

August 4, 2022

BSE Limited,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai- 400001

Scrip Code	530643
Scrip Name	Ecoreco
ISIN	INE316A01038

Dear Sir/ Madam,

**Sub: Notice of the 28<sup>th</sup> Annual General Meeting (AGM) and Annual Report for the FY 2021-22**

With reference to captioned subject, we wish to inform you that the 28<sup>th</sup> Annual General Meeting ("AGM") of Eco Recycling Limited ("the Company") is scheduled to be held on Friday August 26, 2022 at 11:00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with applicable circulars issued by the Ministry of Corporate Affairs ('MCA circulars'), the Securities and Exchange Board of India ("SEBI circulars") and other applicable provisions of the Companies Act, 2013, to transact the businesses as set forth in the Notice of AGM. As earlier intimated in Board Meeting Outcome on May 30, 2022 that our company will declare final dividend for the FY 2021-22 @10%, INR 1 per equity share.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Notice of the 28<sup>th</sup> AGM and Annual Report for the financial year 2021-22.

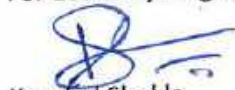
In compliance with the MCA Circulars and SEBI Circulars the Notice of the 28<sup>th</sup> AGM and Annual Report for the financial year 2021-22 are being sent only through electronic mode to those Members whose email IDs are registered with the Company/ Depositories. Further, the same are also made available on the website of the Company at <https://www.ecoreco.com/investor/shareholders-services>.

Event	Date	Time
Book Closure Date for e-voting	August 18, 2022	NA
Record Date	August 19, 2022	NA
Commencement of e-voting	August 23, 2022	09:00 A.M (IST)
End of e-voting	August 25, 2022	05:00 P.M (IST)
AGM	August 26, 2022	11: A.M (IST)

We request you to take the same on record.

Thanking You,

For Eco Recycling Limited



Kaushal Shukla  
 CS & Compliance Officer



# ECO RECYCLING LIMITED ANNUAL REPORT 2021-2022



**e**  
WASTE

**WHEN E-WASTE  
MEETS RESPONSIBLE RECYCLING,  
THE ECONOMY FLOURISHES.**

**ECORECO – INDIA'S FIRST E-WASTE MANAGEMENT COMPANY.**

India's First CPCB & MPCB approved and only E-waste Recycling Company listed in BSE.



Give your e-waste to the best

NOT FOR THE LAWS  
 NOT FOR SPACE  
**UTILIZATION**  
 NOT FOR CORPORATE  
**COMPLIANCES**  
 NOT FOR THE GLOBAL GUIDELINES  
 NOT FOR AUDITORS  
 NOT FOR THE AWARDS  
 NOT FOR THE PR BUZZ

### OUR FOOTPRINTS IN E-WASTE MANAGEMENT

India's first facility registered and authorized by the CPCB, MPCB and R2 Certified • ISO 9001, 14001, 27001 & OHSAS 18001 Certified Recycling Facility with an R&D facility recognized by DSIR • Pan-India reverse logistics network enabling efficient supply chain management • Leading technologies from Europe, USA and Japan, to recapture maximum recovery • 100% digital data destruction/sanitization • Adherence to the highest Environmental, Health and Safety (EHS) standards • Compliance with domestic and international WEEE standards

### SERVICES

-   
 RECYCLING AND RECOVERY
-   
 REVERSE LOGISTICS
-   
 DATA DESTRUCTION (ONSITE & OFFSITE)
-   
 ITAD (ASSET MANAGEMENT)
-   
 LAMP RECYCLING (ONSITE & OFFSITE)
-   
 EPR IMPLEMENTATION
-   
 SKILL DEVELOPMENT
-   
 ECO-BINS FOR E-WASTE COLLECTION

### INDIA'S FIRST MOBILE SHREDDING FACILITY



**Ecoreco**<sup>®</sup>  
 Eco Recycling Limited  
*life goes on*

Call 022-4005295 | [ewaste@ecoreco.com](mailto:ewaste@ecoreco.com) | [www.ecoreco.com](http://www.ecoreco.com)

# INDEXING

## CORPORATE SOCIAL RESPONSIBILITY

India's pioneer e-waste recycler provides you unique initiatives for Corporate Social Responsibility (CSR)



**Sponsor training of unorganized waste workers**  
You are invited to sponsor unorganized workers in waste management segment to get trained at Ecoreco Enviro Education (NSDC partner)



**Sponsor Eco-Bins for collection of e-waste**  
You can sponsor e-waste collection bin (Eco-Bin) which may be installed at educational & spiritual places to create awareness and collectivity



**Sponsor Collection Centres**  
You can provide entrepreneurship opportunity to these "Skilled Waste Professionals" by sponsoring Collection Centres



**Donate your e-waste**  
Value of your donated e-waste will be utilized for upskilling the capabilities of waste workers & integrating them into organized sector

Clean India | Skilled India | Responsible India

To know more, kindly contact on

022 4005-2951/2/3

www.ecoreco.com / csr-epr@ecoreco.com





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## Investor Information

Market Capitalisation	:	₹220.46 Crores as on 31.03.2022
CIN	:	L74120MH1994PLC079971
BSE Code	:	530643
Scrip Name	:	ECORECO
ISIN	:	INE316A01038
AGM Date	:	August 26th, 2022
AGM Mode	:	Video Conferencing

# CORPORATE INFORMATION

## Board of Directors

Mr. Brijkishor Soni	Chairman and MD
Mrs. Aruna Soni	Executive Director
Mr. Shashank Soni	Executive Director & CFO
Mr. Dattatraya Devale	Independent Director
Mr. Giriraj Bhattar	Independent Director
Mr. Srikrishna Bhamidipati	Independent Director

## Committees

### Audit Committee

Mr. Srikrishna Bhamidipati	Chairman
Mr. Dattatraya Devale	Member
Mr. Giriraj Bhattar	Member

### Nomination & Remuneration Committee

Mr. Srikrishna Bhamidipati	Chairman
Mr. Dattatraya Devale	Member
Mr. Giriraj Bhattar	Member

### Corporate Social Responsibility Committee

Mr. Dattatraya Devale	Chairman
Mr. Brijkishor Soni	Member
Mr. Giriraj Bhattar	Member

### Stakeholders' Relationship Committee

Mr. Srikrishna Bhamidipati	Chairman
Mrs. Aruna Soni	Member
Mr. Dattatraya Devale	Member

## Principal Bankers

ICICI Bank  
HDFC Bank  
Kotak Mahindra Bank

## Statutory Auditor

**RMR & Co.**  
Chartered Accountants  
425, Summit Business Bay,  
Near WEH Metro Station,  
Andheri (E), Mumbai – 400 093  
Tel. No.: 022 – 26832007

## CS & Compliance Officer

Mr. Kaushal Shukla

## Registered Office

422, The Summit Business Bay  
Opposite Cinemax Theatre,  
Andheri-Kurla Road, Andheri (E),  
Mumbai-400 093  
CIN: L74120MH1994PLC079971  
Tel: +91-22-4005 2951/2/3  
Email: shareholders@ecoreco.com  
Website: www.ecoreco.com

## Recycling Facility

Eco House  
S. No. 22, H. No. 6 & 7  
Bhoidapada, Near Range Office,  
Vasai (E) - Palghar - 401208

## Registrar & Transfer Agent

**Bigshare Services Pvt. Ltd.**  
S6-2, 6th floor Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai - 400093, India  
Tel. No.: 022-6263 8200  
Email: investor@bigshareonline.com  
Website: www.bigshareonline.com

# Chairman's Message

## Dear Shareholders,

The year 2021-22, marks the start of our journey of long-term growth. In spite of the Covid adversity all around, your Company achieved strong sales and improved profitability. We recorded highest YoY Total Income growth of 46%, while PAT and EBIDTA witnessed 185% and 128% growth, respectively. We continued to enhance our global presence by responding to the ever-evolving demand of our Global Customers by leveraging our capabilities round the year. We are further intending to expand our presence in the rest of the Countries at the same time focusing on expansion of existing - facilities for new and present recycling lines with process improvements and technology upgrades. As a company, we try our best to create value and impact beyond reporting, beyond financials & beyond tomorrow.

## Commitment to the Government

WEEE are here to serve the Nation and support the Government of India's Circularity & Sustainability initiatives to achieve Atmanirbhar Bharat. We assure that all our energy & efforts will be dedicated to fulfill the basic expectations of the Environment Protection Act. We will not leave any stone unturned to implement Environment Protection Responsibility (EPR) and Citizen's Social Responsibility (CSR) in their truest form. We strongly believe that its not a responsibility of one person or one organization or one establishment but of the whole nation to Work for Environment & Ecology for the best health of all the living beings & plants. It may not be out of place to mention that better health will result in to better productivity and that will enhance National GDP. Ecoreco will work along with bulk users, producers and regulator to establish a transparent system to achieve the desired objectives of the E-waste Management Rules.

## Commitment to the People

Ecoreco is very proud to mention that, it has introduced Door to Door Collection System of electrical & electronic equipment at no cost to the

end users. The objective of BookMyJunk Mobile App is to reach to the door steps of the end users with a very well designed CNG Operated Vehicle and well uniformed & trained staffs for collection their electrical & electronic equipment, who has enrolled to avail our free service and who prefers to dispose of their e-waste in an environment friendly manner as against selling their e-waste to Kabadies for a nominal monetary consideration. Unfortunately, these Kabadies either does not have access or willingness to invest in environment friendly practices or to save costs prefers to burn & acid leach these end-of-life equipment for the recovery of some metals. To integrate these Domain Experts (Kabadies), Ecoreco has developed several courses for the upskilling of these informal waste workers to get them ready to join formal & authorised e-waste recyclers' community.

## Commitment towards ESG

Environmental, Social and Governance (ESG) practices are integrated into our value system and the way in which we operate. The deteriorating environmental conditions are evident across Globe and due to our negligence, the Nature is applying its own Recycling Methods to protect & balance itself. Ecoreco strongly believes in striking a balance between environmental sustainability and socio-economic progress. Our CSR efforts strive to support communities by enhancing their health & productivity besides reviewing our governance practices and enhanced on a regular basis. We are convinced that our endeavors in these areas will continue to create significant value for all our stakeholders.

## Growth & Sustainability

The world over, companies are aiming to drive higher levels of sustainability, enhancing consumer awareness for environment & climate change are leading to increasing preference for 'Green' and Sustainable' products / services. To achieve higher growth with perpetual sustainability is possible only when we use the

used for onward manufacturing and reduce the burden on otherwise depleting natural resources.

## Forward Agenda

At Ecoreco, we have unlocked an exciting phase of growth and moving forward, we are determined to continue achieving higher milestones by leveraging opportunities to further grow and improve our business. Our strategic priority to build a sustainable organizational eco-system continues to motivate us to further enhance our capabilities, empower newer growth avenues and focus on ensuring better service to our customers.

## Closing Note

We consider our employees to be our most valuable assets. Thus, we ensured their safety and a secure business environment at workplace at all times, despite challenges. Apart from fostering a confidence of job security, we have also extended our assistance in providing health and insurance benefits and several other facilities. We understand our duty towards these key parameters, which encompasses all the tenets of our business and makes us the employer they can rely on.

On behalf of the Board of Directors of Eco Recycling Ltd, I would like to congratulate our team who kept relentless faith on us and have gone a long way in helping us create a value-creating organization. I am also grateful to all of our stakeholders including customers, shareholders, partners, governments, regulators and community at large, who have helped us grow and excel. We look into the future with greater optimism and are well on our way to deliver free cash-flow and returns for our shareholders.

Happy 75<sup>th</sup> Independence Day



Best wishes,

**B K Soni**

Chairman and Managing Director

## BOARD OF DIRECTORS



**B.K. Soni**  
Chairman & M.D.

Responsible for the strategic growth initiatives



**Aruna Soni**  
Director

Responsible for driving the day-to-day operations



**Srikrishna B**  
Director

Responsible for refurbishment & remarketing business development



**Shashank Soni**  
Director

Responsible for Pan-India marketing & sales strategy



**Giriraj Bhattar**  
Director

His experience in the field of Accounts & Audit are of immense use to Ecoreco



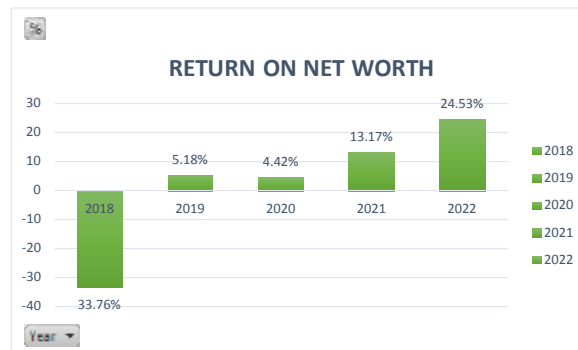
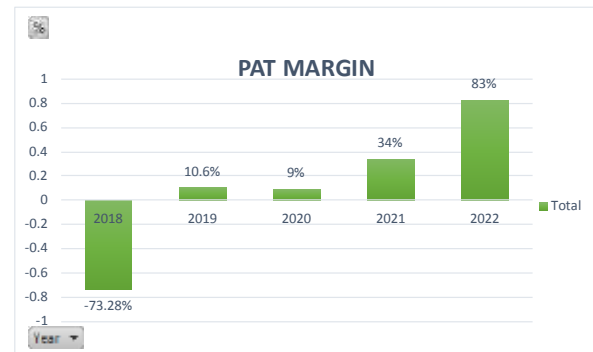
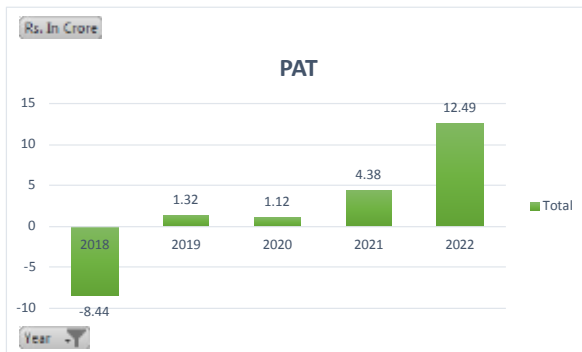
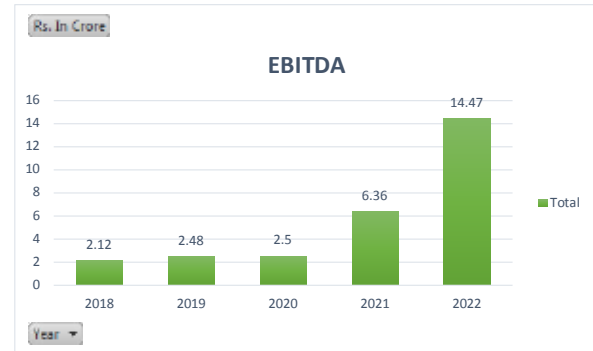
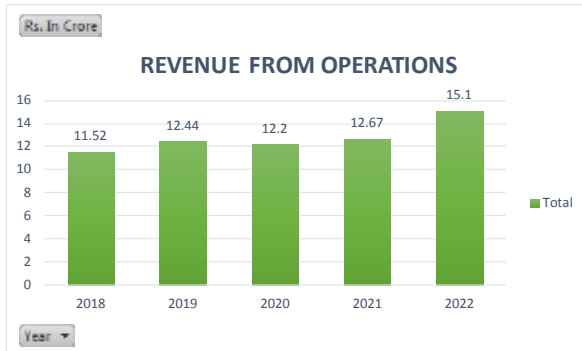
**DT Devale**  
Director

For Ecoreco, his expertise in the field of environmental consultancy is a boon

# FINANCIAL PERFORMANCE TREND

## Driving growth and sustainability through robust financial performance

Sound financial performance is one of the important ingredients for a sustainable growth. Thus, we ensure optimum utilisation of funds in our business activities while also monitoring the value we generate.





## Our legacy

Eco Recycling Limited is providing Environmental & Social Services since inception. In 2005, it added E-Waste Management involving innovative technologies & methodologies which are being availed by the global MNC, BFSI, Indian Conglomerates, PSU & others to manage their obligation under the E-Waste Management Rules. Its Data-Destruction & Lamp Recycling, PRO, CSR & EPR services are availed by its global clients.



## Vision

To be a benchmark solution provider in the field of environment protection



## Mission

To propagate and serve the cause of environment protection through technology and efficient management of resources.



## Values

### Integrity

To display trust, responsibility and accountability in building lasting relationships with customers and stakeholders

### Integrity

To demonstrate pride, passion and professionalism

### Customer First

To anticipate and fulfil customer needs

### Entrepreneurial Thinking

To convert unconventional ideas into action with positive impact



## NOTICE OF 28<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE 28th ANNUAL GENERAL MEETING OF ECO RECYCLING LIMITED WILL BE HELD ON 26th AUGUST 2022 AT 11.00 AM VIA VIDEO CONFERENCING ("VC") TO TRANSACT THE FOLLOWING BUSINESSES:**

### Ordinary Business:

1. To receive, consider and adopt:
  - a. The Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2022 including the Audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Board's Report and the Report of Auditors' thereon; and
  - b. The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Report of the Auditors thereon;;
2. To declare a final dividend on equity shares for the financial year 2021-2022 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 

**"RESOLVED THAT** a final dividend of Rs.1/- (One rupees only) per equity share i.e. 10% on face value of Rs.10/- each fully paid-up of the Company, and a pro-rata dividend on the partly paid-up equity shares of the Company (that is, dividend in proportion to the amount paid-up

on such shares), as recommended by the Board of Directors, be and is hereby declared and approved for the financial year ended March 31, 2022 and the same be paid out of the profits of the Company."

