



TOGETHER
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A DIFFERENCE

ECO RECYCLING LIMITED
ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

DIRECTORS

B.K. Soni – CMD
T Raghavendra Rao
Srikrishna B.
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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of Eco Recycling Limited will be held at A-52, AIPMA House, Street No. 1, MIDC, Andheri (East), Mumbai 400093 on Monday 30th September, 2013 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, 2013, 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. Raghavendra Rao Satya Veera Venkata Turlapati who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. GMJ & Co. Chartered Accountants bearing Registration No. 1034292w 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. APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. SHASHANK SONI, DIRECTOR OF THE COMPANY: To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter

referred to as "the Act"), read with and in accordance with the conditions specified in Schedule XIII to the said Act and as recommended and approved by the remuneration committee and the Board of Directors of the Company, the consent of shareholders be and is hereby accorded to appoint and pay the remuneration to Mr. Shashank Soni, Director of the Company as are set out in clause a to c below with effect from 1st October, 2013:

- (a) Total Salary: ₹ 1,00,000/- (Rupees One lac only) per month with such annual increments as considered by the Board.
- (b) Commission: @ 1% of the net profit of the Company in the financial year computed in the manner laid down in Sections 349 & 350 of the Companies Act, 1956 subject to a ceiling of 50% of the annual salary as defined in para (a) above.
- (c) Perquisites and Allowances: In addition to the salary and commission as outlined above, the Director shall be entitled to perquisites/allowance as under:
 - (i) Housing: Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Director on hiring accommodation shall be made by the Company subject to the ceiling of 60% of the salary as defined in para (a) above. In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishing, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.
 - (ii) Medical Benefits: Payment/ reimbursement of expenses incurred for self and family (including mediclaim/medical insurance

premium) or medical allowance in accordance with the rules of the Company.

- (iii) Leave Travel Allowance/Assistance: Once in a year on actual for traveling within the Country or once in a year on a foreign tour with family.
- (iv) Club Fees: Payment/reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.
- (v) Personal Accident Insurance Premium: For a personal accident insurance cover not exceeding ₹ 25 lacs.
- (vi) Contribution to Provident Fund, Pension/Superannuation or Annuity Funds: As per the Rules framed under the Company's relevant scheme.
- (vii) Gratuity: As per the Rules of the Company and applicable statutory provisions from time to time.
- (viii) Leave Encashment: Leave with full pay and allowance as per rules of the Company. Accumulation/encashment of unavailed earned or privilege leave will be permissible in accordance with the Rules specified by the Company.
- (ix) Car/Communication Facilities: The following shall not be included in the computation of perquisites-
 - (a) Provision of Company's car(s) with driver for the official use.
 - (b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure as the Director, the Company has adequate profits in terms of Section 198 of the Act, then Mr. Shashank Soni shall be

entitled to receive remuneration including perquisites, commission/ performance pay, etc as per the provisions of Section 198, 309, 349 & 350 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other applicable laws, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as "the Board" which term shall be deemed to include any duly authorised committee thereof, for time being exercising the powers conferred by the Board by the resolution) be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required under the Companies Act, 1956."

5. To consider and if thought fit, pass the following resolution with or without modification (s) as Special Resolution: "RESOLVED THAT pursuant to the Special Resolution passed by the Members in the Annual General Meeting held on December 28, 2010 and pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII to the said Act, and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended and approved by the Remuneration Committee and the Board, the members of the Company hereby consents to the payment of remuneration to Mr. B. K. Soni, Managing Director who is appointed for a period of 5

years from 01st September, 2010 on the terms & conditions as are set out at clauses A to C below:

- (a) Basic Salary: ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand Only) per month.
- (b) Commission : 1% (one percent) of the Net profit of the Company in the financial year computed in the manner laid down in Sections 349 & 350 of the Companies Act, 1956 subject to a ceiling of 50% of the annual salary as defined in para (a) above.
- (c) Perquisites and Allowances: In addition to the salary and commission as outlined above, the Managing Director shall be entitled to perquisites/allowance as under:
 - (i) Housing : Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Managing Director on hiring accommodation shall be made by the Company subject to the ceiling of 60% of the salary as defined in para (a) above. In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishing, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.
 - (ii) Medical Benefits: Payment/ reimbursement of expenses incurred for self and family (including mediclaim/ medical insurance premium) or medical allowance in accordance with the rules of the Company.
 - (iii) Leave Travel Allowance/Assistance: Once in a year on actual for traveling within the Country or once in a year on a foreign tour with family.
 - (iv) Fees: Payment/reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.

