

DIRECTORS' REPORT

The Members of

ECO RECYCLING LIMITED

Your Directors present with pleasure the 20th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2014.

1. FINANCIAL RESULTS (` in Lacs)

	2013-2014	2012-2013
Total Income	2545.52	2231.40
Profit before Interest, Depreciation & Tax	166.68	166.13
Less: Depreciation	28.58	18.12
Profit before Interest and Tax	138.10	148.01
Interest	86.61	59.18
Profit before Tax	51.49	88.83
Less: Provision for Income Tax	21.63	24.78
Profit after Tax	29.86	64.05
Add: Balance brought forward	112.95	148.89
Balance carried to Balance Sheet	42.80	112.95

2. OPERATIONS

As compared to the last year, we are now seeing the impact of the e-waste (Management & Handling) Rules 2011 which became applicable in India w.e.f. 1st May, 2012. The Producers and Bulk Users prefer to dispose of their e-waste with the Registered Recyclers like Ecoreco. Your company is the only authorized recycler in the State of Maharashtra and the first company granted permission by the Central Pollution Control Board.

We are pleased to inform that the Mobile Data Destruction Services, started by Ecoreco in 2008 and Lamp Recycling on Wheels in 2010 are doing well and

company plans to introduce more such facilities in the coming years. Your Board is of the view that all these put together will add substantial top line in the coming years and will benefit all the stakeholders.

During the year ended 31st March 2014, your Company achieved turnover of INR 2545.52 Lacs and net profit of INR 29.86 Lacs.

3. DIVIDEND

In order to conserve resources, no dividend has been declared for the year 2013-2014.

4. TRANSFERS TO RESERVES

During the year, the Company proposes to transfer INR 100 Lacs to General Reserve as per the Profit and Loss Account of the Company.

5. FUTURE PLANS

In continuation to your company's nature of introducing innovative ideas in the market, your Board is pleased to inform that your company is now working on a very large plan of Reverse Logistic for the benefit of Original Equipment Manufacturer (OEM) to meet their obligation under E-waste (Management & Handling) Rules, 2011, more precisely defined as Extended Producers' Responsibility (EPR).

The Company is already a Shareholder/Promoter in Weee India Private Limited and Mr. B. K. Soni, Chairman and Managing Director of Eco Recycling Limited is already a major Shareholder/Promoter in Reverse Logistics and Warehousing Private Limited and thus due to common management and for better business facilitation in interest of all the Companies, the Management of Eco Recycling Limited intends to exercise major control in Weee India

Private Limited and Reverse Logistics and Warehousing Private Limited by holding Shares more than or equal to 51% in its paid-up capital including the shares already held by them in Compliance with law prevailing as may be discussed by Management of all the Companies.

6. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 2013 at least two-thirds of our Directors shall be subject to retirement by rotation. One - third of these retiring Directors must retire from office at each Annual General Meeting of the Shareholders. The retiring Directors are eligible for re-election.

In accordance with the said provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. B. K. Soni, Chairman & Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

7. AUDITORS

M/s. GMJ & Co, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has also received a certificate from them under section 139 of the Companies Act, 2013. Your Directors recommend their re-appointment.

8. FIXED DEPOSIT

In terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit Rules), 1975, the Company has not accepted any fixed deposits during the year and as such, no amount of Principal or Interest was outstanding as of the Balance sheet date.

9. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2014; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) that the Directors have 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 ended March 31, 2014 and of the profit of the Company for that year.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) that the Directors have prepared the Annual Accounts for the year ended March 31, 2014, on a going concern basis.

10. CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchange, the report on Corporate Governance is furnished as a part of the Directors' Report and forms part of this report showing that the Company has taken appropriate steps and measures to comply with all the applicable mandatory provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and

section 292A of the companies Act 1956. Certificate from the Company's Auditors regarding compliance is annexed hereto and forms part of this report .

11. PARTICULARS OF EMPLOYEES

Since none of the employees of the Company was drawing remuneration in excess of limits laid down pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, details therewith are not furnished.

12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) A rule, 1988 is not required as your company is not a manufacturing company.

13. QUALIFICATION IN THE AUDITOR'S REPORT:

There are no qualifications in the Auditors Report regarding audited Accounts for the year ended March 31, 2014 except as follow:

The statutory Auditors have qualified that the Miscellaneous Expenditure lying in the Books of the Company as on 31/03/2014 ought to have been written off in the Financial Year ended 31/03/2010. In this regard, the Company here responds that it is a call taken by the Management to amortize the said Miscellaneous Expenditure.

14. NOMINATION AND REMUNERATION COMMITTEE – COMPANIES ACT 2013:

Pursuant to Section 178 of Companies Act, 2013 the Board of Directors of the Company has consented the change in nomenclature of existing Remuneration Committee to 'Nomination and

Remuneration Committee' as provided under Companies Act, 2013 and has also approved the revised terms of reference of the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013 (effective from 01/04/2014).

As per the said terms of reference approved by the Board the Nomination and Remuneration Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy , relating to the remuneration for the Director , KMP and other employees. The Company's policy on Directors appointment and remuneration and other specifications as mentioned above will be disclosed in the Boards' Report as provided under Section 134 (3) (e) once the same is formulated by the Committee.