3. To appoint Mr. Brijkishor Kishangopal Soni (DIN: 01274250), who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Brijkishor Kishangopal Soni (DIN: 01274250), who retires by rotation at this meeting, be and is hereby reappointed as a Director of the Company."

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

**"RESOLVED THAT** "RESOLVED THAT pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the appointment of M/S. R M R & Co. Chartered Accountants as the Statutory Auditors of the Company be and hereby is approved and they shall hold the said office for a period of 5 years till conclusion of Annual General Meeting to be held in the year 2027."

**"RESOLVED FURTHER THAT** pursuant to section 139 and other applicable provisions if any, of the Companies Act 2013, and the Companies (Audit and Auditors) Rules 2014, M/S. R M R & Co. Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company and they shall hold office for a period of 5 years from the conclusion of this Annual General Meeting until conclusion of the Annual General Meeting to be held in the year 2027 at a remuneration mutually decided by the Board from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be required to give effect to the above resolution."

### SPECIAL BUSINESS:

4. **Approval to Mortgage, Charge or dispose of the Undertakings, Both present and future, of the company and in this regard to consider and if thought fit pass, with or without modification (s) the following resolution as Special Resolution:**

**"RESOLVED THAT,** in supersession to the earlier resolution (without prejudice to the actions already taken by virtue thereof) and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, including any statutory modification(s) or re-enactment thereof, the consent

of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of Directors which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by the resolution), consent of the Company be and is hereby accorded to the Board to mortgage/charge/hypothecate/pledge/create security in any form or manner on all or any of the movable and/ or immovable properties of the Company, both present and future or the whole or substantially the whole of the undertaking(s) of the Company for securing any loan(s) or facility(ies) including Rupee loans, foreign currency loans, debentures, bonds or other instruments or fund based and non-fund based working capital facilities availed or as may be availed from time to time from any Financial Institution(s) or Bank(s) or Person(s) or entities together with interest, costs, charges, expenses and any other monies payable thereon.

**RESOLVED FURTHER THAT** the Board be and is hereby

authorised on behalf of the Company to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required in its absolute discretion pursuant to above resolution.”

**By order of the Board of Directors**

**B. K. Soni**

Chairman & Managing Director

DIN: 01274250

27<sup>th</sup> July, 2022

Mumbai

**Registered Office:**

422, The Summit Business Bay

Near WEH Metro Station,

Andheri-Kurla Road,

Andheri (E), Mumbai-400 093

**CIN: L74120MH1994PLC079971**

**www.ecoreco.com**



## Notes

1. The Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, 26<sup>th</sup> August, 2022 at 11:00 AM (IST) through Video Conference/Other Audio Visual Means, in accordance, with the General Circular No. 14/2020, 17/2020 and 20/2020 dated 08<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 05<sup>th</sup> May, 2020 respectively and General Circular No. collectively referred to as "MCA Circulars"), and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 issued by the Securities and Exchange Board of India ("SEBI Circular") and other applicable circulars issued in this regard. The deemed venue of AGM shall be deemed to be the registered office of the Company i.e. 422, The Summit Business Bay Near WEH Metro Station, Andheri-Kurla Road, Andheri (E), Mumbai-400093.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
3. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [keshav.purohit@kpub.co.in](mailto:keshav.purohit@kpub.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF's, NRI's etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
4. The Explanatory Statement pursuant to Section 102 of the Act, which sets out details relating to Special Business at the AGM is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director(s) seeking appointment/re-appointment at the AGM is provided as annexure to the Notice. Requisite declarations have been received from the Director(s) for seeking appointment/re-appointment.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and at any time after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis.
6. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by Members under section 105 of the Act will not be available for the 28th AGM and

- hence Proxy form, attendance slip and route map are not annexed to this Notice. However, in pursuance of section 112 and section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the 28th AGM through VC/OAVM and e-voting during the 28th AGM.
7. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by Members under section 105 of the Act will not be available for the 28th AGM and hence Proxy form, attendance slip and route map are not annexed to this Notice. However, in pursuance of section 112 and section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting, for participation in the 28<sup>th</sup> AGM through VC/OAVM and e-voting during the 28<sup>th</sup> AGM.
  8. In line with the MCA Circular No.17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.ecoreco.com](http://www.ecoreco.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com)
  9. 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.
  10. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
  11. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking re-appointment/ Appointment at the AGM, is furnished as annexure to the Notice. The Director has furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules framed there under. AGM will be held through VC in accordance with the Circulars, the route map and attendance slip are not attached to this Notice.
  12. Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, nominations, bank details, mandate instructions, National Electronic Clearing Service ("NECS") mandates, etc. under the signature of the registered holder(s) at any of our e-mail [shareholders@ecoreco.com](mailto:shareholders@ecoreco.com)
  13. Queries, if any, on the Annual Report and operations of the Company, may please be sent at [shareholders@ecoreco.com](mailto:shareholders@ecoreco.com) at least seven days prior to the date of the AGM. The member must mention name demat account number/ folio number, email id, mobile number with the query; so that relevant query may be replied by the Company suitably at the meeting.
  14. Notice of the AGM and the Annual Report for the Financial Year 2021-22 are being sent electronically to the Members whose E-mail IDs are registered with the Depository Participant(s) and / or RTA. It would also be uploaded on the website of Company [www.ecoreco.com](http://www.ecoreco.com). Any member, who has not registered his Email id, may register his / her Email ID with RTA for getting registered and may also request for a copy Annual Report electronically.
  15. **As per Regulation 39 and 40 of the Listing Regulations, as amended, Members are informed that the Company can effect issuance of duplicate share certificate; renewal/exchange, endorsement, subdivision/ split, consolidation of shares; transfer and transposition, as applicable, in dematerialized form only with effect from 25th January, 2022.**
  16. The statutory registers including Register of Directors, Key Managerial Personnel under the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [shareholders@ecoreco.com](mailto:shareholders@ecoreco.com).

17. The Company has appointed **Mr. Keshav Purohit, Partner-M/s. KPUB & Co., Practicing Company Secretaries, or in his absence any partner of M/s. KPUB & CO.** as the Scrutinizer for conducting the e-voting process in fair and transparent manner. The Scrutinizer, after scrutinizing the votes cast, shall submit his Report to the company.
18. The results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company [www.ecoreco.com](http://www.ecoreco.com) immediately after the declaration of result and the results shall also be communicated to the Stock Exchanges.

In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR), Regulations, 2015, the Company is pleased to provide members the facility to exercise

their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by "Central Depository Services India Ltd."

19. Pursuant to MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022, the Notice of the AGM and the Annual Report for the financial year 2021-22 are being sent through electronic mode only to members whose email-addresses are registered with the Company/ RTA or DPs.
20. The remote e-voting period commences on 23rd August 2022 at 9 A.M. and will end on 25th August 2022 at 5 P.M. No remote e-Voting shall be allowed beyond the aforesaid date and time and remote e-Voting module shall be disabled

by CDSL upon expiry of aforesaid period. Only the members whose names are mentioned in the register of members as on 19th August 2022 shall be allowed to cast their votes by remote e-Voting. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

21. Members are required to cast their votes by Remote e -voting only during voting period. However, they may attend the AGM through VC/OAVM but shall not be entitled to cast their votes again at Annual General Meeting.

#### PROCEDURE FOR UPDATION OF BANK DETAILS FOR DIRECT RECEIPT OF DIVIDEND IN THE BANK ACCOUNT

Members who have not updated their bank account details for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to follow the below procedure for updation of mandate for receipt of dividend



directly in their bank account:

Shares held in physical form: Members are requested to send a hard copy of the following details/documents to the Company's RTA at:

### Big Share Details,

Address: S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India

Tel. No. 022-6263 8200

Email: investor@bigshareonline.com

The documents to be sent should include the following:

A signed request letter by the first holder, mentioning the name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

- i) Name of Bank, Bank Branch and Bank Account Type;
- ii) Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions; and
- iii) 11-digit IFSC Code; and
- iv) 9 digit MICR Code

B. Original cancelled cheque bearing the name of the member or first holder, in case shares are held jointly;

C. Self-attested copy of the PAN Card; and

D. Self-attested copy of any

document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the member as registered with the Company.

**Shares held in dematerialised form:** Members may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs. Further, please note that instructions, if any, already given by members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in dematerialised form.

22. Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/Banker's cheque/demand draft to such Members, as soon as possible.

### INFORMATION RELATED TO

### DIVIDEND

Members whose name appears in the Register of Members/List of Beneficial owners as on 19th August, 2022 i.e. date prior to commencement of Book Closure, will be paid the final dividend for the Financial Year ended March 31, 2022, if approved at the AGM.

The Register of Members and Share Transfer Books will remain closed from 18th August, 2022 to 26th August, 2022 (both days inclusive) ("Book Closure") for the purpose of AGM and to determine entitlement of dividend on equity shares for the financial year 2021-22. The dividend will be paid to those members, whose name appears in the 'Register of Members' of the Company as at the end of business hours on Friday, 19th August, 2022 after giving effect to valid transmission or transposition requests lodged with the Company. The dividend, as recommended by the Board of Directors and if declared at the AGM, will be paid after deduction of tax, if applicable, within the statutory timelines.

### Voting:

23. Voting - The instructions for shareholders voting electronically are as under:

- i) a. The remote e-voting period commences on on 23rd August 2022 at 9 A.M. and will end on

25th August 2022 at 5 P.M. During this period shareholders of the company, holding shares either in physical form or in dematerialised form, as on cut-off date 19th August 2022

- b. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - c. Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (ii) (ii) In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login Type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free No.: 1800 1020 990 &amp; 1800 22 44 30</p>

(iii) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

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

- (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiv) Facility for Non – Individual Shareholders and Custodians – Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board

Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [keshav.purohit@kpub.co.in](mailto:keshav.purohit@kpub.co.in) and [shareholders@ecoreco.com](mailto:shareholders@ecoreco.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting.

However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at ([shareholders@ecoreco.com](mailto:shareholders@ecoreco.com)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ([shareholders@ecoreco.com](mailto:shareholders@ecoreco.com)). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [shareholders@ecoreco.com](mailto:shareholders@ecoreco.com) and to RTA at [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



**ACT BEFORE THE  
NATURE REACTS  
HAND US YOUR  
E-WASTE TODAY**

[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



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE 28<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

### **Item No. 4**

Pursuant to Expansion plan undertaken by the Company and to enable financial flexibility Company has authorized Board of Directors in 27<sup>th</sup> Annual General Meeting of the Company to borrow up to 150 Crores (one hundred and Fifty Crores only) over and above the paid up capital of the Company and its free reserves from any bank, financial institutions or any other lending institutions or firms, bodies corporates or persons of India or otherwise from foreign parties/entities subject to the provisions of FDI and/or FEMA and from Directors, or through issue of Debt Securities like Debentures or Green Bonds as may be appropriate. Accordingly, as per Section 180 of the Companies Act, 2013, Special Resolution of members is required for authorising the Board of Directors to borrow monies exceeding the aggregate of the paid-up share capital and free reserve and for creation of mortgage/charge on any of the properties of the Company. Accordingly Special Resolutions as set out in Item No. 4 of this Notice are recommended for approval of the members. None of the Directors or Key Managerial Personnel of the Company and

their relatives is concerned or interested in the resolution, except to the extent of their shareholding in the Company.

**By order of the Board of Directors**

**B. K. Soni**

Chairman & Managing Director

DIN: 01274250

27<sup>th</sup> July, 2022

Mumbai

**Registered Office:**

422, The Summit Business Bay

Near WEH Metro Station,

Andheri-Kurla Road,

Andheri (E), Mumbai-400 093

CIN: L74120MH1994PLC079971

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



**Annexure to item Nos. 3 of the Notice:**

(Details as required to be furnished under the secretarial standard–2–para 1.2.5 and regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

<b>Name of the Director</b>	Mr. Brijkishor Kishangopal Soni
<b>DIN</b>	<b>01274250</b>
<b>Date of Birth and Age</b>	17/03/1959 63 years
<b>Qualifications</b>	Mr. Soni is a qualified Cost and Management Accountant from the Institute of Cost Accountants of India.
<b>Nationality</b>	Indian
<b>Terms and conditions of appointment / re-appointment</b>	Eligible for re-appointment as an Executive Director & liable to retire by rotation.
<b>Details of remuneration sought to be paid</b>	As recommended by the NRC which will be further considered by the body in the General Meeting.
<b>Date of first appointment on the Board</b>	1 <sup>st</sup> August 1994
<b>Number of board meetings attended during the year</b>	7
<b>Relationship with Directors, Managers or other KMPs</b>	Father of Mr. Shashank Soni and spouse of Mrs. Aruna Soni
<b>Brief Resume</b>	B. K. Soni is the Chairman and Managing Director of Eco Recycling Ltd (Ecoreco) and the chief promoter of the group. He is responsible for the strategic growth initiatives of the company and building a professional team of leaders. After delivering market dominance in the B2B segment, Mr. Soni is driving Ecoreco's next phase of growth, building a B2C model to develop awareness & provide opportunity to individual customers to dispose off there ewaste in an environment friendly manner. He has been a part of several industry associations and a member of the Expert Group on E-waste Management constituted by the Maharashtra Pollution Control Board.
<b>Expertise in specific functional area</b>	Strategic Growth Initiatives of the Company
<b>Directorships (other than Eco Recycling Limited)</b>	<ol style="list-style-type: none"> <li>1. ECORECO PARK PRIVATE LIMITED</li> <li>2. REVERSE LOGISTICS &amp; WAREHOUSING PRIVATE LIMITED</li> <li>3. ECORECO VENTURES PRIVATE LIMITED</li> <li>4. EPR COMPLIANCE PRIVATE LIMITED</li> <li>5. ECORECO ENVIRO EDUCATION PRIVATE LIMITED</li> </ol>
<b>Shareholding in the Company</b>	27,44,554 (14.22%) as on June 30,2022

**By order of the Board of Directors**

**B. K. Soni**  
 Chairman & Managing Director  
 DIN: 01274250  
 27<sup>th</sup> July, 2022

**Registered Office:**

422, The Summit Business Bay,  
 Near Cinemax Theatre, Andheri - Kurla Road,  
 Andheri (E) Mumbai – 400 093  
**CIN: L74120MH1994PLC079971**

## DIRECTORS' REPORT

The Members of

### ECO RECYCLING LIMITED

The Directors are pleased to present the Twenty Eight Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31<sup>st</sup> March, 2022.

#### 1. THE STATE OF THE COMPANY'S AFFAIRS

The year under discussion is one of the most performing one in terms of qualitative business, value added services & return on investment points of view. We are confident that the business of e-waste management & recycling will increase substantially in the coming years. On behalf of the board, I assure that the entire team will put its best efforts to take benefit of this growing opportunity. Going forward, we will continue to focus on value added services and remarketing of refurbished Equipment. We envisage that the stricter implementation of the Ewaste Management Rules, the volume of recycling of e-waste is also expected to increase substantially and that in all probability will enhance net worth of the shareholders.

##### 1.1 KEY FINANCIAL HIGHLIGHTS (₹ in Lacs)

Particulars	Standalone		Consolidated	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Income	2,694	1,848	2,716	1,848
Expenditure	1,246	1,253	1,247	1,243
Profit / (Loss) before Depreciation and Tax and exceptional Item	1,448	5,94	1,469	170
Exceptional Item	-	-	-	-
Depreciation	47	47	47	48
Profit / (Loss) before Tax	1,401	5,47	1,421	557
Deferred Tax/ Current Tax	151	110	152	109
Profit / (Loss) after Tax	1,249	438	1,269	447

During the year under review, the total income increased by 47% and net profit increased by 184%.

##### 1.2 Change in nature of Business

The Company is engaged in the business of e-waste management & recycling. There was no change in nature of business activity during the year.

##### 1.3 Change in Share Capital

During the Financial Year 2021-22 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2022 is Rs. 19,29,67,500 (Nineteen Crore Twenty Nine Lakh Sixty Seven Thousand Five Hundred).

#### 1.4 Revision of Annual Financial Statement

There was no case of revision in financial statement during the year.

#### 2. DIVIDEND

Your Directors have recommended 10% dividend (INR 1 per equity shares) for the financial year ended March 31, 2022 which would involve a cash outflow of INR 1,92,96,750. The payout with respect to dividend is 15.45% of the standalone profits of the company.

#### 3. TRANSFERS TO RESERVES

The closing balance of the retained earnings of the Company for the financial year 2021-22, after all appropriations and adjustments was Rs. 8,16,47,603.

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

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

#### 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Since Recycling is the core activity of your Company, Section 134(3) of the Companies Act, 2013 read with the rules made thereunder, the clause relating to Conservation of Energy

and Technology absorption is not applicable to your Company.

#### 6. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo in terms of actual outflows during the year is as follows:

(₹ in Lacs)

Particulars	2021-22	2020-21
Earnings in Foreign Currency	133.69	162.73
Expenses in Foreign Currency	17.47	--

#### 7. EXTRACTS OF ANNUAL RETURN

The Annual Return in Form No MGT 7 for financial year 2021-2022 is uploaded and available on the website of the Company and same

can be downloaded by clicking on the following link: <http://ecoreco.com/investor-annual-reports.aspx>

#### 8. DEPOSITS

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Therefore deposits provisions are not applicable to your company.

#### 9. THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding

of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.





