trade receivables etc.) and non current financial liabilities

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

approximate their carrying amounts

### 4.6 Investment in quoted equity shares

The company has designated investments in quoted equity shares as subsequently measured at fair value through other comprehensive income FVTOCI. On transition date, the difference between the existing carrying amount and fair value has been recognised as an adjustment to opening retained earnings. Subsequent adjustment to the fair values of such quoted equity investments is recognised in other

comprehensive and accumulated separately under other equity in the balance sheet

### 4.7 Financial Guarantee contracts

Under previous Indian GAAP, financial guarantee given by parent on behalf of its subsidiaries is recognised as "Contingent liability"

Under Ind AS, corporate / financial guarantee is treated as a financial liability and is recognised at fair value on initial as well as subsequent recognition. The fair value of the financial guarantee is treated as

"investment in subsidiary". Finance income is recognised over the term of the guarantee using the effective interest method.

The company has given a corporate / financial guarantee to National Skills Development Corporation (NSDC) on behalf of its 100% subsidiary Ecoreco Enviro Education P.Ltd. The company has however not done a fair valuation of the financial guarantee given to NSDC, as the company feels that its impact on the financial statements is insignificant

### Note 5: Property Plant and Equipment and Capital Work in Progress

#### I Property Plant and Equipment

(Rs in Lacs)

Particulars	Facility land & Building	Plant and Machinery	Furniture and fixtures	Leasehold improvements	Computers	Vehicles	Office Equipments	Total
<b>A Gross Block</b>								
Deemed costs as at April 01, 2016	33,647,167	43,877,624	1,025,698	-	2,727,943	11,371,939	1,492,218	94,142,589
Additions	-	-	-	3,531,835	61,400	-	581,033	4,174,268
Disposals / adjustments	-	-	-	-	-	-	-	-
<b>As At March 31, 2017</b>	<b>33,647,167</b>	<b>43,877,624</b>	<b>1,025,698</b>	<b>3,531,835</b>	<b>2,789,343</b>	<b>11,371,939</b>	<b>2,073,251</b>	<b>98,316,857</b>
Additions	10,977,753	136,766,972	-	-	-	-	-	-
Disposals / adjustments	-	1,372,009	-	-	-	-	-	-
<b>As At March 31, 2018</b>	<b>44,624,920</b>	<b>179,272,587</b>	<b>1,025,698</b>	<b>3,531,835</b>	<b>2,789,343</b>	<b>11,371,939</b>	<b>2,073,251</b>	<b>98,316,857</b>
<b>B Accumulated depreciation</b>								
As at April 01, 2016	-	8,082,257	349,698	-	2,727,943	3,528,475	841,509	15,529,882
Depreciation for the year	-	1,792,368	196,536	83,881	37,430	1,120,648	175,181	3,406,044
Disposals / adjustments	-	-	-	-	-	-	-	-
<b>As At March 31, 2017</b>	<b>-</b>	<b>9,874,625</b>	<b>546,234</b>	<b>83,881</b>	<b>2,765,373</b>	<b>4,649,123</b>	<b>1,016,690</b>	<b>18,935,926</b>
Depreciation for the year	-	1,916,740	148,404	335,524	12,893	1,178,140	211,439	3,803,140
Disposals / adjustments	-	339,001	-	-	-	-	-	339,001
<b>As At March 31, 2018</b>	<b>-</b>	<b>11,452,365</b>	<b>694,638</b>	<b>419,405</b>	<b>2,778,266</b>	<b>5,827,263</b>	<b>1,228,129</b>	<b>3,464,140</b>
<b>B Net Block</b>								
As at April 01, 2016	33,647,167	35,795,367	676,000	-	-	7,843,464	650,709	78,612,707
As at March 31, 2017	33,647,167	34,002,999	479,464	3,447,954	23,970	6,722,816	1,056,561	79,380,931
As at March 31, 2018	44,624,920	167,820,222	331,060	3,112,430	11,077	5,544,676	845,122	222,289,507

#### II Capital Work in Progress

As at April 01, 2016	75,177,399
As at March 31, 2017	86,155,152
As at March 31, 2018	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Note 6: Other intangible assets**

(Rs in Lacs)

