

ECO RECYCLING LIMITED

ANNUAL REPORT 2010-2011



**Safe Disposal of
e-waste with secured
data destruction**

A global presence comes with its share of responsibilities; e-waste management

Fulfil your Corporate Social Responsibility; make sure your e-waste management system is complying with global environmental norms.

Electronic products often contain hazardous and toxic materials that pose environmental risks if they are land filled or incinerated, polluting our air and ground water. Make sure your company's e-waste management system is complying with global environmental norms!

At Ecoreco, we have a dedicated facility and a fully compliant process for recycling e-waste in a safe and environmentally friendly manner. So fulfil your Corporate Social Responsibility get an Ecoreco solution today!

As India's first, fully compliant e-waste management solution providers, we offer



Safe and secure destruction of valuable confidential data



Environmentally friendly disposal of e-waste

Eco Recycling Limited initiative

India's only E-waste Recycling Company listed on BSE



Give your **e-waste** to the best

BOARD OF DIRECTORS

DIRECTORS

B. K.Soni – CMD
Deepak Nanda
Srikrishna B.
Aruna Soni
T. R. Rao (Appointed on 28/01/2011)

AUDITORS

Vedula Vijay and Ramanathan
Chartered Accountants
Bharti Bhavan, P. D. Mello Road,
Fort, Mumbai – 400 001

BANKERS

Catholic Syrian Bank
Kotak Mahindra Bank Ltd

REGISTRARS & TRANSFER AGENTS

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

REGISTERED OFFICE

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

E-MAIL ADDRESS

info@ecoreco.com
shareholders@ecoreco.com

WEBSITE

www.ecoreco.com

NOTICE OF ANNUAL GENERAL MEETING NOTICE IS HEREBY GIVEN

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Eco Recycling Limited (Formerly known as Infotrek Syscom Limited) will be held at Tunga Paradise, Opposite Rolta Center, Central Road, MIDC, Andheri (E), Mumbai 400093 on Saturday, July 30, 2011 at 4 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, Profit and Loss Account for the Financial Year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Mr Srikrishna Bhamidipati who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT M/s. GMJ & Co., Chartered Accountants, Mumbai, be and are hereby appointed as the Statutory Auditors of the Company under Section 224 of the Companies Act 1956, in place of retiring Auditors, M/s. Vedula Vijay and Ramanathan, Chartered Accountants, Mumbai who has expressed their unwillingness for re-appointment as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors of the Company."

Special Business

4. **To regularize Mr. T. R. Rao as a Director:**
To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. T.R Rao who

was appointed as an Additional Director by the Board of Directors on January 28, 2011 and who holds office up to the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 be and is hereby recommended to the members by the Board for the appointment as a Director of the Company "

"RESOLVED FURTHER" that for the purpose of giving effect to this resolution any Director of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things, as may be required."

Mumbai **By order of the Board**
23/06/2011 **CMD**
Registered Office:
205, Centre Point, Next to Hotel
Kohinoor, Andheri Kurla Road,
Andheri East, Mumbai-400 059

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. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. 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. Members / Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
3. 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.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from July 23, 2011 to

July 30, 2011 (both days inclusive) for the purpose of Annual General Meeting.

6. **Members holding shares in physical form and desirous of making / changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form to the Registrar & Transfer Agents of the Company. In**



INFORMATION UNDER CLAUSE 49 (IV) (G) (I) AND CLAUSE 49 (IV) (E) (v) OF THE LISTING AGREEMENT REGARDING RE - APPOINTMENT OF DIRECTORS

Mr. SRIKRISHNA BHAMIDIPATI

Mr. Srikrishna Bhamidipati was appointed on 14th March, 2003 on the Board of Directors

Shareholding of Mr. Srikrishna Bhamidipati (both on and held by / for other persons on a beneficial basis) as on date is NIL.

Presently Mr. Srikrishna Bhamidipati is on the board of 3 companies including Eco Recycling Limited, besides being a co-promoter of a company SS Systems LLC, Nevada USA. He is also in the Technical Committee of Software Technology Parks of India.



the best interest of the members, it is suggested that they should get their holding de-mated and also inform their e-mail ID for future communication.

7. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
9. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. 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.
12. Members whose shareholding is in electronic mode are requested to direct change of address notifications and update of savings bank account to their respective Depository Participants.
13. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Big Share Services Private Limited, E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East),

Mumbai – 400 072
Tel No: +91 22 28470652/53,
Fax No.: +91 22 28475207,
Email: investor@bigshareonline.com

14. Members are requested to address all the correspondences to Register and Share Transfer Agents of the Company.
15. As per the provisions of the Companies Act, 1956, 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.
16. Members seeking 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Mr. Raghavendra Rao Satya Veera Venkata Turlapati was appointed as an Additional Director on 28th January, 2011 by the Board of Directors of the Company as per the provisions of Section 260 of the Companies Act, 1956. According to the said provisions of the Companies Act, 1956 the office of an Additional Director expires at the ensuing Annual General Meeting. Members are requested to regularize his appointment as an Independent Non-Executive Director of the Company. Except Raghavendra Rao Satya Veera Venkata Turlapati none of the Directors are interested or concerned in the resolution.

DIRECTORS' REPORT

The Members of ECO RECYCLING LIMITED

Your Directors present with pleasure the 17th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2011.

1. FINANCIAL RESULTS (Rs. in Lacs)

	2010-2011	2009-2010
Total Income	1643.58	587.18
Profit before Interest, Depreciation & tax	214.47	26.47
Less: Depreciation	11.30	6.66
Profit before Interest and Tax	102.13	19.81
Interest	16.58	1.93
Profit before Tax	85.55	17.88
Less: Provision for Income Tax	15.26	3.43
Less: Fringe Benefit Tax	-	-
Profit after Tax	70.29	14.45
Add: Balance brought forward	191.59	233.85
Balance carried to Balance Sheet	261.88	191.59

2. OPERATIONS

Your Company provides full spectrum of activities covered under e-waste management right from collection of e-waste from the door step of the generators, complete logistic support, refurbishing, secured data destruction, dismantling of end of life equipments, size reduction, sorting different basic commodities and other fractions, remarketing of reusable equipment, components and various recovered commodities.

Ecoreco provides high class credible services and solutions to the clients; take care of the needs and preferences of the customers, their requirements in a dedicated manner. Our customer-centric approach has resulted in high levels of client satisfaction and retention. Ecoreco does its best to meet environmental norms and assist corporate to meet their CSR obligations.

The same is reflected in the exponential growth in its turnover which has increased from Rs. 587.18 lacs for the year ended 31st March, 2010 to Rs. 1,643.03 lacs for the year ended 31st March, 2011.

Ecoreco actively participate in various awareness campaigns, conferences, exhibitions, Government & industry interactions in formulating rules &

regulations meant for safe & secured disposal of e-waste.

3. DIVIDEND

In order to conserve resources, no dividend has been declared for the year 2010-2011.

4. TRANSFERS TO RESERVES

During the year, the Company proposes to transfer Rs. Nil to General Reserve

5. FUTURE PLANS

It is pleasant to share that your company has set several mile stones in the past few years beginning with the introduction of e-waste industry in India in the organized manner, the first facility approved by the Central Pollution Control Board to undertake e-waste recycling in India, the first company approved by the Maharashtra Pollution Control Board, the first and the only company innovated the concept of Recycling on Wheels, the first company providing Information Destruction service at the door step of the corporate and so on & so forth.

The first few years were equally challenging since there was no organized recycling of such a hazardous waste in the country and therefore the entire waste was being collected by the so called Kabadies. Ecoreco is proud to share that with the implementation of scientific process



to deal with such a hazardous waste, we are now in a position to reclaim all the basic ingredients from the end of life electronic equipment in a safer and environment friendly manner and thereby saving depleting natural resources and redeploying in to the main stream of industries.

It may be very pleasant for you to read that Ecoreco has innovated in house technology for the recovery of precious metals like gold, silver, palladium etc. from the e-waste and now going for commercialization of the same.

It is a pleasure to share that w.e.f. 1st May 2012, new Rules will be applicable in the country and thereby it is mandatory for all the users to give their used electronic equipment to the registered recyclers only. With the implementation of the E-waste (Management & Handling) Rules 2010 and an effective enforcement of Extended Producers Responsibility(EPR), the volume of supplies is expected to go up substantially.

6. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 at least two-thirds of our Directors shall be subject to retirement by rotation. One- third of these retiring Directors must retire from office at each Annual General Meeting of the Shareholders. The retiring Directors are eligible for re-election.