## 10. BOARD MEETINGS

The Board of Directors (herein after called as “the Board”) met for 7 (Seven) times during the Year under review:

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors to whom Leave of absence was granted
1	09-06-2021	422, The Summit Business Park, Near WEH Metro Station, Andheri (East), Mumbai – 400 093  Time: 11:00 A.M.	i) Brijkishor Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B. v) Dattatraya D. vi) Giriraj Bhattar	i) Srikrishna B. ii) Dattatraya D. iii) Giriraj Bhattar
2	25-06-2021	422, The Summit Business Park, Near WEH Metro Station, Andheri (East), Mumbai – 400 093  Time: 5:00 P.M.	i) Brijkishor Soni ii) Srikrishna B. iii) Dattatraya D. iv) Giriraj Bhattar	i) Aruna Soni ii) Shashank Soni
3	19-07-2021	422, The Summit Business Park, Near WEH Metro Station, Andheri (East), Mumbai – 400 093  Time: 11:00 A.M.	i) Brijkishor Soni ii) Aruna Soni iii) Shashank Soni iv) Srikrishna B. v) Dattatraya D. vi) Giriraj Bhattar	No leave of absence granted
4	14-08-2021	422, The Summit Business Park, Near WEH Metro Station, Andheri (East), Mumbai – 400 093  Time: 5:00 P.M.	i) Brijkishor Soni ii) Shashank Soni iii) Srikrishna B. iv) Dattatraya D. v) Giriraj Bhattar	Aruna Soni
5	24-08-2021	422, The Summit Business Park, Near WEH Metro Station, Andheri (East), Mumbai – 400 093  Time: 5:00 P.M.	i) Brijkishor Soni ii) Aruna Soni iii) Shashank Soni	i) Srikrishna B. ii) Dattatraya D. iii) Giriraj Bhattar
6	14-10-2021	422, The Summit Business Park, Near WEH Metro Station, Andheri (East), Mumbai – 400 093  Time: 5:00 P.M.	i) Brijkishor Soni ii) Shashank Soni iii) Dattatraya D. iv) Giriraj Bhattar	i) Aruna Soni ii) Srikrishna B.
7	24-01-2022	422, The Summit Business Park, Near WEH Metro Station, Andheri (East), Mumbai – 400 093  Time: 10:30 A.M.	i) Brijkishor Soni ii) Shashank Soni iii) Srikrishna B. iv) Dattatraya D. v) Giriraj Bhattar	Aruna Soni

## 11. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on the date of this Report, your Company has 6 (Six) Directors consisting of 3 (Three) Independent Directors and 3 (Three) Executive Directors including a Woman Director. Further, the Board of Director of the Company in the Board Meeting held on June 09, 2021 board has decided to accept resignation of Ms. Kushboo Hanswal, Company Secretary dated March 25, 2021.

Further, the Board of Director of the Company in the Board Meeting held on June 25, 2021 board has decided to appoint Mr. Aniruddha Badkatte, an Associate Member of ICSI as the Whole Time and Compliance officer with effect from June 25, 2021.

Further, the Board of Director of the Company in the Board Meeting held on June 25, 2021 board has decided to appoint M/s. Jyoti Dubey & Associates, Practicing Company Secretaries for conducting a secretarial audit of the company for the Financial Year 2021-22

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

According to the Amendment Regulation 17(6) (e), if the aggregate annual remuneration payable to more than one Executive Director who is a

Promoter or is a Member of the Promoter Group, exceeds 5% of the net profits of the Company calculated as per Section 198 of the Act then approval of the Members by way of a Special Resolution is required. Such approval of the Members under this provision shall be valid only till the expiry of the term of such Director. The approval of the Members by way of a Special Resolution is required since the Company has more than one Promoter Executive Director, i.e. Mr. Brijkishor Soni (DIN: 01274250) and Mrs. Aruna Soni (DIN: 01502649), and remuneration paid to them is in excess of 11% of the net profits of the Company calculated as per Section 198 of the Act, even though the annual remuneration payable to the Executive Directors is within the limit of 5% and 10% as specified u/s 197(1) of the Act.

The Board recommends the approval for payment of aggregate annual remuneration to the Promoter-Executive Directors/Members of the Promoter Group exceeding 11% and up to 40 % of the net profits of the Company in meeting held on 19th July, 2022 for the financial year 2022-2023.

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his role, function, duties and responsibilities. The format of the letter of appointment is available on our website at <http://ecoreco.com/investor-overview.aspx>

Brief resume and other details of the Director proposed to be re-appointed at the AGM, as stipulated under the Listing Regulations and Secretarial Standard-2, has been furnished separately in the Notice convening the AGM read with the Annexure

thereto forming part of this Report. Details of the number of meetings of the Board of Directors and Committees and attendance at the meetings have been furnished in the Report on Corporate Governance.

Following persons are designated as Key Managerial Personnel (KMP):

- Mr. Brijkishor Soni (DIN: 01274250), Chairman and Managing Director
- Mr. Shashank Soni (DIN: 06572759), Chief Financial Officer
- Mr. Aniruddha Badkatte, Company Secretary and Compliance Officer (Till November 23, 2021)
- Mr. Kaushal Shukla, Company Secretary and Compliance Officer (with effect from May 21, 2022)

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

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not disqualified to become Directors under the Act. Independent Directors either passed Independent Director Online Proficiency Test or enrolled for the same under prescribed provisions of Companies Act, 2013.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are

independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013 and the Rules made thereunder.

### 13. Board Familiarization Program

At the time of appointment of a new Director, through the induction process, he/she is familiarized with the Company, the Director's roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Detailed presentations are made before the Board Members at the Board and its Committee Meetings covering various areas including business, strategy, financial performance and forecast, compliances/regulatory updates, audit reports, risk assessment and mitigation, industry, roles, rights, responsibilities of Independent Directors, etc.

Familiarization Program for Independent Directors:

The Familiarization Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. All Independent Directors attended the orientation and familiarization programs held during the financial year 2021-22.

The details of training and familiarization programs are available on our website at: [http://ecoreco.com/Uploads/Downloads/Familiarization\\_Programme.pdf](http://ecoreco.com/Uploads/Downloads/Familiarization_Programme.pdf)

### 14. CODE OF CONDUCT

The Company has laid down a policy for code of conduct for all Board members and senior management and Independent Directors of the Company. All the Board members including independent directors and senior management personnel have

duly affirmed compliance with the code of conduct.

### 15. NOMINATION & REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015 the Company has constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms of reference detailed in the Corporate Governance report.

### 16. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Shrikrishna Bhamidipati as Chairman, Mr. Dattatraya Devala and Mr. Giriraj Shankarlal Bhattar as members. The Internal Auditors of the Company report directly to the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board. The details of meetings of Audit Committee held during the year, its composition, terms of reference are given in the Report on Corporate Governance.

### 17. REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has approved and adopted a Remuneration Policy for selection and appointment of Directors, Senior Management personnel and their remuneration.

### 18. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, contractors and other stakeholders of/in the Company

an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels.

The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy has been disclosed on the Company's website [www.ecoreco.com](http://www.ecoreco.com) and circulated to all the Directors and employees.

### 19. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under section 134(3) (c) read with Section 134(5) of the Act, your Directors hereby state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended on March 31, 2022, the applicable accounting standards have been followed and that there are no material departures from the same;
- b) they 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 on March 31, 2022 and of the profit and loss of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively during the financial year ended March 31, 2022; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively during the financial year ended March 31, 2022.

## 20. COMMISSION RECEIVED BY DIRECTORS FROM HOLDING/ SUBSIDIARY COMPANY

None of director is in receipt of any commission from the company and commission from any holding company or subsidiary company of company. Hence provisions of section 197 (14) of Companies Act, 2013 are not applicable to the Company.

## 21. RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sector in which it operates. A key factor in determining a Company's capacity to create sustainable value is the risks that the Company is willing to

take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a Company's operating environment and they emerge on a regular basis. The Company's Risk Management process focuses on ensuring that these risks are identified on a timely basis and addressed.

The Audit Committee oversees enterprise risk management framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

## 22. AUDITORS:

### 22.1 STATUTORY AUDITOR

On the recommendation of the Audit Committee and the Board, the Members in their 27th Annual General Meeting has appointed M/s. RMR & CO., Chartered Accountants, (Firm Registration No.106467W) as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the 27th AGM of the Company till the conclusion of the 31st AGM to be held for the financial year 2025-26. In view of provisions of proviso to Section 139(1) of the Act, the said appointment was made subject to ratification of their appointment in subsequent AGMs. Pursuant to the Companies (Amendment) Act, 2017, the said proviso was omitted with effect from May 7,

2018. In view of the same, no ratification of appointment of Auditors will be required every year. However, as at the time of appointment, i.e. as at the 27th AGM, it was decided to ratify appointment of the Statutory Auditors in subsequent AGMs. Accordingly, it is recommended to ratify their appointment in this AGM for their remaining tenure and payment of remuneration.

M/s. RMR & Co., Chartered Accountants, (Firm Registration No. 106467W) has furnished a certificate in terms of the Act and the Companies (Audit and Auditors) Rules, 2014 and confirmed their eligibility in terms of the provisions of Section 141 and all other applicable provisions of the Act, read with the applicable Rules thereto.

### Explanation to Auditor's Remark

The Board has duly reviewed the statutory Auditors Report on the Accounts. The notes forming part of the accounts referred to in the Auditors Report of the Company are self-explanatory and do not call for any further explanation.

### 22.2 SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board in its meeting held on 30.05.2022 had appointed M/s. KPUB & Co., Practicing Company Secretary (Firm Registration No. P2015MH069000), to conduct Secretarial Audit for the financial year 2021-22. The

Secretarial Audit Report for the financial year ended March 31, 2022 is annexed herewith marked as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Secretarial Audit Report contains the following non-compliances:

### 22.3 COST RECORD AND COST AUDIT

Your company does not fall within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

### 22.4 INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 and on the basis of the recommendation of Audit Committee, the Board of Directors in their meeting held on May 30, 2022 had appointed M/s. J. R. Kanase & Associates, Chartered Accountants, (Firm Registration Number: 130258W) as the Internal Auditors of the Company for the financial year 2022-2023.

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

Your Company has made investment in 8,49,999 equity shares having

face value of Rs. 10/- each in **Ecoreco Enviro Education Private Limited** which constitute 99.99% of total shareholding of the aforesaid Company. Pursuant to section 2(87) (ii) of Companies Act, 2013 **Ecoreco Enviro Education Private Limited** is a Subsidiary Company. Further Company along with its Audited standalone financial statements have also produced Audited Consolidated Financial Results for the year 2021-22 in order to enable its Shareholders to have insight in the working of its Subsidiary Company.

There has been no material change in the nature of the business of the subsidiary company. Pursuant to Rule 5(1) of the Companies (Accounts) Rules, 2014 the performance and financial position of the subsidiary company and associate company is included for the financial year ended March 31, 2022 as per Form AOC – 1 attached to the this report as **Annexure II**. Further, during the year of report, no Subsidiary/Joint Ventures/Associate were ceased to operate.

Sr. No.	Name of the Company	Subsidiary / Associate
1	Ecoreco Enviro Education Private Limited	Subsidiary

### 24. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:

During the financial year under review, the Company has not entered into any contracts/arrangements/

transactions with related parties which could be considered material in accordance with the Company's Policy on materiality of related party transactions. All contracts/arrangements/transactions entered into by the Company during the financial year 2021-2022 under review with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, the disclosure of related party transactions to be provided under section 134(3)(h) of the Act in Form AOC-2 is appended as **Annexure II**.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <http://ecoreco.com/Uploads/Downloads/Materiality-Policies.pdf>

### 25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any loan or given guarantee or provided securities as covered under section 186 of the Act. Further, the Company has not made any fresh investment falling within the meaning of Section 186 of the Act.

### 26. CORPORATE SOCIAL RESPONSIBILITY

Your company meets the requirements of Section 135 of Companies Act, 2013 read with CSR Policy Amendment Rules 2021 for establishing Corporate Social Responsibility (CSR) Committee for the financial year 2021-2022. The Board in its meeting held on May 30, 2022 duly approved and constituted CSR Committee with following

members:

Sr. No.	Name of Member (s)	DIN	Designation
01.	Mr. Dattatraya Devale	07186290	Chairman
02.	Mr. Brijkishor Soni	01274250	Member
03.	Mr. Giriraj Bhattar	09067018	Member

## 27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by the Regulators / Courts which would impact the future operations / going concern status of the Company.

## 28. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors is committed to continued improvement in its effectiveness. Accordingly, the Board participated in the annual formal evaluation of its performance. This was designed to ensure, amongst other things, that the Board, its Committees and each Director continue to contribute effectively and efficiently in a time bound manner.

As per Section 134(3) (p) of the Act, a statement indicating the manner in which formal annual evaluation was made by the Board of their performance and that of its Committees and individual Directors, has to be furnished to the Members as part of the Board's Report.

Further, the Independent Directors as part of their mandate under Schedule IV of the Act need to make an evaluation of performance of the constituents of the Board apart from their self- evaluation. Under this process, a structured questionnaire was prepared after taking into consideration inputs received from the Directors, setting out parameters of evaluation; the questionnaire for evaluation are to be filled in, consolidated and discussed with the Chairman. The Board of Directors undertook evaluation of Independent Directors at their meeting held on June 25, 2021 and placed on its record that the Independent Directors have the requisite qualification, expertise and track record for performing their duties as envisaged under the Law, and they add value in the decision making process of the Board.

The criteria for evaluation of performance of Directors, the Board as a whole and the Board's Committee, are summarized in the table given below:

Evaluation of	Evaluation by	Criteria
Non-Independent Director (Executive)	Independent Directors	Transparency, Leadership (business and people), Governance and Communication
Non-Independent Director (Non-Executive)	Independent Directors	Preparedness, Participation, Value addition, Governance and Communication
Independent Director	All other Board Members	Preparedness, Participation, Value addition, Governance and Communication
Chairman	Independent Directors	Dynamics, Leadership (business and people), Governance and Communication
Committees	Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

## 29. EQUITY SHARES WITH DIFFERENTIAL RIGHTS

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

### 30. DISCLOSURE OF REMUNERATION PAID TO DIRECTOR, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

- a. None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5) (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- b. Details of remuneration of each Director to the median remuneration of the employees pursuant to Section 197 read with Rule 5 of the Companies Act, 2013 are attached to this report as **Annexure III**.

### 31. VOTING RIGHTS OF EMPLOYEES

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67(3) (c) of Companies Act, 2013.

### 32. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014.

### 33. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 during the Financial Year 2021-2022.

### 34. CORPORATE GOVERNANCE REPORT

Your Company and its Board has been complying with Corporate Governance practices as set out in a separate report in pursuance of requirement of para C of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure V**. Practising Company Secretary M/s. KPUB & Associates confirming compliance of the Corporate Governance as stipulated under the said Regulations is also attached to this Report.

### 35. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year 2021-2022 under review as stipulated under regulation 34 of the Listing Regulations is set out in a separate Section forming part of this Report.

### 36. LISTING AT STOCK EXCHANGE

The Equity shares of the Company are listed with BSE Ltd, Mumbai and the listing fee for the year 2021-22 has been duly paid.

### 37. INSURANCE

The Company's assets are adequately insured against the loss of fire and other risk, as considered necessary by the Management from time to time.

### 38. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Reporting as required by Regulation 34 (2) (f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2022.

### 39. DEPOSITORY SYSTEM

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with

both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). In view of the numerous advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

### 40. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

### 41. INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere, hard work, loyal, dedicated efforts and contribution of all the employees in the growth and performance of the Company during the financial year 2021-2022.

### 42. SEXUAL HARASSMENT

Your Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. During the year ended March 31, 2022, no complaints have been received pertaining to sexual harassment.

### 43. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL)

#### ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. It may be noted that during the year 2021-22 no grievance / complaint from any women employee was reported.

#### 44. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT:

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

#### 45. SECRETARIAL STANDARDS

The Company has complied with all the applicable secretarial standards issued by The Institute of Company Secretaries of India and notified by the Central Government from time to time.

#### 46. ACKNOWLEDGEMENTS

Your Directors place on record their special gratitude to all the Government and Government departments and Company's Bankers and all other stakeholders for extending their assistance and co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Customer, Vendors, Employees and all other stakeholders in ensuring an excellent all around operational performance.

**For and on behalf of the Board of Directors  
Eco Recycling Limited**

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

July 27th, 2022  
Mumbai





## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. E-waste Industry and Environment

Electronic equipment is no longer a signature statement of a select few; rather these are integral part of every one's life now. Over a period of time Computers have almost replaced pen & writing paper, mobile phones have replaced our memory to a great extent, we are unable to travel any distance without google map, we want to place orders and make payment online etc. and why not, because change is the only constant.

Globally about 50 million tons of e-waste is generated annually which consists of close to 15 million tons of steel, practically equivalent to the annual production of SAIL, copper & aluminium is about 8 million tons, similarly plastic, glass etc over & above precious metals (gold / silver / platinum etc.) of more than 10,000 tons.

According to one of the very recent studies "the developing world will generate more e-waste than the developed world. Global volumes of e-waste are expected to triple by 2025; the developing world will generate double the developed world's e-waste."

The United Nations Environment Program has stated that: "In many countries, as well as for the planet as a whole, demand for natural resources (ecological capacity) exceeds the amount available, countries unable to support their national consumption with their own natural resources at

an ecological deficit. Therefore, these countries have to either import ecological capacity from other places or take it from future generations."

