

India's Leading **e-waste** Management Company



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ECO RECYCLING LIMITED

ANNUAL REPORT 2016-2017



First e-waste recycling company registered with CPCB & MPCB and only recycling company listed in BSE.

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

AUDITORS

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

BANKERS

Catholic Syrian Bank
Kotak Mahindra Bank

REGISTRARS & TRANSFER AGENTS

Bharat Tin Works Building,
First Floor, Opposite Vasant Oasis,
Next to Keys Hotel, Marol Maroshi Road,
Andheri (East), Mumbai - 400059.

REGISTERED OFFICE

422, 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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ANNUAL GENERAL MEETING OF ECO RECYCLING LIMITED WILL BE HELD ON FRIDAY, 4TH AUGUST, 2017 AT 11.00 A.M. AT UNIT NO.422,, 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, 2017 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, 2017 and the Report of the Auditors thereon;
2. To appoint a Director in the place of Mrs. Aruna Soni (DIN: 01502649), who retires by rotation and, being eligible, seeks re-appointment;

3. Special Business:

Appointment of Statutory Auditors to fill casual vacancy:

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

“RESOLVED THAT pursuant to the provisions of Section 139, 140 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force

(including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), the appointment of M/s. Talati & Talati Chartered Accountants, Mumbai, having Firm Registration No. 110758W, as a Statutory Auditors of the Company to fill up the casual vacancy caused by resignation of M/s. GMJ & Co, Chartered Accountants, previous auditors of the Company, be and is hereby approved upon such terms and conditions as may be mutually decided between the Board of Directors of the Company and M/s. Talati & Talati Chartered Accountants.”

4. Ordinary Business:

Appointment of Statutory Auditor:

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

“RESOLVED THAT pursuant to the provisions of Sections 139 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. Talati & Talati Chartered Accountants, Mumbai, having Firm Registration No.110758W, who was appointed in the Board Meeting dated 3rd July, 2017, in casual vacancy caused by resignation of M/s. GMJ & Co, Statutory Auditor, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the

sixth consecutive Annual General Meeting of the Company, subject to ratification by members at each annual general meeting, at such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors, in addition to the reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of accounts of the Company;

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.”

5. Special Business:

To adopt new set of Article of Associations containing regulations in conformity with the companies Act 2013 and in this regard to consider an if thought fit, to pass, with or without modification(s), the following resolution as **special resolution**:

“RESOLVED THAT pursuant to provision of section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Article of Association submitted to this meeting be and hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Article of Associations of Company.”

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

6. Revision of remuneration of director Mr. Shashank Soni Din No. 06572759- and in this regard to consider an if thought fit, to pass, with or without modification(s) as Ordinary Resolution:

“RESOLVED THAT 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 No.: 06572759), Executive director with effect from April 1, 2017, be and is hereby payable on the terms & condition including hereinafter mentioned.

Consolidated salary upto 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

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

Address:

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

3rd July 2017
Mumbai

Registered Office:

Unit No.422, The Summit Business Bay,
Near Cinemax Theatre,
AndheriKurla Road, Andheri East,
Mumbai – 400 093
CIN: L74120MH1994PLC079971

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
2. A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
3. The Register of Members and Transfer Books of the Company will be closed from 28th July ,2017 to 3rd August,2017, inclusive of both the days;
4. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agents, M/s. 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;
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s. Bigshare Services Private Limited for any assistance in this regard;
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or M/s. Bigshare Services Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon;
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote;
8. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting service provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice;
9. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 read with its rules made thereunder, will be available for inspection by the members at the Annual General Meeting;
10. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting;
11. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such a representative to attend and vote on their behalf at the meeting;
12. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 A. M. and 1.00 P.M. on all working days up to the date of the Meeting
13. Member are requested to address all correspondences, to the Registrar

and Share Transfer Agents, M/s. Bigshare Services Private Limited, Bharat Tin Works Building, First Floor, Opposite Vasant Oasis, Next To Keys Hotel, Marol Maroshi Road, Andheri (East) Mumbai - 400 059. Tel No: 022-6263 8294, Email: investor@bigshareonline.com

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

20. E-voting:

In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

Process for E –Voting –

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

- i. The voting period begins from 9.00 a.m. on day 1st August, 2017 and ends on Wednesday 3rd August, 2017 at 5.00 p.m. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as cut-off date of Friday 28th July, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- ii. The shareholders should log on to the e-voting website www.evotingindia.com;
- iii. Click on "Shareholders" 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 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"> 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. 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.
Dividend Bank Details OR Date of Birth DOB	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- ix. After entering these details appropriately, click on "SUBMIT" tab;
- x. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xii. Click on the EVSN on which you choose to vote;
- xiii. On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution;
- xiv. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details;
- xv. After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote;
- xvi. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote;

ECO RECYCLING LIMITED

- xvii. You can also take out print of the voting done by you by clicking on "**Click here to print**" option on the Voting page;
- xviii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system;
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile;
- xx. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

In case of members receiving the physical copy:

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

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

22. Mr. Alok Khairwar ,partner of M/s Alok Khairwar & Associates ,Pactising Company Secretaries (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;
23. 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 and on the website of CDSL immediately after the result is declared by the Chairperson.

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

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

3rd July 2017
Mumbai

Registered Office:
Unit No.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 statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), set out all material facts relating to the business mentioned at the **item No. 3,5 to 6** of the accompanying Notice:

Item No. 3: M/s. GMJ & Co, Chartered Accountants, existing auditors of the Company had tendered their resignation from the position of Statutory Auditor due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Accordingly the Board proposes that M/s. Talati And Talati Chartered Accountants, Mumbai, be appointed as the Statutory Auditor of the Company to fill the casual vacancy caused by the resignation of M/s. GMJ & Co, Chartered Accountants.

M/s. Talati and talati Chartered Accountants, Mumbai, have conveyed their consent to be appointed as the Statutory Auditor of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The appointment of Statutory Auditor caused by resignation of existing auditor needs to be approved by members of the Company within a period of 3 months from the recommendation of the Board. Hence the resolution for appointment of M/s. Talati And Talati Chartered Accountants as Statutory Auditor of the Company is

proposed in this Annual General Meeting for the consent of the members.

Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members.

None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution

Item No: 5

Adoption of New set of Article of Association.

The Article of Association (AOA) of company was prepared and adopted when the company was incorporated in 1994 and amended from time to time as required. The existing AOA are based on companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the new act. The act is now largely in force. With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given in this position it is considered necessary to wholly replace the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA based on Table 'F' of the Act which sets out model articles of association for a company limited by shares.

Item No.: 6

Increase in remuneration of director Mr. Shashank Soni Din No. 06572759

The company has completed the annual performance appraisal of all the employees of the company including senior management. In view of this there is a revision in the salary of the employees for the FY 2016-17.

Hence the Board of Directors is requesting your approval for the revise in the remuneration of Mr. Shashank Soni.

Except Mr. B. K. Soni and Aruna Soni, none of the Directors are interested or concerned in this resolution.

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

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

3rd July 2017
Mumbai

Registered Office:

Unit No.422, The Summit Business Bay,
Near Cinemax Theatre,
Andheri Kurla Road,
Andheri East,
Mumbai – 400 093
CIN: L74120MH1994PLC079971

ANNEXURE I

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

Details of the Directors seeking appointment at Twenty- Third Annual General Meeting to be held on Friday 4 th August, 2017	
Name of the Director	Mrs. Aruna Soni
Item No.	2
Date of Birth	29/06/1962
Brief Resume	<p>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.</p> <p>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.</p>
Expertise in specific functional area	H.R. and Administration
Directorships (other than Eco Recycling Limited)	<ol style="list-style-type: none"> 1. ECORECO PARK PRIVATE LIMITED 2. ECORECO VENTURES PRIVATE LIMITED 3. ECORECO ENVIRO PRIVATE LIMITED 4. EPR COMPLIANCE PRIVATE LIMITED 5. DATA DE-END PRIVATE LIMITED 6. REVERSE LOGISTICS & WAREHOUSING PRIVATE LIMITED
Chairman/ Member of Committees of the Board of Directors of other Companies in which he is a Director*	Not Applicable
Shareholding in the Company	6,85,456

*(Committee Membership includes only Audit Committee and Shareholders Relationship Committee whether listed or not)

DIRECTORS' REPORT

The Members of ECO RECYCLING LIMITED

The Directors are pleased to present the Twenty Third Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31st March, 2017.

The State of the Company's Affairs

'Make in India' campaign, has formed an ideal base for India's manufacturing segment, but for sustainable growth India needs to accommodate best prevailing practices followed by established manufacturing countries across world. Your company is gearing up to shoulder greater responsibility and is working on larger business plans to implement to avail the growing opportunity in the e-waste recycling segment.

1. KEY FINANCIAL HIGHLIGHTS (₹ in Lacs)

Particulars	2016-17	2015-16
Income	1990.00	3740.44
Expenditure	1931.60	3684.72
Profit/ (Loss) before Depreciation and Tax	58.40	55.72
Depreciation	33.34	29.96
Profit/(Loss) before Tax	(110.38)	25.76
Deferred Tax/Current Tax	(14.20)	9.76
Profit/ (Loss) after Tax	(96.18)	16.00

During the year under review, the Company has reported a total income of ₹1990 lakhs out of which non-operating income amounts to ₹ 44.75 lakhs. Income from operations is ₹ 1945.26 lakhs which has decreased by ₹1726.10 lakhs i.e. by 47% as compared to the previous year.

2. DIVIDEND

Your Directors have not recommended any dividend for the financial year ended March 31, 2017.

3. TRANSFERS TO RESERVES

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

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

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

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since Recycling is the core activity of your Company, Section 134(3) of the Companies Act, 2013 read with the rules made thereunder, the clause relating to Conservation of Energy and Technology absorption is not applicable to your Company.

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	2016-17	2015-16
Earnings in Foreign Currency	Nil	20.98
Expenses in Foreign Currency	Nil	1.04

7. MANAGEMENT DISCUSSION AND ANALYSIS

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

8. CHANGE IN THE NATURE OF BUSINESS

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

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

The Financial Statement of the Company/Board Report has not been revised during the Financial Year 2016-2017 as per Section 131 of the Companies Act, 2013.

10. ANNUAL RETURN

The extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 (subject to amendment and re-enactment from time to time) in the prescribed Form **MGT-9** is hereby attached with this Report in **Annexure I** and is a part of this Report. The same is as on 31st March, 2017.

11. FIXED DEPOSITS

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

12. THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

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

13. BOARD MEETINGS

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

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1	30.05.2016	205, Centre Point, 2 nd Floor, J. B. Nagar, Andheri-Kurla Road, Andheri (E), Mumbai – 400 059 Time: 2:00 P.M.	i) ArunaSoni ii) Shashank Soni iii) Srikrishna B. iv) Dattatarya Devale	i) Vijay Acharaya ii) B K Soni
2	13.08.2016	205, Centre Point, 2 nd Floor, J. B. Nagar, Andheri-Kurla Road, Andheri (E), Mumbai – 400 059 Time: 2:00 P.M.	i) B K Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B.	i) Vijay Acharaya ii) Dattatarya Devale
3	14.11.2016	205, Centre Point, 2 nd Floor, J. B. Nagar, Andheri-Kurla Road, Andheri (E), Mumbai – 400 059 Time: 4:00 P.M.	i) ArunaSoni ii) Shashank Soni iii) Aruna Soni iv) Srikrishna B. v) Dattatarya Devale	i) Vijay Acharaya ii) Dattatarya Devale
4	03.02.2017	422, The Summit Business Bay, Near Cinemax Theatre, Andheri Kurla Road, Andheri (E), Mumbai – 400 093 Time: 4:00 P.M.	i) B K Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B. v) Vijay Acharaya vi) Dattatarya Devale	

14. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There are no changes in Directors during Financial Year 2016-2017.

Miss. Priyanka Bang has been appointed as Company Secretary, to be consider as KMP under Section 203 of the Companies Act, 2013.

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

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

16. COMMITTEES OF BOARD:

The Board of Director has already constituted various committees in compliance with various provision of the Companies Act, 2013 and SEBI Listing Regulations viz . Audit Committee, Nomination and Remuneration Committee and Stakeholder Relation Committee.

All decision pertaining to the constitution of Committees, appointment of members and fixing of terms of reference/ role of committee are taken by Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings are provided in the Corporate Governance section of Annual Report

17. VIGIL MECHANISM:

Your Company believes in promoting a fair, transparent, ethical and professional work environment. The Board of Directors of the Company has established a Whistle Blower Policy & Vigil Mechanism in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for reporting the genuine concerns or grievances or concerns of actual or suspected, fraud or violation of the Company's code of conduct. The said Mechanism is established for directors and employees to report their concerns. The policy provides the procedure and other details required to be known for the purpose of reporting such grievances or concerns.

18. RISK MANAGEMENT:

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

19. QUALIFICATIONS GIVEN BY THE AUDITORS:

A. QUALIFICATION GIVEN BY THE STATUTORY AUDITORS

1. 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 ₹8,60,076/-.

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

1. The Company responds that it is a call taken by the Management to amortize the said Miscellaneous Expenditure and in the next Financial Year the balance amount will be written off. Also the

ECO RECYCLING LIMITED

Management is of the Opinion that it will not create any discrepancy as the treatment taken is as per the provisions of The Income Tax Act, 1961.

B. QUALIFICATION GIVEN BY THE SECRETARIAL AUDITOR

This Report Dose Not Require Explanation, The same is self explanatory.

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

Name of the Company	Subsidiary / Associate
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 is included for the financial year ended March 31, 2017 as per Form AOC – 1 attached to the this report as **Annexure III**.

21. 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**.

22. 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.

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

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

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

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

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

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

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

24. AUDITORS:

M/s. GMJ & Co, Chartered Accountants, existing auditors of the Company had tendered their resignation from the position of Statutory Auditor due to unavoidable circumstances, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Accordingly the Board has appointed M/s. Talati And Talati, Chartered Accountants, Mumbai, be appointed as the Statutory Auditor of the Company to fill the casual vacancy caused by the resignation of M/s. GMJ & Co, Chartered Accountants.

25. SECRETARIAL AUDITOR:

The Company has appointed M/s. Pramod S. Shah and Associates, Practicing Company Secretaries as a Secretarial Auditor of the Company, according to the provision of section 204 of the Companies, Act 2013 read with rules for conducting Secretarial Audit of Company for the financial year 2016-2017. The Report of the Secretarial Audit is annexed herewith as **Annexure V**.

26. EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

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

27. 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**.

28. SEXUAL HARASSMENT:

Your Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended March 31, 2017, no complaints have been received pertaining to sexual harassment.

29. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (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 devised proper systems to ensure compliance with

the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. ACKNOWLEDGEMENT:

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

3rd July 2017
Mumbai

ECO RECYCLING LIMITED

For and on behalf of the Board

B. K. Soni
Chairman & Managing Director
DIN: 01274250

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



MANAGEMENT DISCUSSION AND ANALYSIS

‘Make in India’ campaign, has formed an ideal base for India’s manufacturing segment, but for sustainable growth India needs to accommodate best prevailing practices followed by established manufacturing countries across world. Today, China world’s largest manufacturer is amongst the leading importer of recyclable waste material across the globe. China has a unique proposition of circular economy that starts from procuring recyclable waste into raw material making for its manufacture units. China imports recyclable waste from across the world, converts it into raw material for feeding ever growing demand of its manufacturing sector. It is this cheaper raw material embedded in waste that has over the years provided a unique competitive advantage to China. Almost all the ships with export materials come back with recyclable waste material instead of travelling empty in its reverse journey to China. Recyclable waste materials price is determined through international bidding process, hence generating favourable prices for reverse haulage. For India, a major learning is that massive wealth can be created at Pan India level by transiting recyclable waste into export through formal sector, securing material base and sustain competitive advantage. Hence, circular economy embedded in the overall industry policy should be the focus of ‘Make in India’ policy. India may also consider such proposition to meet domestic requirement of raw material at much cheaper the price without compromising environment, air, water and land pollution.