In accordance with the said provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. SrikrishnaBhamidipati , Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

7. AUDITORS

M/s. Vedula Vijay and Ramanathan, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

8. FIXED DEPOSIT

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

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2011; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2011 and of the profit of the Company for that year.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) that the Directors have prepared the Annual Accounts for the year ended March 31, 2011, on a going concern basis.

10. CORPORATE GOVERNANCE

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



applicable mandatory provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and section 292A of the companies Act 1956. Certificate from the Company's Auditors regarding compliance is annexed hereto and forms part of this report.

11. PARTICULARS OF EMPLOYEES

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

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

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

For and on behalf of the Board of Directors
 B. K. Soni
 Mumbai
 30/05/2011

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

ADDENDUM TO THE DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011

STATUTORY AUDITORS

M/s. Vedula Vijay Ramanathan, Chartered Accountants, Mumbai, the retiring Auditors of the Company have expressed their unwillingness to be reappointed as the Auditors of the Company vide their letter dated 9th June, 2011. The Board of Directors recommend the appointment of M/s. GMJ & Co. Chartered Accountants as the statutory Auditors of the Company in place of M/s. M/s. Vedula Vijay Ramanathan, Chartered Accountants, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. GMJ & Co., Chartered Accountants have expressed their willingness to act as Auditors of the Company.

For and on behalf of the Board of Directors
 B. K. Soni
 Mumbai
 23/06/2011



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

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

Your Board of Directors presents the Corporate Governance Report for the year 2010-2011.

2. BOARD OF DIRECTORS

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

- a) **Size and Composition of Board**
The Board has an optimum combination of Executive and Non-Executive directors, and is in conformity with the Clause 49 of the Listing Agreement entered into with the Stock Exchange in which Company's Ordinary Shares are listed. The Board consists of 5 Directors, out of which 3 are Independent Non-Executive Directors. The Composition of the Board and Category of Directors are as follows:

Category	Name of the Directors	% of the composition on the Board
Executive Director	B. K. Soni (CMD) Aruna Soni	40%
Independent and Non-Executive Director	Mr. Deepak Nanda Mr. Srikrishna Bhamidipati Mr. R. T. Rao	60%

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

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



- b) The following table gives the number of other Directorships and Chairmanships / Membership of Committees of each Director in various Companies as on 31st March, 2011.

Name of Directors	Category	No. of directorship in other Company	No. of Membership / Chairmanship of other Board Committees*		
			Public	Private	Member Chairman
Mr. B. K. Soni	Chairman & Managing Director	-	3	-	-
Ms. Aruna Soni	Executive Director	-	3	-	-
Mr. Deepak Nanda	Non-Executive – Independent Director	-	1	-	-
Mr. Srikrishna Bhamidipati	Non-Executive – Independent Director	2	-	-	-
Mr. T. R. Rao	Non-Executive – Independent Director	1	2	-	-

Notes * Excludes Directorship in Eco Recycling Limited.

- (c) Attendance at Board Meeting and Annual General Meeting:

During the accounting year 2010 – 2011, Board Meetings were held on 6th May, 2010, 9th July, 2010, 27th July, 2010, 29th October, 2010, 2nd December, 2010, 28th January, 2011, 3rd February, 2011 and 17th February, 2011.

The details of Directors attendance at Board Meeting held during the year commencing 1st April, 2010 to 31st March, 2011 and the last Annual General Meeting

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. B. K. Soni	8	PRESENT
Mrs. Aruna Soni	8	PRESENT
Mr. Deepak Nanda	8	PRESENT
Mr. Srikrishna B	8	PRESENT
*Ms. Ananya Bhattacharya	0	Not Applicable
** Mr. T Raghvendra Rao	3	Not Applicable

* Ms. Ananya Bhattacharya was granted leave of absence for the meetings held on 06/05/2010, 09/07/2010, 27/07/2010 and 29/10/2010 & she resigned from the directorship of the Company with effect from 29/11/2010.

** Mr T. R. Rao was appointed as the Director with effect from 28/01/2011.

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

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

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

- Unaudited Quarterly / Half yearly financial results and audited Annual Accounts of the company with relevant details for consideration and approval,
- Internal Audit Findings (through the Audit Committee)
- Status of Business Risk Exposures, its Management and related action plans.

- Minutes of meetings of other Committee Meetings.
- Abstracts of circular resolutions passed,
- General notices of interest,
- Sale and/or Purchase of investments, fixed assets.
- Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non-compliances, if any.
- Related party transactions
- Reviewing the company's financial and risk management policies.
- Reviewing the business plan and strategy of the Company.

3. AUDIT COMMITTEE :

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

- a) **Constitution and Composition of Committee:**

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

Name of Members	Designations	Category of Director	Nos. of meetings held	Nos. of meetings attended
Mr. Deepak Nanda	Chairman	Non-Executive	5	5
Mr. Srikrishna B	Member	Non-Executive	5	5
*Ms. Ananya Bhattacharya	Member	Non-Executive	3	0
** Mr. T. R. Rao	Member	Non-Executive	N.A	N.A

* Resigned w.e.f. 29/11/2010

** Appointed w.e.f. 28/01/2011



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

- b) Meetings:
During the accounting year 2010- 11, five Audit Committee Meetings were held on 06/05/2010, 27/07/2010, 29/10/2010, 02/12/2010 and 28/01/2011.
- c) The functions of the Audit Committee include the following:
 - Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - To recommend re-appointment of Statutory Auditors and to fix their remuneration.
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - Reviewing with management the annual / half-yearly / quarterly financial statements before submission to the Board.
 - Reviewing with management

performance of statutory and internal auditors, the adequacy of the internal control systems.

- Discussion with statutory auditors before the audit, any significant findings and follow up thereon.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review Related party transactions
- To review the matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- To review the Management discussion and analysis of financial conditions and results of operations.
- Reviewing any other areas which may be specified as a role of the Audit Committee under the Listing Agreement, Companies Act and other Statutes, as amended from time to time.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial / business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to take informed decisions. The Statutory Auditors are invitees to the

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

4. REMUNERATION COMMITTEE:

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

- a) Composition of the Committee
The Remuneration Committee comprises of Mr. Deepak Nanda, Non-Executive and Independent Director as Chairman, Ms. Ananya Bhattacharya Non- Executive and Independent Director, Mr. Srikrishna B., Non- Executive and Independent Director and Mr. Raghavendra Rao Satya Veera Venkata Turlapati, Non-Executive and Independent Director.
- b) The functions of the Remuneration Committee include the following:
 - (i) To approve the Annual Remuneration Plan of the Company;
 - (ii) To review and grant annual increments to Executive/ Managing Director.
 - (iii) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/ approve.



Name of Directors	Remuneration including Salary, Perquisite Amount (Rs.)	Sitting Fees Rs.	Total Rs.
Mr. Deepak Nanda	0	0	0
Mr. Srikrishna B	0	5,000	5,000
Ms. Ananya Bhattacharya	0	0	0
Mr. B. K. Soni	6,00,000	0	6,00,000
Mrs. Aruna Soni	0	5,000	5,000
* Mr. T. R. Rao	0	0	0

* Appointed w.e.f. 28/01/2011

- c) Disclosure of Remuneration paid:
At present Non-executive and Independent Directors are not paid any remuneration except sitting fees for attending Board Meetings

Committee: The Investors Grievance Committee has delegated with the authority to approve requests for transfer of shares & redress investor complaints by the Board of Directors. The Committee also takes care of issues like non receipt of balance sheet, non-receipt of declared dividends etc. Apart from that, the Company's Registrar

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

5 INVESTORS GRIEVANCE COMMITTEE

- a) Constitution and Composition of

Name of Members	Designation	Category of Director	**Nos. of meetings held	**Nos. of Meetings attended
Mr. Deepak Nanda	Chairman	Non-Executive	4	4
Mr. Srikrishna B	Member	Non-Executive	4	4
* Ms. Ananya Bhattacharya	Member	Non-Executive	4	0
** Mr. T. R. Rao	Member	Non-Executive Independent	4	1

* Resigned w.e.f. 29/11/2010 ** Appointed w.e.f. 28/01/2011

- b) Meeting of the Shareholders' grievance Committee Meetings During the accounting year 2010 – 2011, Four times Shareholders' Grievance Committee Meetings were held on 06/05/2010, 27/07/2010,

- 29/10/2010, 28/01/2011.
c) Mrs. Manisha Malpani has been designated as the Compliance Officer of the Company
d) Investor Grievance Redressal Number of complaints received

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

Nature of Complaints	Opening	Received	Resolved	Outstanding as at 31st March, 2011.
Non Receipt of Refund orders and /or noncredit of shares in demat account	0	0	0	0



During the accounting year ended March 31, 2011, no complaints were received from shareholders. All valid Share Transfers received during the accounting year ended March 31, 2011 have been acted upon. There were two Share transfers pending as on March 31, 2011, for more than 30 days.