15. ACKNOWLEDGMENT:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all the shareholders, customers, suppliers, bankers, Government authorities and all other business associates and their confidence in the management. Your Directors also wish to place on record their appreciation for the contribution made by the employees.

For and on behalf of the Board of Directors

B. K. Soni
CMD

Mumbai
September 02, 2014
Registered Office:
205, Centre Point, Next to Hotel
Kohinoor, Andheri Kurla Road,
Andheri East, Mumbai-400 059

CORPORATE GOVERNANCE REPORT

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance means to steer an organization in the desired direction. It deals with laws, procedures, practices and implicit rules that determine a Company's ability to take informed managerial decisions vis – a – vis its claimants – in particular, its shareholders, creditors, customers, the State and employees. There is a global consensus about the objective of 'good' corporate governance: *maximizing long – term shareholder value.*"

ECO RECYCLING LIMITED believes that Corporate Governance brings about equilibrium between the expectations of the owners, employees, customers and all other stakeholders. It builds continuing bonds with shareholders, employees, investors, depositors, borrowers, suppliers, customers and business constituents.

The Company believes that its fundamental objective is not mere fulfillment of the requirements of law but in ensuring commitment of the Board in managing the Company in a transparent manner for maximizing stakeholder value.

Securities and Exchange Board of India (SEBI) incorporated Clause 49 in the Listing Agreement in February 2000, as part of its endeavour to improve the standards of Corporate Governance in line with the needs of a dynamic market. As a Company, which believes in implementing and adopting best-in-class corporate governance policies, ECO RECYCLING LIMITED has adopted practices mandated in the revised Clause

49 and has established procedures and systems to be fully compliant with it.

Good governance is integral to the very existence of the Company. It seeks to achieve following objectives of the Company viz:

- 1) A properly structured Board capable of taking independent and objective decisions;
- 2) Adoption of transparent procedures and practices and to arrive at decisions on the strength of adequate information.
- 3) To keep the shareholders informed of relevant developments impacting the Company.

Your Board of Directors presents the Corporate Governance Report for the year 2013-2014.

2) BOARD OF DIRECTORS

The Board of Directors is the core of our Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance.

- a) Size and Composition of Board
Mr. Shashank Soni, Executive Director, son of Mr. B.K. Soni, CMD is appointed on the Board w.e.f. 01/10/2013 and hence to comply with clause 49 in relation to the Composition of Board of Directors, the Company is in the process of appointing an Independent Director and the appointment will be made at the earliest. The Board consists of 5 Directors, out of which 2

are Independent Non Executive Directors. The Composition of the Board and Category of Directors are as follows:

Category	Name of the Directors	% of the composition on the Board
Executive Director	Mr. Brij Kishore Soni (CMD) Mrs. Aruna Soni Mr. Shashank Soni	60%
Independent and Non-Executive Director	Mr. Srikrishna Bhamidipati Mr. Raghavendra Rao Satya Veera Venkata Turlapati	40%

None of the Directors on the Board is the member on more than 10 Committees and Chairman of more than 5 committees (as per clause 49(l) (C) (ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee position held by them in other companies.

Independent Non-Executive Directors are appointed for their professional exercise in their individual capacity as independent professionals / Business Executives. Independent Non Executive Directors receive sitting fees for attending the meeting of the Board and various Committees. They do not receive any remuneration apart from the sitting fees.

b) The following table gives the number of other Directorships and Chairmanships / Membership of Committees of each Director in various Companies as on 31st March, 2014.

Name of Directors	Category	No. of Directorship in other Company.		No. of Membership / Chairmanship of other Board Committees*	
		Public	Private	Member	Chairman
Mr. Brij Kishore Soni	Chairman & Managing Director	-	4	-	-
Ms. Aruna Soni	Executive Director	-	4	-	-
Mr. Shashank Soni	Executive –Director	-	1	-	-
Mr. Srikrishna Bhamidipati	Non Executive – Independent Director	-	2	-	-
Mr. T. R. Rao	Non Executive – Independent Director	1	2	-	-

Notes *Excludes Directorship in Eco Recycling Limited.

c) Attendance at Board Meeting and Annual General Meeting:
During the accounting year 2013 – 2014, Board Meetings were held on 30th May, 2013, 14th August, 2013, 14th November, 2013, and 14st February 2014.
The details of Directors attendance at Board Meeting held during the year commencing 1st April, 2013 to 31st March, 2014 and the last Annual General Meeting.

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Brij Kishore Soni	4	PRESENT
Ms. Aruna Soni	4	PRESENT
Mr. Shashank Soni	2	NOT APPLICABLE
Mr. Srikrishna B	4	PRESENT
Mr.T. R. Rao	4	PRESENT

d) Board Agenda
Meetings are governed by a structured agenda. The Board Members in consultation with the Chairman may bring up any matters for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decision.

e) Board Procedure
The Board has complete access to any information within the Company. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/ items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

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

- Unaudited Quarterly / Half yearly financial results and audited annual accounts of the company with relevant details for consideration and approval,
- Internal Audit Findings (through the Audit Committee)
- Status of Business Risk Exposures, its Management and related action plans.
- Minutes of meetings of other Committee Meetings.
- Abstracts of circular resolutions passed,
- General notices of interest,
- Sale and/or Purchase of investments, fixed assets.
- Review compliance of all laws applicable to the Company including

the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any.