Within manufacturing sector, electronic products and application sector need special focus and policy initiative. India today is a leading importer of electronics; government expects demand

for electronics to cross \$400 billion by 2020. On reviewing with the current rate, domestic production by the same time can best reach \$100 billion. Hence India desperately needs measures towards strengthening local manufacturing units with an aim to reduce dependency in electronics manufacturing. In this direction, conversion of domestic reusable waste into raw material has the potential to support manufacturing units by feeding low cost raw material. Prevention of land, water, air through hazardous disposal of e-waste too can save a country from losing a healthy work force.

India is home of a mammoth magnitude of e-waste arising mainly from the abandoned, obsolete or broken electrical or electronic devices and is expected to grow to 15 million MT by 2020 from 3.2 million MT in 2015 consisting of monetary value of recoveries from e-waste to the tune of USD 3 billion (INR 20,000 Crores) and may touch to USD 15 billion (INR 100,000 crore) by 2020. This issue of e-waste has triggered a need for a sound e-waste management in the country. More than the generation of e-waste, the most serious problem is its collection, handling and processing. Mostly resorted to conventional modes of collection by Kabadies or scrap collectors or rag pickers; there does not exist an organized system through which e-waste is collected and disposed, which is endangering ecology. Hence a two-way approach is the need of the time:

(a) Formal training & skilling of Kabadies, Scrap Collectors, Rag Pickers and others who believe waste management is a growing industry and following Rules is the only way to continue

(b) Post training get these waste managers integrated with the formal sector

Being in the lower strata of the socio-economic pyramid, basic skill upgradation of this segment toward managing e-waste can facilitate in curtailing raw material procurement cost at one end and elevating standard of their living on the other. Concerned with the grievous social problem of e-waste, Eco Recycling Ltd, India’s only listed corporate entity in the segment has come forward with a resolve to find solutions to this ongoing e-waste problem. Government of India also have initiated ‘Skill India Campaign’ to train unskilled labours so that they can become self-reliant. Believing the need and to have a strong bridge for communities at large, which are the key source of e-waste generation and the Kabadies, Ecoreco Enviro Education, has initiated training of Kabadies to extend them an opportunity to become part of the formal supply chain. The effort would suffices three major aspects -

- (a) Proper disposal of Hazardous waste, thereby protecting the environment.
- (b) Organised collection without disturbing much the current collection structure.
- (c) Employment generation and better income for the Kabadies.

India needs very detailed policy guidance for circular economy with due recognition toe-waste recycling as an industry, so that it can transit towards an organised form. As a result, favourable policies be introduced and reforms shall be initiated by the government. With all this in place, Indians and India could reap the benefits of lower prices of finished goods, enjoy

positive foreign exchange and save environment.

EPR & CSR tools can play wonderful roles

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

Strength, Weakness, Opportunities & Threats

Strengths

- Increasing awareness amongst e-waste generators (Swachh Bharat Abhiyan is a great initiative)
- Global demand for raw materials is driving the growth of the recycling industry
- Rising commodity prices resulting in increased profitability for the recycling industry
- It is now mandatory to dispose e-waste with the registered recyclers only
- Effective implementation of the E-waste Management Rules 2016
- Extended Producers' Responsibility (EPR) is now a reality with targets to collect WEEE

- With the RoHS in place there is greater discard of e-waste for recycling
- Ecoreco has a very strong Brand Image and client base
- Ecoreco has several innovations at its credit and winners of several awards & accolades

Weaknesses

- Continuity of informal sector
- Consumers prefers exchange / resale model
- Several e-waste collection and dismantling units have been registered
- A lot is yet to be done for the awareness amongst individual generators
- Lack of respect for the environment & ecology
- Lack of financial support by the Government
- Lack of exemption from taxes & duties

Opportunities

- Incremental supply of e-waste because of EPR with Targets
- Deposit Refund Scheme to promote recycling is a welcome step
- Target to achieve Swachh Bharat Mission by 2nd Oct, 2019 is another major driver
- Landfill of e-waste is an unacceptable model and also expensive as compared to recycling

Threats

- Insufficient resources to enforce rules and penalties for non-compliance
- Insufficient investments in environment friendly processing by several 'registered units'
- Generators have too many ways to circumvent the regulation
- Fluctuating commodity prices.
- Extended Producers' Responsibility (EPR) is now a reality with targets to collect WEEE
- With the RoHS in place there is greater discard of e-waste for recycling
- Ecoreco has a very strong Brand Image and client base
- Ecoreco has several innovations at its credit and winners of several awards for its innovation & efforts



ANNEXURE TO BOARD'S REPORT

Annexure I Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended **March 31, 2017**

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN:-	L74120MH1994PLC079971
ii)	Registration Date –	01/08/1994
iii)	Name of the Company -	ECO RECYCLING LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
v)	Address of the Registered office and Contact Details	Unit No.422 , The Summit Business Bay, Near Cine Max Theater, Andheri Kurla Road, Andheri (E), Mumbai - 400 093 Tel. No.: +91 22 4005 2951/52/53
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. Bharat Tin Works Building, First Floor, Opposite Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai - 400059. Tel. No.: +91 22 6263 8294

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)
7	Ecoreco Ventures Private Limited	U70100MH1994PTC076836	Holding	-	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2,971,726	-	2,971,726	16.94	3,002,066	-	3,002,066	17.11	0.17
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	9,139,250	-	9,139,250	52.10	9,139,250	-	9,139,250	52.10	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	12,110,976	-	12,110,976	69.04	12,141,316	-	12,141,316	69.21	0.17
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
a) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total share holding of Promoter (A) = (A)(1) + (A)(2)	12,110,976	-	12,110,976	69.04	12,141,316	-	12,141,316	69.21	0.17
B. Public Shareholding									
1. Institutions									
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) FIIs	360,000	-	360,000	2.05	360,000	-	360,000	2.05	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-		-	-	-	-	-
Sub-total (B)(1):	360,800	-	360,800	2.05	360,800	-	360,800	2.05	-
2. Non-Institutions									
a) Bodies Corp.	2,171,776	22,200	2,193,976	12.51	2,270,576	22,200	2,292,776	13.07	(0.56)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	668,210	283,772	951,982	5.43	632,654	283,572	916,226	5.22	(0.20)
ii) Individual shareholders holding nominal share capital in excess of ₹ lakh	919,049	62,500	981,549	5.60	817,924	62,500	880,424	5.02	(0.58)
c) Others (specify)	-	-	-	-	-	-	-	-	-
-NRI	35,266	-	35,266	0.20	34,241	-	34,241	0.20	(0.01)
-NRI (Non Repat)	97,000	-	97,000	0.55	1,11,197	-	1,11,197	0.63	0.08
-OCB	800,000	-	800,000	4.56	800,000	-	800,000	4.56	-
-Clearing Member	10,951	-	10,951	0.06	5,520	-	5,520	0.03	(0.03)
Sub-total (B)(2):	4,702,252	3,68,472	5,070,724	28.91	4,672,112	3,68,272	5,040,384	28.73	(0.17)
Total Public Shareholding (B)=(B)(1)+ (B) (2)	5,063,052	368,472	5,431,524	30.96	5,032,912	3,68,272	5,401,184	30.78	(0.18)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	17,174,028	368,472	17,542,500	100	17,174,228	368,272	17,542,500	100	-

(ii) Shareholding of promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1	Ecoreco Ventures Pvt. Ltd.	9,139,250	52.10	0	9,139,250	52.10	0	0
2	Brijkishor Soni	2,151,102	12.26	1.94	2,164,963	12.34	1.94	0.08
3	Aruna Brijkishor Soni	668,977	3.81	0	685,456	3.90	0	0.09
4	Brijkishor Soni (HUF)	151,647	0.86	0	151,647	0.86	0	0

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

Name of the Promoter : Brijkishor Soni

Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	01/04/2016	2,151,102	12.26	2,151,102	12.26
Date wise increase / decrease in shareholding	27/05/2016	5,150	0.02	2,156,252	12.28
	17/06/2016	1,362	0.00	2,157,614	12.29
	24/06/2017	2000	0.01	2,159,614	12.30
	30/06/2016	500	0.00	2,160,114	12.31
	1/7/2016	1,000	0.00	2,161,114	12.31
	8/7/2016	3,737	0.00	2,164,851	12.31
	19/08/2016	3	0.00	2,164,854	12.31
	17/02/2017	109	0.00	2,164,963	12.31
At the End of the year	31/03/2017	2,164,963	12.34	2,164,963	12.34

Name of the Promoter: Aruna Soni

Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	01/04/2016	668,977	3.81	668,977	3.81
Date wise increase / decrease in shareholding	15/04/2016	2,340	0.01	671,317	3.83
	08/07/2016	500	0.00	671,817	
	29/07/2016	1,530	0.00	673,347	3.83
	5/08/2016	4,520	0.02	677,867	3.86
	21/10/2016	2024	0.01	679,891	3.87
	04/11/2016	14	0.00	679,905	3.87
	11/11/2016	699	0.00	680,604	3.87
	18/11/2016	437	0.00	681,041	3.88
	25/11/2016	100	0.00	681,141	3.88
	02/12/2016	1,000	0.00	682,141	3.88
	16/12/2016	71	0.00	682,212	3.88
	23/12/2016	563	0.00	682,775	3.89
	30/12/2016	141	0.00	682,916	3.89
	13/01/2017	210	0.00	683,126	3.89
	27/01/2017	100	0.00	683,226	3.89
	03/03/2017	928	0.00	684,154	3.89
	10/03/2017	252	0.00	684,406	3.90
	24/03/2017	1,050	0.00	685,456	3.90
At the End of the year	31/03/2017	685,456	3.90	685,456	3.90

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

Sr. No.	Name	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
			Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Bennet, Coleman & Company Limited	At the beginning of the year	01/04/2016	1,400,000	7.98	1,400,000	7.98
		Date wise increase / decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2017	1,400,000	7.98	1,400,000	7.98

2	Nippon Magnetic Dressing Company Limited	At the beginning of the year	01/04/2016	800,000	4.56	800,000	4.56
		Date wise increase / decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2017	800,000	4.56	800,000	4.56
3	Lotus Global Investments Ltd	At the beginning of the year	01/04/2016	360,000	2.05	360,000	2.05
		Date wise increase / decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2017	360,000	2.05	360,000	2.05
4	The Catholic Syrian Bank Ltd	At the beginning of the year	01/04/2016	340,000	1.94	340,000	1.94
		Date wise increase / decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2017	340,000	1.94	340,000	1.94
5	Jayati Finance And Investments Pvt Ltd	At the beginning of the year	01/04/2016	323,885	1.85	323,885	1.85
		Date wise increase / decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2017	323,885	1.85	323,885	1.85
6	Shailesh Parikh	At the beginning of the year	01/04/2016	299,081	1.70	299,081	1.70
		Date wise increase/ decrease in shareholding	10/06/2016	(137)	(0.00)	298,944	1.70
			17/06/2016	137	0.00	299,081	1.70
			10/03/2017	(1930)	(0.01)	297,151	1.69
			17/03/2017	(1737)	(0.00)	295,414	1.68
		At the end of the year	31/03/2017	295,414	1.68	295,414	1.68

7	Bunkim Finance And Investments Pvt Ltd	At the beginning of the year	01/04/2016	292,700	1.67	292,700	1.67
		Date wise increase/ decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2017	292,700	1.67	292,700	1.67
8	Shweta Parikh	At the beginning of the year	01/04/2016	203,476	1.16	203,476	1.16
		Date wise increase/ decrease in shareholding	22/04/2016	(158)	(0.00)	203,318	1.16
			29/04/2016	(1,000)	(0.00)	203,218	1.15
			06/05/2016	(835)	(0.00)	201,483	1.15
			20/05/2016	(5000)	(0.02)	196,483	1.12
			10/06/2016	(956)	(0.00)	195,527	1.11
			24/06/2016	(10)	(0.00)	195,517	1.11
			17/03/2017	(2,400)	(0.01)	193,117	1.10
		At the end of the year	31/03/2017	193,117	1.10	193,117	1.10
9	Shailesh S Parikh	At the beginning of the year	01/04/2016	131,139	0.75	131,139	0.75
		Date wise increase/ decrease in shareholding		-	-	-	-
		At the end of the year	31/03/2017	131,139	0.75	131,139	0.75
10	Upsurge Investment & Finance Ltd	At the beginning of the year	01/04/2016	90,725	0.52	90,725	0.52
		Date wise increase/ decrease in shareholding	25/11/2016	23,000	0.65	113,725	0.65
		At the end of the year	31/03/2017	113,725	0.65	113,725	0.65

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
			Date	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Brijkishor Soni	At the beginning of the year	01/04/2016	2,151,102	12.26	2,151,102	12.26
		Increase/ Decrease in shareholding		13,861	0.08	2,164,963	0.08
		At the end of the year	31/03/2017	2,164,963	12.34	2,164,963	12.34
2	Aruna Soni	At the beginning of the year	01/04/2016	668977	3.81	668977	3.81
		Increase/ Decrease in shareholding		16,479	0.09	16,479	0.09
		At the end of the year	31/03/2017	685456	3.90	685456	3.90

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	107,549,617	90,000,000	-	197,549,617
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	107,549,617	90,000,000	-	197,549,617
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(6,013,517)	-	-	(6,013,517)
Net Change	(6,013,517)	-	-	(6,013,517)
Indebtedness at the end of the financial year				
i) Principal Amount	11,536,100	90,000,000		101,536,100
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11,536,100	90,000,000		101,536,100

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Managing Director Mr. B. K. Soni	Executive Director Mr. Shashank Soni	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,000,000	1,200,000	4,200,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	3,000,000	1,200,000	4,200,000
	Ceiling as per the Act	The total managerial remuneration payable in respect of financial year 2016-2017 is within the limit of Shedule 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. Vijay Acharya	Mr. Dattatraya Devale	Aruna Soni
1.	Gross salary	-	-	-	
	i. Independent Directors <ul style="list-style-type: none"> • Fee for attending Board/ Committee Meetings • Commission • Others, please specify 	40,000	10,000	20,000	-
	Total (i)	40,000	10,000	20,000	-

	ii. Other Non-Executive Directors				40,000
	• Fee for attending Board / Committee Meetings				
	• Commission				
	• Others, please specify				
	Total (ii)	-	-	-	40,000
	Total =(i+ii)	40,000	10,000	20,000	40,000
	Total Managerial Remuneration Overall	40,000	10,000	20,000	40,000
	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	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	864,383	864,383
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	864,383	864,383

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 Three (3) Directors forming majority are Non-Executive Independent Directors.