### 2. Opportunities and Threats.

The growing consumption of electrical & electronic equipment has a direct co-relation with our socio-economic growth and therefore, it is a growing opportunity for Ecoreco. It may not be out of place to mention that our Prime Minister, Niti Aayog, MoEF have also emphasized on e-waste recycling, Atmanirbhar Bharat, Sustainability & Make in India. WEEE foresee huge investment in Recycling & Refining Facilities to get established in India.

Informal waste workers, who are spread over the nation have competitive advantages in case of B2C collection of e-waste but as far as B2B business is concerned formal recyclers have edge over them because of the understanding of legal & environmental compliances. At the same time, for the formalisation of the e-waste recycling, as intended by the Environment Protection Act and the E-waste Management Rules, it is essential to enforce the above legislation very strictly & as fast as possible.

### 3. Outlook

We are pleased to mention that in the previous year ended on 31st March, 2022, your Company has performed exceedingly well with very clear focus on high value business as

against high volume business. The Management of your Company does not hesitate to ignore low margin business which may eventually enhance Revenue but hardly adds to the Net Profit. Presently, your Company is debt free and have enough liquid assets, which may be liquidated and deployed for capacity & capability building and if need be, we will tap bank loans and strategic investment to enhance processing capacity to 50,000 MTPA of e-waste recycling & refining with proven technologies. In the interim, we see a significant growth in our fee based businesses, not only in India but in over 100 Countries, where Ecoreco is otherwise providing services to its global clients.

### 4. Segment-wise or product-wise performance.

Presently, Eco Recycling Ltd is engaged in the business of recycling of electrical & electronic waste and affiliated services.

### 5. Risks and concerns.

We do not see any specific risks & concerns except whatever is applicable to any other industry.

### 6. Internal control systems and their adequacy.

The Company has enough internal control systems in place to ensure operational & reporting compliances on time.

### 7. The Company's financial performance for the year ended March 2022 was extremely satisfactory

### Key Financial Parameters:

Ratio	Formula	2021-22 (working)	2020-21 (working)	2021-22 Ratio	2020-21 Ratio	Explanation where the ratio exceeds 25% as compared to the previous year.
Debt Service Coverage Ratio	Earnings before Interest and Taxes (EBIT) / Interest Expenses	14,47,69,809/ 9,65,00,000	6,36,34,511/ 9,40,00,000	1.50:1	0.68:1	Income of the company went by Rs. 846 Lakhs which improves the EBIT by 1.27 times.
Current Ratio	Current Assets/ Current Liabilities	26,14,76,782/ 5,01,58,050	10,06,64,475 / 1,90,24,319	5.21:1	5.29:1	
Debt Equity Ratio	Total Debt/ Shareholders Equity	9,65,00,000/ 19,29,67,500	11,76,55,680/ 19,29,67,500	0.50:1	0.60:1	
Net Profit Ratio	Net Profit/Total Revenue	12,49,25,440/ 26,94,25,923	4,38,03,037/ 18,47,95,279	0.46	0.23	Profit get increased by Rs. 812 Lakhs which further improves the profitability ratio.
Return on Equity Ratio	Net Income/ Shareholders Equity	12,49,25,440/ 50,92,36,424	4,38,03,037/ 33,27,32,048	0.25:1	0.13:1	Net Income increased by 811 Lakhs which enhances the Return to Equity ratio of the company.
Inventory Turnover Ratio	Cost of Goods Sold/ Average Inventory	(1,25,52,392)/ 3,29,04,901	98,84,135/ 2,44,25,435	(0.38):1	0.41:1	Previous year inventory has been deployed.
Trade Receivable Turnover Ratio	Net Credit Sale/ Average Account Receivable	15,10,47,926/ 1,05,22,822	12,66,52,375/ 1,75,55,507	14.35:1	7.21:1	The Company's collection of accounts receivable is efficient and that it has a high proportion of quality customers who pay their debts quickly.
Trade Payable Turnover Ratio	Net Credit Purchase/ Average Trade Payable	7,52,21,250/ 98,73,570	3,75,78,869/ 14,99,639	7.62:1	25.06:1	Due to favourable credit terms, the ratio got improved.
Net Capital Turnover Ratio	Net Sales/ Working Capital	15,10,47,926/ 21,13,18,733	12,66,52,375/ 8,16,40,156	0.71:1	1.55:1	Incremental Profit of the current year increased our working capital availability ratio.
Return on Capital Employed	EBIT/ Capital Employed	14,47,69,809/ 50,92,36,424	6,36,34,511/ 33,27,32,048	28%	19%	EBIT increased substantially which improves the ROCE.

8. Material developments in Human Resources / Industrial Relations front, including number of people employed.  
 The Company is proud of its team members at all levels. It considers manpower as its assets and that the people had been the driving force for the growth of the Company. The Company provides job role related training to each individual to perform his / her the best to achieve the desired targets set for the Company.
9. Cautionary Statement  
 Statement in this report on Management Discussion and Analysis relating to company's Objective, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. The Company assumes no responsibility in respect of forward-looking statement herein which may undergo changes in future based on subsequent developments, information or events.

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## ANNEXURE - I

### Form AOC-1

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

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

#### Part "A": Subsidiaries

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

Sr. No.	Particulars	Details
1	Name of the subsidiary	Ecoreco Enviro Education Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	85.00
5	Reserves & surplus	(130.17)
6	Total assets	116.56
7	Total Liabilities	161.73
8	Investments	Nil
9	Turnover	21.11
10	Profit before taxation	20.16
11	Provision for taxation	Nil
12	Profit after taxation	20.16
13	Proposed Dividend	Nil
14	% of shareholding	100

Note:-

1. Names of subsidiaries which are yet to commence operations:- NIL
2. Names of subsidiaries which have been liquidated or sold during the year:- NIL

## ANNEXURE - II

### Form AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Eco Recycling Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2020-21. The Company has laid down policies and processes / procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts/arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) Date(s) of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable
  
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts/arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Date(s) of approval by the Board, if any: Not Applicable
  - (f) Amount paid as advances, if any: None

Note: All related party transactions are bench marked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors.

## ANNEXURE III

### PARTICULARS OF REMUNERATION OF DIRECTORS / KMP

A) The Information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Sr. No.	Name of Director / KMP	Designation	Remuneration of Director / KMP (in Lakhs)	Ratio of Remuneration of each Director/KMP to Median Ratio of Employees
1	Brijkishor Soni	Chairman and Managing Director	20.00	10.43:1
2	Shashank Soni	Director and Chief Financial Officer	150.00	8.69:1
3	Aruna Soni	Executive Director	133.33	6.09:1
4	D T Devale	Non Executive Independent Director	-	0.07:1
5	Srikrishna B	Non Executive Independent Director	-	0.58:1
6	Giriraj Bhattar	Non Executive Independent Director	-	0.72:1

- Remuneration to Executives Directors for the FY 21-22 amounting to Rs. 174 lakhs
- Sitting Fees to Independent Directors for the FY 21-22 amounting to Rs. 1.40 lakhs
- Number of permanent employees on the rolls of the company as on 31.03.2022 : 40
- The remuneration to Directors is within the overall limits approved by the shareholders. - Yes
- Employee whose remuneration was in excess of the remuneration of the highest paid Director during the financial year 2021-22. - None
- The median remuneration is Rs. 6.90 lakhs for the financial year 2021-22.
- The percentage increase in the median remuneration of employees in the financial year 2021-22 is 12%.
- Average increase in the salaries of employees other than the managerial personnel - 11%
- Average increase in remuneration of managerial personnel - 101.11%\*

\*During the year 2021-22, there is an increase in the managerial remuneration from 11% to 40% of the profit calculated as per the the Section 198 of the Companies Act, 2013 and the same is duly approved in the extraordinary general meeting by the shareholders.

Pursuant to Rule 5(1)(xii) of the companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the company.

Note:

1. None of the Employee of the Company was drawing remuneration of Rs. 8,50,000 p.m or 1,02,00,000 p.a.
2. Nature of Employment in all cases as per contract/letter of appointment / resolution and rules of Company.

## ANNEXURE IV SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Eco Recycling Limited**  
CIN NO: L74120MH1994PLC079971  
422, The Summit Business Bay,  
Opposite Cinemax Theatre,  
Andheri Kurla Road,  
Andheri (E) Mumbai 400093

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eco Recycling Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the

Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 And the Regulations and Bye-laws framed thereunder;
- iv. Securities and Exchange Board of India (Depositories and Participant) Regulations 2018;
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and

Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 along with 2018 amendments;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014#;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008#;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009#; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

*#The Regulations or Guidelines, as the case may be, are not applicable for the period under review.*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable except in respect of the matter listed below:

Mr. Anirudhha Badkatte, Company Secretary and Compliance Officer has resigned w.e.f. 23rd November 2021 and as required in terms of Regulation 6(1) of the SEBI (LODR) Regulation 2015, qualified Company Secretary was not appointed as Compliance Officer of the Company till 31st March 2022. Although Company has appointed Mr. Kaushal Shukla as Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022.

#### **I further report that**

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

Directors and Independent Directors. The changes in the composition of the Board of Directors of the Company during the year under review were in accordance with the provisions of the Act. Company has not complied with the section 152(6) (d) in respect of retirement of Director who is longest in office since his/her last appointment.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the period under review, the Company has inter alia undertaken the following events/actions –

1. The member’s approval has been obtained at the 27th Annual General

Meeting held on 27th September 2021

- A. Appointment of Mr. Giriraj Bhattar (DIN: 09067018) as Non-Executive and Independent Director of the Company for the first term of five years w.e.f. 12th February 2021.
- B. Approval pursuant to Section 180(1)(C) of the Companies Act, 2013 to borrow from time to time all such monies, such that total amount so borrowed by the Board and outstanding at any point of time shall not exceed the sum of Rs.150 Crore.

**For KPUB & CO.,**

**Company Secretaries**

Firm Registration No: P2015MH069000

**Keshav Purohit**

**Partner**

ACS No: 39702; C P No.: 20471

Mumbai | 27th July 2022

**ICSI UDIN: A039702D000683521**



## Annexure to MR-3

To,  
The Members,  
**Eco Recycling Limited**  
CIN NO: L74120MH1994PLC079971  
422, The Summit Business Bay,  
Opposite Cinemax Theatre,  
Andheri Kurla Road,  
Andheri (E) Mumbai 400093

Our Secretarial Audit Report for the Financial Year ended on March 31, 2022 of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance

about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the

verification of procedures on test basis.

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

**For KPUB & CO.,  
Company Secretaries**

Firm Registration No: P2015MH069000

**Keshav Purohit  
Partner**

ACS No: 39702; C P No.: 20471  
Mumbai | 27th July 2022

**ICSI UDIN: A039702D000683521**



## ANNEXURE - V

### CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021 - 2022

(Forming part of the Board Report of Eco Recycling Limited)

Corporate Governance is a process to manage the business affairs of the Company towards enhancing business prosperity and accountability with the objective of realizing long term shareholder value. Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Corporate Governance enjoys a commitment of the Company to run the business in legal, ethical and transparent manner emanating from the top and permeating throughout the organization. It involves a set of relationships between the Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the enterprise. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors and in establishing productive and lasting business relationship with all stakeholders.

The Equity Shares of the Company are listed and admitted to dealings in BSE Limited,

Pursuant to the provisions of Regulation 34(3) read with Chapter IV and Schedule V and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a report on Corporate Governance for the financial year ended March 31, 2022 is furnished below:

#### 1. COMPANIES PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has a strong legacy of fair, transparent and ethical governance practices. The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders value and protecting the interest of all stakeholders.

Philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all phases of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. Your company shall continue to follow the same with a desire for further development on continuous basis.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015.

#### 2. BOARD OF DIRECTORS:

The Company is fully compliant with the Corporate Governance norms in respect of constitution of the Board of Directors. The Company's Board represents an optimum mix of professionalism, knowledge and experience. The Board formulates strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Directors are responsible for day-to-day operations of the Company.

Eco Recycling Board of Directors has an ideal composition of Executive and Non-Executive Directors with one Woman Director. Half of the Board consists of Independent Directors. The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors (IDs) to maintain the independence of the Board and separate its functions of governance and management.

As per the declaration received from IDs, all IDs meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 ('the Act') and are abide by the obligations as laid down under Regulation 25 of the Listing Regulations and Schedule IV of the Act. None of the Directors on the Board are Independent Directors of more than seven Listed Companies.

Composition of the Board of Directors as on March 31, 2022 was in accordance with the requirements of Regulation 17 of the Listing Regulations. As per Regulation 26(1) of the Listing Regulations, none of the Directors on the Board is the Member of more than 10 Committees and Chairperson of more than 5 Committees across all the Companies in which they are Directors. The same is also evidenced from the table given below.

Detailed profile of our Directors is available on our website at [www.ecoreco.com](http://www.ecoreco.com).

Details relating to the composition of the Board of Directors, number of Directorships, Memberships and Chairmanships of the Directors of the Company in other Public Limited Companies as on the date of this report are as follows:

**a. Composition of the Board of Directors:**

The name and category of Director on the Board, the number of Directorship held by them in other Company and numbers of the Committees in which they are the Member are given herein below:

Name of the Director(s) and their DIN	Designation	Category	Name of Listed Entity in which he is director & Category	No. of other Directorships#	Committee position <sup>s</sup> #	
					Chairperson	Member
<b>Executive Directors</b>						
Mr. Brijkishor Soni (DIN: 01274250)	Chairman & Managing Director	Promoter	-	-	-	-
Mrs. Aruna Soni (DIN: 01502649)	Executive Woman Director	Promoter	-	-	-	-
Mr. Shashank Soni (DIN: 02083384)	Director	-	-	-	-	-
<b>Non -Executive Directors</b>						
Mr. Dattatraya Trimbak Devale (DIN: 07186290)	Non-Executive Director	Independent	-	-	-	-
Mr. Shrikrishna Bhamidipati (DIN: 02083384)	Non-Executive Director	Independent	Avance Technologies Limited - Executive	1	2	-
Mr. Giriraj Bhattar (Din: 09067018)	Non-Executive Director	Independent	-	-	-	-

#For the purpose of considering the number of other Directorships and Committee positions, all Public Limited Companies, whether listed or not, have been included and all other Companies including Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013 have been excluded. Committee positions considered are only of Audit Committee and Stakeholders' Relationship Committee, including that of the Company.

**b. Attendance at Board Meeting and Annual General Meeting:**

During the Financial Year 2021-22, 7 Meetings of Board of Directors were held. The dates of Board meeting are as under:

Sr. No.	Date of Meeting	Attendance at the Board Meetings held on					
		Mr. B. K. Soni	Mrs. Aruna Soni	Mr. Shashank Soni	Mr. Srikrishna Bhamidipati	Mr. Dattatraya Trimbak Devale	Mr. Giriraj Bhattar
1	9 <sup>th</sup> June 2021	Present	Present	Present	Absent	Present	Absent
2	25 <sup>th</sup> June 2021	Present	Absent	Absent	Present	Present	Present
3	19 <sup>th</sup> July 2021	Present	Present	Present	Present	Present	Present
4	14 <sup>th</sup> August 2021	Present	Absent	Present	Present	Present	Absent
5	24 <sup>th</sup> August 2021	Present	Present	Present	Absent	Absent	Absent
6	14 <sup>th</sup> October 2021	Present	Absent	Present	Absent	Present	Present
7	24 <sup>th</sup> January 2022	Present	Absent	Present	Absent	Present	Present

Sr. No.	Date of Meeting	Attendance at the Annual General Meeting held on August 24, 2020					
		Mr. B. K. Soni	Mrs. Aruna Soni	Mr. Srikrishna Bhamidipati	Mr. Shashank Soni	Mr. Ravi Verma	Mr. Dattatraya Trimbak Devale
1	September 27, 2021	Present	Present	Present	Present	Present	Present

**c. Relationship between the Directors inter-se:**

Mr. Brijkishor Soni (DIN: 01274250), Mrs. Aruna Soni (DIN: 01502649) and Mr. Shashank Soni (DIN: 06572759), Directors of the Company, are related with each other (inter-se) within the meaning of the Listing Regulations.

None of the Independent/Non-Executive Directors of the Company has any material pecuniary relationships or transactions with the Company, its promoters, its Directors or its senior management which may affect their independence.

Besides the transactions reported in the Notes to the Accounts for the year, the Company has not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management, etc. that may have potential conflict with the interest of the Company at large.

**d. Number of shares of the Company held by Non- Executive Directors as on the date of this Report:**

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Mr. Dattatraya Trimbak Devale (DIN: 07186290)	-	-
2.	Mr. Srikrishna Bhamidipati (DIN: 02083384)	-	-
3.	Mr. Giriraj Bhattar (DIN: 09067018)	-	-

**e. Weblink where details of familiarization programmes imparted to Independent Directors is disclosed:**

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The familiarisation programmes aims to provide insight to the Independent Directors to understand the business of the company. A familiarization programme was conducted for non-executive directors on areas such as the core functions

of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarization programme is placed on the Company's website at [http://ecoreco.com/Uploads/Downloads/Familiarization\\_Programme.pdf](http://ecoreco.com/Uploads/Downloads/Familiarization_Programme.pdf)

**Core area under Familiarization Programme:**

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

**f. Meeting of Independent Directors:**

In accordance with the provisions of Schedule IV of the Act, a separate meeting of the Independent Directors was held during the year on January 24, 2022 without the attendance of Non-Independent Directors and Members of the Management. At this meeting, the IDs *inter-alia*:

- i. evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole;
- ii. evaluated the performance of the Chairman of the Board taking into account the views of the Executive Director and Non-Executive

Directors; and

- iii. assessed the aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board which is considered necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and the evaluation of the members of Board

**g. Board's Functioning & Procedures:**

Board members are informed well in advance about the schedule of the Meetings. The Company Secretary in consultation with the Chairman of the Company drafts the agenda for each meeting, along with agenda notes and send the same coupled with the documents related to Agenda at least seven days in advance to all the Directors for facilitating fruitful and focused discussions at the meeting. Every Board member can suggest the inclusion of additional items in the agenda. In order to enable the Board to discharge its responsibilities effectively, the Board reviews the overall Company performance on the basis of functional report placed before it by the Chairman and Managing Director.