		Branding
<b>A</b>	<b>Gross Block</b>	
	Deemed costs as at April 01, 2016	65,277,332
	Additions	-
	Disposals / adjustments	-
	<b>As At March 31, 2017</b>	<b>65,277,332</b>
	Additions	-
	Disposals / adjustments	-
	<b>As At March 31, 2018</b>	<b>65,277,332</b>
<b>B</b>	<b>Accumulated depreciation</b>	
	As at April 01, 2016	-
	Depreciation for the year	-
	Disposals / adjustments	-
	<b>As At March 31, 2017</b>	<b>-</b>
	Depreciation for the year	-
	Disposals / adjustments	65,277,332
	<b>As At March 31, 2018</b>	<b>65,277,332</b>
<b>C</b>	<b>Net Block</b>	
	As at April 01, 2016	65,277,332
	As at March 31, 2017	65,277,332
	As at March 31, 2018	-

Note 7: Investments	Face Value	As At March 31, 2018		As At March 31, 2017		As At April 01, 2016	
	Rs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
<b>I In equity instruments at Fair value through Other Comprehensive Income</b>							
<b>[1] In Subsidiaries at Cost</b>							
<b>Unquoted</b>							
(a) Ecoreco Enviro Education Private limited	10	-	-	-	-	-	-
<b>In Associate at Cost</b>							
(a) WEEE India Private Limited						5,000	50,000
<b>[2] In Associate at Cost</b>							
<b>Unquoted</b>							
(a) Wee India Private Limited	10	-	-	-	-		
<b>[3] In equity instruments at Fair value through Other Comprehensive Income</b>							
<b>Quoted</b>							
Aditya Birla Chemicals (India) Ltd	10	200	222	400	-	400	-
Anik Industries Ltd.	10	-	-	14,950	472,420	18000	576000
Gujarat Intrux Limited	10	2,000	190,900	-	-	-	-
Hinustan Copper Limited	10	1,000	62,950	-	-	-	-
Jai Corp Limited	10	1,500	200,250	-	-	-	-
Jeypore Sugar Company Limited	10	1,000	101,750	-	-	-	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

Note 7: Investments	Face Value	As At March 31,2018		As At March 31,2017		As At April 01,2016	
	Rs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
Mazda Limited	10	500	166,875	-	-	-	-
M B Parikh Limited	10	8,150	116,268	-	-	-	-
NEPC Limited	10	6,000	107,687	-	-	-	-
Prism Cement Limited	10	2,000	217,300	2,000	154,900	2,000	165,900
Punjab National Bank	10	3,000	286,350	-	-	-	-
Ruchi Infrastructure Limited	10	425,000	1,551,250	338,865	1,206,359	338,865	2,100,963
Ruchi Soya Industries Limited	10	85,000	1,347,250	-	-	-	-
Shipping Corporation of India Limited	10	500	32,175	500	38,000	500	33,150
Sintex Industries Limited	10	10,000	179,500	-	-	-	-
Spicejet Limited	10	1,000	125,150	-	-	-	-
Stresscrete Limited	10	20,000	108,000	-	-	-	-
Subex Limited	10	230,000	1,764,100	-	-	-	-
Tata Teleservices (Mah) Limited	10	15,901,301	11,320,009	1,574,406	11,335,723	1,500,009	10,155,061
Upsurge Investment & Finance Limited	10	268,945	11,914,264	368,945	5,441,939	368,945	9,278,967
Zenlab Ethica Limited	10	40,000	2,080,000	-	-	-	-
Zodiac Clothing Limited	10	1,000	166,150	-	-	-	-
Essar Steel Limited	10	20,000	-	-	-	-	-
Anant Raj Ind Ltd	-	-	-	-	-	500	57,849
National Peroxide Ltd	-	-	-	-	-	1,000	231,275
Hindustan Motors Ltd	-	-	-	-	-	42,000	775,572
Malu Paper Mills Ltd	-	-	-	-	-	9,997	375,336
Ruchi Infrastructure Ltd	-	-	-	-	-	255,075	11,294,721
Anik Industries Ltd	-	-	-	-	-	10,000	494,630
NOCIL Ltd	-	-	-	-	-	49,000	1,539,872
BSEL Infrastructure Realty Ltd	-	-	-	-	-	13,000	138,056
Harrison Malayalam Ltd	-	-	-	-	-	3,000	241,752
Hindustan Organic Chemicals Ltd	-	-	-	-	-	10,000	302,060
Indian Card Clothing Company Ltd	-	-	-	-	-	3,459	563,019
KPR Mills Ltd	-	-	-	-	-	1,997	292,227
Murli Industries Ltd	-	-	-	-	-	3,500	119,008
Financial Analysis Credential Ltd	-	-	-	-	-	56	7,527
**India Bull Securities Ltd	-	-	-	-	-	160,000	1,672,640
Tata Tele Services (Maharashtra) Ltd	-	-	-	-	-	1,413,543	16,929,700
Jubilant Food Works Ltd	-	-	-	-	-	5	6,449
Kingfisher Airlines Ltd	-	-	-	-	-	45,000	434,749
Srei Infra Ltd	-	-	-	-	-	5,000	136,919
JSW Energy Ltd	-	-	-	-	-	500	61,683
Himachal Futuristic Communications Ltd	-	-	-	-	-	3,000	108,000
Brigade Enterprises Limited	-	-	-	-	-	800	320,960
Electrosteel Castings Limited	-	-	-	-	-	2,000	189,249
GTL Infrastructure Limited	-	-	-	-	-	3,000	130,710
IFCI Ltd	-	-	-	-	-	800	26,264
Jensen & Nicolsan Ltd	-	-	-	-	-	5,000	35,500
Lok Housing Ltd	-	-	-	-	-	1,000	149,322