1 .Purpose of the Policy:

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

The Policy is framed with the objective(s):

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

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

2. Definitions:

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

3. ROLE OF COMMITTEE

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

The Committee shall:

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

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

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

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

3.2.1. Appointment criteria and qualifications

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

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

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

and beneficial in generating commercial for the Company.

b) **Responsibilities and Accountability:**

The roles and responsibilities towards the organisation and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration.

- c) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

- d) **Flexibility:** The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation.

- e) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

3.2.3. Remuneration to Directors and Key Managerial Personnel:

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

3.2.4. Term / Tenure

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

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

- b) **Independent Director:**

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

-No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3.2.5. Evaluation

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

3.2.6. Removal

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

3.2.7. Retirement

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

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

3.3.1. General

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

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

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

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

3.3.2. Remuneration to Non- Executive / Independent Director

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

4. Membership

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

present shall elect one of themselves to chair the meeting.

4.3 Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.

4.4 The Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

5. Frequency of the meetings

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

6. Committee Members' Interests

6.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

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

7. Minutes of Committee Meetings:

Proceedings of all the meetings are recorded and signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting are tabled at the Meeting of the Board and entered in the Minutes binder.

ANNEXURE - III

Form AOC-1

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

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

Part "A": Subsidiaries

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

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	(96.63)
6	Total assets	279.25
7	Total Liabilities	279.25
8	Investments	Nil
9	Turnover	1.00
10	Profit before taxation	(58.78)
11	Provision for taxation	Nil
12	Profit after taxation	(58.78)
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



SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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 2017, 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) E-waste (Management and Handling) Rules, 2011;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

We have also examined compliance with the applicable clauses of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Secretarial Standards issued by The Institute of Company Secretaries of India (SS – 1 & SS – 2).

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

1. As per the provision of Section 2(24) of the Companies Act, 2013 and the rules made thereunder, "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who should be appointed by the Company to perform the functions of a Company Secretary under this Act. However, the same has not been appointed by the Company in the year of 2016-17. The Company has appointed Ms. Priyanka Bang as the Company Secretary from May 09, 2017.

We further report that

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

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

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

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

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

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

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

Pramod Shah-Partner
(Practising Company Secretaries)
Pramod S. Shah & Associates

Mumbai
July 3, 2017

FCS No.: 334
C.P No.: 3804

Annexure I

To,
 The Members,
 Eco Recycling Limited

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

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

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

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

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

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

Mumbai
 July 3, 2017

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

Annexure II

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

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2016-2017

A report for the financial year ended March 31, 2017 on the compliance by the Company with the Corporate Governance requirements under the Security and Exchange Board of India (Listing obligations & Disclosure Requirements) Regulation, 2015 (hereinafter referred to as 'Listing Regulations') is furnished below.

1. COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has been adhering to the principles of Corporate Governance since over incorporation of company by conducting its affairs in a transparent manner with regularity, responsibility and accountability.

The Philosophy of the Company on Corporate Governance lies in its concern to protect interests of various stakeholders, fair dealings with all and active contribution to the Society at large, while enhancing the wealth of shareholders. The processes of Company are directed to achieve compliance with the Code of Corporate Governance. Companies own policies and expectations include ethical conduct, protection of health, safety and environment and commitment to employees.

Your Company has complied with all applicable guidelines & regulations as stipulated by the Securities and Exchange Board of India pertaining to the Corporate Governance.

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	-	7	-	-
2.	Mrs. Aruna Soni	Executive Director	-	6	-	-
3.	Mr. Srikrishna B.	Independent Non-Executive Director	1	-	-	-
4.	Mr. Shashank Soni	Executive Director	-	2	-	-
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 2016-17, 4 Meeting of Board of Directors were held. The dates of Board meeting are as under:

May 30, 2016; August 13th, 2016; November 14th, 2016 and February 3, 2017.

The last Annual General Meeting of the Company was held on September 30th, 2016.

Name of the Director	Attendance at the Board Meetings held on				Attendance at the Annual General Meeting held on September 30, 2016
	30 th May, 2016	13 th Aug, 2016	14 th Nov, 2016	3 rd Feb, 2017	
Mr. B. K. Soni	Absent	Present	Present	Present	Absent
Mrs. Aruna Soni	Present	Present	Present	Present	Present
Mr. Srikrishna B.	Present	Present	Present	Present	Present
Mr. Shashank Soni	Present	Present	Present	Present	Present
Mr. Vijay Acharya	Absent	Absent	Absent	Present	Absent
Mr. Dattatraya Devale	Present	Absent	Absent	Present	Absent

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

Mrs. Aruna Soni (DIN: 01502649) 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**

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

The familiarisation programmes aims to provide insight to the Independent Directors to understand the business of the company .Upon induction, the independent directors are familiarized with their roles, rights and responsibilities.

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

Core area under Familiarization

Programme:

- Nature of the Industry in which the Company operates;
- Business model of the Company;
- Risk and Challenges for the Company;
- Changes in Business Environment;
- Strategic discussion and future outlook.

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:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders Relationship Committee / Shareholders Grievances Committee.

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

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

I. **AUDIT COMMITTEE:**

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

i. Composition of the Audit Committee:-

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

The composition of the Audit Committee as at March 31, 2017 and dates and details of the Members participation at the Meetings of the Committee are as under:

Sr. No.	Name of the Director	Category	Attendance at the Audit Committee Meetings held on			
			30.05.2016	13.08.2016	14.11.2016	03.02.2017
1.	Mr. Srikrishna B.	Chairman - Independent Non-Executive Director	Present	Present	Present	Present
2.	Mrs. Aruna Soni	Member - Executive Director	Present	Present	Present	Present
3.	Mr. Dattatraya Devale	Member -Independent Non-Executive Director	Present	Absent	Absent	Present

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

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by Management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;

ECO RECYCLING LIMITED

- Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- Reviewing, with the Management, the quarterly financial statements before submission to the board for approval;
 - 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;
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the company, wherever it is necessary;
 - 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 through email to all the Members and confirmed at the subsequent Meeting.

II. **NOMINATION AND REMUNERATION COMMITTEE:**

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

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

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

The composition of the Nomination and Remuneration Committee as at March 31, 2017 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	
			13.08.2016	03.02.2017
1.	Mr. Srikrishna B.	Chairman - Independent Non-Executive Director	Present	Present
2.	Mr. Dattatraya Devale	Member - Independent Non-Executive Director	Absent	Present
3.	Mr. Vijay Acharya	Member - Independent Non-Executive Director	Absent	Present
4.	Mr. Aruna Soni	Member - Executive Director	Absent	Present

*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 3rd 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;

2. To identify persons who are qualified to become directors and who may be appointed in Senior Management and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
3. To formulate criteria for evaluation of performance of independent directors and the board of directors;
4. 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 and Remuneration Policy:

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

III. STAKEHOLDERS RELATIONSHIP COMMITTEE / SHAREHOLDERS GRIEVANCE COMMITTEE:

The 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, 2017 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 2016-2017, 1 Meetings of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee was held on 13.08.2016.

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.)	-
Total	-

All valid share transfers received during the accounting year ended March 31, 2017 have been acted upon. There were no share transfers pending as on March 31, 2017, 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, 2017 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	-	-	-	-	40,000	40,000
Mr. Srikrishna B.	-	-	-	-	40,000	40,000
Mr. Shashank Soni	12,00,000	-	-	-	40,000	1,240,000
Mr. Vijay Acharya	-	-	-	-	10,000	10,000
Mr. Dattatraya Devale	-	-	-	-	20,000	20,000

5. GENERAL BODY MEETING:

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

Financial Year	Day and Date of the Annual General Meeting	Venue of the Annual General Meeting	Time of the Annual General Meeting	Details of Special Resolution Passed
2013-2014	Tuesday, September 30, 2014	All India Plastic Manufacturer Association, Street No.1, MIDC, Andheri (East), Mumbai - 400 059	10:00 A.M.	No Special Resolution
2014-2015	Saturday, September 26, 2015	Eco House, Bhoidapada, Near Range office, Next to Top Class Enclave, Sativali, Vasai (East), District- Thane – 401 208	11:00 A.M.	No Special Resolution
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.

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 Conflict 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 behavior 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;
- 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:

- Details of the Annual General Meeting for the financial year 2016-2017:
Date: August 04, 2017
Day: Friday
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.
- Financial Year 2017- 2018:
Calendar of event for the financial year 2017-18 are as follows:

Name of the Quarter/ Half year	Due date for the compliance
Quarter ending June 30, 2017	On or before 14 th August, 2017
Quarter/Half year ending September 30, 2017	On or before 14 th November, 2017
Quarter ending December 31, 2017	On or before 14 th February, 2018
Quarter/Year ending March 31, 2018	On or before 30 th May, 2018

III. Dividend:

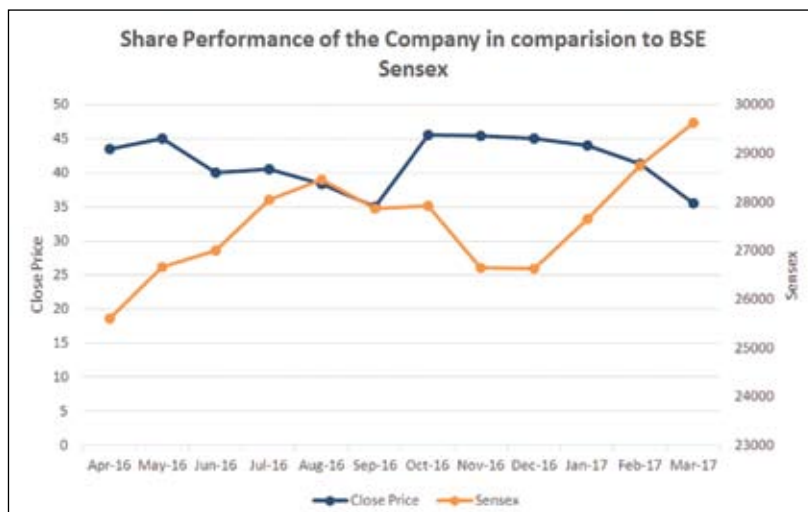
During the year, Company has not declared any dividend.

Date of Book Closure: July 28, 2017 to August 3, 2017 (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 2016-17 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 2016-17 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 16	38.20	46.80	32.85	43.50	19,223	118	7,90,742	18,025	93.77	13.95	5.30
May 16	43.50	45.00	39.05	45.00	19,090	110	8,15,335	18,484	96.83	5.95	1.50
Jun 16	45.00	47.00	38.55	40.00	16,082	99	6,59,380	13,955	86.77	8.45	-5.00
Jul 16	39.15	45.90	39.05	40.55	27,324	201	11,70,612	20,660	75.61	6.85	1.40
Aug 16	42.00	43.75	34.20	38.35	20,011	166	7,95,326	12,714	63.54	9.55	-3.65
Sep 16	38.35	41.90	35.00	35.00	13,901	102	5,17,870	10,120	72.80	6.90	-3.35
Oct 16	38.95	45.50	34.05	45.50	19,733	112	7,97,239	18,655	94.54	11.45	6.55
Nov 16	44.00	53.40	39.90	45.40	1,09,999	185	53,94,258	1,07,019	97.29	13.50	1.40
Dec 16	43.20	49.85	37.40	45.00	4,239	83	1,87,006	4,009	94.57	12.45	1.80
Jan 17	47.25	51.40	39.05	43.95	6,482	93	2,94,012	5,529	85.30	12.35	-3.30
Feb 17	42.50	45.00	38.10	41.35	8,563	97	3,49,020	7,876	91.98	6.90	-1.15
Mar 17	41.45	42.75	35.20	35.55	21,175	155	8,06,564	18,739	88.50	7.55	-5.90



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:

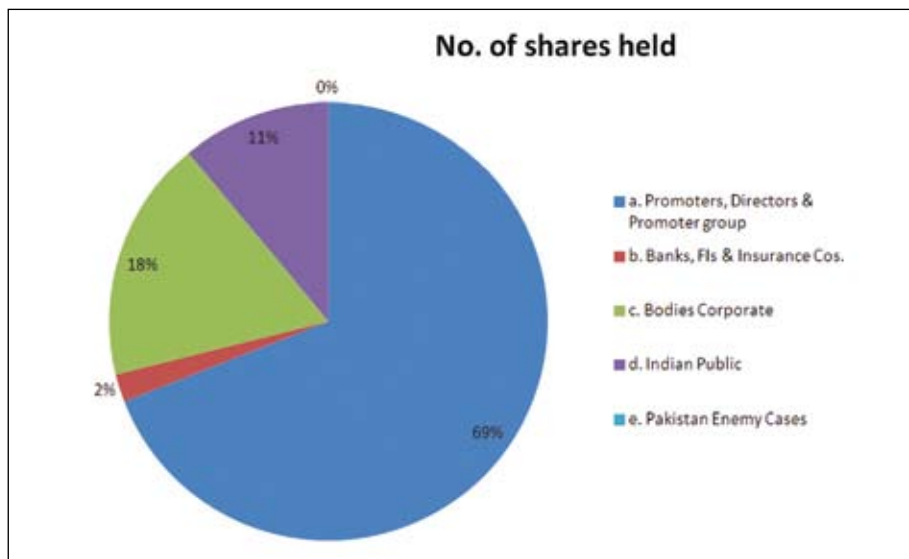
Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited, Bharat Tin Works Building, First Floor, Opposite Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai- 400 059. Tel No.: 022-6263 8294

- Distribution of Shareholding as on 31st March 2017

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
1 - 50	472	15.20%	10,100	0.06%
51 - 100	1,305	42.02%	1,28,964	0.74%
101 - 200	525	16.90%	100,498	0.57%
201 - 300	196	6.31%	56,466	0.32%
301 - 400	100	3.22%	38,601	0.22%
401 - 500	169	5.44%	83,911	0.48%
501 - 1000	155	4.99%	127,008	0.72%
1001 AND ABOVE	184	5.92%	16,996,952	96.89%
TOTAL	3,106	100%	17,542,500	100%

- Shareholding Pattern as on March 31, 2017:

Category	No. of shares held	Percentage to total (%)
a. Promoters, Directors & Promoter group	12,141,316	69.21%
b. Banks, FIs & Insurance Cos.	360,800	2.06%
c. Bodies Corporate	3,243,734	18.49%
d. Indian Public	1,796,650	10.24%
e. Pakistan Enemy Cases	NA	NA
Total	17,542,500	100.00



- **Dematerialization of Shares:**
The shares of the Company can be held and traded in electronic form.
97.90% (17174028 shares) of the Company's shares have been dematerialised as on 31.03.2017.
- **Outstanding ADRs/ GDRs:**
Nil
- **Plant location:**
Eco House, Near Range office, Bhoidapada, Sativali Road, Vasai (East), Dist. Palghar.
- **Address of the Company:**
Eco Recycling Limited
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

ECO RECYCLING LIMITED

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.

11. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

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

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

Further pursuant to the provisions of Act and the Listing Regulation, Independent Directors of the

Company hold at-least one meeting in a financial year without attendance of Non-Independent Directors and the members of the Management. The said meeting was held during the year.

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. Mrs. Aruna Soni will be retiring by rotation at the ensuing Annual General Meeting of the Company Mrs. Aruna Soni, being eligible, offers herself for re-appointment.