- (v) Personal Accident Insurance Premium: For a personal accident insurance cover not exceeding ₹ 100 lacs.
- (vi) Contribution to Provident Fund, Pension/Superannuation or Annuity Funds: As per the Rules framed under the Company's relevant scheme.
- (vii) Gratuity: As per the Rules of the Company and applicable statutory provisions from time to time.
- (viii) Leave Encashment: Leave with full pay and allowance as per rules of the Company. Accumulation/encashment of unavailed earned or privilege leave will be permissible in accordance with the Rules specified by the Company.
- (ix) Car/Communication Facilities: The following shall not be included in the computation of perquisites-
 - (a) Provision of Company's car(s) with driver for the official use.
 - (b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls.

RESOLVED FURTHER THAT the terms and conditions of the above remuneration may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include the remuneration committee thereof) as it may in its discretion deem fit within the maximum amount payable to the director in accordance with the Companies Act, 1956 and as may be agreed to by the Director

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as "the

Board" which term shall be deemed to include any duly authorised committee thereof, for time being exercising the powers conferred by the Board by the resolution) be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may, in its

absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required under the Companies Act, 1956."

By order of the Board

CMD

Mumbai

August 14, 2013

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 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 September 20, 2013 to September 30, 2013 (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.
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 or clarifications on the Annual Report 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 updation 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

Item No.4:

The Board of Directors of the Company at its meeting held on August 14, 2013 has pursuant to recommendation of the Remuneration Committee and subject to the approval of members, approved the appointment and remuneration of Mr. Shashank Soni, Director of the Company w.e.f. 1st October, 2013 as set out in the resolution mentioned above.

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

The directors recommend the adoption of the resolution in the interest of the Company by passing Special Resolution.

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

Item No. 5:

PAYMENT OF REMUNERATION TO MR. B. K. SONI, MANAGING DIRECTOR OF THE COMPANY

The Members are hereby informed that the Shareholders have already accorded approval to the appointment and payment of Remuneration to Mr. B. K. Soni, Managing Director of the Company for a period of 5 years commencing from 01st September, 2010 in the Annual General Meeting held on 28th December, 2010. In view of this, the payment of Remuneration is governed by Section 198 read with Schedule XIII to the Companies Act, 1956.

Accordingly, the Board recommends this special resolution for the payment of Remuneration to Mr. B. K. Soni for a period of 2 years commencing from 1st October, 2013 for your consent.

Mrs. Aruna Soni and Mr. Shashank Soni

are interested in the resolution. None of the other Directors of the Company is in any way concerned or interested in this resolution.

This explanation together with the notice is and should be treated as an abstract of the terms of appointment of Mr. B. K. Soni and a Memorandum as to the nature of the concern or interest of the Directors in the said Terms of Appointment, as required under Section 302 of the Companies Act, 1956

Information required for Item No. 5 of the Notice of AGM pursuant to Section II, 1(B) (iv), Part II of Schedule XIII to the Act is provided hereinbelow:

1. GENERAL INFORMATION:

- (i) Nature of Industry: Eco Recycling Limited provides the full spectrum of activities covered under e-waste management right from collection of e-waste from the door step of the generators, transporting, sorting them into working / non-working equipments / components, secured data destruction, dismantling of end of life equipments, size reduction, sorting in to different commodities like glass, plastic, iron / steel, aluminum, copper and other fractions, remarketing of reusable equipments, components and various recovered commodities as well as disposal of hazardous substances as per the prescribed Rules.
- (ii) Date or expected date of commencement of commercial production: Not applicable as the Company is an existing Company.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the

prospectus: Not applicable.

- (iv) Financial performance based on given indicators – as per audited financial results for the year ended 31st March, 2013:

Particulars	2012-13 (Amount in ₹)
Income from operations	223,140,357
Other Income (This includes incomes from investments and deposits)	2,143,053
Profit before interest, depreciation and taxation	16,613,347
Net Profit	6,406,017

- (v) Export performance and net foreign exchange collaborations for the year ended 31st March, 2013: During the year, the Company utilized foreign exchange amounting to ₹ 2,52,534 and earned foreign exchange amounting to ₹ 1,12,95,434.
- (iv) Foreign investments or collaborations, if any: Not applicable.

2. INFORMATION ABOUT THE APPOINTEE:

- (i) Background details: Mr. B. K. Soni is associated with the Company since 01.08.1994 and was designated as a Managing Director of the Company since 1994. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances.

He is with the Company for more than 19 years handling corporate relationships.

- (ii) Past remuneration: Mr. B. K. Soni has been appointed as Managing Director of the Company w.e.f. September 1, 2010. For the financial year ended on March 31, 2012, the Company has paid ₹ 2,50,000 per month as remuneration to Mr. B. K. Soni.
- (iii) Recognition or awards: Not applicable.
- (iv) Job profile and their suitability: Same as stipulated in Para II (i) above
- (v) Remuneration proposed: Same as stipulated above
- (vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Taking into consideration the size of the Company, the profile of Mr. B. K. Soni, Managing Director

and the responsibilities shouldered on him and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.