The Shareholders Grievance Committee continued to function effectively and held four meetings during the year under

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

e) The functions of the Shareholders' Grievance Committee include the following:

- Transfer /Transmission of shares,
- Issue of duplicate Share Certificates,

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

6 GENERAL BODY MEETINGS:

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

Financial Year	Day and Date	Location of AGM	Time
2009 – 2010	Tuesday 28th December, 2010	205, Centre Point, Next to Hotel Kohinoor, Andheri-Kurla Road, Andheri (East), Mumbai:- 400 059	5.00 P.M
2008 – 2009	Tuesday 29th September, 2009	205, Centre Point, Next to Hotel Kohinoor, Andheri-Kurla Road, Andheri (East), Mumbai:- 400 059	5.00 P.M
2007 – 2008	Tuesday 30th September, 2008	205, Centre Point, Next to Hotel Kohinoor, Andheri-Kurla Road, Andheri (East), Mumbai:- 400 059	4.00 P.M

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

At the Annual General Meeting of the shareholders held on September 30, 2008, the following special resolution was passed:

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

At the Annual General Meeting of the shareholders held on September 29, 2009, the following special resolution was passed:

- Approval for fixing the maximum borrowing limits of Rupees Fifty Crores u/s 293 (1) (d) of the Companies Act, 1956.
- Payment of Remuneration to

Mr. B. K. Soni from the accounts of Eco Recycling Limited.

- Formation of subsidiaries of the Company for carrying on the business of logistics & warehousing and extraction of precious metals from the electronic waste to enhance the present business bringing in economies of scale and development both for the shareholders and the company.

At the Annual General Meeting of the shareholders held on December 28, 2010, the following special resolution was passed:

- Re-appointment of Mr. B. K. Soni as Managing Director for further period of five years.

7 DISCLOSURES:

a) Related Party Transactions

- Related Parties and transactions as required under Accounting

Standard (AS-18) are furnished under paragraph number 6 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2011.

- No transaction of material nature has been entered into by the Company with its promoters, the directors or the management, their subsidiary or relatives etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.



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

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

- d) Mandatory & Non Mandatory requirement of this clause
- Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.
 - The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.
 - The statutory financial statements of the Company are unqualified.
 - The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical

behavior. No person has been denied access to the Audit Committee.

8 MEANS OF COMMUNICATION:

- The Quarterly and Half Yearly results of the Company are published in one English and one Regional newspaper. The results are also displayed on the Company's website: www.ecoreco.com
- SEBI/CFD/DIL/LA/4/2007/27/12 dated 27th December, 2007 pertaining to the Amendments in the Listing Agreement, Clause 51 relating to EDIFAR filing has been removed and a new Clause 52, pertaining to shareholding pattern etc. through Corporate Filing and Dissemination System (CFDS) with the Stock Exchanges, has been introduced. The Company's name has not been identified by the participating Stock Exchanges for filing through CFDS. The Company currently submits the documents through fax and e-mail. The Company also files hard copy of the same to the Stock Exchanges by hand delivery.
- The Company informs the Stock Exchanges about all price sensitive matters or such other matters which are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters. A Management Discussion and Analysis Statement is a part of the Company's Annual Report.

9 CODE OF CONDUCT:

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

10 GENERAL SHAREHOLDER INFORMATION:

- a) Annual General Meeting
- Date : 30th July, 2011
 - Time : 4.00 P.M
 - Venue : Tunga Paradise, Opposite Rolta Center, Central Road, MIDC, Andheri (E), Mumbai- 400093

Financial Year

The financial year of the Company is from April 1, 2010 to March 31, 2011

- b) Financial Calendar
- Quarterly Financial Reporting for Quarter ending June 30, 2011: By end of July 2011
 - Quarter/Half year ending September 30, 2011: By end of October 2011
 - Quarter ending December 31, 2011: By end of January 2012
 - Quarter/Year ending March 31, 2012: By end of April 2012
 - Date of Book Closure: 23.07.2011 to 30.07.2011. (both days inclusive)
- c) Dividend Payment Date:
- No dividend has been declared for the financial year 2010-2011.
- In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our company has appointed Mrs. Manisha Malpani as Compliance Officer who is responsible for setting policies,



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

of Conduct for Prevention of Insider Trading.

- d) Market information
- Listing on Stock Exchange: The Bombay Stock Exchange Limited
 - Listing fee for the year 2011 – 2012 has been paid in full to the Stock

Exchange.

- Stock Code: 530643Bombay Stock Exchange Limited
- ISIN in NSDL & CDSL for equity shares: INE316A01038
- Corporate Identification No.: L74120MH1994PLC079971

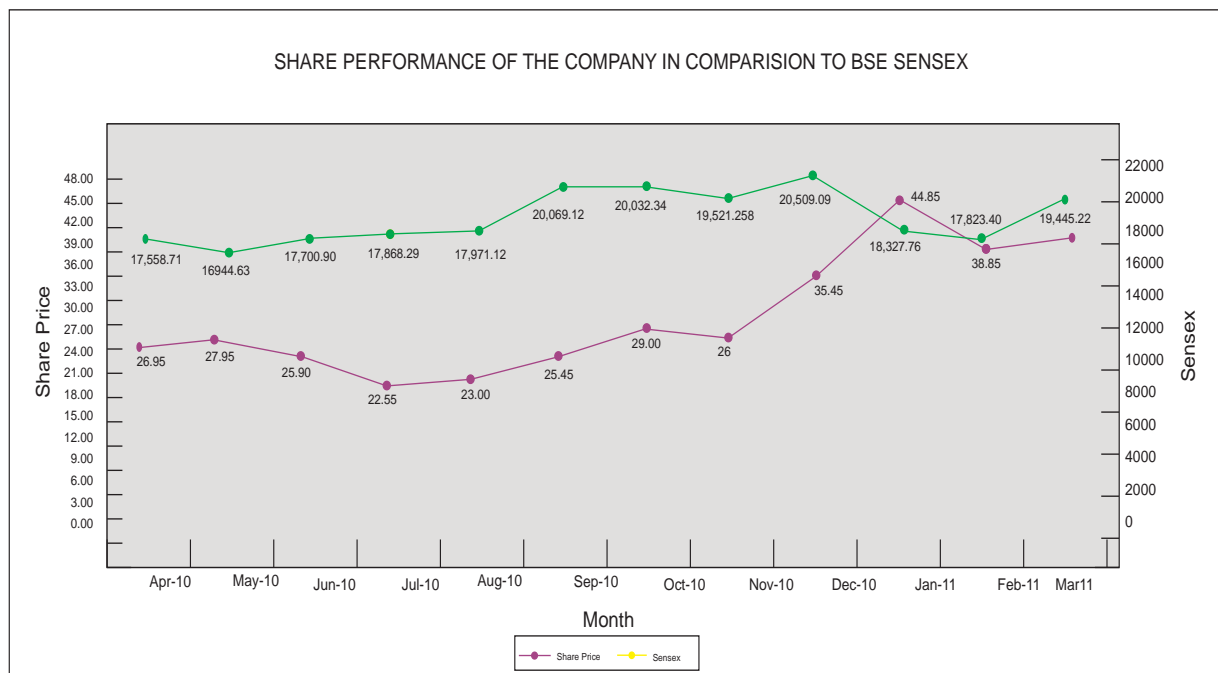
Market Price Data : High low during each month in last financial year

ECO RECYCLING LIMITED								BSE Sensex		
Month	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No.of Shares	No. of Trades	Net T/O (Rs.)	High	Low	Close
Apr-10	25.10	29.00	20.95	26.95	24332	234	636177	18047.86	17276.8	17558.71
May-10	27.95	31.90	25.00	27.95	78889	271	2317282	17536.86	15960.15	16944.63
Jun-10	26.75	28.40	25.00	25.90	27012	179	723625	17919.62	16318.39	17700.90
Jul-10	24.80	28.80	22.50	22.55	21302	267	541749	18237.56	17395.58	17868.29
Aug-10	22.50	26.70	21.20	23.00	29986	285	727850	18475.27	17819.99	17971.12
Sep-10	23.25	37.50	21.55	25.45	227061	1647	7377677	20267.98	18027.12	20069.12
Oct-10	26.70	35.70	25.05	29.00	78878	465	2443386	20854.55	19768.96	20032.34
Nov-10	29.10	33.95	25.35	28.00	37501	205	1106392	21108.64	18954.82	19521.25
Dec-10	27.75	37.10	27.60	35.45	68137	318	2137766	20552.03	19074.57	20509.09
Jan-11	37.50	48.00	35.00	44.85	187014	880	8075377	20664.8	18038.48	18327.76
Feb-11	47.00	49.85	35.30	38.85	129140	395	5974582	18690.97	17295.62	17823.40
Mar-11	40.60	43.50	35.35	40.30	36683	178	1465115	19575.16	17792.17	19445.22

Performance in comparison to BSE Sensex

	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sept 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Share Price	26.95	27.95	25.90	22.55	23.00	25.45	29.00	28.00	35.45	44.85	38.85	40.30
SENSEX	17558.71	16944.63	17700.9	17868.29	17971.12	20069.12	20032.34	19521.25	20509.09	18327.76	17823.4	19445.22





e) Share Transfer System & Other Related Matters.