- Related party transactions
- Reviewing the company's financial and risk management policies.
- Reviewing the business plan and strategy of the Company.

3 AUDIT COMMITTEE :

Clause 49 of the Listing Agreement makes it mandatory to adopt an appropriate and effective audit committee. Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The primary objective of the Audit Committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures. The Board of Directors of the Company has constituted an Audit Committee.

a) Constitution and Composition of Committee

The Audit Committee for the accounting year comprises of following two non-executive and independent directors.

Name of Members	Designation	Category of Director	Nos. of meetings Held	Nos. of meetings attended
Mr. Srikrishna Bhamidipati	Chairman	Non-Executive Independent	4	4
Ms. Aruna Soni	Member	Executive Director	4	4
Mr. T. R. Rao	Member	Non Executive – Independent Director	4	4

In addition to the members of the Audit Committee, these meetings are attended by the General Manager Finance & Accounts and other respective functional heads, internal auditors and statutory auditors of the Company, whenever necessary, and those executives of the Company who can provide inputs to the Committee. Members have discussions with the statutory auditors during the meetings of the Committee and the quarterly/half-yearly and annual audited financials of the Company are reviewed by the audit committee before consideration and approval by the Board of Directors. The Committee also reviews the internal control systems, IT systems and conduct of the internal audit.

b) Meetings

During the accounting year 2013- 14, four Audit Committee Meetings were held on 30/05/2013, 14/08/2013, 14/11/2013 and 14/02/2014.

c) The functions of the Audit Committee include the following:

- Reviewing the Company's financial reporting process and the disclosure of its

financial information to ensure that the financial statement is correct, sufficient and credible.

- To recommend re-appointment of Statutory Auditors and to fix their remuneration.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with management the annual / half-yearly / quarterly financial statements before submission to the Board.
- Reviewing with management performance of statutory and internal auditors, the adequacy of the internal control systems.
- Discussion with statutory auditors before the audit, any significant findings and follow up thereon.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review Related party transactions
- To review the matters required



to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.

- To review the Management discussion and analysis of financial conditions and results of operations.
- Reviewing any other areas which may be specified as a role of the audit Committee under the Listing Agreement, Companies Act and other Statutes, as amended from time to time.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, 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 Statutory Auditors are invitees to the Audit Committee Meeting.

The Chairman of Audit Committee Mr. Srikrishna Bhamidipati was present in last Annual General Meeting of the Company.

4 REMUNERATION COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee/Nomination and Remuneration Committee of the Board has been constituted in the year 2007, which, inter-alia recommends to the Board the compensation terms of whole- time directors. The scope of the committee includes consideration of proposals such as stock options, performance based incentives etc.

- a) **Composition of the Committee**
 The Remuneration Committee/ Nomination and Remuneration Committee comprises of Mr. Srikrishna Bhamidipati, Non-Executive and Independent Director as Chairman, Mr. Raghavendra Rao Satya Veera Venkata Turlapati, Non- Executive and Independent Director and Mrs. Aruna Soni, Executive Director.
 As per Section 178 (1) of the Companies Act, 2013, the Board of Directors of every listed company shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration

Committee but shall not chair such Committee

As the existing composition of the Remuneration Committee is not in accordance with Section 178 (1) of the Companies Act, 2013, and the listing agreement. The constitution of the Nomination and Remuneration Committee in order to comply with the provision of Section 178 (1) of the Companies Act, 2013 will be done in due course.

- b) The functions of the Remuneration Committee/Nomination and Remuneration Committee include the following:
- i) To approve the Annual Remuneration Plan of the Company;
 - ii) To review and grant annual increments to Executive/ Managing Director.
 - iii) Such other matters as the Board may from time to time request the Remuneration Committee/ Nomination and Remuneration Committee to examine and recommend/approve.
- c) **Disclosure of Remuneration paid:**
 At present Non-executive and Independent Directors are not paid any remuneration except sitting fees for attending Board Meetings

Name of Directors	Remuneration including Salary, Perquisite Amount (₹)	Sitting Fees ₹	Total ₹
Mr. B. K. Soni	30,00,000	-	30,00,000
Mr. Srikrishna B	-	20,000	20,000
Ms Aruna Soni	6,00,000	30,000	6,30,000
Mr. Shashank Soni	6,00,000	10,000	6,10,000

Mr. B.K. Soni, Managing Director was appointed w.e.f. 01st September, 2010 and the details of his remuneration during the accounting year ended March 31, 2014 are given as under:

Name of Directors	Fixed Salary	Perquisite	Performance linked Incentive	Sitting Fees	Total	Service Contract / Notice Period	Stock Option granted, if any
Mr. B.K. Soni	250000	50000	NIL	NIL	300000	The appointment is for five years. The appointment is terminable by giving three months' notice of either party.	NIL

5. INVESTORS GRIEVANCE COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

- a) Constitution and Composition of Committee
The Investors Grievance Committee/ Stakeholders Relationship Committee

has delegated with the authority to approve requests for transfer of shares & redress investor complaints by the Board of Directors. The Committee also takes care of issues like non receipt of balance sheet, non-receipt of declared dividends

etc. Apart from that, the Company's Registrar and Share transfer Agents, Bigshare Services Pvt. Ltd is also dedicated in ensuring that the share transfer requests are attended to and the investors' grievances are resolved at the earliest.

