

# Ecoreco

## KARWAYA KYA?

Safe Disposal of e-waste with  
secured data destruction



**ECO RECYCLING LIMITED**  
**ANNUAL REPORT 2011-2012**

India's first CPCB & MPCB approved & only E-waste Recycling Company listed on BSE

Done your bit for a  
greener tomorrow.

It's time for

## Ecorecognition

Ecoreco has always been at the forefront in laying the path for a greener tomorrow, by recycling e-waste. This wouldn't have been possible without our customers' proactive approach.

"Green Enterprise" our annual event honors these corporates for taking a proactive approach, by disposing their e-waste in an environment friendly manner.

To know more about Green Enterprise and participate in the endeavour, please email to: [greenenterprise@ecoreco.com](mailto:greenenterprise@ecoreco.com)

**Hand us your e-waste today**

 **022 4005-2951/2/3**

[www.ecoreco.com](http://www.ecoreco.com)

[ewaste@ecoreco.com](mailto:ewaste@ecoreco.com)



India's first CPCB & MPCB approved & only E-waste Recycling Company listed on BSE



**Ecoreco®**  
Eco Recycling Limited

Give your e-waste to the best

## **BOARD OF DIRECTORS**

### **DIRECTORS**

B. K.Soni – CMD  
T Raghavendra Rao  
Srikrishna B.  
Deepak Nanda  
Aruna Soni

### **AUDITORS**

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

### **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  
www.de-end.com



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Eco Recycling Limited will be held at Tunga International, Next to Udyog Sarathi, MIDC, Andheri East, Mumbai – 400 093 on Thursday, August 30, 2012 at 10.00 a.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, 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 Mrs Aruna Soni who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. GMJ & Co. Chartered Accountants as Statutory Auditors of the Company for the period commencing from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### Special Business

4. **ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO NIPPON MAGNETIC DRESSING CO., LTD (NMD)**  
To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provision of Section 81 (1A) and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), and subject to the relevant provisions of the Memorandum

and Articles of Association of the Company and the rules/ regulations/ guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India. (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) or any other relevant authority from time to time and in terms of the provisions of and the conditions as prescribed under the listing Agreement entered into by the Company with the Stock Exchanges on which the Company's Shares are listed and the applicable guidelines, and subjects to such approvals, consents, permissions and sanctions as might be required and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions which the Board of Directors of the Company thinks fit, the consent of the Company be and is hereby accorded to offer and allot on preferential basis to Nippon Magnetic Dressing Co., Ltd (NMD), 8,00,000 Equity Shares in one or more tranches of nominal value Rs. 10/- (Rupees Ten) each at a price of not less than Rs. 40/- per share which includes a premium of Rs. 30/- per share as calculated in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or such other higher price which the Board in its absolute discretion may deem fit and appropriate at such time as may be permitted under the applicable SEBI regulations as amended from time to time and as agreed between the Company and the allottee (Nippon Magnetic Dressing Co.).

RESOLVED FURTHER THAT the relevant date for the preferential issue shall be

as per the Regulation 71(a) of SEBI (ICDR) Regulations, 2009 and other applicable regulation of SEBI (ICDR) Regulation 2009 as amended from time to time.

RESOLVED FURTHER THAT all the Equity Shares referred hereinabove to NMD shall rank pari passu in all respects including entitlement for dividend with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to decide and approve terms and conditions of the issue and also to vary, modify or alter any terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notification, rules and regulations, to the extent applicable, as SEBI/GOI/RBI or such other appropriate authorities, within or outside India, may prescribe from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director of the Company be and is hereby authorized to settle and decide on all questions, queries or any other matters that may arise in regard to the allotment of Equity Shares and further to do all such acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as may be necessary and desirable in this regard.

RESOLVED FURTHER THAT any Director of the Company be and is hereby

authorized at its discretion, to further delegate by way of authorization in favour of any of the members of the Board or a Committee thereof, to do all the necessary acts and take necessary steps that may be deemed expedient to give effect to this resolution.”

5. **PAYMENT OF REMUNERATION TO MRS. ARUNA SONI, DIRECTOR OF THE COMPANY**

To approve, the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 269, 198, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with and in accordance with the conditions specified in Schedule XIII to the said Act, the payment of Remuneration of Rs 50,000 (Rupees Fifty thousand Only) per Month to Mrs. Aruna Soni, Director of the Company for the services rendered by her for a period with effect from 01/04/2011 to 30<sup>th</sup> August, 2012 as approved by the Board pursuant to Board Resolution dated 31/03/2011 be and is hereby approved and further the consent of the Company be and is hereby accorded to pay a remuneration of Rs 50,000 (Rupees Fifty thousand Only) per Month with effect from 31/08/2012 to 31/03/2014.”

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to revise the remuneration payable to the Director from time to time, such that the aggregate of the salary

(inclusive of annual increments, if any) in any financial year shall not exceed the ceiling laid down in Sections 198, 269, & 309 read with the Schedule XIII to the Companies Act, 1956, including any statutory modification(s), re-enactment thereof or any amendment thereto.