The functions performed by the Board, *inter-alia*, include review of:

- Strategy and business plans,
- Annual operating and capital expenditure budgets,
- Quarterly results of the Company,
- Minutes of the Meeting of Audit and other Committees of the Board,
- Information on recruitment and remuneration of senior officers,
- Investment and exposure limits,
- Business risk analysis and control,
- Compliance with statutory/regulatory requirements,
- Review of major legal issues,
- Transaction pertaining to the purchase or disposal of property, major provisions and write offs.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting. Additional meetings are held whenever deemed necessary. At the Board Meetings, the Directors are being provided information as stipulated in Regulation 17(7) of the Listing Regulations in addition to other business items.

**h. Board Evaluation:**

The Nomination and

Remuneration Committee has approved a Policy for evaluation of the Board, its Committees and Directors and the same has been approved by the Board of Directors of the Company.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors and the performance evaluation of Independent Directors was done by the entire Board of Directors, excluding the Director being evaluated.

The Directors expressed their satisfaction with the evaluation process.

- i. Declaration by the Chairman & Managing Director under regulation 34(3) of the Listing Regulations regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.
- j. A Certificate as stipulated under Regulation 17(8) of the Listing Regulations was placed before the Board of Directors and is also forming a part of the report on Corporate Governance.
- k. Matrix setting out the skills / Expertise / Competence of Board of Directors is as under:

Name of the Director	Category	Skills /Expertise/ Competence of the Director			
		Technical	Financial	Administrative /HR	Legal
Mr. Brijkishor Soni	Chairman and Managing Director	√	√	√	√
Mrs. Aruna Soni	Executive Director	√	√	√	
Mr. Shashank Soni	Executive Director and CFO	√	√	√	√
Mr. Srikrishna Bhamidipati	Non-Executive Independent Director		√	√	√
Mr. Dattatraya Trimbak Devale	Non-Executive Independent Director	√	√	√	√
Mr. Giriraj Bhattar	Non-Executive Independent Director		√	√	√

### 3. STATUTORY COMMITTEES OF THE BOARD:

The Company has developed all the necessary Committees of the Board namely:

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

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

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

#### I. AUDIT COMMITTEE:

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only Independent Directors.

**i. Composition of the Audit Committee:-**

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

The composition of the Audit Committee as at March 31, 2022 and dates and details of the Members participation at the Meetings of the Committee are as under:

Sr. No.	Name of the Director	Designation & Category	Attendance at the Audit Committee Meetings held on				
			25.06.2021	19.07.2021	14.08.2021	14.10.2021	04.02.2022
1	Mr. Srikrishna Bhamidipati (DIN: 02083384)	<b>Chairman-</b> Non-Executive Independent Director	Present	Present	Present	Present	Present
2	Mrs. Giriraj Bhattar (DIN: 09067018)	<b>Member-</b> Independent Non-Executive Director	Present	Present	Present	Present	Present
3	Mr. Dattatraya Trimbak Devale (DIN: 07186290)	<b>Member</b> -Independent Non-Executive Director	Present	Present	Present	Present	Present

The highlights of each of the Audit Committee Meetings were informed to the Board of Directors and discussed in the Board Meeting. All the recommendations made by the Audit Committee during the year were accepted by the Board.

Mr. Srikrishna Bhamidipati (DIN: 02083384), Chairman of the Audit Committee, was not present at the last Annual General Meeting held on Monday, August 24, 2020 to answer the queries of the shareholders.

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Act and Regulation 18 of the Listing Regulations. The Company Secretary acts as the Secretary of the Audit Committee.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management’s financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting and its compliance with the legal and regulatory requirements. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Statutory Auditors and notes the processes and safeguards employed by each of them.

**ii. Terms of Reference of the Audit Committee are as follows:**

1. Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director’s Responsibility Statement forming part of the Board’s Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;

- c. Major accounting entries involving estimates based on the exercise of judgment by Management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report;
5. Reviewing, with the Management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk Management systems;
  12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
    - a. Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
    - b. The vigil mechanism under sub-section (9) of Section 177 of Companies Act, 2013, shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases;
  19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other



- person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
21. The Audit Committee shall have powers, which should include the following:
- To investigate any activity within its terms of reference;
  - The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of Companies Act, 2013, or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
  - To seek information from any employee;
  - To obtain outside legal or other professional advice;
  - To secure attendance of outsiders with relevant expertise, if it considers necessary;
22. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company;
23. All Related Party Transactions shall require prior approval of the Audit Committee.  
Approval or any subsequent modification of transactions of the company with related parties;
24. When money is raised through an issue (public issues, rights issues, preferential issues etc.), the company shall disclose the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc.), on a quarterly basis as a part of their quarterly declaration of financial results to the Audit Committee.  
Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and place it before the audit committee. Such disclosure shall be made only till such time that the full money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company. Furthermore, where the company has appointed a monitoring agency to monitor the utilization of proceeds of a public or rights issue, it shall place before the Audit Committee the monitoring report of such agency, upon receipt, without any delay. The audit committee shall make appropriate recommendations to the Board to take up steps in this matter.  
All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to

take informed decisions.

The Minutes of the Meetings of the Committee are circulated to all the Members and confirmed at the subsequent Meeting.

## II. NOMINATION AND REMUNERATION COMMITTEE:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Act and the Listing Regulations, as amended from time to time, the scope and the terms of reference of the Nomination and Remuneration Committee have been expended. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof).

### i. Composition, Names of the Chairperson and Members of the Committee and their attendance details:-

Your company has formed this committee to consider and approve the remuneration payable to the directors. The Composition of Nomination and Remuneration Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation.

The composition of the Nomination and Remuneration Committee as at March 31, 2022 and dates and details of the Members participation at the Meetings of the Committee are as under:

Sr. No.	Name of the Director	Designation & Category	Attendance at the Nomination and Remuneration Committee Meeting held on			
			25.06.2021	19.07.2021	14.10.2021	02.02.2022
1	Mr. Srikrishna Bhamidipati (DIN: 02083384)	<b>Chairman</b> - Non-Executive Independent Director	Present	Present	Present	Present
2	Mrs. Giriraj Bhattar (DIN: 09067018)	<b>Member</b> - -Independent Non-Executive Director	Present	Present	Present	Present
3	Mr. Dattatraya Trimbak Devale (DIN: 07186290)	<b>Member</b> -Independent Non-Executive Director	Present	Present	Present	Present

The purpose of this Committee is to screen and to review individuals qualified to serve as Executive Directors, Non-executive Directors, Independent Directors and Key Managerial Personnel and remuneration to be paid to them in accordance with the Nomination and Remuneration Policy of the Company and recommend to the Board for its approval. The Committee makes recommendations to the Board on candidates for –

- (i) nomination for election or re-election by the shareholders; and
- (ii) any Board vacancies that are to be filled.

It may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Management or the Chairman of the Company. It reviews and discusses all matters pertaining to candidates and evaluates the candidates as Director or Key Managerial Personnel. The Nomination and Remuneration Committee co-ordinates and oversees the annual evaluation of the Board and of individual Directors.

**ii. Terms of Reference of the Nomination and Remuneration Committee are as follows:**

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors (Board) their appointment and removal and to carry out evaluation of every director's performance
- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- while formulating the policy as aforesaid, to ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between

fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, : provided that such policy shall be disclosed in the Board's Report.

- to approve the payment of remuneration as prescribed under Schedule V of the Act
- to determine, review and recommend to the Board, the remuneration of the Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Director(s), including all elements of remuneration package
- to determine, review and recommend to the Board, the remuneration of the Company's top executives who are one level below the Managing/Joint Managing/Executive Director(s)
- to formulate, implement, supervise and administer the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines
- formulation of criteria for evaluation of independent directors and the Board of Directors
- devising a policy on diversity of the Board of Directors
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent director
- aligning key executive and board remuneration with the longer term interests of the Company and its shareholders

- ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities

### iii. Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Policy of the Company showcase the appointment criteria and remuneration payable to the Directors of the Company. The remuneration paid to the Directors is broadly based on the criteria such as his/her qualification, experience, profile and his performance. Detailed procedure of performance evaluation is provided under point no. 28 of Board' Report.

The criterion for evaluation of performance of Independent Directors *inter-alia* includes:

- highest Personal and Professional ethics, integrity and values,
- inquisitive and objective perspective, practical wisdom and mature judgment,
- demonstrated intelligence, maturity, wisdom and independent judgment,
- Self-confidence to contribute to Board deliberations and stature such that other board members will respect his or her view,
- the willingness and commitment to devote the extensive time necessary to fulfill his/her duties,
- the ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including willingness to listen and respect the views of others,
- the skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in

a comparable Company or organization, including but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing,

- commitment, including guidance provided to the Senior Management outside of Board/Committee Meetings,
- effective deployment of knowledge and expertise,
- independence of behavior and judgment,
- Maintenance of confidentiality of critical issues.

### iv. Nomination and Remuneration Policy:

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

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE / SHAREHOLDERS GRIEVANCE COMMITTEE:

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of stakeholders' grievances, the Stakeholders' Relationship Committee is constituted. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment or amendments thereof).

**a. Composition, Names of the Chairperson and Members of the Committee and their attendance details:-**

The Company constituted Stakeholder Grievance Committee, to specifically look into the Redressal of the shareholder's grievances, share transfers and other investor related matters.

The composition of the Stakeholder Grievance Committee as at March 31, 2022 and dates and details of the Members participation at the Meetings of the Committee are as under:

Sr. No.	Name of the Director	Designation & Category	Attendance at the Stakeholder Grievance Committee Meetings held on			
			25.06.2021	19.07.2021	14.10.2021	02.02.2022
1	Mr. Srikrishna Bhamidipati (DIN: 02083384)	<b>Chairman-</b> Non-Executive Independent Director	Present	Present	Present	Present
2	Mrs. Aruna Soni (DIN: 01502649)	<b>Member-</b> Executive Director	Present	Present	Present	Present
3	Mr. Dattatraya Trimbak Devale (DIN: 07186290)	<b>Member</b> -Independent Non-Executive Director	Present	Present	Present	Present

The role of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, non-receipt of Annual Reports and such other grievances as may be raised by the security holders from time to time.

**b. Compliance Officer:**

Mr. Kaushal Shukla, Company Secretary and Compliance Officer of the Company in terms of Regulation 6(1) of the Listing Regulations (*e-mail ID: shareholders@ecoreco.com*). has been entrusted the task of overseeing the Share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates done by the R & TA and attending to Grievances of the Shareholders/Investors intimated to the Company directly by the SEBI.

**c. The functions of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee includes the following:-**

1. Transfer / Transmission of shares;
2. Issue of duplicate share certificates;
3. Review of shares dematerialized and all other related matters;
4. Monitors expeditious Redressal of investors' grievances;
5. Non receipt of Annual Report and declared dividend,;
6. All other matters related to shares.

**d. Details of the Shareholders' Complaints:**

No. of pending complaints as on April 1,2021	0
Number of shareholders' complaints received during the financial year 2021-22	0
Number of complaints not resolved to the satisfaction of shareholders as on March 31, 2022	0
No. of pending complaints as on March 31, 2022	0

The complaints have been resolved in consonance with the applicable provisions of the relevant rules/regulations and acts for the time being in force.

All Share transfers and correspondence thereon are handled by the Company's R & TA viz. M/s. Bigshare Services Private Limited having Registered Office at Pinnacle Business Park, Office No. S6-2, 6th Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai - 400093.

**e. Brief description of terms of reference:**

The terms of reference of Committee *inter-alia* includes:

- to consider and resolve the grievances of security holders of the Company
- to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders
- to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.
- to supervise the process relating to transfer, transmission, transposition, split, consolidation of securities
- to issue the duplicate share certificate(s) and supervise the process
- to supervise the process relating to consider re-materialization/de-materialization requests
- to oversee the performance of the Company's registrar & share transfer agents
- to implement and monitor the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
- to make recommendations to improve service levels for stakeholders
- to carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities

**4. REMUNERATION PAID TO THE DIRECTORS OF THE COMPANY:**

**(a) Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:**

During the year none of the Non-executive and Independent Directors was paid any remuneration except sitting fees for attending Board Meetings /Audit Committee Meetings / Nomination and Remuneration Committee Meetings. No Sitting fees are paid for the Stakeholders Relationship Committee / Shareholders' Grievance Committee Meetings.

**(b) Disclosures with respect to remuneration:**

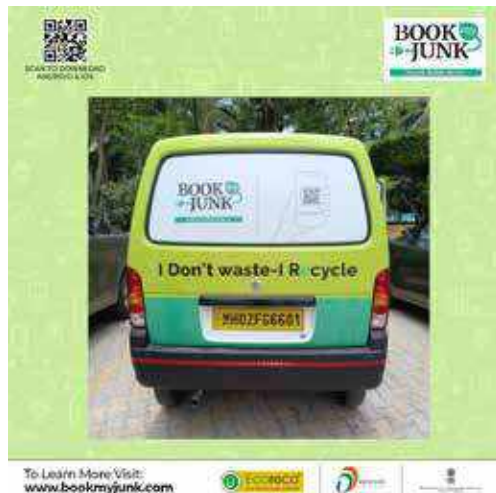
- (i) Details of remuneration paid to the Executive Directors & Non - Executive Directors for the financial year 2021-22 are as given below:

Name of the Director	Salary	Sitting fees	Total
Mr. B. K. Soni	72,00,000	-	72,00,000
Mrs. Aruna Soni	42,00,000	-	42,00,000
Mr. Srikrishna Bhamidipati	-	40,000	40,000
Mr. Shashank Soni	60,00,000	-	60,00,000
Mr. Giriraj Bhattar	-	50,000	50,000
Mr. Dattatraya Trimbak Devale	-	50,000	50,000

## 5. GENERAL BODY MEETING:

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

Financial Year	Date of the Annual General Meeting	Venue of the Annual General Meeting	Time of the Annual General Meeting	Details of Special Resolution Passed
2018-2019	14 <sup>th</sup> August, 2019	422, The Summit Business Bay Opposite Cinemax Theatre, Andheri-Kurla Road, Andheri (E), Mumbai-400 093	12.00 P.M.	Revision of remuneration of Mr. B K Soni and Mrs. Aruna Soni.
2019-2020	24 <sup>th</sup> August, 2020	422, The Summit Business Bay Opposite Cinemax Theatre, Andheri-Kurla Road, Andheri (E), Mumbai-400 093	04.00 P.M.	<ol style="list-style-type: none"> <li>1) Payment of Aggregate Annual Remuneration to Mr. Brijkishor Soni ( DIN: 01274250) Promoter-Executive Director / Member of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per section 198 of Companies Act , 2013</li> <li>2) Re-appointment of Brijkishor Soni as Managing Director</li> <li>3) Re-appointment of Mr. Dattatraya Devale for second term as Independent Director.</li> <li>4) Issuance of fully convertible warrants on preferential basis.</li> </ol>
2020-2021	27 <sup>th</sup> September, 2021	422, The Summit Business Bay Opposite Cinemax Theatre, Andheri-Kurla Road, Andheri (E), Mumbai-400 093	11.20 A.M.	Authority to borrow money under section 180 (1) (c) of the Companies Act, 2013. To Increase overall Managerial Remuneration



- **Extra ordinary General Meeting:**

Extra ordinary General Meeting of the members was held during the year under review.

Sr. No.	Date of the Extraordinary General Meeting	Venue of the Extraordinary General Meeting	Time of the Extraordinary General Meeting	Details of Special Resolution Passed
1	10th November, 2021	Unit No.422 4th Floor The Summit Business Bay Near Cine Max Theater Andheri Kurla Road Andheri (E) MUMBAI, Mumbai City Maharashtra - 400093	09.30 A.M.	Increase in Managerial Remuneration exceeding 11% and up to 40% of the Net Profits of the Company Computed in the manner as laid down in section 198 of the Companies act 2013

- **Details of the Special Resolution passed through Postal Ballot:**

During the year under review, resolution has been passed through the exercise of postal ballot.

Sr. No.	Date of the Extraordinary General Meeting	Venue of the Extraordinary General Meeting	Time of the Extraordinary General Meeting	Details of Special Resolution Passed
1	10th November, 2021	Unit No.422 4th Floor The Summit Business Bay Near Cine Max Theater Andheri Kurla Road Andheri (E) MUMBAI, Mumbai City Maharashtra - 400093	09.30 A.M.	Increase in Managerial Remuneration exceeding 11% and up to 40% of the Net Profits of the Company Computed in the manner as laid down in section 198 of the Companies act 2013

## 6. MEANS OF COMMUNICATION:

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issue raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting.