- **Share Transfer System**

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

- **Registrar and Share Transfer Agent:** Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate Saki Vihar Road,

Saki Naka Andheri (E), Mumbai-72.
Tel. No. : +91 22 28470652/53

Fax No. : +91 22 28475207

Email: investor@bigshareonline.com
Website: www.bigshareonline.com

- **Nomination Facility for Shareholders:**

As per the provisions of the Companies Act, 1956, facility for making nomination is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.

- **Payment of Dividend through Electronic Clearing Service:**

The Securities & Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through

Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.

- **Correspondence regarding Change in Address:**

Members are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents:

Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate Saki Vihar Road, Saki Naka Andheri (E), Mumbai – 400072

Email: investor@bigshareonline.com

- **Dematerialization of Shares**
The Shares of the Company can be

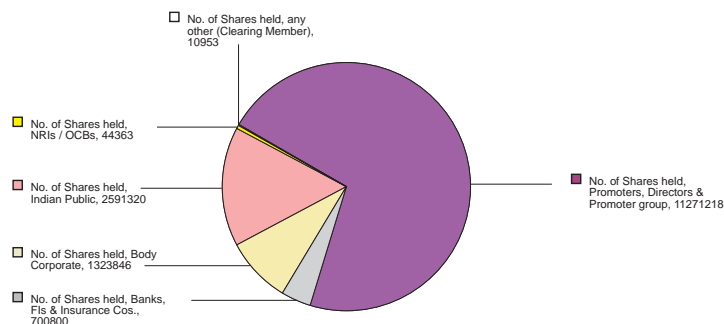
Distribution of Share Holding as on 31.03.2011

NO. OF EQUITY SHARES HELD	NO. OF SHARE HOLDERS	% OF TOTAL SHARE HOLDERS	TOTAL HOLDING IN RUPEES	% OF TOTAL NUMBER OF SHARES
1 - 5000	2999	88.2578	4791220	12.7310
5001 - 10000	198	5.8270	1633370	4.4498
10001 - 20000	85	2.5015	1275070	3.0903
20001 - 30000	31	0.9123	800250	2.2788
30001 - 40000	11	0.3237	380660	0.8563
40001 - 50000	14	0.4120	661560	1.7299
50001 - 100000	20	0.5886	1575360	4.2342
100001 AND ABOVE	40	1.1772	148307510	70.6299
TOTAL	3398	100.00	159425000	100.00

Shareholding Pattern As On 31.3.2011

CATEGORY	NO. OF SHARES HELD	PERCENTAGE TO TOTAL NUMBER OF SHARES (%)
a. Promoters, Directors & Promoter Group	11271218	70.70
b. Persons Acting in concert	0	00.00
c. Banks, FIs & Insurance Cos.	700800	04.40
d. Corporate Bodies	1323846	08.30
e. Indian Public	2591320	16.25
f. NRIs/OCBs	44363	00.28
g. Any Other (Clearing Member)	10953	00.07
TOTAL	15942500	100.00

SHAREHOLDING PATTERN AS ON 31/03/2011



held and traded in electronic form. As on March 31, 2011, 37,95,638 of total shares of the Company were held in demat form.

Break up of shares in physical and demat form as of 31st March, 2011:

No. of Share	Percentage of Shares
Physical Segment	76.19
Demat Segment :	
NSDL	18.27
CDSL	5.54
Total	100.00

- **Outstanding GDRs/ ADRs :**
8,00,000 convertible equity warrants allotted on April 15, 2011 / Warrants or any to be converted within 18 months from the date of allotment. convertible Instrument, The holding of the allottee i.e. Bennett, Coleman & Co. Ltd conversion date and will increase to 8.36% on full conversion of warrants to equity shares. likely impact on equity
- **Plant Location:** Not Applicable.
- **Address for Correspondence:**
ECO RECYCLING LIMITED
205, Centre Point, Next to Hotel Kohinoor, Andheri Kurla Road, Andheri (East), Mumbai: 400 059
Fax: +91 22 40052951/52/53
Email:shareholders@ecoreco.com
Website:www.ecoreco.com
- **E-mail Id for Investor's Grievances:**The Company has designated separate email id for the investor grievance

and to improve the quality of the services to the investor. The e-mail address for investor grievance is shareholders@ecoreco.com

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

11. MANAGEMENT DISCUSSION AND ANALYSIS

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

12. CEO/CFO CERTIFICATION

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

13. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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



COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

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

**The Members,
Eco Recycling Limited (Formerly known
as Infotrek Syscom Limited)**

We have examined the compliance of conditions of Corporate Governance by Eco Recycling Limited (Formerly known as Infotrek Syscom Limited) for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that

the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

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

**Mumbai
May 30, 2011**

Auditor's Certificate to the Members of the Company on compliance of the conditions of Clause 49 of the Listing Agreement (Corporate Governance) for the year ended 31st March, 2011:

To
The Member's of Eco Recycling Limited

We have examined the compliance of corporate governance by Eco Recycling Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 for Corporate Governance as stipulated in the above mentioned Listing Agreement. Company is in the process of recruiting the whole time Company Secretary as required under Section 383A of the Companies Act, 1956.

We state that none of the Investor Grievances is pending for a period exceeding one month, as at 31st March, 2011 against the Company as per records maintained by the Shareholders' / Investors' Grievance Committee.

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 of the Company has conducted the affairs of the Company.

**Mumbai
30th May, 2011**

**FOR VEDULA VIJAY & RAMANATHAN
Chartered Accountants
S. Vedula
Partner
Membership No. 38150
Firm Reg. 106742w**



MANAGEMENT DISCUSSION AND ANALYSIS

Industry

Recycling as waste management practice in India is pushed by statutory compulsions, ecological requirements and economic considerations. The recycling activity is witnessing a shift and moving from largely unorganized approach to a more organized large scale corporate domain. The negative externalities caused from the hazardous nature of the material used in products makes it necessary to reclaim the waste and recycle components of the products to reduce the associated environmental contamination.

The recent policy amendments and proposed actions in the country have resulted in more organized efforts to recycle electronic waste (e-waste). With the implementation of proposed E-Waste (Management & Handling) Rules, 2011 w.e.f 1st May 2012 the organised recycling will move forward rapidly. Environment friendly corporate and other users will prefer to avail of environment friendly recycling, which will have very positive impact on environment & ecology. This will increase overall productivity and less dependence on mining.

Waste & Recycling industry facts

In the United States, the recycling industry currently provides 1.1 million jobs, generates approximately \$240 billion in revenue, and spends close to \$40 billion in payroll. There are about 56,000 public and private companies of varying sizes within this industry. In other words, there are some huge opportunities within the Waste & Recycling industry providing a unique opportunity to make money while keeping the earth green. There are still some challenges to overcome before companies can fully take advantage of these opportunities, however, the upside is huge.

Strength, Weakness, Opportunities & Threats

Strengths

- Global demand for raw materials is driving the growth of the recycling industry
- Rising commodity prices result in increased profitability in recycling
- Increasing availability of new technologies for efficient and cost effective recycling

Weaknesses

- The organised waste and recycling industry has just begun
- Margins in the industry are currently low
- Price fluctuations for recycled materials are high

Opportunities

- Mandatory requirement from 1st May, 2012
- Consolidation by Merger & Acquisitions

Threats

- Unorganised players.
- Less awareness & willingness
- Tougher regulations.

As you can see, the Waste and Recycling industry is in an interesting space right now. There is plenty of room for consolidation, growth and increased operational efficiency. Coupled with the growing global demand for environmentally friendly business practices, companies in this space have a lot to be excited about.