Name of Members	Designation	Category of Director	Nos. of meetings held	Nos. of meetings attended
Mr. Srikrishna B	Chairman	Non-Executive Independent	1	1
Mr. Raghavendra Rao Satya Veera Venkata Turlapati	Member	Non-Executive Independent	1	1
Mrs. Aruna Soni	Member	Executive Director	1	1



- b) Meeting of the Shareholders’ grievance Committee/Stakeholders Relationship Committee Meetings During the accounting year 2013 – 2014, One time Shareholders’ Grievance Committee/Stakeholders Relationship Committee Meetings was held on 25/03/2014,
- c) Ms. Anita Choudhari has been designated as the Compliance Officer of the Company with effect from 12th April, 2012.
- 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:

Nature of Complaints	Opening	Received	Resolved	Outstanding as at 31 st March, 2014.
Non- receipt of exchange share certificates and SEBI	0	1	1	0

During the accounting year ended March 31, 2014, one complaint was received from shareholder and the same was withdrawn. All valid Share Transfers received during the accounting year ended March 31, 2014 have been acted upon.

The Shareholders Grievance Committee/ Stakeholders Relationship Committee continued to function effectively and held One meeting during the year

under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders’ complaints. The complaints and grievances of shareholders received were duly attended by the Committee and as of now no complaints are pending.

- e) The functions of the Shareholders’ Grievance Committee/Stakeholders Relationship Committee include the following:
- Transfer /Transmission of shares,

- Issue of duplicate Share Certificates,
- Reviewing Shares dematerialized, rematerialized and all other related matters,
- Monitoring expeditious redressal of Investors’ Grievances,
- Non receipt of Annual Report and declared dividend,
- All other matters related to Shares.

6. GENERAL BODY MEETINGS:

The particulars of last Three Annual General Meetings are as under:-

Financial Year	Day and Date	Location of AM	Time
2012-2013	Monday 30 th September, 2013	All India Plastic Manufacturer Association, Street No. 1, MIDC, Andheri (East), Mumbai:- 400 059	10:00 A. M.
2011-2012	Thursday 30 th August, 2012	Tunga International, Next to Udyog Sarathi, MIDC, Andheri (East), Mumbai - 400093	10:00 A. M.
2010 - 2011	Saturday 30 th July, 2011	205, Centre Point, Next to Hotel Kohinoor, Andheri-Kurla Road, Andheri (East), Mumbai:- 400 059	4:00 P. M.



Details of Special Resolution passed in the previous three Annual General Meetings

At the Annual General Meeting of the shareholders held on July 30, 2011, the following resolution was passed:

- Appointment of M/s. GMJ & Co., Chartered Accountants as Statutory Auditors in place of M/s Vedula Vijay and Ramanathan, Chartered Accountants who expressed their desire that they be not re-appointed at the Annual General Meeting.

At the Annual General Meeting of the shareholders held on August 30, 2012 the following resolution was passed:

- To offer and allot on preferential basis to Nippon Magnetic Dressing Co., Ltd (NMD), 8,00,000 Equity Shares in one or more tranches of nominal value ₹10/- (Rupees Ten) each at a price of not less than ₹40/- per share which includes a premium of ₹30/- per share.

At the Annual General Meeting of the shareholders held on September 30, 2013 the following resolution was passed:

- To approve the appointment and remuneration of Mr. Shashank Soni, Director of the Company w.e.f. October 01, 2013
- To approve Remuneration of Mr. B. K. Soni for a period of 2 years commencing from October 01, 2013

7. DISCLOSURES:

a. Related Party Transactions

- Related Parties and transactions as required under Accounting Standard (AS-18) are furnished under paragraph number 45 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2014.
- No transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their

subsidiary or relatives etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

b. Compliance by the Company

- The Company has complied with the requirements of the Stock Exchange (BSE), the Securities and Exchange Board of India (SEBI) and Statutory Authorities on all matters related to capital markets and no penalties / strictures were imposed on the Company during the last three years.

c. Secretarial Audit

- A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Service (India) Limited (CDSL) and the total issued and listed Equity Capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

d. Mandatory & Non Mandatory requirement of this clause

- Adoption of non mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.
- The Company has set up a Remuneration Committee/ Nomination and Remuneration Committee, details of which have

been given earlier in this Report.