Some of the modes of communication are mentioned below:

- **Quarterly results:**

Quarterly/Half yearly/Annual results are regularly submitted to the Stock Exchanges, where the securities of the Company are listed, immediately after the approval of the Board pursuant to the Listing Regulations requirements and are published in the newspapers.

The financial results are also displayed on the Company's website *i.e.* [www.ecoreco.com](http://www.ecoreco.com)

- **Newspapers wherein results normally published:**

The quarterly, half yearly and annual results are communicated to all the members of the Company by publishing the same in English and Marathi National dailies *i.e.* Free Press Journal and Navshakti.

- **Any Website, where displayed**

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



- **Whether Website also displays official news releases:**

The Company has maintained a functional website [www.ecoreco.com](http://www.ecoreco.com) containing basic information about the Company e.g. details of its business, Directors and also other details as per the requirements of the Listing Regulations and the Act like financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc.

- **Presentations made to institutional investors or to the analysts:**

No presentations were made to any institutional investors or analysts during the financial year 2021-22.

## 7. GENERAL SHAREHOLDERS INFORMATION:

- I. **Details of the Annual General Meeting for the financial year 2020-2021:**

- **Date:** 26<sup>th</sup> August, 2022
- **Day:** Friday

- **Time:** 11.00 AM
- **Venue:** Through Video Conferencing.

The Company shall also provide facility of e-Voting for the ensuing Annual General Meeting of the Company.

### II. Financial Year 2021- 2022:

### III. Dividend:

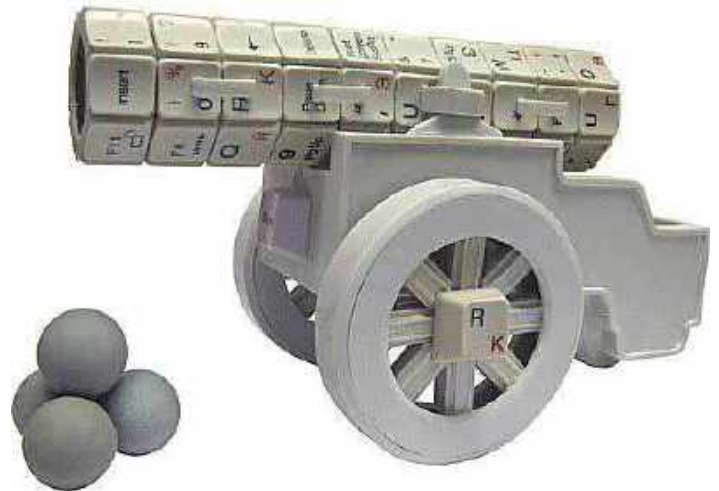
During the year, Company has declared final dividend @10% i.e.,Rs. 1/ equity share.

### IV. Name and address of stock exchanges at which the Company's securities are listed and confirmation about payment of annual listing fees to each of stock exchanges:

The Company's equity shares are listed on the BSE Ltd. (BSE) - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid the applicable annual listing fees to BSE.

### V. Stock code :

BSE Scrip Code	530643
ISIN Number for NSDL & CDSL	INE316A01038



**VI. Market Price Data: High / Low price during each Month of 2021-22 on The Bombay Stock Exchange Limited and BSE Sensex are as under:**

Price is ₹

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	Deliverable Quantity	% Deli. Qty. to Traded Qty.	Spread High-Low	Spread Close-Open
Apr-21	59.65	60.35	43.30	54.60	2,72,104	2,247	1,44,80,951	1,41,058	51.84	17.05	-5.05
May-21	57.95	62.40	50.40	55.35	6,38,953	3,991	3,63,18,364	4,13,206	64.67	12.00	-2.60
Jun-21	58.35	64.90	44.30	56.05	23,06,606	10,633	13,44,98,478	18,72,563	81.18	20.60	-2.30
Jul-21	57.10	122.40	56.00	101.90	39,99,354	24,804	33,58,86,172	28,64,001	71.61	66.40	44.80
Aug-21	105.00	105.00	72.20	72.55	9,33,872	11,323	8,05,54,925	9,33,872	100.00	32.80	-32.45
Sep-21	70.10	77.90	66.30	74.85	4,15,896	5,232	2,99,71,890	4,15,896	100.00	11.60	4.75
Oct-21	76.35	104.35	73.50	93.55	11,84,990	9,858	10,73,09,882	9,39,051	79.25	30.85	17.20
Nov-21	98.00	102.30	81.10	81.70	3,86,223	4,642	3,57,87,103	2,79,762	72.44	21.20	-16.30
Dec-21	84.90	108.00	80.00	106.40	5,72,705	6,439	5,50,50,151	4,35,429	76.03	28.00	21.50
Jan-22	108.00	156.45	105.25	114.20	14,00,460	16,144	18,77,19,480	10,39,699	74.24	51.20	6.20
Feb-22	109.55	145.00	107.50	118.50	6,91,475	8,615	8,84,13,835	4,84,164	70.02	37.50	8.95
Mar-22	119.00	124.00	109.00	114.25	4,41,712	4,874	5,08,78,287	3,66,764	83.03	15.00	-4.75

**VII. Share Performance Chart of the Company in Comparison to BSE Sensex:**



### VIII. In case the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading

### ix. Registrar to Issue and Share Transfer Agent :

- Registrar and Share Transfer Agent:

**M/s. Bigshare Services Private Limited**

**Address:** Pinnacle Business Park, Office No. S6-2, 6th Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai - 400093.

**Tel No.:** 91 22 62638200 | **Fax No.:** 91 22 28475207

**Email:** investor@bigshareonline.com | **Web:** www.bigshareonline.com

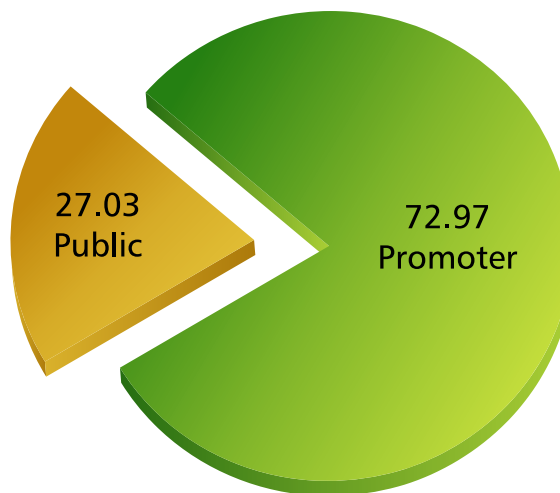
- Share Transfer System:**

The Board of Directors of the Company, in order to expedite the process, has delegated the power of approving transfer, transmission, etc. of the securities of the Company to the R & TA. Securities lodged for transfer, transmission, etc. are normally processed within the stipulated time as specified under the Listing Regulations and applicable provisions of the Act. The Company has obtained certificates on half yearly basis from the Practicing Company Secretary, certifying due compliance with the formalities of share transfer as required under regulation 40 of the Listing Regulations and submitted a copy of the certificate to the Stock Exchanges where the securities of the Company are listed.

- Shareholding Pattern as on March 31st, 2022**

Sr. No.	No of Shareholders	No of shareholder	Total number of shares (Fully paid-up)	Total number of shares (Partly paid-up)	Total number of shares (Fully paid –up & Partly paid-up)	Shareholding (in % age)
<b>(A). Promoter &amp; Promoter Group</b>						
1.	Brijkishor Soni	1	27,09,782	0	27,09,782	14.04
2.	Aruna Soni	1	11,93,200	0	11,93,200	6.18
3.	Brijkishor Soni HUF (Promoter Group)	1	2,71,221	0	2,71,221	1.41
4.	Ecoreco Ventures Private Limited (Promoter Group)	1	99,05,914	0	99,05,914	51.33
<b>Sub Total (A)</b>		<b>4</b>	<b>1,40,80,117</b>	<b>0</b>	<b>1,40,80,117</b>	<b>72.97</b>
<b>(B). Public Shareholder</b>						
5.	Foreign Portfolio Investors	1	1,65,014	0	1,65,014	0.86
6.	Financial Institutions	1	880	0	880	0
7.	Non Institutions (Individual share capital upto Rs. 2 lakhs)	9,719	21,78,273	0	21,78,273	11.29
8.	Non Institutions (Individual share capital in excess of Rs. 2 lakhs)	15	7,02,330		7,02,330	3.64

Sr. No.	No of Shareholders	No of shareholder	Total number of shares (Fully paid-up)	Total number of shares (Partly paid-up)	Total number of shares (Fully paid -up & Partly paid-up)	Shareholding (in % age)
9.	Any other	366	21,70,136	0	21,70,136	11.25
10.	Bunkim Finance & Investments Pvt Ltd	1	5,62,380	0	5,62,380	2.91
11.	Jayati Finance & Investments Pvt Ltd	1	3,24,277	0	3,24,277	1.68
12.	Clearing Members	24	21,441	0	21,441	0.11
13.	HUF	129	1,34,730	0	1,34,730	0.70
14.	Non Resident Indian	152	1,43,717	0	1,43,717	0.74
15.	Nippon Magnetic Dressing Company Limited	1	8,80,000	0	8,80,000	4.56
<b>Sub Total (B)</b>		<b>10,102</b>	<b>52,16,633</b>	<b>0</b>	<b>52,16,633</b>	<b>27.03</b>
<b>Total (A+B)</b>		<b>10,106</b>	<b>1,92,96,750</b>	<b>0</b>	<b>1,92,96,750</b>	<b>100</b>



- **Distribution of Shareholding as on March 31, 2022:**

Shareholding of Nominal		No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
1	500	9303	90.8053	939881	4.8707
501	1000	561	5.4758	417575	2.164
1001	2000	204	1.9912	283977	1.4716
2001	3000	49	0.4783	127161	0.659
3001	4000	28	0.2733	99031	0.5132
4001	5000	16	0.1562	73716	0.382
5001	10000	39	0.3807	296081	1.5344
10001 and above		45	0.4392	17059328	88.4052
<b>TOTAL</b>		<b>10245</b>	<b>100.0000</b>	<b>19296750</b>	<b>100.0000</b>

- **Dematerialization of shares and liquidity:**

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2022, 97.94% of the total Subscribed and Fully Paid-up equity share capital comprising of 18,906,806 equity shares of the Company are in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form as per the notification issued by the Securities and Exchange Board of India.

- **Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on Equity:**

Not Applicable as there were no outstanding ADRs or GDRs, Warrants or any Convertible instruments.

- **Commodity price risk or foreign exchange risk and hedging activities:**

Not applicable.

- **Location of Plant:**

Eco House, Near Range office, Bhoidapada, Sativali Road, Vasai (East), Palghar.

- **Address of the Company:**

**Eco Recycling Limited**

422, The Summit Business Bay,

Near WEH Metro Station, Andheri - Kurla Road,

Andheri (East), Mumbai-400 093

**Tel. No.:** +91 22 4005 2951/52/53

**Fax No.:** 91 -22 40052954

**Email:** info@ecoreco.com

accounts@ecoreco.com

shareholders@ecoreco.com

**Web:** www.ecoreco.com

- **Nomination Facility for Shareholding:**

As per the provisions of the Companies Act, 2013, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer agent of the Company.

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

The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.

- **Correspondence regarding Change in Address:**

Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited, Pinnacle Business Park, Office No. S6-2, 6th Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai - 400093., Tel No.: 91 22 62638200 | Fax No.: 91 22 28475207

Email: investor@bigshareonline.com

- **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the entity involving mobilization of funds, whether in India or abroad:**

Not Applicable

## 8. OTHER DISCLOURE:

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

During the financial year under review, there were no materially significant related party transactions with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are entered into by the Company are based on business exigencies and are intended to further the Company's interests. The company has formulated a policy on Related Party Transaction and the said policy is uploaded on website of company. (<http://ecoreco.com/download-policies.aspx>)

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

It was inadvertently mentioned

in the corporate governance report that the audit committee has 2 Directors however the actual composition was 3 directors and therefore the company has received a notice for non compliance of Regulation 18(1) of the SEBI (LODR), Regulations 2015 from BSE Limited (Stock Exchange) levying a fine of Rs.2,12,400/-.

As informed the company has filed revise corporate governance for the quarter ended March, 2022 on 10<sup>th</sup> May, 2022 and clarified to the stock exchange with filing necessary waiver application for reversal of the fine of Rs. 2,12,400/-.

- **Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has a Vigil Mechanism cum Whistle Blower Policy in place, details of which have been furnished in the Board’s Report. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee.

- **Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:**

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. Though, the Company does not comply with some of the non-mandatory requirements on date, the Company is committed towards complying with as a whole and will take suitable measures as and when possible. The status of compliance with the non-mandatory requirements of this clause has been detailed below.

- **Disclosure of commodity price risks and commodity hedging activities:**

Not applicable

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

Not applicable since the Company has not raised funds through preferential allotment or qualified institutions

placement as specified under Regulation 32 (7A).

- **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Rs. 300000/-

- **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year	0
Number of complaints disposed of during the financial year	0
Number of complaints pending as on end of the financial year	0

**9. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED:**

The Company has complied with the requirements of corporate governance report of sub paras (2) to (10) of Clause (C) of the Schedule V of the Listing Regulations.

**10. ADOPTION OF THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF THE SCHEDULE II OF THE LISTING REGULATIONS:**

**a) The Board**

The Company has an Executive Chairman and hence, the requirement pertaining to reimbursement of expenses to a Non - Executive Chairman does not arise.

**b) Shareholder Rights**

The Company’s quarterly/half-yearly/annual results are furnished to the Stock Exchanges, also published in the newspapers and also displayed on the website of the Company and therefore results were not separately sent to the Members. Quarterly/half-yearly/ annual results of the Company are displayed on the

website of the Company at the link <http://ecoreco.com/investor-financial-results.aspx>

**c) Modified opinion(s) in audit report**

The Company has received a modified opinion in the Auditors' Report for the financial year 2020-21:

**d) Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

**11. Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:**

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The details of the compliance of Regulations 17 to 27 of the Listing Regulations are given in this Corporate Governance Report. Further, the Company has uploaded the documents/details mentioned in the clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations on its website at [www.ecoreco.com](http://www.ecoreco.com)

**By Order of the Board of Director**  
**B. K. Soni**  
**Chairman & Managing Director**  
**DIN: 01274250**

27<sup>th</sup> July 2022





**CEO AND CFO CERTIFICATION**  
**Under Regulation 17(8) of (Listing Obligations and Disclosure Requirements)**  
**Regulations, 2015 for Financial Year Ended 31st March, 2022**

The Board of Directors  
**Eco Recycling Limited**  
**Mumbai**

**Dear Members of the Board,**

We Mr. Brijkishor Soni, Chairman & Managing Director and Mr. Shashank Soni, Director & Chief Financial Officer of Eco Recycling Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March 2022 and that to the best of their knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further certify that, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- i. There were no significant change in internal control over financial reporting during the year.
  - ii. There were no significant change in accounting policies during the year under review.
  - iii. There were no instance of any fraud in the company in which the management has any role in the Company's internal control system over financial reporting.

**For Eco Recycling Limited**

**Brijkishor Soni**  
**Chairman & Managing Director**

**For Eco Recycling Limited**

**Shashank Soni**  
**Director & Chief Financial Officer**

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**CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT**

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 I hereby confirm that, all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for Directors and Senior Management.

**For Eco Recycling Limited**

**Brijkishor Soni**  
**Chairman & Managing Director**

**CERTIFICATE ON CORPORATE GOVERNANCE**  
**SECRETARIAL AUDITORS CERTIFICATE REGARDING**  
**COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE REPORT**  
**AS PRESCRIBED UNDER SEBI (LODR), REGULATION, 2015.**

To  
The Members,  
Eco Recycling Limited

We have examined the compliance conditions of Corporate Governance followed by Eco Recycling Limited (herein after referred as "Company") for the Financial Year ended March 31, 2022 as prescribed under Regulations 17 to 27, clauses(b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31 March 2022.

We state that compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of the Corporate Governance as stipulated in the said Clauses and/or Regulations. 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 knowledge, information and according

to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended except as mentioned herein:

1. During the reporting period, as per Regulation 27(2) of SEBI (LODR) Regulations, 2015 company has filed Corporate Governance Report for the quarter ended March 2022 and it was inadvertently mentioned in that Company has 2 Directors in Audit Committee however actual composition was of 3 Non – Executive, Independent Directors and therefore the Company has received notice for non-compliance of Regulation 18(1) of SEBI (LODR), Regulations 2015 from BSE Limited (Stock Exchange) levying fine of Rs. 2,12,400/-. As informed, company has filed revised Corporate Governance for the quarter ended March 2022 on 10th May 2022 and clarified to Stock Exchange with filling of necessary application for reversal of fine Rs. 2,12,400/-.

2. Mr. Anirudhha Badkatte, Company Secretary and Compliance Officer has resigned w.e.f. 23rd November 2021 and as required in terms of Regulation 6(1) of the SEBI (LODR) Regulation 2015, qualified Company Secretary was not appointed as Compliance Officer of the Company till 31st March 2022. Although Company has appointed Mr. Kaushal Shukla as Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022.