Risk Management

Risk is an important element of corporate functioning and governance. Your Company has established the process of identifying, analyzing and treating risks, which could prevent the Company from

effectively achieving its objectives. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

Internal Control System. The Company has designed an effective Internal Control System to balance the financial, operational, compliance and other risks and explore its business opportunities at the fullest to achieve its desired objectives. Financial performance with respect to operational performance: The turnover of the Company has increased from Rs. 587.18 lacs for the year ended 31st March, 2010 to Rs. 1,643.03 lacs for the year ended 31st March, 2011.

Human Resources:

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

Code of Conduct:

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



India's only E-waste Recycling Company listed on BSE

E-waste Recycling on Wheels

Ecoreco, India's leading e-waste recycling company presents **Recycling on Wheels**, a customer friendly initiative to recycle e-waste at your doorstep. Ecoreco enables environment friendly disposal of e-waste for a greener future. Do your bit for the environment and the future generation. Hand us your e-waste for an environment friendly disposal.

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www.ecoreco.com | ewaste@.ecoreco.com



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Eco Recycling Limited

Give your e-waste to the best

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2011.

For Eco Recycling Limited
Mumbai ,May 30, 2011

B K Soni
CMD

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

We, B. K. Soni, Chairman & Managing Director and Manisha Malpani, Compliance Officer of ECO RECYCLING LIMITED, to the best of our knowledge and belief, certify that: 1. We have reviewed the Balance Sheet and Profit and Loss Account and Notes on Accounts, as well as the Cash Flow statements and the Directors' Report;

2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;

3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.

4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.

5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have :

- a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
- b. evaluated the effectiveness of the Company's disclosure, controls and procedures.

6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):

- a. all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
- b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
- c. the Company's other certifying

officers and we have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and

- d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the Audit Committee;

8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;

9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

B K Soni
CMD
Mumbai

Manisha Malpani
Compliance Officer
May 30, 2011

AUDITORS' REPORT

To The Board of Directors of Eco Recycling Limited

To The Members of Eco Recycling Limited

1. We have audited the attached Balance Sheet of M/s. Eco Recycling Limited, as at 31st March, 2011 and Profit & Loss Account and the Cash Flow Statements of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order

4. Further to our comments in the annexure referred to above we report that:

i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.

iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

v) On the basis of written representations received from the Directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by The Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In case of the Balance Sheet, of the state of affairs of the Company, as on 31st March, 2011 and

b) In case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

c) In case of the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

Mumbai
30th May, 2011

FOR VEDULA VIJAY & RAMANATHAN
Chartered Accountants
S. Vedula
Partner
Membership No. 38150
Firm Reg. 106742w



Annexure Referred to in paragraph 3 to the Auditors' Report

i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.

b) The fixed assets have been physically verified by the management during the year as per phased program of verification. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of the assets no material discrepancies were noticed on such verification.

c) During the year the company has not disposed off a major part of fixed assets which has affected the going concern status of the company.

ii. a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, frequency of the verification is reasonable.

b) In our opinion and according to the information and explanations given to us, procedures of physical verification inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) In our opinion and according to the information and explanation given to us the company is maintaining proper records of inventory. No material discrepancies were noticed on

physical verification between physical stock and book records.

iii. a) The Company has not granted any advances in the nature of loan to companies in which director's are interested as listed in register maintained under section 301 of the Companies Act, 1956. Hence the clauses (b), (c) and (d) are not applicable.

b) The Company has taken advances in the nature of loan from a director and a company in which director's are interested as listed in register maintained under section 301 of the Companies Act, 1956. The closing balance is nil and maximum outstanding during the year is Rs. 14,00,000/-.

c) The loans were taken for short period and repaid. There was no stipulation of interest payment and the taking of loans, prima facie was not prejudicial to the interest of the company.

iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weaknesses in internal control system.

v. a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register

maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi. The Company has not accepted any deposits from the public during the year & consequently the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 & the rules framed there under are not applicable.

vii. The Company does not have a formal internal audit system commensurate with its size & nature of the business but its financial & other check ensure proper recording of financial transactions.

viii. According to the information and explanation given to us the maintenance of Cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 for any of the activities of the Company.

ix. According to the information



and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it and there is no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and cess as on 31st March, 2011 which have remained outstanding for a period of more than six months from the date they became payable.

- x. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year or in the immediately preceding financial year.
- xi. According to the information and explanations provided to us the company has not defaulted in the repayment of any dues to any financial institution or bank
- xii. In our opinion and according to the information and explanations provided to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to

the information and explanations provided to us the nature of activities of the company does not attract special statute applicable to Chit Fund and Niddhi /Mutual Benefit Fund / Society.

- xiv. In our opinion, the Company has maintained proper records of the transaction and contracts of the investments dealt in by the company and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
- xv. In our opinion and according to the information and explanations provided to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. On the basis of records examined by us the company has prima-facie applied the term loans for which they were obtained
- xvii. In our opinion and according to the information and explanations provided to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii. The company has not made any preferential allotment of shares during the year to parties and

companies covered in the register maintained under section 301 of the act.

- xix. The company has not issued any debenture during the year.
- xx. The company has not raised any money through public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Mumbai
30th May, 2011

FOR VEDULA VIJAY & RAMANATHAN
Chartered Accountants
S. Vedula
Partner
Membership No. 38150
Firm Reg. 106742w



BALANCE SHEET AS ON 31st MARCH,2011

PARTICULARS	Schedule	31.03.2011 (Rupees)	31.03.2010 (Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	159,425,000	159,425,000
Reserves & Surplus	B	115,404,749	121,986,164
		274,829,749	281,411,164
Loans			
Secured Loan	C	23,077,917	5,186,230
Unsecured Loan		50,000,000	2,129,205
Deferred Tax Liability		1,049,142	922,779
TOTAL		348,956,809	289,649,378
APPLICATION OF FUNDS			
Fixed Assets	D		
Goodwill (on merger)		54,444,000	68,055,000
Gross Block		65,265,173	51,998,100
Less : Depreciation		3,768,267	2,638,654
Net Block		61,496,906	49,359,446
Investments	E	45,245,154	67,912,452
Net Current Assets			
Current Assets, Loans & Advances:	F		
Inventories		27,684,220	9,852,644
Sundry Debtors		68,640,842	29,166,831
Cash and Bank Balances		1,608,149	7,269,550
Other Current Assets and Advances		155,518,143	61,204,128
		253,451,355	107,493,153
Less : Current Liabilities & Provisions	G	67,546,567	5,321,699
		185,904,788	102,171,454
Miscellaneous Expenditure (to the extent not written off)		1,865,962	2,151,026
TOTAL		348,956,809	289,649,378

As per our report of even date attached

For Vedula Vijay & Ramanathan - Chartered Accountants

S.Vedula - Partner

M.No.38150

Firm Regd: 106742W

30th May, 2011

B K Soni CMD

T R Rao Director

Srikrishna B Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	Schedule	31.03.2011 (Rupees)	31.03.2010 (Rupees)
INCOME			
Income from Operations	H	164,303,574	58,717,998
Other Income	I	529,396	1,793,885
Increase /(Decrease) in stock	J	17,831,576	104,565
TOTAL		182,664,547	60,616,448
EXPENDITURE			
Purchases	K	153,769,199	48792430
Direct Expenses		5,179,765	1713670
Administration & General Exp.	L	12,372,239	7462959
TOTAL		171,321,203	57969059
Profit/(Loss) Before Interest, Depreciation & Tax		11,343,344	2,647,389
Less : Depreciation		1,129,613	666470
Profit(Loss) Before Interest & Taxation		10,213,730	1,980,919
Interest		1,657,781	192719
Profit(Loss) Before Taxation		8,555,950	1,788,200
Less: Provision For Income Tax		1,400,000	343,000
Net Profit/(Loss) for the Year		7,155,950	1,445,200
Profit/(Loss) b/d from previous year		19,158,537	23,384,588
Add/(Less): Provision for Deferred Tax Asset/Liability		126,363	(172,799)
Less: Debit balance of P&L of earstwhile Eco Recycling Ltd		-	(4,895,595)
Less: Interest Capitalised on Investment in Subsidiary		-	(602,855)
Balance c/f to Balance Sheet		26,188,124	19,158,539
Notes to Accounts	M		