- The statutory financial statements of the Company are unqualified except as follows:
- The statutory Auditors have qualified that the Miscellaneous Expenditure lying in the Books of the Company as on 31/03/2014 ought to have been written off in the Financial Year ended 31/03/2010. In this regard, the Company here responds that it is a call taken by the Management to amortize the said Miscellaneous Expenditure.
- The Company has adopted a Whistle Blower Policy/ vigil mechanism and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

8. MEANS OF COMMUNICATION:

The Quarterly and Half Yearly results of the Company are published in one English and one Regional newspaper. The results are also displayed on the Company's website: www.ecoreco.com

- SEBI/CFD/DIL/LA/4/2007/27/12 dated December 27, 2007 pertaining to the Amendments in the Listing Agreement, Clause 51 relating to EDIFAR filing has been removed and a new Clause 52, pertaining to shareholding pattern etc. through Corporate Filing and Dissemination System (CFDS) with the Stock Exchanges, has been introduced. The Company's name has not been identified by the participating Stock Exchanges for filing through CFDS. The Company currently submits the documents through fax and E-Mail. The Company also files hard copy of the same to the Stock Exchanges

ECO RECYCLING LIMITED

by hand delivery.

- The Company informs the Stock Exchanges about all price sensitive matters or such other matters which are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

9. CODE OF CONDUCT:

- The Board of Directors has adopted the Business Ethics Policy and Code of Conduct for Directors and Senior Management. The Code is reviewed from time to time by the Board. The said Code has been communicated to the Directors and the Members of the Senior Management.

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

- Date : September 30, 2014
- Time : 10:00 A.M.
- Venue : All India Plastic Manufacturer Association

Street No. 1, MIDC, Andheri (East),
Mumbai:- 400 059

Financial Year

The financial year of the Company is from
April 1, 2013 to March 31, 2014

b) Financial Calendar

- Quarterly Financial Reporting for

Quarter ending June 30, 2013	On August 14, 2013
Quarter/Half year ending September 30, 2013	On November 14, 2013
Quarter ending December 31, 2013	On February 14, 2014
Quarter/Year ending March 31, 2014	On May 30, 2014

- Date of Book Closure: 23/09/2014 to
30/09/2014 (both days inclusive)

c) Dividend Payment Date:

No dividend has been declared for the
financial year 2013-2014.

- In compliance with the SEBI

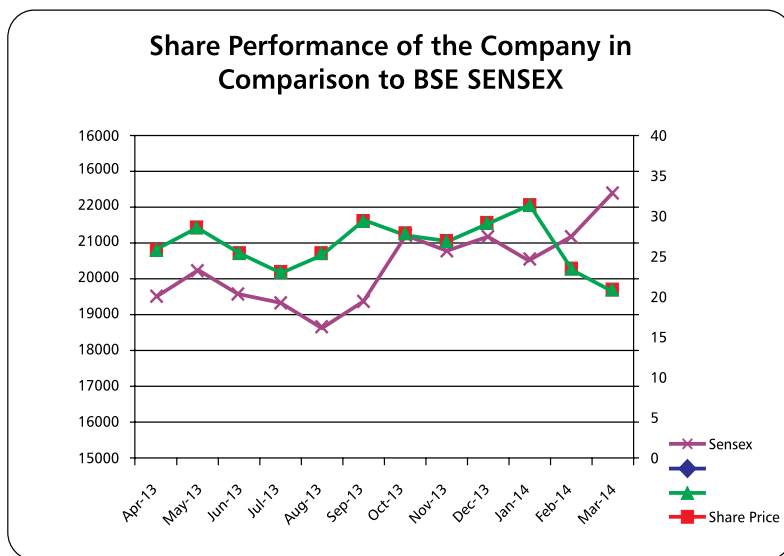
(Prevention of Insider Trading) Regulations, 1992, our company has appointed Anita Choudhari as Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

d) Market information

- Listing on Stock Exchange: The Bombay Stock Exchange Limited
- Listing fee for the year 2013 – 2014 has been paid in full to both the Stock Exchanges.
- Stock Code: 530643 Bombay Stock Exchange Limited ISIN in CDSL for equity shares: INE316A01038
- Corporate Identification No.: L74120MH1994PLC079971

Market Price Data: High low during each month in last financial year

ECO RECYCLING LIMITED								BSE Sensex		
Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	High (Rs)	Low (Rs)	Close (Rs)
Apr 13	24.10	25.85	20.80	25.85	5,310	34	1,21,084	19622.68	18144.22	19504.18
May 13	28.25	32.50	28.00	28.00	5,583	36	1,70,697	20443.62	19451.26	19760.30
Jun 13	28.00	28.00	25.35	25.40	2,410	8	64,114	19860.19	18467.16	19395.81
Jul 13	24.25	25.00	20.25	23.00	3,911	28	86,913	20351.06	19126.82	19345.70
Aug 13	24.00	25.20	24.00	25.20	42	3	1,056	19569.20	17448.71	18619.72
Sep 13	26.45	29.50	24.45	29.50	3,872	22	1,03,828	20739.69	18166.17	19379.77
Oct 13	28.05	28.05	24.30	27.65	1,720	17	45,783	21205.44	19264.72	21164.52
Nov 13	26.30	26.90	26.30	26.90	285	2	7,516	21321.53	20137.62	20791.93
Dec 13	25.60	29.40	25.20	29.10	27,385	20	7,29,008	21483.74	20568.70	21170.68
Jan 14	30.00	31.35	27.20	31.35	858	12	24,912	21409.66	20343.78	20513.85
Feb 14	29.80	29.80	23.50	23.50	23,941	37	6,77,627	21140.51	19963.12	21120.12
Mar 14	22.40	23.35	16.75	20.70	47,640	117	9,27,414	22467.21	20920.98	22386.27



Performance in comparison to BSE sensex:

	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sept 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14
Share Price	25.85	28.60	25.40	23.00	25.20	29.50	27.65	26.90	29.10	31.35	23.50	20.70
SENSEX	19504.18	20215.40	19577.39	19345.70	18619.72	19379.77	21164.52	20791.93	21170.68	20513.85	21120.20	22386.37

d) Share Transfer System & Other Related Matters.