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

- 1) Brief resume of Aruna 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: HR & Administrative
- 3) Disclosures of relationships between directors inter-se: Wife of Mr. B. K. Soni and Mother 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. DATA DE-END PRIVATE LIMITED
- f. REVERSE LOGISTICS & WAREHOUSING PRIVATE LIMITED

5. Shareholding of Mrs. Aruna Soni: 685,456

15. CEO/CFO CERTIFICATION:

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



ANNEXURE - A

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

We, B. K. Soni, Chairman & Managing Director and Anita Choudhari, CFO of **ECO RECYCLING LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief, we state that:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated, to the auditors and the Audit committee:

- a. significant changes, if any, in internal control over financial reporting during the year;
- b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

B K Soni
Chairman &
Managing Director

Anita Choudhari
CFO

Mumbai
July 3, 2017

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, 2017 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.

July 3rd, 2017
Mumbai

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying standalone financial statements of "**Eco Recycling Limited**" ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Basis of Qualified Opinion :

- (i) **We draw attention to Note No. 33 of the "Notes forming part of Standalone Financials Statements" regarding method of accounting of 'Miscellaneous expenditure (to the extent not written off)', which in our opinion is not in accordance with the Accounting Standard 26 "Intangible Assets" aggregating to ₹8,60,076/-**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us **except for the effects of the matter described in the 'Basis for qualified opinion' paragraph above**, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, its Loss and its cash flows for the year ended on that date.

Emphasis of Matter:

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

- 1) Note 31 of the Notes forming part of Financial Statements regarding holding of equity shares which are currently not being reflected in the Company's De-mat account due to a dispute with "Keynote Capital Limited" and hence Company has not accounted the loss of Rs. 235.16 Lakhs 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. In the interim company has booked the loss on sale of these shares in the current Financial Year.
- 2) We draw attention to Note 34 of the Notes forming part of Standalone Financial Statements regarding uncertainties in relation to assets purchased from KUD Realtors Pvt. Ltd. due to certain legal disputes.
- 3) Note 15 of the Notes forming part of the standalone Financial Statements regarding valuation of closing stock, The Company has certain inventory items which are non-moving and obsolete. This indicates material uncertainty, that may cast doubts on the recoverability of these Inventories. However, in view of

the management, no provision is required to be made as they are confident of its recoveries.

- 4) Note 11 (B) of the Notes forming part of the standalone Financial Statements regarding Branding Expenses, The Company has capitalised Branding expenses incurred amount to Rs. 652.77 Lakhs as Intangible Assets under Development. However, the same as not in consonance into the principles laid down under As-26 "Intangible Assets". The management is of the view that branding will have a long term benefit.
- 5) Note 11 (C) of the Notes forming part of the standalone Financial Statements regarding Capital work in Progress, Due to prolonged suspension of construction activities of 'E- Waste recycling and Precious metal recovery' project, expenses incurred and capitalized so far on those assets, the physical condition of these assets under construction require technical evaluation to determine impairments or write off, if any. However, in the view of the management, the suspension of construction activities of these assets is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in the near future and hence no provision is required to be made.
- 6) Note 12 of the Notes forming part of the standalone Financial Statements regarding Non-Current Investment, The market value of the quoted investment as at 31st march, 2017 is Rs. 186.28 lakhs as against the carrying value of Rs. 304.81 lakhs. However, no provision

for the same is made as in view of the management, diminution is temporary in nature. Further in respect of investments in unquoted equity shares amounting to Rs. 141.01 lakhs as at 31st march, 2017, out of which for the investment of Rs. 55 lakhs, audited financial statements are not available of the investee companies. No impairment has been provided for the same in the books of accounts as in view of the management the Quoted & Unquoted investments are long term and strategic in nature and there is no diminution other than temporary in nature. We are unable to ascertain or quantify whether any provision is required to be made for the impairment of these investments.

- 7) Note 13 of the Notes forming part of the standalone Financial Statements regarding Advances recoverable in cash or kind, includes dues outstanding from Shree Ganesh Forgings Ltd. of Rs. 22.50 Lakhs and Chandramouli Silk Mills of Rs. 25 Lakhs. These are outstanding for a long period of time. Absence of recoveries from those parties since several years indicates the existence of material uncertainty that may cast doubt on the recoverability of the advances. However, in view of the management no provision is required as they are proceeding with legal action.
- 8) Note 35 of the Notes forming part of Standalone Financial Statements regarding Balances of some of the trade receivables, trade payables and creditor of expenses, loans and advances (given and taken) and loans are subject to confirmation and reconciliation. The consequential

adjustments if any, arising out of these are not quantifiable.

Report on Other Legal and Regulatory Requirements

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

Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amounts which were required to be

ECO RECYCLING LIMITED

transferred to the Investor Education and Protection Fund by the Company.

- iv. The Company has provided requisite disclosures in the financial statements [note no. 39] as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

CA. Sanjeev Maheshwari
Partner
M. No. 38755

Mumbai
30th May, 2017

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

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

- | | | |
|--|---|--|
| <p>I (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets</p> <p>(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.</p> <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are in the name of the Company except 173.37 Gunthas.</p> | <p>of the said order are not applicable to the company.</p> <p>iv The Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 in respect of corporate guarantee to National Skills Development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd. The Company has not given any loans or made any investments.</p> <p>v The company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under to the extent notified.</p> <p>vi The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services rendered by the Company.</p> <p>vii (a) The company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are</p> | <p>no outstanding dues as on the last day of the financial year for a period of more than six months from the date they became payable.</p> <p>(b) According to the information and explanations given to us, there have been no disputed dues which have not been deposited in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added taxes at 31st March, 2017.</p> <p>viii The Company has not defaulted in repayment of loans or borrowings to any financial institution, banks or Government during the year and the Company has not issued any debentures.</p> <p>ix The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans availed during the year were applied for the purposes for which the loans were obtained.</p> <p>x According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.</p> <p>xi The Company has paid / provided managerial</p> |
| <p>ii According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such physical verification during the year.</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 Companies Act, 2013. Therefore, the provisions of clause 3 (iii), (iii)(a), (iii)(b) and (iii)(c)</p> | | |

remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

- xii In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties

are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18.

- xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the Company.
- xv The Company has not entered in to non-cash

ECO RECYCLING LIMITED

transactions with directors or persons connected with him. Accordingly, the provision of Clause 3(xv) of the Order is not applicable to the Company.

- xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

CA. Sanjeev Maheshwari
Partner
M. No. 38755

Mumbai
30th May, 2017

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Eco Recycling Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over

financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA. Sanjeev Maheshwari
Partner
M. No. 38755

Mumbai
30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	175,425,000	175,425,000
b) Reserves and Surplus	3	124,895,988	135,401,815
		<u>300,320,988</u>	<u>310,826,815</u>
2) Non-Current Liabilities			
a) Long-Term Borrowing	4	95,472,637	101,496,542
b) Deferred Tax Liability (Net)	5	36,72,938	4,204,745
c) Long Term Provision	6	1,215,206	-
		<u>100,360,781</u>	<u>105,701,287</u>
3) Current Liabilities			
a) Short-Term Borrowing	7	96,612,878	82,967,973
b) Trade Payables	8	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		39,791,388	224,757,985
c) Other Current Liabilities	9	25,524,016	14,118,472
d) Short Term Provisions	10	22,861	-
		<u>161,951,142</u>	<u>321,844,431</u>
Total		<u>562,632,910</u>	<u>738,372,532</u>
ASSETS			
1) Non-Current Assets			
a) Fixed Assets	11		
i) Tangible Assets		78,788,331	77,949,054
ii) Intangible Assets		65,277,332	65,277,332
iii) Capital work in progress		86,155,152	75,177,399
		<u>230,220,815</u>	<u>218,403,786</u>
b) Non-Current Investments	12	44,582,131	81,429,060
c) Long-Term Loans and Advances	13	22,491,338	33,384,976
d) Other Non-Current Assets	14	3,912,382	3,205,007
		<u>301,206,666</u>	<u>336,422,829</u>
2) Current Assets			
a) Inventories	15	89,603,278	88,615,102
b) Trade Receivables	16	103,358,164	238,001,060
c) Cash and Bank Balances	17	999,485	2,917,961
d) Short-Term Loans and Advances	18	67,035,278	70,964,030
e) Other Current Assets	19	430,038	1,451,548
		<u>261,426,244</u>	<u>401,949,702</u>
Total		<u>562,632,910</u>	<u>738,372,532</u>

Notes forming part of the financial statements No. 1-40

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note No.	2016-17 (Amount in ₹)	2015-16 (Amount in ₹)
INCOME			
a) Revenue from Operations	20	194,525,705	367,135,725
b) Other Income	21	4,475,154	6,908,251
Total		<u>199,000,858</u>	<u>374,043,976</u>
EXPENSES			
a) Purchase of Stock-in-Trade	22	119,776,894	315,222,310
b) Changes in inventories of Stock-in-Trade	23	(988,176)	(3,578,824)
c) Employee Benefits Expense	24	13,528,805	15,522,258
d) Finance Costs	25	12,421,230	9,676,480
e) Other Expenses	26	48,421,635	31,630,151
f) Depreciation and Amortization Expense	11	3,334,991	2,996,288
Total		<u>196,495,379</u>	<u>371,468,662</u>
Profit before exceptional item and tax		2,505,480	2,575,314
Exceptional Item			
Loss on sale of shares		13,543,114	-
Profit Before Tax		(11,037,634)	2,575,314
Tax expense:			
-Current tax		-	527,000
-Deferred tax		(531,807)	449,387
Profit for the year		<u>(10,505,827)</u>	<u>1,598,927</u>
Earnings per equity share: (face value of ₹10/-)	38		
Basic and Diluted		(0.60)	0.09

Notes forming part of the financial statements No. 1-40

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Year ended 31.03.2017 (Amount in ₹)	Year ended 31.03.2016 (Amount in ₹)
A Cash Flow from Operating Activities		
Net Profit before Tax	(11,037,634)	2,575,314
Depreciation	3,334,991	2,996,288
Interest Expenses	12,421,230	9,676,480
Interest Income	(273,587)	(256,002)
Dividend Income	(26,026)	(20,332)
(Profit)/Loss on sale of Investment	(85,824)	949,231
Sundry balance Written Back	(234,171)	(151,052)
Deferred Revenue Expenditure	591,472	2,467,969
Exchange rate fluctuation	5,466	-
Sundry bal w/off	292,158	-
Loss on sale of shares	13,543,114	-
Operating Profit before Working Capital Changes		
Adjusted For:		
(Increase)/Decrease in Trade receivable	134,350,738	(73,400,930)
(Increase)/Decrease in Inventories	(988,176)	(3,546,920)
(Decrease)/Increase in Trade Payable	(184,737,892)	157,059,544
(Decrease)/Increase in Other Current Liabilities	11,405,543	(66,514,152)
(Decrease)/Increase in Short Term Provisions	22,861	(2,268,897)
(Decrease)/Increase in Long Term Provisions	1,215,206	-
(Increase)/ Decrease in Short term Loans & Advance	3,928,752	(6,087,802)
(Increase)/ Decrease in Long term Loans & Advance	11,460,613	(158,064)
(Increase)/ Decrease in Other Non-Current Assets	(707,375)	(256,002)
(Increase)/ Decrease in Other Current Assets	430,040	-
Net Cash generated from Operations	(5,088,502)	23,064,674
Taxes paid	(566,975)	(395,857)
Net Cash generated from Operating Activities	(5,655,477)	22,668,817
B Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets, Capital WIP & Intangible Assets	(15,152,021)	(12,241,997)
(Increase)/Decrease in Non-Current Investments	23,389,639	(16,100,206)
Interest Income	273,587	256,002
Dividend Income	26,026	20,332
Net Cash from Investing Activities	8,537,232	(28,065,869)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Year ended 31.03.2017 (Amount in ₹)	Year ended 31.03.2016 (Amount in ₹)
C Cash Flow from Financing Activities		
(Decrease)/Increase in Long Term Borrowings	(6,023,905)	(2,702,770)
(Decrease)/Increase in Short Term Borrowings	13,644,904	19,287,746
Interest Expenses	(12,421,230)	(9,676,480)
Net Cash Flow from Financing Activities	(4,800,231)	6,908,497
Net Increase in Cash and Cash Equivalent during the Year (A+B+C)	(1,918,477)	1,511,444
Cash and Cash equivalents at the beginning of the year	2,917,961	1,406,517
Cash and Cash equivalents at the end of the year	<u>999,485</u>	<u>2,917,961</u>
 Cash and Cash Equivalents include:		
Cash in Hand	55,095	1,132,989
Balance with Scheduled Banks:		
- Current Account	944,390	1,784,973
	999,485	2,917,961

NOTES:

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

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

1 COMPANY OVERVIEW

The Company was incorporated in August 1994 having CIN No. L74120MH1994PLC079971, at Mumbai under The Companies Act, 1956.

The Company is engaged in the e-waste recycling business in an organised manner, with the help of superior technology, complying norms set by the Pollution Control Board for the environmental safety.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements:

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

2.2 Use of Estimates:

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

2.3 Fixed Assets:

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

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

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

2.4 Depreciation:

a) Tangible Fixed Assets

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

Plant & Machinery	23 Yrs.
Vehicle	11Yrs.

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

2.5 Impairment Loss

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

2.6 Branding Expenses:

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

2.7 Revenue Recognition:

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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

a) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Sales Tax & Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

b) Revenue from service charges are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

c) Interest Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate.

d) Dividend Income is recognized when the company's right to receive dividend is established.

2.8 Inventories:

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

2.9 Investments:

Investment that are readily realizable and intended to be held for not more than a year from the date on which such investment are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of

cost and fair value determined on an individual investments basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.10 Retirement and Other Employee Benefits:

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

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

2.11 Borrowing Costs:

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

2.12 Foreign Exchange Transactions:

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

2.13 Operating Leases:

a) **Where the company is lessee**
Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rental thereon are charged to statement of profit and loss.