As per our report of even date attached

For Vedula Vijay & Ramanathan - Chartered Accountants

S.Vedula - Partner

M.No.38150

Firm Regd: 106742W

30th May, 2011

B K Soni CMD

T R Rao Director

Srikrishna B Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

	31.03.2011 (Rupees)	31.03.2010 (Rupees)
A. Cash Flow from Operating Activities:		
Net Profit (Loss) before Tax and Extraordinary items	8,555,950	1,788,199
Adjustments for:		
Depreciation	1,129,613	666,470
Interest Expenses	1,109,934	192,719
Deferred Revenue Expenditure	840,755	153,067
(Profit)/Loss on Sale of Investment	2,812,987	3,434,593
Dividend	(148,829)	(189,176)
Interest Received	(203,911)	(92,057)
Operating Profit before Working Capital Changes	14,096,500	5,953,816
(Increase)/Decrease in Current Assets	(151,619,602)	(21,331,666)
Increase/(Decrease) in Current Liabilities	62,224,868	(36,456,304)
Cash Generated from Operations	(75,298,235)	(51,834,154)
Add/(Less):Excess/(Short) Provision in earlier years	-	(6,014,249)
Less:Tax Paid	(1,400,000)	-
Net Cash Generated from Operating Activities	(76,698,235)	(57,848,403)
B. Cash Flow from Investing Activities:		
Profit/(Loss) on Sale of Investment	(2,812,987)	(3,434,593)
Dividend	148,829	189,176
Purchase of Fixed Assets	(13,267,073)	(48,104,555)
Sale/(Purchase) of Investment	22,667,298	(32,447,756)
Interest Received	203,911	92,057
Increase in Goodwill on Merger	(555,690)	(2,054,093)
Net Cash Flow from Investing Activities	6,384,288	(85,759,764)
C. Cash Flow from Financing Activities:		
Interest Expenses	(1,109,936)	(192,719)
Loan Borrowed/(Repayment)	65,762,481	6,617,417
Change in Share Capital	-	143,670,000
Net Cash Flow from Financing Activities	64,652,545	150,094,698
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(5,661,401)	6,486,531
Cash and Cash Equivalents -Opening Balance	7,269,550	783,019
Cash and Cash Equivalents -Closing Balance	1,608,149	7,269,550
Net Increase/(Decrease) in Cash & Cash Equivalent	(5,661,401)	6,486,531

As per our report of even date attached

For Vedula Vijay & Ramanathan - Chartered Accountants

S.Vedula - Partner

M.No.38150

Firm Regd: 106742W

30th May, 2011

B K Soni CMD

T R Rao Director

Srikrishna B Director

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS A/C

	31.03.2011 (Rupees)	31.03.2010 (Rupees)
SCHEDULE A		
Share Capital		
Equity Shares of Rs 10/- each (30,000,000 Equity Shares of Rs. 10/- each)	300,000,000	300,000,000
Issued & Subscribed Capital (15,942,500 Equity Shares of Rs. 10/- each)	159,425,000	159,425,000
Paid up Capital (15,942,500 Equity Shares of Rs. 10/- each)	159,425,000	159,425,000
TOTAL	<u>159,425,000</u>	<u>159,425,000</u>
SCHEDULE B		
Reserves & Surplus		
General Reserve	19,712,130	19,712,130
Add: Addition during the year	-	-
Closing Balance of General Reserve	19,712,130	19,712,130
Share Premium	48,000,000	48,000,000
Profit & Loss Account	26,188,124	19,158,539
Capital Reserve		
Share Application money forfeited	35,115,495	35,115,495
Less Goodwill on Merger	(13,611,000)	-
Sub-total	21,504,495	-
TOTAL	<u>115,404,749</u>	<u>121,986,164</u>
SCHEDULE C		
Secured Loans		
Loan from ICICI Bank Ltd (against hypothecation of car)	-	362,536
Loan from ICICI Bank Ltd (Secured by Motor Vehicle)	-	72,025
Loan from Kotak Mahindra Bank Ltd.		4,751,669
Working Capital Loan- Catholic Syrian Bank (Secured by hypothecation of stock, book debts and personal guarantee of one director)	23,077,917	
TOTAL	<u>23,077,917</u>	<u>5,186,230</u>
Unsecured Loan		
Upsurge Investment & Finance Ltd.	-	2,129,205
Soft Loan from Government	50,000,000	-
TOTAL	<u>50,000,000</u>	<u>2,129,205</u>
	73,077,917	7,315,435

SCHEDULE D FIXED ASSETS:

Sr. No.	Particulars	Rate of Dep.	Gross Block				Depreciation				Net Block	
			As on 1.4.2010	Additions	Dedu-ctions	As on 31.3.2011	Upto 31.3.2010	For the Year	Dedu-ctions	Upto 31.3.2011	As on 31.3.2011	As on 31.3.2010
1	Tangible Assets Plant & Machineries	4.75	7,785,237	13,000	-	7,798,237	100,193	370,140	-	470,319	7,327,918	7,685,044
			2,305,840	216,954	-	2,522,794	2,087,387	382,930	-	2,470,317	52,477	218,453
2	Computers	16.21										
3	Furniture & Fixture	6.33	420,823	-	-	420,823	13,610	26,638	-	40,248	380,575	407,213
4	Vehicles	11.31	985,498	792,367	-	1,777,865	34,741	142,150	-	176,891	1,600,974	950,757
5	Office Equipments	13.91	607,168	3,900	-	611,068	149,694	63,107	-	212,801	398,267	457,474
6	D.G. Set	7.07	57,488	-	-	57,488	18,493	4,064	-	22,557	34,931	38,995
7	Motor Cars	9.5	1,227,685	692,357	-	1,920,042	234,536	140,597	-	375,133	1,544,909	993,149
	Intangible Assets		13,389,739	1,718,578	-	15,108,317	2,638,654	1,129,627	-	3,768,267	11,340,050	10,751,085
1	Branding		29,225,881	11,548,495	-	40,774,376				40,774,376	29,225,881	
2	Capital WIP(R&D)		9,382,480	-	-	9,382,480	-	-	-	-	9,382,480	9,382,480
	Total(B)		38,608,361	11,548,495	-	50,156,856	-	-	-	-	50,156,856	38,608,361
	Grand Total(A+B)		51,998,100	13,267,073	-	65,265,173	2,638,654	1,129,627	-	3,768,267	61,496,906	49,359,446
	Previous Year		49,529,544	2,468,556	-	51,998,100	1,972,184	666,470	-	2,638,654	49,359,446	1,921,361

	No. of shares	31.03.2011 (Rupees)	No. of shares	31.03.2010 (Rupees)
SCHEDULE E INVESTMENTS:				
A. Quoted Shares				
Amar Remedies Ltd	1,000	61,730	0	0
Anant Raj Ind Ltd	500	57,849	0	0
National Peroxide Ltd	2,000	462,550	2,000	462,550
G.V. Films Ltd	10,000	82,150	10,000	82,150
Hindustan Motors Ltd	33,000	824,073	29,000	1,042,209
Malu Paper Mills Ltd	10,000	375,336	10,000	375,384
Prism Cement Ltd	2,000	120,070	2,000	120,070
Ruchi Infrastructure Ltd	424,500	18,798,798	424,500	18,798,798
Anik Industries Ltd	50,000	2,473,150	50,000	2,473,150
NOCIL Ltd	63,989	1,193,473	27,169	643,517
BSEL Infrastructure Realty Ltd	10,000	100,346	0	0
Harrison Malayalam Ltd	3,000	241,752	0	0
Hindustan Organic Chemicals Ltd	5,000	189,700	0	0
Indian Card Clothing Company Ltd	1,298	178,296	0	0
KPR Mill Ltd	1,721	250,000	0	0
Murli Industries Ltd	2,500	119,008	0	0
Opto Circuits India Ltd	300	88,063	0	0
Shree Ashtavinayak CinevisionLtd	10,000	56,610	0	0
Tata Tele Services (Maharashtra) Ltd	642,330	11,355,891	0	0
JSW Energy Ltd	500	61,683	0	0
Himachal Futuristic Com. Ltd	3,000	54,000	3000	54,000
TOTAL (A)		37,144,529		24,051,827
B. Unquoted Shares				
Saujanya Trading Pvt Ltd	200,000	5,000,000	0	0
Iland Informatics Limited	-	-	51,000	510,000
Dombivali Sahakari Bank Ltd	10,000	100,000	10,000	100,000
Sasistar Finance Pvt.Ltd.	0	0	575,000	40,250,000
Shamrao Coop Bank Ltd	25	625	25	625
Sanjay Chemical Pvt Ltd	3,000	3,000,000	3,000	30,00,000
TOTAL (B)		8,100,625		43,860,625
TOTAL (A+B)		45,245,154		67,912,452
Market value of quoted investments	Rs.263.33 lacs			