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

Note 7: Investments	Face Value	As At March 31,2018		As At March 31,2017		As At April 01,2016	
	Rs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
Moschip Semiconductor Technology Ltd	-	-	-	-	-	2,000	31,320
NRC Ltd	-	-	-	-	-	3,999	109,693
Shree Digvijay Cement Ltd	-	-	-	-	-	3,000	70,110
***Videocon Appliances Ltd	-	-	-	-	-	5,000	213,319
<b>Total (Quoted)</b>			<b>32,038,399</b>		<b>18,649,341</b>		<b>59,369,532</b>
<b>Unquoted</b>							
Dombivli Sahkari Bank Limited	10	10,000	100,000	10,000	100,000	10,000	100,000
Shamrao Vithal Coop bank	25	625	625	625	625	625	625
<b>Total (Unquoted)</b>			<b>100,625</b>		<b>100,625</b>		<b>100,625</b>
<b>Total investment in equity shares</b>			<b>40,639,014</b>		<b>27,249,956</b>		<b>59,570,782</b>
<b>II In Preference shares (fully paid up)</b>							
<b>[1] In preference shares at Fair Value through profit and loss</b>							
<b>Unquoted</b>							
(a) MGI Investments	10	10,000	2,500,000	10,000	2,500,000	10,000	2,500,000
(b) Sanjay Chemical	10	-	-	3,000	3,000,000	3,000	3,000,000
<b>Total investment in preference shares</b>			<b>2,500,000</b>		<b>5,500,000</b>		<b>5,500,000</b>
<b>Total investments (I+II)</b>			<b>34,639,024</b>		<b>24,249,966</b>		<b>65,070,782</b>
Aggregate market value of quoted investment			32,038,399		18,649,341		59,369,532
Aggregate carrying value of unquoted investment			2,600,625		5,600,625		5,701,250

**Note 8: Non Current Financial Assts - Loans**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered good			
Lease rental deposits	46,500,000	11,500,000	11,500,000
Other security deposits	306,600	316,600	306,600
<b>Total</b>	<b>46,806,600</b>	<b>11,816,600</b>	<b>11,806,600</b>

**Note 9: Other Non Current Financial Assets**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Margin Money deposits with bank	1,820,750	1,803,750	1,800,000
Interest accrued on margin money deposits	1,968,888	1,678,594	1,405,007
<b>Total</b>	<b>3,789,638</b>	<b>3,482,344</b>	<b>3,205,007</b>

**Note 10: Other Non-Current Assets**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital advances	-	-	11,182,752
Payment of taxes	1,847,176	924,738	145,624
GST Credit	604,288	-	-
<b>Total</b>	<b>2,451,464</b>	<b>924,738</b>	<b>11,328,376</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### Note 11: Inventories

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Finished goods	64,673,891	89,610,281	88,615,102
<b>Total</b>	<b>64,673,891</b>	<b>89,610,281</b>	<b>88,615,102</b>