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

2.14 Finance Lease:

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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

2.15 Research and Development

Expenditure:

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

2.16 Taxes on Income:

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

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

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

2.17 Provisions and Contingencies:

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

2.18 Earning Per Share:

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

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

2.19 Cash and Cash Equivalents:

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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
2 Share Capital		
Authorized		
30,000,000 Equity Shares of ₹10/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid up		
17,542,500 (Previous Year 17,542,500) Equity Shares of ₹10/- each fully paid up	<u>175,425,000</u>	<u>175,425,000</u>
Total	<u>175,425,000</u>	<u>175,425,000</u>
a) 11,342,500 (P.Y.11,342,500) Equity Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the schemes of amalgamation of Eco Recycling Limited and Infotrek Syscom Limited without payments being received in cash.		
b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
Equity Shares	As at 31st March, 2017	As at 31st March, 2016
	Number of Shares	Number of Shares
At the beginning of the year	17,542,500	17,542,500
Shares Issued during the year	-	-
Outstanding at the end of the year	<u>17,542,500</u>	<u>17,542,500</u>
c) Terms / rights attached to equity shares		
The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.		
d) Shares held by Holding Company		
Ecoreco Ventures Private Limited, the holding company		
91,39,250 (P.Y. 91,39,250) Equity Shares of ₹10/- each fully paid up	91,392,500	91,392,500

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

			31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
e) Details of Shareholders holding more than 5 % shares in the Company				
Name of Shareholder	31.03.2016		31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹10/- each fully paid up				
Ecoreco Ventures Private Limited	9,139,250	52%	9,139,250	52%
Brijkishor Soni	2,164,963	12%	2,151,102	12%
Bennett, Coleman and Company Limited	1,400,000	8%	1,400,000	8%
3 Reserves and Surplus				
a) Capital Reserve				
Balance as per last financial statements			35,115,495	35,115,495
Balance as at the end of the year			<u>35,115,495</u>	<u>35,115,495</u>
b) Securities Premium Reserves				
Balance as per last financial statements			98,400,000	98,400,000
Balance as at the end of the year			<u>98,400,000</u>	<u>98,400,000</u>
c) General Reserve				
Balance as per last financial statements			157,130	157,130
Add: Transferred from surplus balance in the statement of profit and loss			-	-
Less : Goodwill on merger			-	-
Balance as at the end of the year			<u>157,130</u>	<u>157,130</u>
d) Surplus/(Deficit) in the Statement of profit and loss				
Balance as per last financial statements			1,729,190	130,263
Add : Profit for the year			(10,505,827)	1,598,927
Less: Appropriation				
Transferred to General Reserve			-	-
Net Surplus in the Statement of profit and loss			<u>(8,776,637)</u>	<u>1,729,190</u>
Total			<u>124,895,988</u>	<u>135,401,815</u>
				(Amount in ₹)
4 Long-Term Borrowings	Non - Current		Current Maturities	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Secured, Term loan				
Indian Rupee loan from Bank*	4,300,014	9,240,853	4,890,000	4,890,000
Car Loan**	1,172,623	2,255,689	1,173,463	1,163,075
Unsecured, Term loan				
From Government	90,000,000	90,000,000	-	-
Total	<u>95,472,637</u>	<u>101,496,542</u>	<u>6,063,463</u>	<u>6,053,075</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
Secured Long Term Borrowings		
<p>* Indian Rupee term loan from bank is repayable in equated periodic installments upto a 5 year period each along with interest. Further, the loan has been guaranteed by personal guarantee of the chairman and managing director of the company, Ecoreco Ventures Private Limited, the holding company and by collateral security of the registered office in the name of B. K. Soni (HUF) and Pledge of 3.40 lakhs equity shares of the company by the chairman and managing director of the company Mr. B. K. Soni.</p> <p>** The Vehicle loan from ICICI bank is repayable in equated periodic installments upto 36 months period each along with interest. Further, the loan has been secured by hypothecation of Vehicle and personal guarantee of Director.</p>		
<p>*** Unsecured Long-Term Borrowings:</p> <p>Repayment to start after 1 year from the date of commercialization of the project in 5 annual instalments.</p>		
5 Deferred Tax Liability (Net)		
Major components of deferred tax balances consist of the following:		
Deferred Tax Liability		
Related to fixed assets	3,013,766	4,204,745
Deferred Tax Assets		
Related to employee benefit	659,172	-
Total	<u>3,672,938</u>	<u>4,204,745</u>
6 Long Term Provisions		
Gratuity payable	1,215,206	-
Total	<u>1,215,206</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
7 Short-Term Borrowings		
Secured		
Working Capital Loans		
From Banks*	59,951,660	44,456,116
Unsecured Loan Repayable on Demand		
From Director's	-	-
From Others	36,661,218	38,511,857
Total	96,612,878	82,967,973
*Working Capital Loans from banks are secured by way of hypothecation of Stock, Book-Debts and Personal Gurantee of the Chairman and Managing Director of the company Mr. B. K. Soni.		
8 Trade Payables		
I) Total outstanding dues of micro enterprises and small enterprises*		
a) Principal amount and interest due thereon remaining unpaid	-	-
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d) Interest accrued and remaining unpaid at the end of each accounting year	-	-
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure	-	-
II) Total outstanding dues of creditors other than micro enterprises and small enterprises (Unsecured, Considered Good)		
Sundry Creditors	39,791,388	224,757,985
Total	39,791,388	224,757,985

*The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.
The above information regarding Micro, Small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
9 Other Current Liabilities		
Current Maturity of Indian rupee term loan from Bank (Refer Note "4")	6,063,463	6,053,075
Interest accrued & due on borrowings	-	-
Creditors for Expenses	2,153,142	2,175,085
Advance from customers	11,165,711	-
Statutory Dues*	5,060,221	4,313,813
Other Payable	1,081,478	1,576,500
Total	25,524,016	14,118,473
*Includes Tax deducted at source, ESIC, Provident Fund and Profession Tax.		
10 Short Term Provisions		
Gratuity payable	22,861	-
Total	22,861	-



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

11. Fixed Assets

A. Tangible Assets

(Amount in ₹)

Particulars	Facility Land	Plant and Machinery	Furniture and Fixtures	Leasehold Improvements	Computers	Vehicles	Office Equipment	Total
Gross Block								
As At 1st April, 2016	33,647,167	43,833,136	645,698	-	2,727,943	11,371,940	1,184,945	93,410,829
Additions During the Year	-	-	-	3,531,835	61,400	-	581,033	4,174,268
Disposals During the Year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
As At 31st March, 2017	33,647,167	43,833,136	645,698	3,531,835	2,789,343	11,371,940	1,765,978	97,585,097
Depreciation / Amortization								
As At 1st April, 2016	-	8,062,354	340,673	-	2,727,943	3,528,477	802,327	15,461,775
Depreciation During the Year	-	1,837,856	160,436	83,881	37,430	1,075,160	140,228	3,334,991
Deduction During the Year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
As At 31st March, 2017	-	9,900,210	501,109	83,881	2,765,373	4,603,637	942,555	18,796,766
Net Block								
As At 31st March, 2016	33,647,167	35,770,782	305,025	-	-	7,843,463	382,618	77,949,054
As At 31st March, 2017	33,647,167	33,932,926	144,589	3,447,954	23,970	6,768,303	823,423	78,788,331

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

B. Intangible Assets under development

(Amount in ₹)

Particulars	Branding
<u>Gross Block</u>	
As At 31 st March, 2016	65,277,332
Additions During the Year	-
Disposals During the Year	-
Other Adjustments	-
As At 31 st March, 2017	65,277,332
<u>Depreciation / Amortization</u>	
As At 31 st March, 2016	-
Depreciation During the Year	-
Deduction During the Year	-
Other Adjustments	-
As At 31 st March, 2017	-
<u>Net Block</u>	
As At 31 st March, 2016	65,277,332
As At 31 st March, 2017	65,277,332

C. Capital Work-in-Progress

	As at 31st March, 2017	As at 31st March, 2016
Plant and Machinery	64,815,625	64,815,625
Development "Precious Metal Recovery Plant"*	4,313,572	4,313,572
CRT & PCB Machine	6,048,202	6,048,202
Building	10,977,753	-
Total	86,155,152	75,177,399

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

	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of shares	₹	No. of shares	₹
12 Non-Current Investments				
a) Quoted Equity Shares (In Demat)				
Upsurge Investment & Finance Ltd (Face Value ₹10/-)	368,945	8,131,973	368,945	8,131,973
Shipping Corporation Ltd (Face Value ₹10/-)	500	12,310	500	12,310
Aditya Birla Chemicals (India) Limited (Face Value ₹10/-)	400	222	400	222
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	1,574,406	12,417,237	1,500,009	12,003,842
Prism Cement Ltd (Face Value ₹10/-)	2,000	120,070	2,000	120,070
Ruchi Infrastructure Ltd (Face Value ₹1/-)	338,865	9,060,202	338,865	9,060,202
Anik Industries Ltd (Face Value ₹10/-)	14,950	739,502	18,000	890,334
b) Quoted Equity Shares (Under Litigation)*				
Anant Raj Ind Ltd (Face Value ₹2/-)	-	-	500	57,849
National Peroxide Ltd (Face Value ₹10/-)	-	-	1,000	231,275
Hindustan Motors Ltd (Face Value ₹5/-)	-	-	42,000	775,572
Malu Paper Mills Ltd (Face Value ₹10/-)	-	-	9,997	375,336
Ruchi Infrastructure Ltd (Face Value ₹1/-)	-	-	255,075	11,294,721
Anik Industries Ltd (Face Value ₹10/-)	-	-	10,000	494,630
NOCIL Ltd (Face Value ₹10/-)	-	-	49,000	1,539,872
BSEL Infrastructure Realty Ltd (Face Value ₹10/-)	-	-	13,000	138,056
Harrison Malayalam Ltd (Face Value ₹10/-)	-	-	3,000	241,752
Hindustan Organic Chemicals Ltd (Face Value ₹10/-)	-	-	10,000	302,060
Indian Card Clothing Company Ltd (Face Value ₹10/-)	-	-	3,459	563,019
KPR Mills Ltd (Face Value ₹10/-)	-	-	1,997	292,227
Murli Industries Ltd (Face Value ₹2/-)	-	-	3,500	119,008
Financial Analysis Credential Ltd (Face Value ₹10/-)	-	-	56	7,527
**India Bull Securities Ltd (Face Value ₹10)	-	-	160,000	1,672,640
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	-	-	1,413,543	16,929,700
Jubilant Food Works Ltd (Face Value ₹10/-)	-	-	5	6,449
Kingfisher Airlines Ltd (Face Value ₹10/-)	-	-	45,000	434,749
Srei Infra Ltd (Face Value ₹10/-)	-	-	5,000	136,919
JSW Energy Ltd (Face Value ₹10/-)	-	-	500	61,683
Himachal Futuristic Communications Ltd (Face Value ₹1/-)	-	-	3,000	108,000
Brigade Enterprises Limited (Face Value ₹10/-)	-	-	800	320,960
Electrosteel Castings Limited (Face Value ₹10/-)	-	-	2,000	189,249

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of shares	₹	No. of shares	₹
GTL Infrastructure Limited (Face Value ₹10/-)	-	-	3,000	130,710
IFCI Ltd (Face Value ₹10/-)	-	-	800	26,264
Jensen & Nicolsan Ltd (Face Value ₹10/-)	-	-	5,000	35,500
Lok Housing Ltd (Face Value ₹10/-)	-	-	1,000	149,322
Moschip Semiconductor Technology Ltd (Face Value ₹10/-)	-	-	2,000	31,320
NRC Ltd (Face Value ₹10/-)	-	-	3,999	109,693
Shree Digvijay Cement Ltd (Face Value ₹10/-)	-	-	3,000	70,110
***Videocon Appliances Ltd (Face Value ₹10/-)	-	-	5,000	213,319
c) Unquoted Equity Shares				
Ecoreco Enviro Education Pvt Ltd (Face Value ₹10/-)	849,999	8,499,990	849,999	8,499,990
Weee India Private Ltd (Face Value ₹10/-)	-	-	5,000	50,000
Dombivali Sahkari Bank Ltd (Face Value ₹10/-)	10,000	100,000	10,000	100,000
The Shamrao Vithal Coop Bank Ltd (Face Value ₹10/-)	25	625	25	625
Sanjay Chemical Pvt Ltd (Face Value ₹10/-)	3,000	3,000,000	3,000	3,000,000
MGI India Consulting Pvt Ltd (Face Value ₹10/-)	10,000	2,500,000	10,000	2,500,000
Total		44,582,131		81,429,060
Aggregated Value of Quoted Investments		30,481,516		67,278,445
Aggregated Market Value of Quoted Investments		18,628,299		63,996,889
Aggregated Value of Unquoted Investments		14,100,615		14,150,615

*Investments sold by Keynote Capital (under Litigation)

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

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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
13 Long-Term Loans and Advances <i>(unsecured, considered good)</i>		
Lease Rent Deposits	16,500,000	17,000,000
Other Security Deposits	316,600	306,600
Other Loans and Advances		
Capital Advance	-	11,182,752
Advances Recoverable in Cash or in Kind or value to be received	4,750,000	4,750,000
Payment of taxes (Net of Provision)	924,738	145,624
Total	<u>22,491,338</u>	<u>33,384,976</u>
Loans and Advances above includes:-		
Lease Rent Deposit includes:		
Aruna Soni	5,000,000	5,000,000
B. K. Soni	10,000,000	10,000,000
14 Other Non-Current Assets		
Deposits with Bank (with maturity more than 12 months)		
Held as margin money	1,803,750	1,800,000
Interest Accrued	1,678,594	1,405,007
Miscellaneous Expenditure (To the extent not w/off)	430,038	-
Total	<u>3,912,382</u>	<u>3,205,007</u>
15 Inventories		
Stock of Electrical and Electronic Equipment	89,603,278	88,615,102
Total	<u>89,603,278</u>	<u>88,615,102</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
16 Trade Receivables <i>(unsecured, considered good)</i>		
More than six months from the date they are due for payment	65,201,086	70,932,372
Other Debts	38,157,077	167,068,689
Total	<u>103,358,163</u>	<u>238,001,060</u>
17 Cash and bank balances:		
Cash and Cash Equivalents		
Cash on hand	55,095	1,132,988
Balances with banks -		
On current accounts	944,390	1,784,973
Total	<u>999,485</u>	<u>2,917,961</u>
18 Short-Term Loans and Advances <i>(unsecured, considered good)</i>		
Earnest Money Deposit	550,083	537,448
Other Loans and Advances		
Advances Recoverable in Cash or in Kind	34,617,852	31,506,505
Advance for expenses	26,661,209	35,192,948
Prepaid Expenses	1,347,516	600,483
Advance to Employees	446,400	322,357
Advance to customers	3,412,219	2,804,289
Total	<u>67,035,278</u>	<u>70,964,030</u>
19 Other Current Assets		
Miscellaneous Expenditure <i>(To the extent not w/off)</i>	430,038	1,451,548
Total	<u>430,038</u>	<u>1,451,548</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
20 Revenue from Operations		
a) Sale of Stock in Trade		
Electrical and Electronic Equipment	184,744,942	357,899,150
b) Sale of Services		
Data Destruction Charges	9,780,763	9,236,575
Total	194,525,705	367,135,725
21 Other Income		
Interest Income on		
- Bank Deposits	273,587	256,002
Dividend	26,026	20,332
Profit/(Loss) on sale of Shares held as Investments	85,824	35,763
Profit on commodities trading	-	27,838
Membership fees	100,000	850,000
Reimbursement of Expenses	3,755,545	5,548,560
Sundry Balances Written Back	234,171	151,052
Miscellaneous Income	-	18,705
Total	4,475,154	6,908,251
22 Purchases of Stock-in-Trade		
Purchases of Electrical and Electronic Equipment	119,776,894	315,222,310
Total	119,776,894	315,222,310
23 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Stock of Electrical and Electronic Equipment	89,603,278	88,615,102
	89,603,278	88,615,102
Inventories at the beginning of the year		
Stock of Electrical and Electronic Equipment	88,615,102	85,068,182
	88,615,102	85,068,182
Total	(988,176)	(3,578,824)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
24 Employee Benefits Expense		
Salaries, Bonus and Other Allowances	12,531,799	14,526,137
Contribution to Provident & Other Funds	420,635	510,389
Employee Welfare Expenses	576,371	485,732
Total	<u>13,528,805</u>	<u>15,522,258</u>
25 Finance Costs		
Interest Expense		
On Term Loan	1,607,527	664,534
On Working Capital Loan	7,688,858	7,586,623
Other Interest	2,779,845	1,082,823
Processing Fees	345,000	342,500
Total	<u>12,421,230</u>	<u>9,676,480</u>
26 Other Expenses		
Lease Rent	13,642,712	9,852,199
Freight and Transportation	2,560,165	3,023,124
Travelling and Conveyance	2,490,648	1,382,360
Legal and Professional Fees	1,668,422	524,649
Labour Charges	309,565	249,406
Advertisement Expenses	4,445,774	450,157
Insurance Expense	528,839	598,017
Printing and Stationery	225,178	305,966
Repairs and Maintenance	124,417	324,904
Electricity Charges	316,219	371,990
Security Charges	559,596	404,917
Auditor's Remuneration (Refer Note "29")	250,000	250,000
Annual Listing, Registrar and Transfer Agent Expense	309,112	255,987
Bank Charges	60,995	67,244
Loss on sale of shares held as investments	-	1,012,831
Loss on commodities trading	13,760,036	-
Other Expenses	6,578,486	10,088,430
Miscellaneous Expenditure w/off (Refer Note "33")	591,472	2,467,969
Total	<u>48,421,635</u>	<u>31,630,151</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
27 Disclosure in Respect of Leases:		
I Operating Lease: Company as Lessee		
The Company's leasing arrangements are in respect of operating leases for factory, office premises and guest house occupied by the Company. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms.		
a) The total of future minimum lease payments during lock in period of operating leases for each of the following periods:		
i) Not later than one year	7,630,841	9,768,449
ii) Later than one year and not later than five years	20,697,771	23,077,324
iii) Later than five years	-	-
b) Lease payments recognized in the Statement of Profit and Loss for the period.	13,642,712	8,886,708
II Operating Lease: Company as Lessor		
a) The total of future minimum rental receivable during lock in period of operating leases are as follows:		
i) Not later than one year	-	-
ii) Later than one year and not later than five years	-	10,560,000
iii) Later than five years	-	-
b) Lease rental recognized in the Statement of Profit and Loss for the period.	-	-
28 Contingent Liabilities		
a) Guarantee given by Bank on behalf of the Company Secured against equal fixed deposits Standing Bank Guarantee in favour of The Customs, JNPT	1,810,000	1,810,000
b) Custom Duty on Imported Machineries cannot be sold or transferred to any person or other organisation for a period of 5 years from the date of its import	12,400,000	12,400,000
c) Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	125,993,806	-
29 Payment to Auditors		
Audit Fees	200,000	75,000
Tax Audit Fees	50,000	25,000
Total	250,000	100,000