	31.03.2011 (Rupees)	31.03.2010 (Rupees)
SCHEDULE F		
Current Assets, Loans & Advances		
A. Inventories	27,684,220	9,852,644
TOTAL (A)	27,684,220	9,852,644
B. Debtors (Unsecured considered good)		
a. More than six months	2,255,914	2,135,092
b. Others	66,384,928	27,031,739
Total (B)	68,640,842	29,166,831
C. Cash & Bank Balances		
Cash in Hand	581,443	196,568
Balance with Banks	1,026,707	7,072,982
TOTAL (C)	1,608,149	7,269,550
D. Loans & Advances		
Advance Tax & TDS	1,000,000	2,430,992
Sundry Deposits	29,088,135	17,924,818
Other Advances	125,430,008	40,848,318
TOTAL (D)	155,518,143	61,204,128
Total (A+B+C+D)	<u>253,451,355</u>	<u>107,493,153</u>
SCHEDULE G		
Current Liabilities & Provisions		
A. Current Liabilities :	31.03.2011	31.03.2010
	Rs	Rs
Creditors for Goods	65,187,310	361,551
Creditors for Expenses & Current Liabilities	519,191	2,476,298
TOTAL (A)	65,706,501	2,837,849
B. Provisions		
For Fringe Benefit Tax	-	32,650
For Income Tax	1,840,066	2,451,200
TOTAL (B)	1,840,066	2,483,850
TOTAL (A+B)	<u>67,546,567</u>	<u>5,321,699</u>

	31.03.2011 (Rupees)	31.03.2010 (Rupees)
SCHEDULE H		
Income from Operations		
Sale:	158,521,148	52,693,299
Services Charges	719,154	532,863
Sale of Shares	5,063,272	5,491,836
TOTAL	164,303,574	58,717,998
SCHEDULE I		
Other Income		
Interest	203,991	92,057
Dividend	148,829	189,176
Profit/(Loss) on Investment in Shares	2,925,667	-
Derivative Profit/(Loss)	(2,804,091)	245,442
Other income	55,000	
Sundry balance written back		1,267,210
TOTAL	529,396	1,793,885
SCHEDULE J		
Increase/ (Decrease) in Stock		
Closing Stock	27,684,220	9,852,644
Less: Opening Stock	9,852,644	9,748,079
TOTAL	17,831,576	104,565
SCHEDULE K		
Purchases		
Electrical and Electronic Equipment	153,702,875	45,140,117
Shares	66,324	3,652,313
TOTAL	153,769,199	48,792,430

	31.03.2011 (Rupees)	31.03.2010 (Rupees)
SCHEDULE L		
Administrative & General Expenses		
Advertisement Expenses	138,956	23,435
Annual Listing Fees	171,685	43,157
Auditor's Remuneration	180,000	11,255
Bad Debts	250,833	0
Bank Charges	358,728	5,751
Communication Expenses	0	94,200
Director's Remuneration	600,000	450,000
Director's Sitting Fees	10,000	10,000
Electricity Charges	67,410	52,191
Insurance	355,541	14,644
Loss on Sale of Investments	8,896	3,434,593
Miscellaneous Expenses	2,233,527	262,811
Office Rent	1,800,000	900,000
Preliminary Expenses w/off	840,755	153,067
Printing & Stationery	195,110	95,307
Professional Fees	999,666	664,383
Registrar Expenses	51,052	42,040
ROC Filing Fees	1,020	110,410
Repairs & Maintenance	231,991	88,491
Salaries	2,116,862	698,589
Staff Welfare	570,194	237,788
Travelling & Conveyance	1,190,013	70,848
TOTAL	12,372,239	7,462,960

SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.03.2011 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

SCHEDULE "M"

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

Significant Accounting Policies:-

(a) Accounting convention & concepts:
The financial statements are prepared under the historical cost convention, in accordance with accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Company.

(b) Revenue Recognition:

- i. Income and expenditure are recognized on accrual basis.
- ii. Dividend income is recognized as and when received.
- iii. In respect of other heads of income, the Company follows the practice of accounting of such income on accrual basis.

(c) Fixed Assets: Fixed assets are stated at cost less accumulated depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition.

(d) Depreciation: Depreciation on fixed assets is provided on Straight Line Method on a pro – rata basis at the rates specified in the Schedule XIV to the Companies Act, 1956.

(e) Investments: Investments are valued at cost of acquisition and include brokerage fees and incidental expenses, wherever applicable. Investments are classified as long term and are carried at cost.

(f) Foreign Exchange transaction: Transactions in foreign currency are

converted at the rates prevailing on the date of the transactions.

(g) Inventories:

- i. Inventories are valued at cost or net realizable value whichever is lower .
- ii. Shares held as stock-in-trade are valued at cost or market value whichever is lower.

(h) Branding expenses: It is considered as intangible fixed asset and shown at actual cost. Branding expenses is proposed to be written off from the year in which the branding exercise is completed .

(i) Goodwill on Merger: 1/5th of the total goodwill written-off in accordance with AS-14 and AS-26

NOTES TO ACCOUNTS:-

1. In the opinion of the Board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the financial statements.

2. No revaluation of fixed assets has been made since the date of incorporation of the Company.

3. In the opinion of the Management, the Provident Fund and ESI Acts are not applicable to the Company.

4. The Company has not provided for gratuity and leaves encashment and leave travel allowances to employees on accrual basis, which is not in conformity with AS-15 issued by ICAI. However in the opinion of management the amount involved is negligible and has no impact on profit

and loss account.

5. Standing Bank Guarantee of Rs. 22,18,955/- In favor of The Customs, JNPT is fully secured against equal Fixed Deposit with a bank.

6. As per the accounting standard 18 on "Related Party Disclosures" issued by the ICAI the related Parties of the company and nature of relationship are as follows:

RELATED PARTY	NATURE OF RELATIONSHIP
B. K. Soni	Director
Aruna Soni	Director
First Online Comtrades Pvt. Ltd.	Two Common Directors
B. K. Soni HUF	CMD Is Karta of HUF

Nature and Volume of transactions carried out with the above related parties in the ordinary course of business for the year ended March 31, 2011.
(In Rupees)

Particulars	Key Management Personnel	Others
Remuneration	600000	
Sitting Fees	-	10000
Rent	-	1800000
Deposits for premises	-	135,50,000
Loan taken by the company and Repaid	950,000	450,000

7. Payment to Auditors:	2010-2011	2009-2010
Audit Fees	60,000	30,000
Tax Audit Fees	25,000	15,000
VAT Audit Fees	10,000	25,000
Advisory services	1,25,000	
Tax matters	15,000	
Service Tax	24,205	4,635
Total	<u>2,59,205</u>	<u>74,635</u>
8. Directos Remuneration:	2010-2011	2009-2010
B. K. Soni	6,00,000	4,50,000

9. Quantitative Details in respect of EEE:

	31.03.2011		31.03.2010	
	Qty(MT)	Value(Rs.)	Qty(MT)	Value(Rs.)
Opening Stock	152.32	4,950,146	641.03	4,448,521
Purchase	3395.66	153,702,875	1,384.32	4,51,40,117
Sales	3032.35	158,521,149	1,873.03	5,32,26,162
Closing Stock	515.63	23,818,054	152.32	49,50,146

c) Closing Stock of Shares held as stock-in-trade

2010-11	2009-10
3866166	4902498

10. Segment Reporting

(i) The company is into single segment of E-waste Management and Recycling. Hence segment wise reporting is not applicable.

(ii) The company operates in domestic market only.

11. Earnings in foreign currency during the year. Expenditure in foreign currency during the year – INR 5,09,704

12. Value of imports on CIF Basis: INR 5,33,304

13. In accordance with the accounting standard 20 on "Earnings per Share" issued by the ICAI: Net Profit (Loss) after tax available to Equity Shareholders: - Rs. 71,55,950 Weighted average no. of Equity Shares outstanding during the year: 159,425,000 Basic and Diluted EPS: Rs.0.44 (P.Y. Rs 0.09)

14. Deferred Income Tax:

Deferred tax has been provided in accordance with the Accounting Standard 22- Accounting for Taxes on Income issued by the Institute of Chartered Accountant of India. The deferred tax liabilities as on 31st March, 2011 amounting to Rs.

1,26,363/- is the difference between the book depreciation and tax depreciation.

15. Previous year figures have been regrouped and rearranged wherever necessary to confirm to this year's classification..