### Note 12: Trade Receivables

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered good	44,615,826	103,358,163	238,001,060
<b>Total</b>	<b>44,615,826</b>	<b>103,358,163</b>	<b>238,001,060</b>

### Note 13: Cash & Cash Equivalents

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Cash on Hand	1,404	59,374	1,137,268
Balances in Banks - Current Accounts	1,402,462	953,174	2,874,228
<b>Total</b>	<b>1,403,866</b>	<b>1,012,548</b>	<b>4,011,496</b>

### Note 14: Current Financial Assets - Loans

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered good			
Advances Recoverable or in kind or value to be received	-	9,750,000	10,250,000
<b>Total</b>	<b>-</b>	<b>9,750,000.00</b>	<b>10,250,000</b>

### Note 15: Other Current Assets

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Earnest Money Deposit	1,001,350	550,083	537,448
Advance for expenses	25,953,030	23,400,793	33,380,782
Prepaid expenses	897,617	1,347,516	600,483
Advance to customers	4,281,479	3,412,219	2,804,289
Advance to employee	127,106	458,400	342,357
Other advances	21,365,670	34,617,852	31,506,505
Miscellaneous expenditure	-	860,076	1,451,548
<b>Total</b>	<b>53,626,252</b>	<b>64,646,938</b>	<b>70,623,412</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Note 17: Non Current Financial liabilities - Borrowings**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
<b>SECURED</b>			
Term loan from banks	1,190,297	4,300,014	9,240,853
Car Loan	1,163,462	1,172,623	2,255,689
IIFL loan	60,949,680	-	-
NSDC	24,964,139	24,964,139	24,964,139
<b>UNSECURED</b>			
From DSIR (refer note 17.1 below)	90,000,000	90,000,000	90,000,000
<b>Total</b>	<b>178,267,578</b>	<b>120,436,776</b>	<b>126,460,681</b>

**Note 17.1:** The Company had set up a small facility for recycling of e-waste near Mumbai and were carrying out R&D for the recovery of various metals from printed circuit boards and other complicated e-waste. In the process we approached Department of Scientific & Industrial Research (DSIR) for their financial support to complete technology development and commercialise the same with an optimum capacity to recycle. DSIR was kind enough to sanction Rs. 1186 lacs as grant payable back on commercialisation of the above project. To implement the above project Company had withdrawn Rs. 900 lacs from the above grant and invested it's own funds of Rs. 2134.53 lacs to develop/procure required Plant & Machineries. The project however could not be completed and commercialised due to issues relating to acquisition of land for the project by the Government. This amount of Rs. 900 lacs is to be repaid in 5 annual instalment and the repayment to start after one year from the date of commercialisation of the Project

**Note 18: Long term Provisions**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Gratuity	1,773,739	1,215,206	-
<b>Total</b>	<b>1,773,739</b>	<b>1,215,206</b>	<b>-</b>

**Note 19: Deferred Tax Liability**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deferred Tax Liability	21,948,467	3,672,938	4,204,745
<b>Total</b>	<b>21,948,467</b>	<b>3,672,938</b>	<b>4,204,745</b>

**Note 20: Current Financial liabilities - Borrowings**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Working Capital loans from banks	22,967,431	59,951,660	44,456,116
Loans from others	5,188,630	9,511,857	8,461,857
<b>Total</b>	<b>28,156,061</b>	<b>69,463,517</b>	<b>52,917,973</b>

**Note 21: Trade Payables**

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Trade payables	297,555	39,791,388	224,757,985
<b>Total</b>	<b>297,555</b>	<b>39,791,388</b>	<b>224,757,985</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### Note 22: Other Financial Liabilities

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Current Maturities of long term rupee loan	3,067,500	6,063,463	6,053,075
<b>Total</b>	<b>3,067,500</b>	<b>6,063,463</b>	<b>6,053,075</b>

### Note 23: Other Current Liabilities

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Creditors for Expenses	2,585,658	2,489,365	2,405,349
Advance from customers	-	11,165,711	-
Statutory Dues*	1,810,742	5,429,116	4,448,370
Other Payable	12,330	1,081,478	1,576,500
<b>Total</b>	<b>4,408,730</b>	<b>20,165,670</b>	<b>8,430,218</b>

### Note 24: Provisions

Particulars	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Gratuity	-	22,861	-
<b>Total</b>	<b>-</b>	<b>22,861</b>	<b>-</b>