FURTHER RESOLVED THAT notwithstanding the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mrs. Aruna Soni as Director of the Company, the remuneration payable to her shall be in accordance with the limits prescribed in Section II Part II of Schedule XIII to the Companies Act, 1956, as amended from time to time, subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided above when the profits of the Company are adequate.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it in the best interest of the Company.”

Mumbai                      **By order of the Board**  
 July 30, 2012                      **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 August 23rd, 2012 to August 30th, 2012 (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 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. 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.
15. 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

### Item No. 1

ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO NIPPON MAGNETIC DRESSING CO., LTD

1. **Objects of the Issue:** Eco Recycling Limited, the pioneer in India in the e-waste recycling segment in the organized and environment friendly manner provides end to end solution for the disposal of such hazardous waste. Ecoreco started journey of e-waste recycling almost 6 years before. E-waste (Management & Handling) Rules, 2011 were notified and in this duration has set several mile stones on the business & technology front. Ecoreco is now expanding its

capacity and capabilities to assist Producers & Generators to meet their responsibilities as framed in the above Rules. To part finance the plan of capacity & capability building Ecoreco proposes to allot 800,000 Equity Shares to Nippon Magnetic Dressing Co. Ltd (NMD), Japan.

2. **Proposal of the promoters, directors or key management personnel to subscribe the offer:** The preferential issue of Equity Shares with a right to subscribe to Equity Shares is being made to NMD. There is no intention of the Promoters, Directors or Key Management Personnel of the Company to subscribe in the offer.

3. **Time Frame:** The Equity Shares

shall be allotted within a period of 15 (Fifteen) days of passing of the resolution at the ensuing Annual General Meeting, provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within 15 (Fifteen) days from the date of such approval, pursuant to Regulation 74(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

4. **Shareholding pattern before and after offer:** Shareholding Pattern before and after issuing shares under preferential allotment:

Category	Existing shareholding before preferential allotment		Shareholding post allotment of shares on preferential basis			
			Before conversion of Warrant to equity shares (*Issued on April 15, 2011 yet to be converted into equity shares)		After conversion of Warrant to equity shares (*Issued in the month of April 15, 2011 yet to be converted into equity shares)	
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
1. Promoter Group						
i) Directors/ Directors relatives/ HUF	24,71,968	15.5055	24,71,968	14.7646	24,71,968	14.0913
ii) Body Corporate	91,39,250	57.3263	91,39,250	54.5871	91,39,250	52.0978
2. Financial Institutions/ Banks	800	0.0050	800	0.0048	800	0.0046

3. Mutual Funds	-	-	-	-	-	-
4. Foreign Institutional Investors	3,60,000	2.2581	3,60,000	2.1502	3,60,000	2.0522
5. Non-Resident Indians	1,34,081	0.8410	1,34,081	0.8008	1,34,081	0.7643
6. Corporate Bodies	13,19,098	8.2740	21,19,098	12.6570	29,19,098 **(Warrant+ Preferential)	16.6401
7. Others (Public and Clearing Members)	25,17,303	15.7899	25,17,303	15.0354	25,17,303	14.3497
Total	1,59,42,500	100.0000	1,67,42,500	100.00	1,75,42,500	100.00

\* The Company had issued 8,00,000 Convertible Equity Warrants to Bennett Coleman & Company Limited on April 15, 2011. These warrants are yet to be converted into Equity Shares.

\*\* The Term Bodies Corporates in the above table includes 8,00,000 convertible Equity Warrants which are yet to be Converted into Equity Shares and 8,00,000 Equity Shares to be allotted to Nippon Magnetic Dressing Co. Ltd on preferential basis subject to the approval of Shareholders and regulatory authorities as requires under Companies Act, 1956 and SEBI (ICDR) guidelines 2009.

The aforesaid shareholding pattern may change from time to time depending upon the transfer of shares by the existing shareholders and further issue of capital, if any, by the Company during the said period.

The voting rights on subscription of Equity of the Company would change according to the change in the shareholding pattern of the Company, as indicated above.

#### 5. Identity of Proposed Allottees and % of Post Preferential Issue Capital held by them:

Sr. no	Name of the Proposed Allottee	No. of Equity Proposed to be Issued	No. of Equity Shares held as on the Relevant Date i.e., July 31, 2012	% of Post Preferential Issued Capital Held	
				Pre conversion of warrant	Post conversion of warrant
1	Nippon Magnetic Dressing Co.,Ltd (NMD)	8,00,000	-	4.7783	4.5604



Due to the proposed Preferential Issue of Equity Share as above, the following consequences are expected to result:

- i. There will be no change in the constitution of the Board of Directors of the Company,
  - ii. There will be no change in the Management Control over the Company consequent to the issue of Equity Share, as aforesaid.
  - iii. There will be no change in the business of the Company.
6. The Company will ensure that the provisions as to lock-in and other conditions/prohibitions/restrictions contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, if any are complied with.
  7. The Company hereby undertakes that it shall re-compute the price of the specified securities in terms of the provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, where it is required to do so and if the amount payable on account of the re-computation of price is not paid within the time stipulated in the said regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.
  8. A copy of the Auditors Certificate certifying that the issue of equity

share is being made in accordance with the requirements contained in the Regulations for preferential issues under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be laid before the Annual General Meeting for inspection by the Shareholders and will be available for inspection by the Members of the Company Further, under section 81(1A) of the Companies Act, 1956, approval of the members is required for allotment of securities on preferential basis.

Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 1956, and SEBI (ICDR) Regulation 2009 to issue and allot equity shares on preferential basis as stated in the resolutions.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investor who may or may not be an existing shareholder of the Company.

The Directors are not in any way interested in the above Resolution. The Directors recommend the resolution for the approval of the Shareholders.

## Item No. 2

### PAYMENT OF REMUNERATION TO MRS. ARUNA SONI, DIRECTOR OF THE COMPANY

The Board of Directors of the Company at its Meeting held on March 31, 2011 has pursuant to the recommendation of the Remuneration Committee and subject to the approval of Members,

approved the remuneration to Mrs. Aruna Soni as set out in the resolution mentioned above.

You are requested to accord your consent to the aforesaid resolutions.

The Directors of the Company are concerned or interested in the aforesaid resolutions to the extent of their Shareholding.

None of the Directors of the Company other than Shri Brij Kishor Soni & Smt. Aruna Soni are in any way concerned or interested in passing of this resolution.



## DIRECTORS' REPORT

### The Members of ECO RECYCLING LIMITED

Your Directors present with pleasure the 18th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2012.

#### 1. FINANCIAL RESULTS (Rs. in Lacs)

	2011-2012	2010-2011
Total Income	1757.34	1676.37
Profit before Interest, Depreciation & tax	108.15	113.43
Less: Depreciation	11.40	11.30
Profit before Interest and Tax	96.76	102.13
Interest	49.86	16.58
Profit before Tax	46.90	85.55
Less: Provision for Income Tax	9.89	15.26
Profit after Tax	37.01	70.29
Add: Balance brought forward	261.88	191.59
<b>Balance carried to Balance Sheet</b>	<b>298.89</b>	<b>261.88</b>

#### 2. OPERATIONS

Your Directors are pleased to inform that during the year ended 31st March, 2012, the company added lots of new services to support environment conscious individuals & organizations to avail. Your company now provides "Recycling of Lamps on Wheels" and thereby avoids phosphor & mercury going in to air, water & soil to avoid environmental damages. "Recycling of e-waste on Wheels", the service which was introduced in the yester year is also catching attention of environmentalists, corporates, Government offices, NGOs

etc. to promote better practices of recycling and spread awareness & educate in general to further promote such initiatives. Your company also carried out several initiatives of awareness through conferences, exhibitions, presentations in schools, collages, institutions, corporates, etc. for taking the message of organized recycling to the families & societies.

During the year ended 31st March 2012, your company achieved turnover of Rs. 1757.34 Lacs and net profit of Rs.46.90 Lacs.

#### 3. DIVIDEND

In order to conserve resources, no dividend has been declared for the year 2011-2012.

#### 4. TRANSFERS TO RESERVES

During the year, the Company proposes to transfer Rs. 150 lacs to General Reserve as per the Profit and Loss Account of the Company.

#### 5. FUTURE PLANS

It is really very pleasant to inform that in the previous year, the Central Government notified E-waste (Management & Handling) Rules, 2011 on 11th May, 2011 to be effective from 1st May, 2012 (already in force). With the implementation of the above Rules, we anticipate a big rise in the volume of recycling of electrical & electronic waste going for organized recycling. The Rules have proposed that the producers of the respective electrical & electronic items will be liable to implement Extended Producers' Responsibility (EPR) principle. As per the EPR principle, producers will be liable to establish reverse logistic & warehousing chain for collection of discarded (end

of life) equipment from the consumers and will also be responsible to tie up with the authorized recyclers for getting these end of life equipment recycled in an environment friendly manner.

We are pleased to inform that Eco Recycling Ltd, the first company authorized for recycling of e-waste in the country has taken several steps to avail of this growing opportunity by implementing expansion plan to enhance its capacity & capability. Eco Recycling Ltd is working on a plan of Reverse Logistic & Warehousing in collaboration with a bunch of Producers; the plan has envisaged covering the major cities of the country to facilitate individual consumers & large consumers to get rid of their end of life equipment for recycling in an environment friendly manner.

We are also pleased to inform that the project of Precious Metal recovery undertaken by Eco Recycling Ltd with the financial assistance from DSIR (Department of Scientific & Industrial Research), Government of India has shown excellent results and in all probabilities the same will be commercialized in this calendar year. We are also pleased to inform that in the previous year your company's in house R&D Facility was also recognized by the Department and by virtue of that your company is able to save on number of indirect & direct taxes.

#### 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