- (vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Besides the remuneration to be paid to him, Mr. B. K. Soni is a major promoter of the Company.

3. OTHER INFORMATION:

- (i) Reasons inadequate profits: The Company has a profit of ₹ 64,06,016/- for the financial year ended March 31, 2013. The Board of Directors have approved to give remuneration of ₹ 2,50,000/- to Mr. B. K. Soni subject

to approval of shareholders. In view of above Clause 1 B part II section II of Schedule XIII to the Companies Act, 1956 is applicable.

- (ii) Steps taken or proposed to be taken for improvement: The Company has been continuously enhancing its client list. The Company has made significant strides in establishing stronger client relationships. The Company is focussing on providing innovative business solutions to its clients in the area of fund raising and merger and acquisitions.
- (iii) Expected increase in productivity and profits in measurable terms: With better capital market conditions and increased client relationships, the Company is expected to step up the revenues and profits substantially in future.



The Members of ECO RECYCLING LIMITED

Your Directors present with pleasure the 19th Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2013.

1. FINANCIAL RESULTS (₹ in Lacs)

	2012-2013	2011-2012
Total Income	2231.40	1757.34
Profit before Interest, Depreciation & Tax	166.13	108.15
Less: Depreciation	18.12	11.40
Profit before Interest and Tax	148.01	97.00
Interest	59.18	49.86
Profit before Tax	88.83	46.89
Less: Provision for Income Tax	24.78	9.89
Profit after Tax	64.05	37.00
Add: Balance brought forward	148.89	261.88
Balance carried to Balance Sheet	212.94	298.88

2. OPERATIONS

This was the first year of operations since the E-waste (Management & Handling) Rules, 2011 became applicable in India. The Ministry had given one full year from May 11 to April 12 to all the generators of e-waste & other stakeholders to understand & implement the Rules. The Rules envisage that the generators will hand over their e-waste to the registered recyclers and also envisage that the producers will collect the used electrical & electronic equipment from the generators (under Extended Producers' Responsibility)

DIRECTORS' REPORT

and facilitate reverse logistic to see that material gets recycled in an environment friendly manner. The above Rules are changing the trend towards environment friendly disposal in place of sale of e-waste to Kabadies.

It is pleasant to share that Eco Recycling Ltd is the only company in Maharashtra which is registered as an E-waste Recycler. Your Board is of the view that in the near future this industry will see a big boom and your company will be immensely benefitted.

During the year ended 31st March 2013, your Company achieved turnover of ₹ 2253 Lacs and net profit of ₹ 64 Lacs.

3. DIVIDEND

In order to conserve resources, no dividend has been declared for the year 2012-2013.

4. TRANSFERS TO RESERVES

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

5. FUTURE PLANS

Ecoreco is in the process of setting up another facility for recycling of home appliances near Bhiwandi, Maharashtra, with the kind support of NEDO, Mitsubishi Materials Corporation and Nippon Magnetic Dressing Co. Ltd. The unit is expected to be completely operational by end of 2013.

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, Raghavendra Rao Satya Veera Venkata Turlapati, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

7. AUDITORS

M/s. GMJ & Co, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has 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, 2013; 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, 2013 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, 2013, on a going concern basis.

10. CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchange, the report on Corporate Governance is furnished as a part of the Directors' Report and forms part of this report showing that the Company has taken appropriate steps and measures to comply with all the applicable mandatory provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and section 292A of the companies Act 1956. Certificate from the Company's Auditors regarding compliance is annexed hereto and forms part of this report.

11. PARTICULARS OF EMPLOYEES

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

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

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with

the Companies (Disclosure of particulars in the Report of the Board of Directors) A rule, 1988 is not required as your company is not a manufacturing company.

13. QUALIFICATION IN THE AUDITOR'S REPORT:

There are no qualifications in the Auditors' Report regarding audited Accounts for the year ended March 31, 2013 except as follow: The statutory Auditors have qualified that the Miscellaneous Expenditure lying in the Books of the Company as on 31/03/2013 ought to have been written off in the Financial Year ended 31/03/2010. In this regard, the Company here responds that it is a call taken by the Management to amortize the said Miscellaneous Expenditure.

For and on behalf of the Board of Directors

B. K. Soni
CMD

Mumbai
August 14, 2013
Registered Office:
205, Centre Point, Next to Hotel
Kohinoor, Andheri Kurla Road,
Andheri East, Mumbai-400 059