### Note 25: Revenue from Operations

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Sale of Stock in Trade		
Electrical & Electronic Equipment	104,727,190	184,744,942
Sale of Services		
Data Destruction Charges	10,428,311	9,780,763
<b>Total</b>	<b>115,155,501</b>	<b>194,525,705</b>

### Note 26: Other Income

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest Income on Bank Deposits	290,294	273,587
Dividend	-	26,026
Profit/(Loss) on sale of shares held as investment	7,017,634	85,824
Membership Fees	200,000	100,000
Reimbursement of Expenses	1,633,200	3,755,545
Sundry Balance written back	17,228,855	234,171
Miscellaneous Income	196,279	-
<b>Total</b>	<b>26,566,261</b>	<b>4,475,153</b>

### Note 27: Purchases of Stock in Trade

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Purchases of Electrical & Electronic Equipment	74,507,674	119,776,894
<b>Total</b>	<b>74,507,674</b>	<b>119,776,894</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

**Note 28: Changes in Inventories of Stock in Trade**

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
Inventories at the end of Year	89,490,959	89,603,278
Inventories at the beginning of Year	89,597,952	88,615,102
<b>Total</b>	<b>106,994</b>	<b>(988,176)</b>

**Note 29: Employee Benefits of Expenses**

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
Salaries, Bonus and other allowances	13,502,733	14,571,434
Contribution in Provident & Other Funds	414,680	475,793
Employee Welfare Expenses	-	576,371
<b>Total</b>	<b>13,917,413</b>	<b>15,623,598</b>

**Note 30: Finance Costs**

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>Interest Expenses</b>		
On Term Loan	6,478,013	1,607,527
On Working Capital Loan	3,651,995	7,688,858
Other Interest	837,194	2,779,845
Processing Fees	825,650	345,000
<b>Total</b>	<b>11,792,852</b>	<b>12,421,230</b>

**Note 31: Other Expenses**

<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>
Lease Rent	9,381,837	13,642,712
Freight & Transportation	2,420,533	2,560,165
Travelling & Conveyance	2,391,659	2,815,706
Legal & Professional Fees	1,303,887	2,861,297
Labour Charges	62,380	309,565
Advertisement Expenses	1,618,544	4,445,774
Insurance Expenses	769,716	528,839
Printing & Stationery	244,166	230,656
Repairs & Maintenance	89,750	124,417
Electricity Charges	412,937	316,219
Security Charges	755,992	559,596
Auditor's Remuneration	275,000	275,000
Annual Listing Fees, Registrar & Agent Expenses	401,898	309,112
Bank Charges	92,555	60,995
Loss on Commodities Trading	-	13,760,036
Other Expenses	13,159,782	7,179,738
Miscellaneous Expenditure w/off	860,076	591,472
<b>Total</b>	<b>34,240,713</b>	<b>50,571,298</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### Note 32: Disclosure in Respect of Leases:

#### 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:

Particulars	2017-2018	2016-2017
i) Not later than one year	7,857,576	7,630,841
ii) Later than one year and not later than five years	15,057,576	20,697,771
b) Lease payments recognized in the Statement of Profit and Loss for the period.	9,381,837	13,642,712

### Note 33: Contingent Liabilities

Particulars	2017-18	2016-2017
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
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
Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	125,993,806	125,993,806

### Note 34: Payment to Auditors

Particulars	2017-18	2016-2017
Audit Fees	225,000	225,000
Tax Audit Fees	50,000	50,000
<b>Total</b>	<b>275,000</b>	<b>275,000</b>

### Note 35: Earnings in Foreign Currency

Particulars	2017-18	2016-2017
Service Charges	3,449,829	2,965,722
<b>Total</b>	<b>3,449,829</b>	<b>2,965,722</b>

**Note 36:** 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.

**Note 37:** 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 Rs.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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

**Note 38:** 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.

**Note 39:** The company is in the business of E-waste and Asset Management.

**Note 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 director):-**

Reverse Logistics & Warehousing Private Limited  
Ecoreco Park Private Limited  
Eco Remarketing Pvt Ltd  
Data De-End Private Limited  
WEEE India Pvt Ltd  
Reverse E-Commerce Private Limited  
EPR Compliance Private Limited

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

Mr. Brijkishor Soni - C.M.D.  
Mrs. Aruna Soni - Director  
Mr. Srikrishna B. - Director  
Mr. Shashank Soni - Director  
Mr. Vijay Acharya - Director

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

(Amount in Rs.)