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
30 Earnings in Foreign Currency		
FOB Value of Goods Export	-	4,560,000
Reimbursement of Insurance Premium	-	212,179
Reimbursement of Security Charges	-	528,540
Service Charges	2,965,722	835,890
Total	<u>2,965,722</u>	<u>6,136,609</u>
31	<p>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. In the interim company has booked the loss on sale of these shares in the current Financial Year.</p>	
32	<p>The Whole Time Company Secretary had been appointed as per Companies Act 2013 before signing of the Financial Statements.</p>	
33	<p>The Company has not written off the "Miscellaneous Expenditure" amounting to ₹860,076/- fully in Statement of Profit and Loss account, which is not in conformity with AS - 26 - Intangible Assets which had arise at the time of amalgamation. However in the opinion of the management it will not create any discrepancy as the treatment taken is as per the provisions of The Income Tax Act, 1961.</p>	
34	<p>The Company had entered in to an agreement with KUD Realtors Pvt. Ltd, Mumbai for purchase of 10 acres of land for a consideration of ₹650 lacs for setting up its e-waste recycling project at Kharbao, Bhiwandi and paid ₹615 lacs against the above. As of now, M/s KUD Realtors Pvt Ltd, could conveyance 5.78 acres of land in favor of the company and for the remaining amount they have offered some warehouses and incomplete construction at the same site. All the above land, warehouses and incomplete building are yet to be physically received because of incomplete documents for which the company has taken appropriate steps with the concerned authorities.</p>	
35	<p>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.</p>	
36	<p>The company is in the business of E-waste and Asset Management.</p>	

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

37 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

(e) Key Management Personnel:-

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

Mrs. Aruna Soni - Director

Mr. Srikrishna B. - Director

Mr. Shashank Soni - Director

Mr. Vijay Acharya - Director

Mr. Dattatraya Devale - Director

Ms. Anita Choudhari - CFO

ii) Transaction With Related Parties:-

(Amount in ₹)

Particulars	Key management personnel	Holding	Associates
Remuneration	3,000,000	-	-
(P.Y.)	(3,450,000)	-	-
Salary	2,068,387		
(P.Y.)	(2,064,383)		
Sitting Fees	120,000	-	-
(P.Y.)	(130,000)	-	-
Rent	4,200,000	-	-
(P.Y.)	(4,200,000)	-	-
Interest Paid	-	-	-
(P.Y.)	-	-	-
Advance Rent Paid	2,464,729	-	-
(P.Y.)	(1,967,938)	-	-
Subscription in Shares	-	-	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(P.Y.)	-	(8,499,990)	-
Deposit Paid	-	-	-
(P.Y.)	-	-	-
Deposit Repaid	-	-	-
(P.Y.)	-	-	(450,000)
Loan Given	-	-	-
(P.Y.)	-	(3,700,639)	-
Loan Repaid	-	(250,000)	-
(P.Y.)	-	-	-
Loan Taken	-	800,000	-
(P.Y.)	-	(30,300,000)	-
Loan Repaid	-	-	-
(P.Y.)	-	-	-
Expences on behalf of subsidiary	-	1,727,700	-
(P.Y.)	-	(3,972,167)	-
Closing Balance at the Year End			
Loan Taken	-	27,149,361	-
(P.Y.)	-	(30,050,000)	-
Deposit Given	15,000,000	-	-
(P.Y.)	(15,000,000)	-	-
Advance Rent Paid	1,750,636	-	-
(P.Y.)	(4,304,179)	-	-

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

38 Earnings Per Share

	Units	2016-167	2015-16
i) Profit after tax	₹	(1,050,827)	1,598,927
ii) Weighted average number of equity shares outstanding	Nos.	17,542,500	17,542,500
iii) Basic Earnings Per Share	₹	(0.60)	0.09
iv) Diluted Earning Per Share	₹	(0.60)	0.09
v) Face Value of Shares	₹	10.00	10.00

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

39 Disclosure On Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	385,000	18,662	403,662
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	24,861	24,861
(-) Amount deposited in Banks	385,000	-	385,000
(+) Withdrawal from Bank accounts	-	40,000	40,000
Closing cash in hand as on 30.12.2016	-	33,801	33,801

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

Signature and Notes 1 to 40

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

INDEPENDENT AUDITOR'S REPORT

To
 The Members of,
Eco Recycling Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of "Eco Recycling Limited" ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the

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

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

Basis of Qualified Opinion :

(i) ***We draw attention to Note No. 33 of the "Notes forming part of the Consolidated Financials Statements" regarding method of accounting of 'Miscellaneous expenditure (to the extent not written off)', which in our opinion is not in accordance with the Accounting Standard 26 "Intangible Assets" aggregating to Rs. 8,60,076/-***

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us **except for the effects of the matter described in the 'Basis for qualified opinion' paragraph above**, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2017, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter:

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

- 1) Note 31 of the Notes forming part of Consolidated Financial Statements regarding holding of equity shares which are currently not being reflected in the Company's Demat account due to a dispute with "Keynote Capital Limited" and hence Company has not accounted the loss of Rs. 235.16 Lakhs 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. In the interim company has booked the loss on sale of these shares in the current Financial Year.
- 2) Note 34 of the Notes forming part of Consolidated Financial Statements regarding uncertainties in relation to assets purchased from KUD Realtors Pvt. Ltd. due to certain legal disputes.
- 3) Note 15 of the Notes forming part of the Consolidated Financial Statements regarding valuation of closing stock, The Company has certain inventory items which are

non-moving and obsolete. This indicates material uncertainty, that may cast doubts on the recoverability of these Inventories. However, in view of the management, no provision is required to be made as they are confident of its recoveries.

- 4) Note 11 (B) of the Notes forming part of the Consolidated Financial Statements regarding Branding Expenses, The Company has capitalised Branding expenses incurred amount to Rs. 652.77 Lakhs as Intangible Assets under Development. However, the same as not in consonance into the principles laid down under AS-26 "Intangible Assets". The management is of the view that branding will have a long term benefit.
- 5) Note 11 (C) of the Notes forming part of the Consolidated Financial Statements regarding Capital work in Progress, Due to prolonged suspension of construction activities of 'E- Waste recycling and Precious metal recovery' project, expenses incurred and capitalized so far on those assets, the physical condition of these assets under construction require technical evaluation to determine impairments or write off, if any. However, in the view of the management, the suspension of construction activities of these assets is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in the near future and hence no provision is required to be made.
- 6) Note 12 of the Notes forming part of the Consolidated Financial Statements regarding Non-Current Investment, The market value of the quoted investment as at 31st March, 2017 is Rs. 186.28 Lakhs as against

ECO RECYCLING LIMITED

the carrying value of Rs. 304.82 Lakhs. However, no provision for the same is made as in view of the management, diminution is temporary in nature. Further in respect of investments in unquoted equity shares amounting to Rs. 141.01 Lakhs as at 31st March, 2017, out of which for the investment of Rs. 55 Lakhs, audited financial statements are not available of the investee companies. No impairment has been provided for the same in the books of accounts as in view of the management the Quoted & Unquoted investments are long term and strategic in nature and there is no diminution other than temporary in nature. We are unable to ascertain or quantify whether any provision is required to be made for the impairment of these investments.

- 7) Note 13 of the Notes forming part of the Consolidated Financial Statements regarding Advances recoverable in cash or kind, includes dues outstanding from Shree Ganesh Forgings Ltd. of Rs. 22.50 Lakhs and Chandramouli Silk Mills of Rs. 25 Lakhs. These are outstanding for a longer period of time. Absence of recoveries from those parties since several years indicates the existence of material uncertainty that may cast doubt on the recoverability of the advances. However, in view of the management no provision is required as they are proceeding with legal action.
- 8) Note 35 of the Notes forming part of Consolidated Financial Statements regarding Balances of some of the trade receivables, trade payables and creditor of expenses, loans and advances (given and taken) and loans are subject to confirmation and reconciliation. The consequential adjustments if

any, arising out of these are not quantifiable.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) **Except for the effects of the matter described in the Basis for qualified opinion paragraph above,** in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) **Except for the effects of the matter described in the Basis for qualified opinion paragraph above,** in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company

as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, **refer to our separate report in "Annexure A";** and
- (g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Group does not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.
 - iv. The Company has provided requisite disclosures in the financial statements [note no. 42] as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December,

2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

CA. Sanjeev Maheshwari
Partner
Mumbai
30th May, 2017
M. No. 38755



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ECO RECYCLING LIMITED

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of Eco Recycling Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

Opinion

In our opinion, the Holding Company and its subsidiary company which are companies incorporated in India, have,

in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

CA. Sanjeev Maheshwari
Partner
M. No. 38755

Mumbai
30th May, 2017



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Note No.	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	175,425,000	175,425,000
b) Reserves and Surplus	3	<u>115,233,339</u>	<u>131,587,886</u>
		290,658,339	307,012,886
2) Non-Current Liabilities			
a) Long-Term Borrowing	4	120,436,776	126,460,681
b) Deferred Tax Liability (Net)	5	3,672,938	4,204,745
c) Long Term Provision	6	<u>1,215,206</u>	<u>-</u>
		125,324,920	130,665,426
3) Current Liabilities			
a) Short-Term Borrowing	7	69,463,517	52,917,973
b) Trade Payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		39,791,388	224,757,985
c) Other Current Liabilities	9	26,229,133	14,483,294
d) Short Term Provisions	10	<u>22,861</u>	<u>-</u>
		135,506,898	292,159,252
Total		<u>551,490,157</u>	<u>729,837,564</u>
ASSETS			
1) Non-Current Assets			
a) Fixed Assets	11		
i) Tangible Assets		79,380,931	78,612,707
ii) Intangible Assets Under Development		65,277,332	65,277,332
iii) Capital work in progress		<u>86,155,152</u>	<u>75,177,399</u>
		230,813,415	219,067,438
b) Non-Current Investments	12	36,082,131	72,929,071
c) Long-Term Loans and Advances	13	22,491,338	33,384,976
d) Other Non-Current Assets	14	<u>3,912,382</u>	<u>3,205,007</u>
		293,299,266	328,586,492
2) Current Assets			
a) Inventories	15	89,603,278	88,615,102
b) Trade Receivables	16	103,358,164	238,001,060
c) Cash and Bank Balances	17	1,012,548	4,011,496
d) Short-Term Loans and Advances	18	63,628,737	69,111,865
e) Other Current Assets	19	<u>588,163</u>	<u>1,511,548</u>
		258,190,890	401,251,071
Total		<u>551,490,157</u>	<u>729,837,564</u>

Notes forming part of the financial statements No. 1-43

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

WEEE Recycle Nation's Health and Wealth

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Note No.	2016-17 (Amount in ₹)	2015-16 (Amount in ₹)
INCOME			
a) Revenue from Operations	20	194,625,705	367,985,725
b) Other Income	21	2,841,954	5,942,518
Total		<u>197,467,658</u>	<u>373,928,243</u>
EXPENSES			
a) Purchase of Stock-in-Trade	22	119,776,894	315,222,310
b) Changes in inventories of Stock-in-Trade	23	(988,176)	(3,578,824)
c) Employee Benefits Expense	24	15,623,598	16,005,656
d) Finance Costs	25	12,421,230	9,676,480
e) Other Expenses	26	50,571,298	34,821,329
f) Depreciation and Amortization Expense	11	3,435,311	3,019,908
Total		<u>200,840,155</u>	<u>375,166,858</u>
Profit before exceptional item and tax		(3,372,497)	(1,238,615)
Exceptional Item			
Loss on sale of shares		13,543,114	-
		(16,915,610)	(1,238,615)
Tax expense:			
-Current tax		-	527,000
-Earlier Year tax			
-Deferred tax		(531,807)	449,387
Profit for the year		<u>(16,383,803)</u>	<u>(2,215,002)</u>
Earnings per equity share: (face value of ₹10/-)	40		
Basic and Diluted		(0.93)	(0.13)

Notes forming part of the financial statements No. 1-43

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended 31.03.2017 (Amount in ₹)	Year ended 31.03.2016 (Amount in ₹)
A Cash Flow from Operating Activities		
Net Profit before Tax	(16,915,610)	(1,238,615)
Depreciation	3,435,311	3,019,908
Interest Expenses	12,076,230	9,676,480
Interest Income	(273,587)	(256,002)
Dividend Income	(26,026)	(20,332)
(Profit)/Loss on sale of Investment	(85,824)	949,231
Miscellaneous balance Written Back	(234,171)	(151,052)
Deferred Revenue Expenditure	591,472	2,467,969
Exchange Rate Fluctuation	5,466	-
Sundry Balance w/o	292,158	-
Loss on Sale of Shares	13,543,114	-
Operating Profit before Working Capital Changes Adjusted For:		
(Increase)/Decrease in Trade receivable	134,350,738	(73,400,930)
(Increase)/Decrease in Inventories	(988,176)	(3,546,920)
(Decrease)/Increase in Trade Payable	(184,737,892)	157,059,544
(Decrease)/Increase in Other Current Liabilities	13,292,214	(66,149,331)
(Decrease)/Increase in Short Term Provisions	22,861	(2,268,897)
(Decrease)/Increase in Long Term Provisions	1,215,206	-
(Increase)/ Decrease in Short Term Loans & Advance	6,837,391	(4,235,636)
(Increase)/ Decrease in Long Term Loans & Advance	11,460,613	(158,064)
(Increase)/ Decrease in Other Non-Current Assets	(707,375)	(256,002)
(Increase)/ Decrease in Other Current Assets	331,915	(60,000)
Net Cash generated from Operations	(6,513,973)	21,431,351
Taxes paid	(566,975)	(395,857)
Net Cash generated from Operating Activities	(7,080,948)	21,035,494
B Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets, Capital WIP & Intangible Assets	(15,152,021)	(12,929,269)
(Increase)/Decrease in Non-Current Investments	23,389,650	(7,600,216)
Interest Income	273,587	256,002
Dividend Income	26,026	20,332
Net Cash from Investing Activities	8,537,242	(20,253,152)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended 31.03.2017 (Amount in ₹)	Year ended 31.03.2016 (Amount in ₹)
C Cash Flow from Financing Activities		
(Decrease)/Increase in Long Term Borrowings	(6,023,905)	22,261,369
(Decrease)/Increase in Short Term Borrowings	13,644,904	(10,762,254)
Interest Expenses	(12,076,230)	(9,676,480)
Net Cash Flow from Financing Activities	<u>(4,455,231)</u>	<u>1,822,636</u>
Net Increase in Cash and Cash Equivalent during the Year (A+B+C)	<u>(2,998,936)</u>	<u>2,604,978</u>
Cash and Cash equivalents at the beginning of the year	<u>4,011,495</u>	<u>1,406,517</u>
Cash and Cash equivalents at the end of the year	<u><u>1,012,558</u></u>	<u><u>4,011,495</u></u>
Cash and Cash Equivalents include:		
Cash in Hand	59,374	1,137,268
Balance with Scheduled Banks:		
- Current Account	953,184	2,874,227
Fixed deposit with original maturity period less than 3 months		
As margin money		
	<u><u>1,012,558</u></u>	<u><u>4,011,495</u></u>

NOTES:

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

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

I (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 Accounting Standard – 21 “Consolidated Financial Statements” prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Central Government.
- 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.