16. There are no parties, which can be classified as small-scale undertakings to whom the company owes a sum exceeding Rs. 1 Lac, which is outstanding for more than 30 days.

Signatories to schedule A to M

For Vedula Vijay & Ramanathan - Chartered Accountants

CA S. Vedula

Firm Reg. 106742w

M.No.38150

Mumbai

30th May, 2011

B K Soni CMD

T R Rao Director

Srikrishna B Director





When you dispose your e-waste, ensure safe & secure data destruction.

Be careful when you discard your e-waste; it may contain Confidential Data, Private Documents, Financial Records, Customer Information, Credit Card details etc.

Ecoreco's secured information destruction facility ensures safety of your data, to avoid your competitors or others to misuse it.

Ecoreco, a fully compliant and environment friendly e-waste recycling company provides a secure solution to destroy your data. The one and only company that has a unique mobile shredding facility to offer data destruction at your doorstep or else you may choose an off site service as per your need and comfort. What's more, this unique model is equipped with the necessary tools and techniques to capture the entire process on film for your records to comply with **ISO/ CSR/ Audit requirements**.

India's only E-waste Recycling Company listed on BSE



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ATTENDANCE SLIP
ECO RECYCLING LIMITED

Registered Office: 205, Centre Point, Next to Hotel Kohinoor, Andheri Kurla Road, Andheri (E), Mumbai – 400 059

17th Annual General Meeting, Saturday, July 30, 2011

I hereby record my presence at the 17th Annual General Meeting of the Company (including adjournment thereof) at Tunga Paradise, Opposite Rolta Centre , Central Road, Andheri (East), Mumbai – 400 093 on Saturday, July 30, 2011 at 4.00 p.m.

Folio No. _____ DP ID* _____ Client ID _____

No. of Shares held _____

Full name of the Shareholder/Proxy(in block letters)

Signature

Note : Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over at the entrance of the hall.

PROXY FORM
ECO RECYCLING LIMITED

Registered Office: 205, Centre Point, Next to Hotel Kohinoor, Andheri Kurla Road, Andheri (E), Mumbai – 400 059

17th Annual General Meeting, Saturday (day), July 30 (month and date)2011

Folio No. _____ DP ID: _____ Client ID: _____

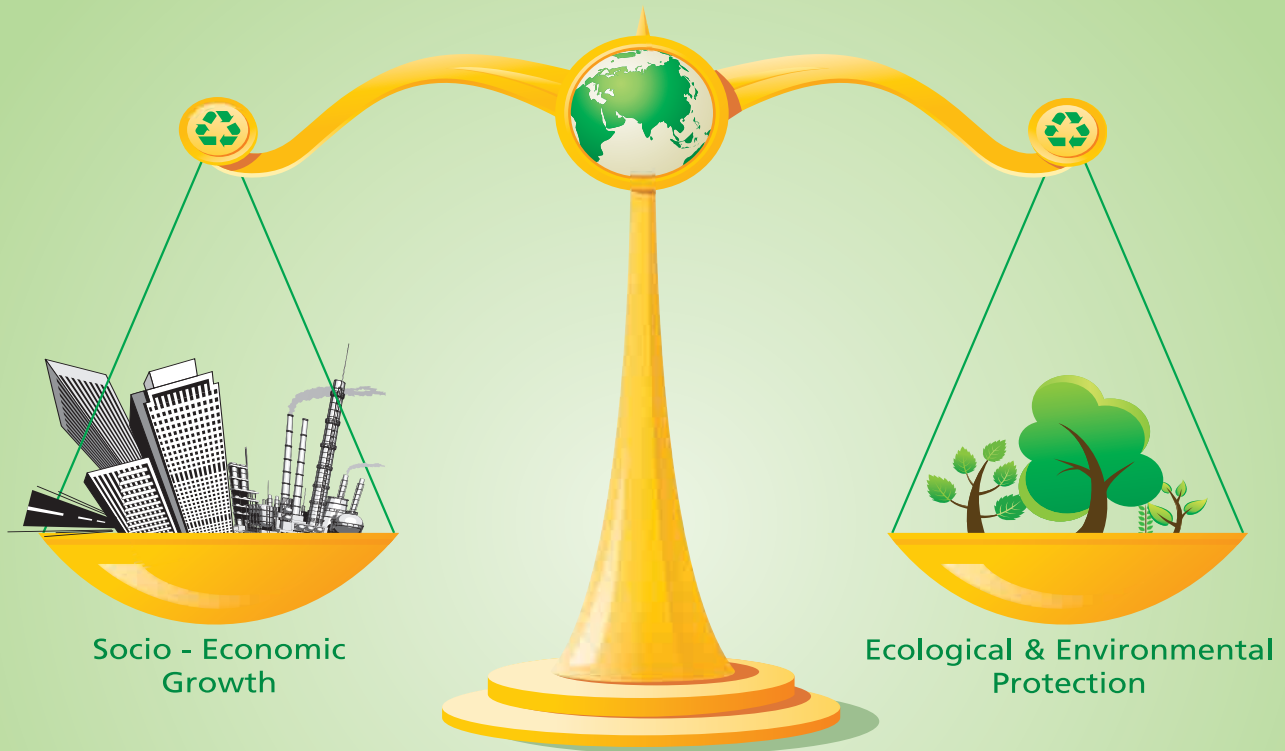
I/We _____ of _____
_____ In the district of _____ being
a member(s) of the above named Company, hereby appoint _____ of _____
_____ in the district of _____ or failing him _____ of _____
_____ in the district of _____ as my/our proxy to vote for
me/us on my/our behalf at the 17th Annual General Meeting of the Company (including adjournment thereof) to be held at Tunga Paradise, Opposite Rolta Centre , Central Road, Andheri (East), Mumbai – 400 093 on _____(day), _____(Month)
_____, 2011 at _____ a. m. / p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Affix a

Note : 1. The proxy need not be a member
2. The Proxy Form duly completed should be deposited at the Registered Office of the Company at Mumbai not later than 48 hours before the time of the meeting.
*applicable for investor holding shares in electronic form.

SUSTAINABLE DEVELOPMENT



The time has come to focus on recycling of the used material / equipments to meet socio - economic growth rather than going deeper into the mines and disturbing the ecological balance.

Strengthen the hands of The Recycling Company of India to support Sustainable Development.

Recycling Revolution: Ecoreco, the Destination

India's only E-waste Recycling Company listed on BSE



Give your **e-waste to the best**

PROTECT EARTH FROM THE HAZARDS OF E-WASTE

Act before we require another Copanhangen 'Climate Conference'.

E-waste is one of the factors, which contributes to Global Warming. This is one of the concerns governmental representatives from 170 countries are addressing at the 'Climate Conference' in Copanhangen.



About Ecoreco:

- is India's first ISO 9001, 14001 & 18001 complaint & environmental friendly e-waste recycling company
- offers a full spectrum of e-waste management activities
- provides 'E- waste Disposal Certificates'
- has innovated a first-of-its-kind-in-India mobile shredding van
- ensures 100% secured data destruction at the client's premises



So, let's be a part of this global concern and contribute towards safe e-waste disposal.

India's only E-waste Recycling Company listed on BSE



Give your e-waste to the best



India's leading
RECYCLING COMPANY
is also the first to be
LISTED ON BSE.

1ST E-WASTE FACILITY

- Approved by the CPCB (Central Pollution Control Board)
- Approved by the MPCB (Maharashtra Pollution Control Board)
- With Recycling on Wheels facility in India
- With Data Destruction Facility on Wheels in India
- To win the prestigious Business Plan Award from CII / NVI / WRI
- To win the prestigious Most Innovative Technology Award from Good Governance India foundation
- To win the prestigious Environment & Clean Energy Track company award from Sankalp
- To win the Niche Market Player Award from Frost & Sullivan
- To win Gold Medal from Department of Science & Technology, FICCI, Lockheed Martine, USA & others

CREDENTIALS

- Member of ISRI, USA, the largest representative body of recyclers globally
- Member of Expert Group formed by MPCB
- Member of Electronic Recyclers Association, India, the largest representative body of e-waste recyclers in India
- Serving more than 300 corporate entities across India
- Having its own fleet of trucks and tie-up with a very prestigious logistic company of India

SERVICES

- Recycling
- Data destruction
- Remarketing
- Logistics

BOOKPOST

If undelivered, please return to:

Eco Recycling Limited

205, Centre Point, Next to Kohinoor,
J.B. Nagar, Andheri Kurla Road,
Andheri (East), Mumba 400 059



Give your e-waste to the best