Particulars	Key management personnel	Holding/ Subsidiary	Associates
Remuneration (P.Y.)	3,000,000	-	-
Salary (P.Y.)	(3,000,000)	-	-
Sitting Fees (P.Y.)	1,979,600	-	-
Rent (P.Y.)	(1,200,000)	-	-
Advance Rent Paid (P.Y.)	50,000	-	-
Deposit Paid (P.Y.)	(120,000)	-	-
Loan Repaid (P.Y.)	4,150,636	-	-
Loan Taken (P.Y.)	(4,200,000)	-	-
Expenses on behalf of Subsidiary (P.Y.)	-	-	-
	(2,464,729)	-	-
	30,000,000	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### ii) Transaction With Related Parties :-

(Amount in Rs.)

Particulars	Key management personnel	Holding/ Subsidiary	Associates
<b>Closing Balance at the Year End</b>			
Loan Taken (P.Y.)	-	-	-
Deposit Given (P.Y.)	45,000,000	-	-
Advance Rent Paid (P.Y.)	(15,000,000)	-	-
	-	-	-
	(1,750,636)	-	-

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

### Note 41: Earnings Per Share

	Units	2017-2018	2016-2017
i) Profit after tax	Rs.	(88,374,626)	(16,383,804)
ii) Weighted average number of equity shares outstanding	Nos.	17,542,500	17,542,500
iii) Basic Earnings Per Share	Rs.	(5.03)	(0.93)
iv) Diluted Earning Per Share	Rs.	(5.03)	(0.93)
v) Face Value of Shares	Rs.	10.00	10.00

**Note 42:** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

### Signature to Notes 1 to 42

**For Talati & Talati**  
Chartered Accountants  
Firm Registration No. 110758W

**Rovin Kothari**  
Partner  
Membership No.: 133326

Place: Mumbai  
Date: 30<sup>th</sup> May, 2018

**For and behalf of the Board**

**Aruna Soni**  
Director  
DIN: 01502649

**Anita Choudhari**  
CFO

**Srikrishna B.**  
Director  
DIN: 02083384

**Pooja Sharma**  
Company Secretary



**ATTENDANCE SLIP**  
**ECO RECYCLING LIMITED**

**Registered Office:** 422, The Summit Business Bay, Near Cine Max Theater,  
Andheri Kurla Road, Andheri (E), Mumbai – 400 093.  
**CIN:** L74120MH1994PLC079971

24<sup>th</sup> Annual General Meeting, Saturday, 15<sup>th</sup> September, 2018

Registered Folio No./DP ID/Client ID:

Name:

Address of Shareholder:

No. of Shares held:

I/We hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting of the Company (including adjournment thereof) **AT 422 4<sup>TH</sup> FLOOR THE SUMMIT BUSINESS BAY NEAR CINE MAX THEATER ANDHERI KURLA ROAD ANDHERI (E) MUMBAI - 400093** held on Saturday, 15<sup>th</sup> September, 2018 at 11 A.M.

\_\_\_\_\_  
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.

**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:** 422, The Summit Business Bay, Near Cine Max Theater,  
Andheri Kurla Road, Andheri (E), Mumbai – 400 093.

**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

2. 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 24th Annual general meeting of the Company, to be held on Saturday, 15th September, 2018 at 11 A.M. at **422 4TH FLOOR THE SUMMIT BUSINESS BAY NEAR CINE MAX THEATER ANDHERI KURLA ROAD ANDHERI (E) MUMBAI - 400093** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

**Ordinary Business**

1. To receive, consider and adopt:
  - a. The Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2018, 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, 2018 and the Report of the Auditors thereon
2. To appoint a Director in the place of Mr. B.K. Soni (DIN: 01274250), who retires by rotation and, being eligible, seeks re-appointment

**Special Business:**

3. To approve revision of remuneration of Director Mr. Shashank Soni DIN 06572759
4. To authorise to board to borrow money.
5. To approve the expenses for service of documents to Members.

Signed this..... day of .....2018

.....  
Signature of Shareholder

.....  
Signature of Proxy holder(s)



\* *Applicable for investors holding shares in electronic form.* \_\_\_\_\_

**Note:**

1. 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.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.