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 **KPUB & CO.**,  
**Company Secretaries**  
Firm Registration No: P2015MH069000

**Keshav Purohit**  
**Partner**  
ACS No: 39702; C P No.: 20471  
Mumbai | 27<sup>th</sup> July 2022  
**ICSI UDIN: A039702D000693740**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
 The Members of  
 Eco Recycling Limited  
 Mumbai.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Eco Recycling Limited having CIN L74120MH1994PLC079971 and having registered office at Unit No.422, 4th Floor, The Summit Business Bay, Near Cine Max Theater, Andheri Kurla Road, Andheri (E), Mumbai - 400093. (here in after referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs,

Sr. No.	Name of Director	DIN	Date of Appointment
1	Brijkishor Kishangopal Soni	01274250	01/08/1994
2	Aruna Soni	01502649	28/08/1998
3	Srikrishna Bhamidipati	02083384	13/07/2019
4	Shashank Soni	06572759	01/10/2013
5	Dattatraya Trimbak Devale	07186290	16/05/2015
6	Giriraj Shankarlal Bhattar	09067018	12/02/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For KPUB & CO.,**  
**Company Secretaries**  
 Firm Registration No: P2015MH069000

**Keshav Purohit**  
**Partner**  
 ACS No: 39702; C P No.: 20471  
 Mumbai | 27th July 2022  
 ICSI UDIN: A039702D000693740

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of**  
Eco Recycling Limited  
**Report on the Audit of the**  
**Standalone Financial Statements**  
**Qualified Opinion:**

We have audited the standalone financial statements of **ECO RECYCLING LIMITED** which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss account (including other comprehensive income), Statement of change in Equity, Cash Flow Statement for the year ended, a summary of significant accounting policy and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters mentioned in the Basis For Qualified Opinion, the aforesaid standalone financial statements gives the information required by the Companies Act 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act with relevant rules thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Company as at **31<sup>st</sup> March 2022** and its consolidated financial performance including other comprehensive income), its consolidated cash flows and consolidated changes in equity for the year ended on that date.

### **Basis for Qualified Opinion**

The Holding company has not adopted Indian Accounting Standard (Ind AS)

116 Leases, which is applicable to all Ind AS financial statements beginning on or after April 01 2019, to a lease arrangement of a factory premise entered into by the Company in May 2020. Consequently, the company has continued to treat the said lease arrangement as an operating lease in accordance with the erstwhile Ind AS 17 Lease, and has not recognised a Right-Of-Use asset and a lease liability in the statement.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in

the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Emphasis of Matter Paragraph we have determined that there are no key audit matters to communicate in our report.

### **Emphasis of Matter Para**

1. Note no. 3 to the standalone financial statements, Non Current Asset Deposits

The company has not done any fair valuation of its Property at Kharbao, Mumbai as it believes that the carrying amounts of these financial assets and financial liabilities approximate their fair values and that the impact of change, if any, on account of fair valuation of these financial assets and financial liabilities, will be insignificant.

2. Note no. 7 to the standalone financial statements, Capital advances.

The Holding company has a pending legal dispute with M/s KUD Realtors Pvt. Ltd relating to the transfer of assets purchased in favour of the holding company. As at 31st March 2022, the holding company has paid amount of Rs. 1,93,08,133 as advance for purchase of the assets. As at the date of this report, the final outcome of the legal proceedings is pending.

3. Note no.14 to the financial statements, unsecured borrowings from DSIR

The Company was granted funds of Rs 900 lacs by DSIR, for a project of "E-Waste Recycling and Precious Metal Recovery" and as per the original terms of the disbursement, the loan by DSIR, was to be repaid on the successful commercialisation of the project. According to the information and explanations given to us, the dispute between the Holding Company and DSIR Over the repayment of the loan from DSIR is now pending before the Delhi High Court. The grant received from the DSIR is presented in the financial statements as at 31<sup>st</sup> March 2022, at its original transaction amount.

4. Note No.7 to the financial statements, Receivables from Keynote Capital Limited

An amount of Rs 2,35,16,348 is receivable from M/s Keynote Capital Limited (Keynote), by the company, on account of share transactions misappropriated by the Keynote Capital Limited. As on the date of this report, the matter is pending for its final outcome before the Bombay High Court.

Our opinion is however not qualified in respect of the above matters.

#### **Information other than the Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our

auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Ind AS Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and

detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AS part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures

made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to Continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical

requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For matters communicated with those charged with governance, we determine those matters that were most significant in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that,
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) on the basis of the written representations received from the directors as on 31st March, 2022, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the

Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. Further, no remuneration is paid during the year by any of its subsidiary companies forming part of the group.
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014; in our opinion and to the best of our information and according to the
  - i. The Company has disclosed

the impact of pending litigations on its financial position in its Ind AS financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses for which provision was required to be made under the applicable law or the accounting standards.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As per our Report of even date  
For **For R M R & CO.**  
Chartered Accountants  
ICAI Reg.No.106467W

**CA Ashish Mandowara**  
Partner  
Membership No.: 168656

Mumbai  
27<sup>th</sup> July, 2022



## **“ANNEXURE A” TO THE INDEPENDENT AUDITOR'S REPORT**

**REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON THEIR LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT ON EVEN DATE TO THE MEMBERS OF ECO RECYCLING LIMITED FOR THE YEAR ENDED ON 31<sup>st</sup> March, 2022.**

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
    - (B) There are no intangible assets in the company.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets at reasonable interval having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company has immovable property under the head Property, Plant and Equipment and the title deeds of the same exists in the name of the company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and according to the information and explanations given to us, no material discrepancies were noticed.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and had not granted any unsecured loans to other parties, during the year, and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.
- (iv) The company has granted loans & made investments in other quoted companies and the provisions of section 185 and 186 of the Companies Act, 2013, has been complied properly.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) In our opinion and according to information and explanation given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.



- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the appropriate authorities except income tax which is as below:

Name of statute	Nature of Dues	Amount in INR	Financial Year	Forum
Income Tax	Tax Dispute	1,274,308	2018-19	CIT (A)
		124,690	2016-17	Income Tax Auth.
		11,750	2010-11	Income Tax Auth.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, service tax, excise duty and cess were in arrears, as at 31st March, 2022 for a period of more than six months from the date they become payable.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not made any default in repayment of loans or other borrowings or in the payment of interest thereon to any financial institution, bank, Government or dues to debenture holders or to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) On an overview examination of the financial statement, the Company has applied the funds raised from the term loans, for the purpose for which the loans were obtained.
- (d) The Company has not raised any on short-term funds during the year and hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) No such whistle-blower complaints were received during the year by the company and hence reporting under clause 3(xi) (c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors of the Company during the year. The previous statutory Auditor "Talati & Talati" has resigned as an auditor from their post. Further, the issues and concerns raised by the outgoing auditor has been taken care off.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating

that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) Compliance in regards to second proviso to sub-section (5) of section 135 of the Companies Act 2013 is not applicable to the company and reporting under clause 3(xx)(a) & (b) of the Order is not applicable.

As per our Report of even date  
For For R M R & CO.  
Chartered Accountants  
ICAI Reg.No.106467W

**CA Ashish Mandowara**  
Partner  
Membership No.: 168656

Mumbai  
27<sup>th</sup> July, 2022  
**UDIN:22168656ANROAF6281**

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **Eco Recycling Limited** as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting

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

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

the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over financial reporting

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

As per our Report of even date  
For **R M R & CO.**  
Chartered Accountants  
ICAI Reg.No.106467W

**CA Ashish Mandowara**  
Partner  
Membership No.: 168656

Mumbai  
27<sup>th</sup> July, 2022  
**UDIN: 22168656ANROAF6281**



## STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS - (STANDALONE)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]			
(₹ In lacs)			
Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	2,694	2,694
2.	Total Expenditure	1,293	1,293
3.	Net Profit/(Loss)	1,249	1,249
4.	Earnings Per Share	6.47	6.47
5.	Total Assets	6,678	6,678
6.	Total Liabilities	1,586	1,586
7.	Net Worth	5,092	5,092

### II. Audit Qualification

a. **Details of Audit Qualification:**

The Company has entered into a lease agreement for its factory premises in May 2020 to April 2023. The Company has continued to treat the lease arrangement as an operating lease because of its short term and believe that there is no material and pervasive effect.

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** Continuing from the previous year

d. **For Audit Qualification where the impact is quantified by the auditor, Management's Views:** Not Applicable.

e. **For Audit Qualification where the impact is not quantified by the auditor:**

(i) **Management's estimation on impact of audit qualification:** - The management believes that there is no material impact of audit qualification on the financial statement.

(ii) **If management is unable to estimate the impact, reasons for the same:**  
NA

(iii) **Auditors comments on (i) or (ii) above:** No Comments

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

Particulars	Note	As At March 31, 2022	As At March 31, 2021
<b>A ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	20,41,37,270	21,64,95,765
<b>(b) Financial Assets</b>			
(i) Investments	4A	11,76,58,660	3,19,71,010
(ii) Loans	5	1,65,00,000	4,65,00,000
(iii) Other financial assets	6	45,03,256	42,20,597
(c) Deferred Tax assets (net)		-	-
(d) Other Non Current assets	7	6,35,43,814	5,05,35,882
<b>Total Non-Current Assets</b>		<u>40,63,43,000</u>	<u>34,97,23,253</u>
<b>(2) Current Assets</b>			
(a) Inventories	8	4,38,40,097	2,19,69,705
<b>(b) Financial Assets</b>			
(i) Investments	4B	9,22,99,635	5,11,53,577
(ii) Trade receivables	9	1,00,85,389	1,09,60,255
(iii) Cash and cash equivalents	10	8,79,92,259	35,70,224
(iv) Bank balances other than (iii) above		1,00,00,000	-
[c] Other current assets	11	1,72,59,403	1,30,10,714
		<u>26,14,76,782</u>	<u>10,06,64,475</u>
<b>Total Assets</b>		<u>66,78,19,782</u>	<u>45,03,87,728</u>
<b>B EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	12	19,29,67,500	19,29,67,500
(b) Other Equity	13	31,62,68,924	13,97,64,548
<b>Total Equity</b>		<u>50,92,36,424</u>	<u>33,27,32,048</u>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	14	9,00,00,000	9,25,00,000
(b) Provisions	16	71,14,616	8,96,917
(c) Deferred tax liabilities (Net)	15	1,13,10,691	52,34,444
<b>Total non-current liabilities</b>		<u>10,84,25,307</u>	<u>9,86,31,361</u>
<b>(2) Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	18	65,00,000	15,00,000
(ii) Trade payables	17	1,90,63,811	6,83,330
(iii) Other financial liabilities	19	14,22,697	18,13,991
(b) other current liabilities	20	67,13,594	25,11,793
(c) Provisions	21	1,64,57,948	1,25,15,205
		<u>5,01,58,050</u>	<u>1,90,24,319</u>
<b>Total equity and liabilities</b>		<u>66,78,19,782</u>	<u>45,03,87,728</u>
<b>See accompanying notes forming part of the financial statements</b>			

For R M R & CO.

Chartered Accountants  
ICAI Reg.No.106467W

CA Ashish Mandowara  
Partner  
Membership No.: 168656  
Mumbai | 27<sup>th</sup> July, 2022

For and on behalf of the Board of Directors

B. K. Soni  
Managing Director  
DIN: 01274250

Shashank Soni  
Director & Chief Financial Officer  
DIN: 06572759

Kaushal Shukla  
Company Secretary  
ACS39234

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

PARTICULARS	Note No.	Year Ended March 31 2022	Year Ended March 31 2021
<b>I INCOME</b>			
(a) Revenue from operations	22	15,10,47,926	12,66,52,375
(b) Other income	23	11,83,77,997	5,81,42,904
<b>Total Income</b>		<b>26,94,25,923</b>	<b>18,47,95,279</b>
<b>II EXPENSES</b>			
(a) Cost of materials consumed	24	7,13,17,095	3,55,82,027
(b) Purchases of stock-in-trade	25	93,18,000	49,72,675
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(2,18,70,392)	45,75,668
(d) Employee benefits expense	27	2,80,04,809	1,87,29,571
(e) Finance costs	28	-	42,03,099
(f) Depreciation, amortisation, impairment expense	3	46,63,164	46,81,636
(g) Other expenses	29	3,78,86,602	5,73,00,827
<b>Total Expenses</b>		<b>12,93,19,278</b>	<b>13,00,45,502</b>
<b>III Profit / (Loss) before exceptional items</b>		<b>14,01,06,645</b>	<b>5,47,49,776</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit / (Loss) before tax</b>		<b>14,01,06,645</b>	<b>5,47,49,776</b>
<b>VI Tax expense:</b>			
(a) Current tax		1,47,48,920	88,83,968
(b) Deferred tax		4,32,285	20,62,770
<b>VII Profit / (Loss) for the year</b>		<b>12,49,25,440</b>	<b>4,38,03,036</b>
<b>VIII Other Comprehensive Income</b>			
(a) <b>Items that will not be reclassified to Profit or loss</b>			
(i) Measurement of employment defined benefit plans		(33,83,795)	(3,93,288)
(ii) Fair value changes of equity instruments		5,67,79,691	3,09,18,364
(b) <b>Income tax relating to items in (a) above</b>		(56,43,962)	51,81,250
<b>Other Comprehensive Income (Net of Tax)</b>		<b>4,77,51,934</b>	<b>3,57,06,326</b>
<b>IX Total Comprehensive Income for the period</b>		<b>17,26,77,374</b>	<b>7,95,09,363</b>
<b>X Earnings Per Share (Rs 10 per share fully paid up)</b>			
(a) Basic		6.47	2.27
(b) Diluted		6.47	2.27

See accompanying notes forming part of the financial statements

For R M R & CO.

**Chartered Accountants**

ICAI Reg.No.106467W

**CA Ashish Mandowara**

Partner

Membership No.: 168656

Mumbai | 27<sup>th</sup> July, 2022

**B. K. Soni**

Managing Director

DIN: 01274250

**Shashank Soni**

Director & Chief Financial Officer

DIN: 06572759

**Kaushal Shukla**

Company Secretary

ACS39234

For and on behalf of the Board of Directors

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit before tax</b>	14,01,06,645	5,47,49,776
<u>Adjustments for Non cash and other items:</u>		
Depreciation and Amortisation	46,63,164	46,81,636
Interest and Dividend Income	(42,20,484)	(13,98,387)
Finance Cost	-	42,03,099
Loss due to Damages	66,91,959	2,05,64,337
Provision for Gratuity	4,32,285	3,24,245
Gain/Loss on Sale of Investments	(11,28,28,273)	(77,49,474)
<b>Total</b>	<u>(10,52,61,348)</u>	<u>2,06,25,456</u>
<b>Operating profit before working capital changes</b>	3,48,45,296	7,53,75,232
<u>Adjustments for:</u>		
(Increase) / Decrease in Inventories	(2,18,70,392)	-
(Increase) / Decrease in Trade Receivables	8,54,771	(73,73,834)
(Increase) / Decrease in Loans and Other Financial Assets	34,98,411	(33,68,167)
(Increase) / Decrease in Other Current and Non Assets	(1,70,99,226)	3,13,63,823
Increase / (Decrease) in Other Non Current Liabilities	-	(75,72,468)
Increase / (Decrease) in Other Trade Payables	1,83,80,480	(16,32,617)
Increase / (Decrease) in Other Financial Liabilities	(3,91,294)	(2,08,749)
Increase / (Decrease) in Other Current Liabilities	42,01,801	(1,23,14,791)
<b>Total</b>	<u>2,24,19,848</u>	<u>7,42,68,429</u>
Less: Income tax paid (net of refunds)	1,69,46,399	(22,75,932)
<b>Cash generated from Operating Activities (I)</b>	<u>54,73,449</u>	<u>7,19,92,497</u>





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash Flow from Investment Activities</b>		
<b>Inflows</b>		
Sale of Investments	79,40,47,669	-
Interest and Dividend Income	42,20,484	13,98,387
<b>Outflows</b>		
Purchase of fixed assets	-	(25,69,537)
Purchase of equity investments (NET)	(72,18,19,568)	(15,32,550)
Capital Advances		
<b>Cash generated from Operating Activities (II)</b>	<u>7,64,48,585</u>	<u>(27,03,700)</u>
 <b>Cash Flow from Financing Activities</b>		
<b>Inflows</b>		
Borrowings	50,00,000	-
<b>Outflows</b>	-	-
Finance cost	-	(42,03,099)
Repayment of borrowings	<u>(25,00,000)</u>	<u>(6,17,34,880)</u>
<b>Cash generated from Financing Activities (III)</b>	<u>25,00,000</u>	<u>(6,59,37,979)</u>
 <b>Net Increase / (Decrease) Cash and Cash Equivalents</b>	8,44,22,034	33,50,817
Add: Cash and cash equivalent at the beginning of the year	<u>35,70,224</u>	<u>2,19,406</u>
<b>Cash and Cash Equivalent at the End of the Year</b>	<u>8,79,92,258</u>	<u>35,70,224</u>

For R M R & CO.