• Share Transfer System

The Shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days from the date of receipt, subject to documents being valid and complete in all respects. Similarly all requests for demat are received and processed by the Registrar and Transfer Agent and confirmations are given to the

depositories within the prescribed time limit.

• Registrar and Share Transfer Agent:

Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (E), Mumbai - 400072
Tel. No. : +91 22 28470652/53
Fax No.: +91 22 28475207
Email: investor@bigshareonline.com
Web: www.bigshareonline.com

• Nomination Facility for Shareholding: As per the provisions of the Companies Act, 1956, facility for making nomination is available

for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.

• 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, Bigshare Services Pvt. Ltd.

E-2 , Ansa Industrial Estate Saki Vihar Road, Saki Naka Andheri (E), Mumbai – 400072
Email: investor@bigshareonline.com

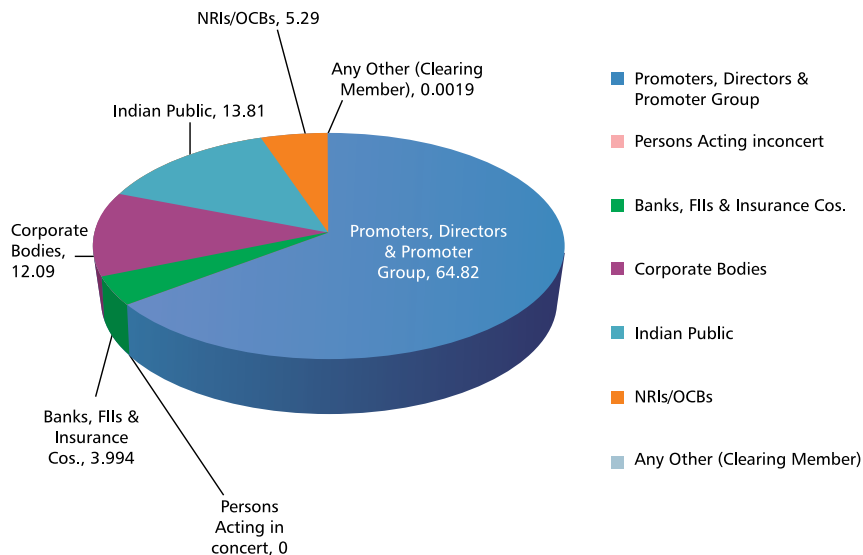
Distribution of Share Holding as on 31.03.2014

NO. OF EQUITY SHARES HELD	NO. OF SHARE HOLDERS	% OF TOTAL SHARE HOLDERS	SHARES	% OF TOTAL NUMBER OF SHARES
1 - 5000	2987	89.1642	4693750	2.6756
5001 - 10000	181	5.4030	1496290	0.8530
10001 - 20000	73	2.1791	1100260	0.6272
20001 - 30000	32	0.9552	823970	0.4697
30001 - 40000	11	0.3284	371210	0.2116
40001 - 50000	15	0.4478	717220	0.4088
50001 - 100000	19	0.5672	1426640	0.8132
100001 - 999999999	32	0.9552	164795660	93.9408
TOTAL	3350		175425000	100

CATEGORY	NO. OF SHARES HELD	(%) TO TOTAL NUMBER OF SHARES
a. Promoters, Directors & Promoter Group	11370821	64.82
b. Persons Acting in concert	-	-
c. Banks, FIs & Insurance Cos.	700800	3.994
d. Corporate Bodies	2120159	12.09
e. Indian Public	2422956	13.81
f. NRIs/OCBs	927424	5.29
g. Any Other (Clearing Member)	340	0.0019
TOTAL	17542500	100



Shareholding pattern as on 31st March, 2014



Dematerialisation of Shares

The Shares of the Company can be held and traded in electronic form. As on March 31, 2014, 15768978 of total shares of the Company were held in demat form.

Break up of shares in physical and demat form as of March 31, 2014:

No. of Share	Percentage of Shares
Physical Segment	10.11
Demat Segment :	
NSDL	34.98
CDSL	54.91
Total	100.00

- Outstanding GDRs/ ADRs: NIL / Warrants or any convertible Instrument, conversion date and likely impact on equity

- Plant Location: Eco House, Near Range Office, Bhoidapada, Sativali Road, Vasai (East), Dist. Thane
- Address for Correspondence: ECO RECYCLING LIMITED 205, Centre Point, Next to Hotel Kohinoor, Andheri Kurla Road, Andheri (East). Mumbai: - 400 059 Fax : +91 22 40052951/52/53 **Email** : info@ecoreco.com **Website**: www.ecoreco.com
- E-mail Id for Investor's Grievances: The Company has designated separate Email Id for the investor grievance and to improve the quality of the services to the investor. The e-mail address for investor grievance is shareholders@ecoreco.com

Secretarial Audit Report:

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries

ECO RECYCLING LIMITED

out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

11. MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement the Management Discussion and Analysis is included as a separate section in this Annual Report.

12. CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement the CEO/CFO Certificate is provided in the Annual Report.

13. COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement the Company Secretary's Certificate is obtained and provided in the Annual Report.



COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

Company Secretary's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement (s)

The Members, Eco Recycling Limited

We have examined the compliance of conditions of Corporate Governance by Eco Recycling Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the

Mumbai
September 02, 2014

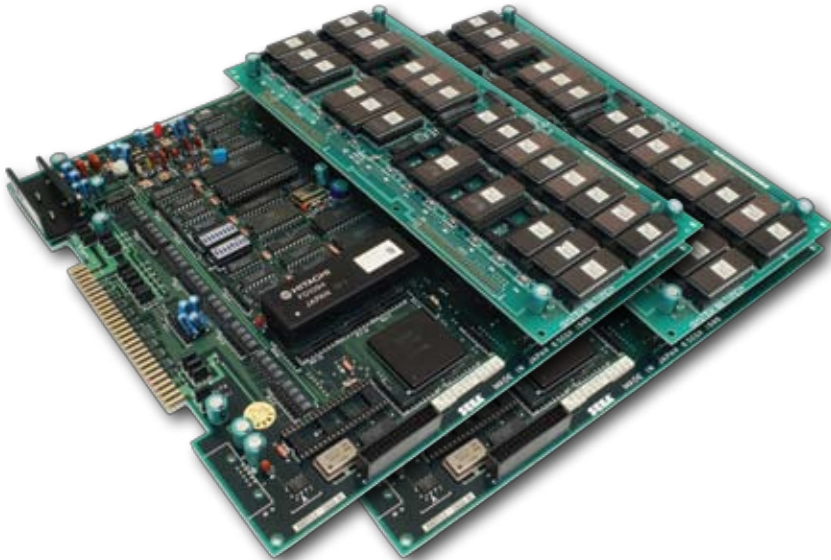
Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 Clause 49 of the above-mentioned Listing Agreement.

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.

**For Pramod S. Shah & Associates
Practicing Company Secretaries
Pramod S. Shah
CP No. 3804**



MANAGEMENT DISCUSSION AND ANALYSIS

E-waste (Management & Handling) Rules, 2011 became effective from May 01, 2012. Nationwide, number of workshops and meetings are being held to understand and implement new Rules and to create greater awareness of the responsibilities of the different stakeholders.

It is good that India has joined the developed world and implementing environment friendly practices for disposal of e-waste. But in contrast to the developed world, India has some unique features; a few of them are as under:

1. India has a very strong network of Kabadies.
2. These Kabadies collect smallest e-waste from every nook & corner.
3. They pay cash to buy all types of electrical & electronic equipment.
4. They have least investment in their dismantling facilities.
5. Mostly family run and make shift facilities, located within major cities.
6. They burn & recover metals and in turn pollute the environment.
7. These facilities hardly comply with any regulations.

In contrast:

1. E-waste Recycling industry started by Eco Recycling Ltd in 2005.
2. Very capital intensive.
3. Recycling facilities have to invest in pollution abating systems in contrast to its competitors, so called Kabadies.
4. Onus is on Producers & Recyclers to take back & recycle.
5. Cost of logistic & recycling is very high and therefore recyclers can't offer similar value like Kabadies can that discourages the generators to opt for environment friendly disposal.

6. India generates close to 1 million MT/PA of e-waste.
7. Present installed capacity to process e-waste in India is about 300,000 MT/PA of which almost 75% is with dismantlers.
8. There is a tremendous increase in number of dismantlers in the country. Barring a few, others hardly have even basic infrastructure in place.
9. The new Rules have not defined any targets for recycling.
10. There is no technological benchmarking for the dismantlers / recyclers.

It may not be out of place to mention that, consumption of electronic equipment is going up rapidly and as per a latest study, the present market of 43 billion USD is expected to touch 400 billion USD by 2018, practically 9 times growth in 6 years.

Since, it is in the best interest of everyone to get such hazardous waste recycled in an environment friendly manner but at the same time it should be realised that the new system can't replace decades' old system so easily and so fast. Therefore, it is essential for Government, Producers and Recyclers to come together and form a consortium to implement such facilities with their respective contribution viz. Financial Support, Material Support and Knowledge Support respectively.

Risk Management

Risk is an important element of corporate functioning and governance. Your Company has established the process of identifying, analyzing and treating risks, which could prevent the Company from effectively achieving its objectives. It ensures that all the risks are timely defined and mitigated in accordance

with the well structured risk management process.

Internal Control System

The Company has designed an effective Internal Control System to balance the financial, operational, compliance and other risks and explore its business opportunities at the fullest to achieve its desired objectives.

Financial performance with respect to operational performance:

The turnover of the Company has increased from ₹2231.40 lacs for the year ended March 31, 2013 to ₹2545.52 lacs for the year ended March 31, 2014.