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 Accounting Standard 13 – “Accounting for Investments”.



NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

1 (B) SIGNIFICANT ACCOUNTING POLICIES

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

B.1 Basis of preparation of financial statements:

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

B.2 Use of Estimates:

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

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

B.3 Fixed Assets :

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

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

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

B.4 Depreciation:

a) Tangible Fixed Assets

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

Plant & Machinery 23 Yrs.

Vehicle 11Yrs.

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

B.5 Branding Expenses:

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

B.6 Impairment Loss

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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

B.7 Revenue Recognition:

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

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

the company. Hence, they are excluded from revenue.

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

B.8 Inventories:

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

B.9 Investments:

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

B.10 Retirement and Other Employee Benefits:

Retirement benefits in the form

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

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

B.11 Borrowing Costs:

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

B.12 Foreign Exchange Transactions:

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

th statement of profit and loss account.

B.13 Operating Leases:

a) Where the company is lessee

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

b) Where the company is the lessor

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

B.14 Finance Lease:

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

B.15 Research and Development Expenditure:

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

B.16 Taxes on Income:

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

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

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

B.17 Provisions and Contingencies:

A provision is recognized when

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

B.18 Earning Per Share:

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

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

B.19 Cash and Cash Equivalents:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
2 Share Capital		
Authorized		
30,000,000 Equity Shares of ₹10/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid up		
17,542,500 (Previous Year 17,542,500) Equity Shares of Rs.10/- each fully paid up	<u>175,425,000</u>	<u>175,425,000</u>
Total	<u>175,425,000</u>	<u>175,425,000</u>
a) 11,342,500 (P.Y.11,342,500) Equity Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the schemes of amalgamation of Eco Recycling Limited and Infotrek Syscom Limited without payments being received in cash.		
b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
Equity Shares	As at 31st March, 2017	As at 31st March, 2016
	Number of Shares	Number of Shares
At the beginning of the year	17,542,500	17,542,500
Shares Issued during the year	-	-
Outstanding at the end of the year	<u>17,542,500</u>	<u>17,542,500</u>
c) Terms / rights attached to equity shares		
The Company has only one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.		
d) Shares held by Holding Company		
Ecoreco Ventures Private Limited, the holding company		
91,39,250 (P.Y. 91,39,250) Equity Shares of ₹10/- each fully paid up	91,392,500	91,392,500

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

		31.03.2017		31.03.2016	
		(Amount in ₹)		(Amount in ₹)	
e) Details of Shareholders holding more than 5 % shares in the Company					
Name of Shareholder	31.03.2017		31.03.2016		
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Equity shares of ₹10/- each fully paid up					
Ecoreco Ventures Private Limited	9,139,250	52%	9,139,250	52%	
Brijkishor Soni	2,164,963	12%	2,151,102	12%	
Bennett, Coleman and Company Limited	1,400,000	8%	1,400,000	8%	
3 Reserves and Surplus					
a) Capital Reserve					
Balance as per last financial statements			35,115,495	35,115,495	
Balance as at the end of the year			35,115,495	35,115,495	
b) Securities Premium Reserves					
Balance as per last financial statements			98,400,000	98,400,000	
Balance as at the end of the year			98,400,000	98,400,000	
c) General Reserve					
Balance as per last financial statements			157,130	157,130	
Add: Transferred from surplus balance in the statement of profit and loss			-	-	
Less : Goodwill on merger			-	-	
Balance as at the end of the year			157,130	157,130	
d) Surplus/(Deficit) in the Statement of profit and loss					
Balance as per last financial statements			(2,084,739)	130,263	
Add : Profit for the year			(16,383,803)	(2,215,002)	
Less: Appropriation					
Transferred to General Reserve			-	-	
Net Surplus in the Statement of profit and loss			(18,468,542)	(2,084,739)	
Total			115,233,339	131,587,886	
(Amount in ₹)					
4 Long-Term Borrowings					
	Non - Current		Current Maturities		
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	
Secured, Term loan					
Indian Rupee loan from Bank*	4,300,014	9,240,853	4,890,000	4,890,000	
Car loan**	1,172,623	2,255,689	1,173,463	1,163,075	
From NSDC***	24,964,139	24,964,139	-	-	

(Amount in ₹)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

			31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
Unsecured, Term loan				
From Government	90,000,000	90,000,000	-	-
Total	120,436,776	126,460,681	6,063,463	6,053,075
Secured Long-Term Borrowings:				
<p>*Indian Rupee term loan from bank is repayable in equated periodic installments upto a 5 year period each along with interest. Further, the loan has been guaranteed by personal guarantee of the chairman and managing director of the company, Ecoreco Ventures Private Limited, the holding company and by collateral security of the registered office in the name of B. K. Soni (HUF) and Pledge of 3.40 lakhs equity shares of the company by the chairman and managing director of the company Mr. B. K. Soni.</p> <p>**The Vehicle loan from ICICI bank is repayable in equated periodic installments upto 36 months period each along with interest. Further, the loan has been secured by hypothecation of Vehicle and personal guarantee of Director.</p> <p>***First charge on the assets, cash flow of the Company, charge on Intellectual Property of the Company, pledge of 51% shares held by Eco Recycling Ltd and corporate guarantee by Eco Recycling Ltd. The moratorium period is 3 years and no interest will be charged during that period. Also no interest is payable on the 1st tranche of disbursement. Repayment period is 10 years including moratorium period.</p>				
Unsecured Long-Term Borrowings:				
c) Repayment to start after 1 year from the date of commercialization of the project in 5 annual instalments.				
5 Deferred Tax Liability (Net)				
Major components of deferred tax balances consist of the following:				
Deferred Tax Liability				
Related to fixed assets			3,013,766	4,204,745
Deferred Tax Liability				
Related to fixed assets			659,172	
Total			3,672,938	4,204,745
6 Long Term Provisions				
Provision for Gratuity			1,215,206	-
Total			1,215,206	-
7 Short-Term Borrowings				
Secured				
Working Capital Loans				
From Banks*			59,951,660	44,456,116
Unsecured Loan Repayable on Demand				
From Others			9,511,857	8,461,857
Total			69,463,517	52,917,973

*Working Capital Loans from banks are secured by way of hypothecation of Stock, Book-Debts and Personal Guarantee of the Chairman and Managing Director of the company Mr. B. K. Soni.

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

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
8 Trade Payables		
I Total outstanding dues of micro enterprises and small enterprises*		
a) Principal amount and interest due thereon remaining unpaid	-	-
b) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d) Interest accrued and remaining unpaid at the end of each accounting year	-	-
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure	-	-
II Total outstanding dues of creditors other than micro enterprises and small enterprises (Unsecured, Considered Good)		
Sundry Creditors	39,791,388	224,757,985
Total	39,791,388	224,757,985
*The company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. The above information regarding Micro, Small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.		
9 Other Current Liabilities		
Current Maturity of Indian rupee term loan from Bank (Refer Note "4")	6,063,463	6,053,075
Creditors for Expenses	2,489,365	2,405,349
Creditors for Capex	-	-
Advance from customers	11,165,711	-
Statutory Dues*	5,429,116	4,448,370
Other Payable	1,081,478	1,576,500
Total	26,229,134	14,483,294
*Includes Tax deducted at source, ESIC, Provident Fund and Profession Tax.		
10 Short Term Provisions		
Provision for Income Tax (Net)	22,861	-
Total	22,861	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

11. Fixed Assets

A. Tangible Assets

(Amount in ₹)

Particulars	Facility Land	Plant and Machinery	Furniture and Fixtures	Leasehold Improvements	Computers	Vehicles	Office Equipment	Total
Gross Block								
As At 1 st April, 2016	33,647,167	43,833,136	1,025,698	-	2,727,943	11,371,940	1,492,218	94,098,102
Additions During the Year	-	-	-	3,531,835	61,400	-	581,033	4,174,268
Disposals During the Year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
As At 31st March, 2017	33,647,167	43,833,136	1,025,698	3,531,835	2,789,343	11,371,940	2,073,251	98,272,370
Depreciation / Amortization								
As At 1 st April, 2016	-	8,062,354	349,698	-	2,727,943	3,528,477	816,922	15,485,395
Depreciation During the Year	-	1,837,856	196,536	83,881	37,430	1,075,160	204,448	3,435,311
Deduction During the Year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
As At 31st March, 2017	-	9,900,210	546,234	83,881	2,765,373	4,603,637	1,021,370	18,920,706
Net Block								
As At 31 st March, 2016	33,647,167	35,770,782	676,000	-	-	7,843,463	675,296	78,612,707
As At 31 st March, 2017	33,647,167	33,932,926	479,464	3,447,954	23,970	6,768,303	1,051,881	79,380,931

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

B. Intangible Assets Under Development

(Amount in ₹)

Particulars	Branding
Gross Block	
As At 31 st March, 2016	65,277,332
Additions During the Year	-
Disposals During the Year	-
Other Adjustments	-
As At 31 st March, 2017	65,277,332
Depreciation / Amortization	
As At 31 st March, 2016	-
Depreciation During the Year	-
Deduction During the Year	-
Other Adjustments	-
As At 31 st March, 2017	-
Net Block	
As At 31 st March, 2016	65,277,332
As At 31 st March, 2017	65,277,332
Note : *Amortization of Goodwill is adjusted against General Reserve (Refer to Note "3")	

C. Capital Work-in-Progress

	As at 31st March, 2017	As at 31st March, 2016
Plant and Machinery	64,815,625	64,815,625
Development "Precious Metal Recovery Plant"*	4,313,572	4,313,572
CRT & PCB Machine	6,048,202	6,048,202
Building	10,977,753	-
Total	86,155,152	75,177,399

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of shares	₹	No. of shares	₹
12 Non-Current Investments				
a) Quoted Equity Shares (In Demant)				
Reliance Industries Limited (Face Value ₹10/-)	-	-	-	-
Ruchi Soya Industries Ltd (Face Value ₹10/-)	-	-	-	-
Upsurge Investment & Finance Ltd (Face Value ₹10/-)	368,945	8,131,973	368,945	8,131,973
Shipping Corporation Ltd (Face Value ₹10/-)	500	12,310	500	12,310
Aditya Birla Chemicals (India) Limited (Face Value ₹10/-)	400	222	400	222
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	1,574,406	12,417,237	1,500,009	12,003,842
Prism Cement Ltd (Face Value ₹10/-)	2,000	120,070	2,000	120,070
Ruchi Infrastructure Ltd (Face Value ₹1/-)	338,865	9,060,202	338,865	9,060,202
Anik Industries Ltd (Face Value ₹10/-)	14,950	739,502	18,000	890,334
b) Unquoted Equity Shares (Under Litigation)*				
Anant Raj Ind Ltd (Face Vaue ₹2/-)	-	-	500	57,849
National Peroxide Ltd (Face Value ₹10/-)	-	-	1,000	231,275
Hindustan Motors Ltd (Face Value ₹5/-)	-	-	42,000	775,572
Malu Paper Mills Ltd (Face Value ₹10/-)	-	-	9,997	375,336
Ruchi Infrastructure Ltd (Face Value ₹1/-)	-	-	255,075	11,294,721
Anik Industries Ltd (Face Value ₹10/-)	-	-	10,000	494,630
NOCIL Ltd (Face Value ₹10/-)	-	-	49,000	1,539,872
BSEL Infrastructure Realty Ltd (Face Value ₹10/-)	-	-	13,000	138,056
Harrison Malayalam Ltd (Face Value ₹10/-)	-	-	3,000	241,752
Hindustan Organic Chemicals Ltd (Face Value ₹10/-)	-	-	10,000	302,060
Indian Card Clothing Company Ltd (Face Value ₹10/-)	-	-	3,459	563,019
KPR Mills Ltd (Face Value ₹10/-)	-	-	1,997	292,227
Murli Industries Ltd (Face Value ₹2/-)	-	-	3,500	119,008
Financial Analysis Credential Ltd (Face Value ₹10/-)	-	-	56	7,527
**India Bull Securities Ltd (Face Value ₹10)	-	-	160,000	1,672,640
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	-	-	1,413,543	16,929,700
Jubilant Food Works Ltd (Face Value ₹10/-)	-	-	5	6,449
Kingfisher Airlines Ltd (Face Value ₹10/-)	-	-	45,000	434,749
Srei Infra Ltd (Face Value ₹10/-)	-	-	5,000	136,919
JSW Energy Ltd (Face Value ₹10/-)	-	-	500	61,683

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Himachal Futuristic Communications Ltd (Face Value ₹1/-)	-	-	3,000	108,000
Brigade Enterprises Limited (Face Value ₹10/-)	-	-	800	320,960
Electrosteel Castings Limited (Face Value ₹10/-)	-	-	2,000	189,249
GTL Infrastructure Limited (Face Value ₹10/-)	-	-	3,000	130,710
IFCI Ltd (Face Value ₹10/-)	-	-	800	26,264
Jensen & Nicolsan Ltd (Face Value ₹10/-)	-	-	5,000	35,500
Lok Housing Ltd (Face Value ₹10/-)	-	-	1,000	149,322
Moschip Semiconductor Technology Ltd (Face Value ₹10/-)	-	-	2,000	31,320
NRC Ltd (Face Value ₹10/-)	-	-	3,999	109,693
Shree Digvijay Cement Ltd (Face Value ₹10/-)	-	-	3,000	70,110
***Videocon Appliances Ltd (Face Value ₹10/-)	-	-	5,000	213,319

c) Unquoted Equity Shares

Weee India Private Ltd (Face Value ₹10/-)	-	-	5,000	50,000
Dombivali Sahkari Bank Ltd (Face Value ₹10/-)	10,000	100,000	10,000	100,000
The Shamrao Vithal Coop Bank Ltd (Face Value ₹10/-)	25	625	25	625
Sanjay Chemical Pvt Ltd (Face Value ₹10/-)	3,000	3,000,000	3,000	3,000,000
MGI India Consulting Pvt Ltd (Face Value ₹10/-)	10,000	2,500,000	10,000	2,500,000
Total		36,082,131		72,929,071