Human Resources:

People are the most valued assets of the Company. They work individually and collectively contributing to the achievement of the objectives of the business. The relation between the employees and the Company remained cordial throughout the year. Your Company's corporate culture and the vision and values help unite the workforce and provide standards for how your Company conducts the business.

Code of Conduct:

The Board of Directors has prescribed norms of ethical practices and code of conduct for the Directors of the Company. The code of Conduct of the Company lays down the principles, values, standards and rules of behaviour that guide the decisions, procedures and systems of the Company in a way that (a) it contributes to the welfare of its stakeholders, and (B) respects the rights of all constituents affected by its operations. The Code of Conduct is reviewed from time to time by the Board.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2014.

For Eco Recycling Limited
Mumbai, September 02, 2014

B. K. Soni
CMD

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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

1. We have reviewed the balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have :
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
 - b. evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls , which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
 - c. the Company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and
 - d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity –based compensation, which was inflated on account of such errors, as decided by the Audit Committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

B. K. Soni
CMD
Mumbai

Anita Choudhari
Compliance Officer
September 02, 2014

INDEPENDENT AUDITORS' REPORT

To The Members of,
Eco Recycling Limited

Report on the Financial Statements

We have audited the accompanying financial statements of "Eco Recycling Limited" (the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in under section (3c) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 152013/ dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion:

We draw attention to Note 37 of the Notes forming part of financial statements regarding method of accounting of miscellaneous expenditure which are in our opinion is not in accordance with the Accounting Standard 26 "Intangible Assets" aggregating to `64,98,617/-.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except in the**

basis for Qualified – opinion paragraph, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to Note 33 of the Notes forming part of financial statements regarding holding of equity shares which are currently not being reflected in the company's de-mat account due to a dispute with "Keynote Capital Limited", and hence company has not accounted the loss of ₹213.39/- lacs which is considered as fully recoverable by the management. The Company has assessed the recoverability of these claims based on legal advice. Considering the contractual tenability and legal advice from Company's counsel in the matter, the management is confident of recovery of the same. In view of significant uncertainty, the amount of loss for eventual non-recovery of claim made by the company, if any is presently not ascertainable.

Our opinion is not qualified in respect of this matter.

ECO RECYCLING LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of

account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the matter described in the "**Basis of Qualified Opinion**" paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in under section (3c) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate

Affairs in respect of Section 133 of the Companies Act, 2013.

- (d) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Act.

Mumbai
May 30, 2014

For GMJ & Co
Chartered
Accountants
Firm Reg. 1034292w
CA P. Somani
Partner
Membership No. 40637



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- | | | |
|---|---|---|
| <p>i. In respect of its 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) All the fixed assets have been physically verified by the company during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.</p> <p>(c) The company has not disposed off any Fixed Assets during the financial year and hence the provisions of clause i (c) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.</p> | <p>between the physical stocks and the book records were not material.</p> | <p>to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness has been noticed or reported.</p> |
| <p>ii. In respect of its inventory :</p> <p>(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>(c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification</p> | <p>iii. (a) The company has granted Interest free unsecured loans to one party amounting to ₹5,24,000/- (Maximum balance outstanding ₹78,84,000/-) during the year covered in the register maintained under Section 301 of the Companies Act 1956. The year end balance outstanding is NIL.</p> <p>(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans granted by the company to the parties (referred to in (a) above) are prima facie not prejudicial to the interest of the company.</p> <p>(c) In respect of the loans granted by the company (referred to in (a) above) there are no stipulations as regards receipt of loan amount.</p> <p>(d) In respect of the above said loans and interest thereon granted by the company (referred to in (a) above), there are no overdue amounts.</p> <p>(e) The company has not taken loans, secured or unsecured to/from firms, companies or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence the provisions of clause (iii) (e) to (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.</p> | <p>v. (a) According to the information and explanation given to us, the transaction that needs to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.</p> <p>(b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time has referred to in Section 301 of the Act.</p> <p>vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 58A, 58AA or any other relevant provisions of the Acts and Rules framed there under.</p> <p>vii. The company does not have a formal internal audit system commensurate with its size and nature of the business but its financial and other checks ensure proper recording of</p> |
| <p>(c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification</p> | <p>iv. In our opinion and according to the information and explanations given</p> | |

- financial transactions.
- viii. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the company. Accordingly the provisions of clause 4(viii) of paragraphs 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- ix. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, customs duty, excise duty, and other material statutory dues. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, excise duty, customs duty and cess were in arrears, wherever applicable as at March 31, 2014.
- x. The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. In our opinion and according to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the provisions of clause (xii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society and hence the provisions of clause (xiii) of paragraph 4 the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company has maintained proper records of the transactions and contracts of the investments dealt in by the company and timely entries have been made therein. All shares have been held by the company in its own name, except the matters described in the Note 35 of the Notes forming part of financial statements.
- xv. In our opinion and according to information and explanations given to us, the company has not given any guarantees for the loan taken by others from bank or financial institutions. Hence the provision of clause (xv) of paragraph 4 of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion, the terms loans raised during the year from banks and financial institution have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The company has not issued any debentures.
- xx. The company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Mumbai
May 30, 2014

For GMJ & Co
Chartered
Accountants
Firm Reg. 103429w
CA. P. Somani
Partner
Membership No. 40637