Aggregated Value of Quoted Investments	30,481,516	67,278,445
Aggregated Market Value of Quoted Investments	18,628,299	63,996,889
Aggregated Value of Unquoted Investments	5,600,625	5,650,625

*Investments sold by Keynote Capital (under Litigation)

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
13 Long-Term Loans and Advances (unsecured, considered good)		
Lease Rent Deposits	16,500,000	17,000,000
Other Security Deposits	316,600	306,600
Other Loans and Advances		
Capital Advance	-	11,182,752
Advances Recoverable in Cash or in Kind or value to be received	4,750,000	4,750,000
Balances with Statutory/Government Authorities	-	-
Payment of Taxes (Net of Provision)	924,738	145,624
Total	22,491,338	33,384,976
Loans and Advances above includes :-		
Lease Rent Deposit includes:		
Aruna Soni	5,000,000	5,000,000
B. K. Soni	10,000,000	10,000,000
14 Other Non-Current Assets		
Deposits with Bank (with maturity more than 12 months)		
Held as margin money	1,803,750	1,800,000
Interest Accrued	1,678,594	1,405,007
Miscellaneous Expenditure (To the extent not w/off)	430,038	-
Total	3,912,382	3,205,007
15 Inventories (Refer Note 2.6)		
Stock of Electrical and Electronic Equipment	89,603,278	88,615,102
Total	89,603,278	88,615,102

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
16 Trade Receivables		
<i>(unsecured, considered good)</i>		
More than six months from the date they are due for payment	65,201,086	70,932,372
Other Debts	38,157,077	167,068,689
Total	<u>103,358,163</u>	<u>238,001,060</u>
17 Cash and bank balances:		
Cash and Cash Equivalents		
Cash on hand	59,374	1,137,268
Balances with banks -		
On current accounts	953,174	2,874,228
Total	<u>1,012,548</u>	<u>4,011,496</u>
18 Short-Term Loans and Advances		
<i>(unsecured, considered good)</i>		
Earnest Money Deposit	550,083	537,448
Other Loans and Advances		
Advances Recoverable in Cash or in Kind	31,199,311	29,634,338
Advance for expenses	26,661,209	35,192,948
Prepaid Expenses	1,347,516	600,483
Advance to Employees	458,400	342,357
Advance to customers	3,412,219	2,804,291
Total	<u>63,628,737</u>	<u>69,111,865</u>
19 Other Current Assets		
Others	158,125	60,000.00
Miscellaneous Expenditure <i>(To the extent not w/off)</i>	430,038	1,451,548
Total	<u>588,163</u>	<u>1,511,548</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
20 Revenue from Operations		
a) Sale of Stock in Trade		
Electrical and Electronic Equipment	184,744,942	357,899,150
b) Sale of Services		
Data Destruction Charges	9,780,763	9,236,575
Training Fees	100,000	850,000
Total	194,625,705	367,985,725
21 Other Income		
Interest Income on		
- Bank Deposits	273,587	256,002
Dividend	26,026	20,332
Profit/(Loss) on sale of Shares held as Investments	85,824	35,763
Profit on commodities trading	-	27,838
Membership fees	100,000	850,000
Reimbursement of Expenses	2,122,345	4,582,827
Sundry Balances Written Back	234,171	151,052
Miscellaneous Income	-	18,705
Total	2,841,954	5,942,518
22 Purchases of Stock-in-Trade		
Purchases of Electrical and Electronic Equipment	119,776,894	315,222,310
Total	119,776,894	315,222,310
23 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Stock of Electrical and Electronic Equipment	89,603,278	88,615,102
	89,603,278	88,615,102
Inventories at the beginning of the year		
Stock of Electrical and Electronic Equipment	88,615,102	85,036,278
Stock of Shares	-	-
	88,615,102	85,036,278
Total	(988,176)	(3,578,824)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
24 Employee Benefits Expense		
Salaries, Bonus and Other Allowances	14,571,434	14,989,914
Contribution to Provident & Other Funds	475,793	523,410
Employee Welfare Expenses	576,371	492,332
Total	15,623,598	16,005,656
25 Finance Costs		
Interest Expense		
On Term Loan	1,607,527	664,534
On Working Capital Loan	7,688,858	7,586,623
Other Interest	2,779,845	1,082,823
Processing Fees	345,000	342,500
Total	12,421,230	9,676,480



NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
26 Other Expenses		
Lease Rent	13,642,712	9,852,199
Freight and Transportation	2,560,165	3,023,124
Travelling and Conveyance	2,815,706	1,565,713
Legal and Professional Fees	2,861,297	1,029,649
Labour Charges	309,565	249,406
Advertisement Expenses	4,445,774	450,157
Insurance Expense	528,839	598,017
Printing and Stationery	230,656	308,224
Repairs and Maintenance	124,417	324,904
Electricity Charges	316,219	371,990
Security Charges	559,596	404,917
Auditor's Remuneration (Refer Note "29")	275,000	275,000
Annual Listing, Registrar and Transfer Agent Expense	309,112	255,987
Bank Charges	60,995	67,244
Loss on sale of shares held as investments	-	1,012,831
Loss on commodities trading	13,760,036	-
Other Expenses	7,179,738	10,155,037
Miscellaneous Expenditure w/off (Refer Note "33")	591,472	4,876,929
Total	50,571,298	34,821,329

27 Disclosure in Respect of Leases:

I Operating Lease: Company as Lessee

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

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

i) Not later than one year	7,630,841	9,768,449
ii) Later than one year and not later than five years	20,697,771	23,077,324
iii) Later than five years	-	-
b) Lease payments recognized in the Statement of Profit and Loss for the period.	13,642,712	9,852,199

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2076

	31.03.2017 (Amount in ₹)	31.03.2016 (Amount in ₹)
II Operating Lease: Company as Lessor		
a) The total of future minimum rental receivable during lock in period of operating leases are as follows:		
i) Not later than one year	-	-
ii) Later than one year and not later than five years	-	10,560,000
iii) Later than five years	-	-
b) Lease rental recognized in the Statement of Profit and Loss for the period.	-	-
28 Contingent Liabilities		
a) Guarantee given by Bank on behalf of the Company Secured against equal fixed deposits Standing Bank Guarantee in favour of The Customs, JNPT	1,810,000	1,810,000
b) Custom Duty on Imported Machineries cannot be sold or transferred to any person or other organisation for a period of 5 years from the date of its import	12,400,000	12,400,000
c) Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	125,993,806	125,993,806
29 Payment to Auditors		
Audit Fees	200,000	200,000
Tax Audit Fees	50,000	50,000
Other Services	-	-
Total	250,000	250,000
30 Earnings in Foreign Currency		
FOB Value of Goods Export	-	-
Reimbursement of Insurance Premium	-	197,776
Reimbursement of Security Charges	-	528,540
Service Charges	2,965,722	1,372,134
Total	2,965,722	2,098,450
31 The Company had been dealing with Keynote Capital Limited (Keynote) for its Share transactions. A substantial portion i.e 20,56,234 Nos. of shares amounting to ₹4,48,55,092/- out of the investment portfolio maintained by the company in demat form with Keynote has been misappropriated by the Keynote against the loss booked by Keynote on account of transactions in the F&O Segment carried out by Keynote on its own without any authorisation of the company. In this matter Company has won both the appeals of Arbitration Committee of The National Stock Exchange. In the month of August, 2014 Keynote has filed an appeal u/s 34 in the Bombay High Court against the second appellate award passed by the Arbitration Committee of The National Stock Exchange of India Limited, which is still pending. The matter is now pending with Bombay High Court and the disposal of the same in favour of Company is expected.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

- 32** The Whole Time Company Secretary had been appointed as per Companies Act 2013 before signing of the Financial Statements.
- 33** The Company has not written off the "Miscellaneous Expenditure" amounting to ₹860,076/- fully in Statement of Profit and Loss account, which is not in conformity with AS - 26 - Intangible Assets which had arise at the time of amalgamation. However in the opinion of the management it will not create any discrepancy as the treatment taken is as per the provisions of The Income Tax Act, 1961.
- 34** The Company had entered in to an agreement with KUD Realtors Pvt. Ltd, Mumbai for purchase of 10 acres of land for a consideration of Rs.650 lacs for setting up its e-waste recycling project at Kharbao, Bhiwandi and paid Rs.615 lacs against the above. As of now, M/s KUD Realtors Pvt Ltd, could conveyance 5.78 acres of land in favor of the company and for the remaining amount they have offered some warehouses and incomplete construction at the same site.
All the above land, warehouses and incomplete building are yet to be physically received because of incomplete documents for which the company has taken appropriate steps with the concerned authorities.
- 35** 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.
- 36** The company is in the business of E-waste and Asset Management.
- 37** The company is operating in one segment i.e. e-waste recycling business.



NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

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

Name of the entity	Country of incorporation	% of voting power as at March 31, 2017	% of voting power as at March 31, 2016	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
				As % of consolidated net assets	Amount in ₹	As % of consolidated profit or loss	Amount in ₹
Eco Recycling Limited	India	-	-	108.56	315,551,807	64.12	(10,505,827)
Subsidiary (wholly owned)							
Ecoreco Enviro Education Pvt Ltd	India	100	100.00	(8.56)	(23,893,469)	35.88	(5,877,976)

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

	Revenue	Net Loss	Net Assets
Ecoreco Enviro Education Pvt Ltd	100,000	(5,877,976)	(1,162,649)

39 Related Party Transactions

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

i) Relationships :

(a) Holding Company:-

Ecoreco Ventures Private Limited

(b) Associates (By common Directors):

Reverse Logistics & Warehousing Private Limited

Ecoreco Park Private Limited

Eco Remarketing Private Limited

Data De-End Private Limited

WEEE India Pvt Ltd

(c) Key Management Personnel :-

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

Mrs. Aruna Soni - Director

Mr. Srikrishna B. - Director

Mr. Shashank Soni - Director

Mr. Vijay Acharya - Director

Ms. Anita Choudhari - CFO

Ms. Priyanka Bang - Company Secretary

(wef 9th May, 2017)

(d) Subsidiary(100%):-

Ecoreco Enviro Education Pvt Ltd

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

ii) Transaction With Related Parties:-

Particulars	(Amount in ₹)		
	Key management personnel	Holding	Associates
Remuneration	3,000,000	-	-
(P.Y.)	(3,450,000)	-	-
Salary	2,068,387		
(P.Y.)	(2,064,383)		
Sitting Fees	120,000	-	-
(P.Y.)	(130,000)	-	-
Rent	4,200,000	-	-
(P.Y.)	(4,200,000)	-	-
Interest Paid	-	-	-
(P.Y.)	-	-	-
Advance Rent Paid	2,464,729	-	-
(P.Y.)	(1,967,938)	-	-
Subscription in Shares	-	-	-
(P.Y.)	-	-	-
Deposit Paid	-	-	-
(P.Y.)	-	-	-
Deposit Repaid	-	-	-
(P.Y.)	-	-	(450,000)
Loan Given	-	-	-
(P.Y.)	-	-	-
Loan Repaid	-	-	-
(P.Y.)	-	-	-
Loan Taken	-	-	-
(P.Y.)	-	-	-
Loan Repaid	-	-	-
(P.Y.)	-	-	-
Deposit For Advertisement Expenses	-	-	-
(P.Y.)	-	-	-
Sale of Shares	-	-	-
(P.Y.)	-	-	-
Closing Balance at the Year End			
Loan Taken	-	-	-
(P.Y.)	-	-	-
Deposit Given	15,000,000	-	-
(P.Y.)	(15,000,000)	-	-
Advance Rent Paid	1,750,636	-	-
(P.Y.)	(4,304,179)	-	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

40 Earnings Per Share

	Units	2015-16	2014-15
i) Profit after tax	₹	(16,383,803)	(2,215,002)
ii) Weighted average number of equity shares outstanding	Nos.	17,542,500	17,542,500
iii) Basic Earnings Per Share	₹	(0.93)	(0.13)
iv) Diluted Earning Per Share	₹	(0.93)	(0.13)
v) Face Value of Shares	₹	10.00	10.00

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

42 Disclosure On Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	385,000	22,941	407,941
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	24,861	24,861
(-) Amount deposited in Banks	385,000	-	385,000
(+) Withdrawal from Bank accounts	-	40,000	40,000
Closing cash in hand as on 30.12.2016	-	38,080	38,080

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

Notes forming part of the financial statements No. 1-43

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. Sanjeev Maheshwari (Partner)

M No.38755

Mumbai | 30th May 2017

For and on behalf of the Board

B. K. Soni (Managing Director) - DIN : 01274250

Srikrishna B. (Director) - DIN : 02083384

Priyanka Bang (Company Secretary)

Anita Choudhari (CFO)

[illegible]

ATTENDANCE SLIP
ECO RECYCLING LIMITED

Registered Office: Unit No.422, The Summit Business Bay, Near Cine Max Theater,
Andheri Kurla Road, Andheri (E), Mumbai – 400 093.
CIN: L74120MH1994PLC079971

23rd Annual General Meeting, Friday, August 4th, 2017

Registered Folio No./DP ID/Client ID:

Name:

Address of Shareholder:

No. of Shares held:

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company (including adjournment thereof) at **UNIT NO.422, THE SUMMIT BUSINESS BAY, NEAR CINE MAX THEATER, ANDHERI KURLA ROAD, ANDHERI (E), MUMBAI - 400 093** held on Friday, 4th August, 2017 at 11A.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: Unit No.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: _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ECORECO

EVERYTHING ABOUT E-WASTE!

Ecoreco group, the most diversified organization in e-waste sector caters to all stakeholders for entire spectrum of e-waste related services. Producers, Bulk Consumers, Retailers, PSUs, Waste workers & Budding entrepreneurs; all your requirement pertaining to e-waste has one destination-Ecoreco



World Class Solutions for:

- E-waste Recycling
- ITAD service
- Data Destruction
- Lamp recycling



Reverse Logistic

Pan India Network of:

- Eco-Bins
- Collection Centers, Dismantlers & Recyclers
- Logistic tie-up



EPR (Extended Producer Responsibility)

PRO for effective implementation of EPR:

- EPR Plan drafting
- Target Compliance
- Awareness Programs



Funded Partner of NSDC for:

Training of waste workers, under the Skill India Initiative



Opportunities for CSR

Options for CSR:

- Skill India: Sponsor training of waste workers
- Swachh Bharat: Sponsor Eco-Bins
- Donate E-waste



Business Opportunity

Join our Partner Network for:
Entrepreneurial Opportunity in this sunshine sector

Clean India | Skilled India | Responsible India



Give your e-waste to the best

If undelivered, please return to:

Eco Recycling Limited
Unit No. 422, 4th Floor,
The Summit Business Bay,
Near Cinemax Theatre,
Andheri Kurla Road, Andheri (E),
Mumbai – 400 093

BOOKPOST

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