**Chartered Accountants**

ICAI Reg.No.106467W

**CA Ashish Mandowara**

Partner

Membership No.: 168656

Mumbai | 27<sup>th</sup> July, 2022

For and on behalf of the Board of Directors

**B. K. Soni**  
Managing Director  
DIN: 01274250

**Shashank Soni**  
Director & Chief Financial Officer  
DIN: 06572759

**Kaushal Shukla**  
Company Secretary  
ACS39234

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

### Note No.12: Equity Share capital

(A) Equity Share Capital	2021-2022		2020-21	
	No. of Shares	Amount	No. of shares	Amount
Opening Equity Share Capital	1,92,96,750	19,29,67,500	1,92,96,750	19,29,67,500
Add: Increase during the year	-	-	-	-
Less: Reduction during the year	-	-	-	-
<b>As at March 31, 2022</b>	<b>1,92,96,750</b>	<b>19,29,67,500</b>	<b>1,92,96,750</b>	<b>19,29,67,500</b>

### Note No.13: Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income				Total
	Capital Reserves	Securities Premium	General Reserves	Retained Earnings	Revaluation of Fixed assets	Equity Instruments FVTOCI	Remeasurement of Employee benefits	Other OCI items	
<b>Balance as at April 01, 2021</b>	<b>3,51,15,495</b>	<b>8,08,57,500</b>	<b>1,57,130</b>	<b>(4,71,04,840)</b>	<b>1,85,20,066</b>	<b>6,15,89,573</b>	<b>(8,48,564)</b>	<b>(85,21,812)</b>	<b>13,97,64,548</b>
Profit for the year				8,05,59,045					
Other Comprehensive income for the year					1,48,15,864				
<b>Total Comprehensive for the year</b>	<b>3,51,15,495</b>	<b>8,08,57,500</b>	<b>1,57,130</b>	<b>3,34,54,205</b>	<b>3,33,35,931</b>	<b>6,15,89,573</b>	<b>(8,48,564)</b>	<b>(85,21,812)</b>	<b>23,51,39,458</b>
Transfer to retained earnings				38,27,003	(38,27,003)				
<b>Balance as at September 30, 2021</b>	<b>3,51,15,495</b>	<b>8,08,57,500</b>	<b>1,57,130</b>	<b>3,72,81,208</b>	<b>2,95,08,928</b>	<b>6,15,89,573</b>	<b>(8,48,564)</b>	<b>(85,21,812)</b>	<b>23,51,39,458</b>
Profit for the year				3,44,31,724					
Other Comprehensive income for the year					11,22,58,097				
<b>Total Comprehensive for the year</b>	<b>3,51,15,495</b>	<b>8,08,57,500</b>	<b>1,57,130</b>	<b>7,17,12,933</b>	<b>14,17,67,025</b>	<b>6,15,89,573</b>	<b>(8,48,564)</b>	<b>(85,21,812)</b>	<b>38,18,29,279</b>
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
<b>Balance as at December 31, 2021</b>	<b>3,51,15,495</b>	<b>8,08,57,500</b>	<b>1,57,130</b>	<b>7,17,12,933</b>	<b>14,17,67,025</b>	<b>6,15,89,573</b>	<b>(8,48,564)</b>	<b>(85,21,812)</b>	<b>38,18,29,279</b>
Profit for the year				99,34,670	-				
Other Comprehensive income for the year					(7,21,11,230)		(33,83,795)		
<b>Balance as at March 31, 2022</b>	<b>3,51,15,495</b>	<b>8,08,57,500</b>	<b>1,57,130</b>	<b>8,16,47,603</b>	<b>6,96,55,795</b>	<b>6,15,89,573</b>	<b>(42,32,359)</b>	<b>(85,21,812)</b>	<b>31,62,68,924</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 2 Corporate Information

The Company was incorporated on August 01, 1994 having CIN No. L74120MH1994PLC079971, at Mumbai under the Companies Act, 1956. The Company is engaged in the business of recycling of electrical & electronic waste (e-waste), data-destruction, recycling of fused lamps, providing services relating to extended producers' responsibility, corporate social responsibility and other affiliated activities.

### 3 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### a. Basis of preparation

##### i. Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

The Financial Statements are presented in INR and all values are rounded off to the nearest

Rupees, unless otherwise stated

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land and buildings classified as property, plant and equipment
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Defined Benefit Plans - PVDBO measured at fair value.

#### **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in

normal operating cycle

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### b. Operating segment

As the Company is operating only in one business segment i.e. operation of e-waste recycling business in organised manner, the requirement to give segment reporting as per Ind-AS Accounting Standard 108 on Operating Segment issued by the Institute of Chartered Accountants is not applicable.

#### **Use of Accounting Estimates**

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of incomes and expenses for the periods presented.

#### **Fair value measurement**

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The Company measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair

value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for valuation of significant assets, such as property, plant & equipment.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### c. Revenue recognition

The Company derives revenues primarily from purchase of e-waste Scraps, segregates and accordingly sell it to the concerned customers. The Company also provides Data Destruction Services as a part of the services. The Company also receives income from Share trading,

Membership Fees and Interest Income apart from above key goods and services rendered.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. As the nature of the business, The Company does not have a policy of Sales Return and hence, does not have any accountability for products to be returned or defective services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied. Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**d. Income tax:**

**Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

**Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits

will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in

equity respectively.

**e. Non-current assets held for sale/ distribution to owners and discontinued operations**

The Company classifies non-current assets and disposal Company as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Company is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal Company), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal Company to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Company),
- An active programme to locate a

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

buyer and complete the plan has been initiated (if applicable),

- The asset (or disposal Company) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/ for distribution to owners and disposal Company are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal Company qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and: Represents a separate major line of business or geographical area of operations,

- Is part of a single co-ordinated plan to dispose of a separate major line of business or

geographical area of operations  
Or

- Is a subsidiary acquired exclusively with a view to resale
- Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

**f. Property, plant and equipment**

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and Residual Value**

Depreciation is calculated using straight-line method over the estimated useful life of the assets as given below. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013.

Asset Class	Useful life
Plant & Equipment	15 years
Furniture & fixtures	10 years
Office equipment	5 years
Vehicles	8 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

**g. Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

**h. Impairment of non-financial assets**

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i. **Provisions and contingent liability**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into

account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present

Value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

j. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of

outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

k. **Employee benefits**

**Defined Contribution plans**

For certain group of employees, employee benefit in the form of Provident fund, Superannuation, Employees State Insurance Contribution and Labour Welfare fund are defined contribution plans. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

In respect of certain employees,

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

provident fund contributions are made to a trust administered by the Company. Periodic contributions to the Fund are charged to the Statement of profit and loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognized in the Statement of profit and loss. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit

and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

### Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under current provision in the Balance Sheet. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months

after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### I. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at INR spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### n. Financial assets

Initial recognition and measurement  
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets including derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**o. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

**p. Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

b) Financial assets that are equity instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment

loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the

contractual terms As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### q. Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings,

payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss Gains or losses on liabilities held for trading are recognised in the profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### r. Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### s. Earnings per share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

**t. Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of work in progress and finished goods comprise of purchase cost, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined using the weighted average basis.

Net realisable is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**u. Finance cost**

Finance cost includes interest expense on borrowings calculated using the effective interest rate (EIR) method.

The entity capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. All other borrowing costs is recognised as an expense in the period in which incurred.

**Recent Accounting Pronouncement**

On 23<sup>rd</sup> March 2022, the Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is applicable with effect from 1<sup>st</sup> April, 2022.

Ind AS 103- Reference to Conceptual

Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind As 16- Proceeds before intended

Use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an

entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to

a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. .

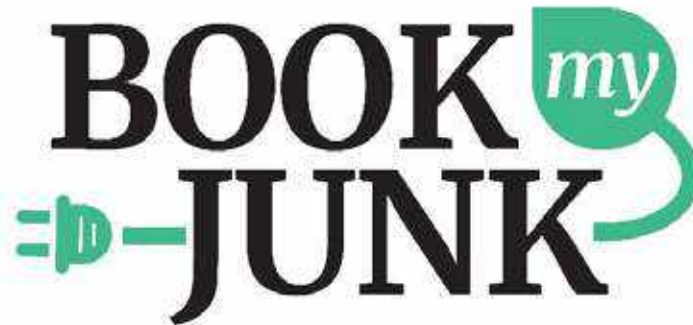
The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements Ind AS 109 – Annual Improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021)**  
**The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.**

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 3: Property, Plant and Equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 01 2021	Additions During the Year	Deductions During the Year	As At March 31 2022	As At April 01 2021	Additions During the Year	Deductions During the Year	As At March 31 2022	As At March 31 2022	As At March 31 2021
Facility Land and Building	4,64,12,402	-	78,42,800	3,85,69,602	-	-	-	-	3,85,69,602	4,64,12,402
Plant and Machinery	18,28,17,230	-	-	18,28,17,230	2,00,19,484	29,50,999	-	2,29,70,483	15,98,46,747	16,66,61,438
Furniture and Fixtures	41,77,533	-	-	41,77,533	17,61,257	2,42,813	-	20,04,070	21,73,463	24,16,276
Computers	27,89,343	92,012	-	28,81,355	27,78,266	1,616	-	27,79,882	1,01,473	11,077
Vehicles	1,44,76,048	13,000	-	1,44,89,048	98,40,058	13,28,779	-	1,11,68,837	33,20,211	7,72,297
Office Equipment	19,18,067	42,458	-	19,60,525	16,95,793	1,38,957	-	18,34,750	1,25,775	2,22,275
<b>TOTAL</b>	<b>25,25,90,623</b>	<b>1,47,470</b>	<b>78,42,800</b>	<b>24,48,95,293</b>	<b>3,60,94,858</b>	<b>46,63,164</b>	<b>-</b>	<b>4,07,58,022</b>	<b>20,41,37,270</b>	<b>21,64,95,765</b>



Nature Builds Nation

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 4A: Investments - Non Current

	Particulars	As at 31 March, 2022		As at 31 March, 2021	
		No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
<b>I</b>	<b>Investments in Equity Instruments</b>				
	Unquoted, fully paid up				
	<b>At Cost</b>				
	<b>Investments in Subsidiaries, Associates and Joint ventures</b>				
	(i) Ecoreco Enviro Education Private Limited	8,49,999	84,99,990	8,49,999	84,99,990
	(ii) Dombivali Sahakari Bank Ltd	-	-	10,000	1,00,000
	<b>At Fair Value Through Other Comprehensive Income</b>				
	Sintex Industries Ltd	-	-	30,000	1,01,400
	Tata teleservices (Mah) Ltd	6,53,000.00	10,89,53,050.00	16,40,000	2,31,24,000
	NEPC Limited	6,000.00	4,920.00	6,000	4,920
	Jeypore Sugar Limited	1,000.00	48,700.00	1,000	48,700
	Vardhman Concrete (Stresscrete)	20,000.00	1,52,000.00	20,000	92,000
	<b>Total</b>	<b>15,29,999</b>	<b>11,76,58,660</b>	<b>25,56,999</b>	<b>3,19,71,010</b>
	Aggregate amount of <b>Unquoted</b> Investments at Cost	8,49,999	84,99,990	8,49,999	84,99,990
	Aggregate amount of <b>Quoted</b> Investments at Cost				
	Market Value of <b>Quoted</b> investments				

### Note No. 4B: Investments - Current

	Particulars	As at 31 March, 2022		As at 31 March, 2021	
		No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
<b>I</b>	<b>Investments in Equity Instruments</b>				
	<b>Quoted, Fully Paid Up</b>				
	<b>At Fair Value Through Profit and Loss</b>				
	Bharat Heavy Electricals limited	1,50,000	74,02,500	75,000	36,56,250
	Bank of Maharashtra	25,000	4,26,590	-	-
	Ircon International	1,00,000	39,75,000	-	-
	Marksans	1,05,000	47,82,750	-	-
	One 97 Communication Limited (Paytm)	1,000	5,28,200	-	-
	Shree Cement Ltd	500	1,19,96,550	-	-
	IDBI Bank	-	-	10,000	3,85,500
	Sovereign Gold Bound	100	4,71,900	-	-
	IDFC First Bank	75,000	29,73,750	45,000	25,06,500
	Indian Railway Finance Corporation Ltd	8,25,000	1,76,96,250	25,000	5,73,750
	Subex Limited	5,000	16,05,000	-	-
	Jai Corp Limited	5,000	5,46,250	10,000	8,44,500
	MMTC Limited	-	-	15,000	6,36,000

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

MSTC Limited	3,000	9,18,900	-	-
NLC Limited	95,000	59,42,250	40,000	20,18,000
NHPC Ltd	1,50,000	41,70,000	2,25,000	55,01,250
NMDC Limited	-	-	1,000	1,35,250
PNB Gilts Limited	50,000	29,80,000	80,000	38,40,000
Shipping Corporation of India Ltd	-	-	15,000	16,61,250
Vodafone Idea Ltd	1,75,000	16,94,000	-	-
Yes Bank Limited	4,62,286	56,81,495	67,287	10,49,677
Ashoka Buildcon	5,000	4,28,750	-	-
Jindal Saw Limited	10,000	9,00,500	85,000	63,02,750
Oil & Natural Gas Corporation	-	-	21,000	21,45,150
J K Tyre & Industries Ltd	-	-	15,000	16,32,750
Navabharat Ventures Limited	-	-	25,000	17,40,000
Punjab National Bank	75,000	26,28,750	40,000	14,66,000
Rail Vikas Nigam Ltd	-	-	10,000	2,91,000
RPSG Ventures Limited	-	-	1,000	3,36,850
Tata Motors Ltd	1,000	4,33,500	9,000	27,16,650
Reliance Communications Ltd	4,50,000	12,06,000	-	-
Sintex Industries Limited	10,000	78,200	10,000	33,800
Steel Authority of India Ltd	1,05,000	1,03,47,750	22,000	17,34,700
Suzlon Energy Ltd	-	-	25,000	1,24,500
Tata Tele services Limited	-	-	5,65,000	79,66,500
Ruchi Soya Industries Limited	500	4,77,800	-	-
Zodiac Clothing Limited	20,000	20,07,000	20,000	18,55,000
Rico Industries Ltd	-	-	4,000	80,000
Tata Motors Ltd	9,000	27,16,650	14,000	9,94,700
Vakrangee Limited	-	-	5,000	99,000
Sintex Industries Limited	10,000	33,800	-	-
Steel Authority of India Ltd	22,000	17,34,700	-	-
Suzlon Energy Ltd	25,000	1,24,500	-	-
Tata Tele services Limited	5,65,000	79,66,500	-	-
Zodiac Clothing Limited	20,000	18,55,000	-	-
<b>Total</b>	<b>29,03,386</b>	<b>9,22,99,635</b>	<b>14,56,287</b>	<b>5,11,53,577</b>
Aggregate amount of <b>Unquoted</b> investments at Cost				-
Aggregate amount of <b>Quoted</b> investments at Cost				
Market Value of <b>Quoted</b> investments		<b>9,22,99,635</b>		<b>5,11,53,577</b>

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## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 5: Non current financial assets - Loans

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security Deposits	1,65,00,000	4,65,00,000
Loans to related parties		-
<b>Total</b>	<b>1,65,00,000</b>	<b>4,65,00,000</b>
Secured, considered good	-	-
Unsecured, considered good	46,500,000	46,500,000

### Note No. 6: Other non current financial assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Margin money deposits with bank	45,03,256	42,20,597
Finance lease receivables		-
<b>Total</b>	<b>45,03,256</b>	<b>42,20,597</b>

### Note No. 7: Other Non Current Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital Advances	1,93,08,133	1,93,08,133
Security deposits	90,710	90,710
Advance Income tax (Net of Provision)	2,06,28,623	76,20,690
Receivable from Keynote capitals	2,35,16,348	2,35,16,348
<b>Total</b>	<b>6,35,43,814</b>	<b>5,05,35,882</b>

### Note No.8: Inventories (At lower of cost and net realisable value)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Stock in Trade	3,05,34,352	-
Finished Goods	1,33,05,745	2,19,69,705
<b>Total</b>	<b>4,38,40,097</b>	<b>2,19,69,705</b>

### Note No. 9: Trade Receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables (Refer Note below)	1,00,85,389	1,09,60,255
Outstanding for following periods from due date of payment :		
Less than 6 month		
6 month - 1 year	1,00,85,389	1,09,60,255
1 year - 2 year		
2 year - 3 year		
More than 3 years		
Less: Provision for loss allowance		
<b>Total</b>	<b>1,00,85,389</b>	<b>1,09,60,255</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

<b>Break-Up:</b>		
Secured, considered good		-
Unsecured, considered good	1,00,85,389	1,09,60,255
Trade Receivables with significant increase in credit risk		-
Trade receivables - credit impaired		-
	<b>1,00,85,389</b>	<b>1,09,60,255</b>
Less: Provision for Loss allowance		-
<b>Total</b>	<b>1,00,85,389</b>	<b>1,09,60,255</b>

### Note No.10: Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	5,14,191	20,630
Cheques, drafts on hand		-
<b>Balance with banks</b>		
In current accounts	1,50,78,067	35,24,306
In term deposits with banks (less than 3 months)	7,24,00,000	25,288
<b>Total</b>	<b>8,79,92,259</b>	<b>35,70,224</b>

### Note No.11: Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits	29,35,129	65,00,836
Loans to related parties		-
Loans and advances to employees	55,000	35,961
Other current loans	20,354	2,54,756
Advances to Suppliers	1,34,57,230	52,05,715
Prepaid expenses	-	4,51,209
Balances with government authorities	5,96,952	5,62,236
Advances recoverable in kind for value to be received	-	-
Others	1,94,738	-
	<b>1,72,59,403</b>	<b>1,30,10,714</b>
Less: Provision for Loss allowance		-
<b>Total</b>	<b>1,72,59,403</b>	<b>1,30,10,714</b>
<b>Break-Up:</b>		

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Secured, considered good		
Unsecured, considered good	1,72,59,403	1,30,10,714
Loans which have a significant increase in credit risk		
Loans which are credit impaired		
	1,72,59,403	1,30,10,714
Less: Allowance for Doubtful fees		
<b>Total</b>	<b>1,72,59,403</b>	<b>1,30,10,714</b>

### Note No.14: Non-current borrowings

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loan from DSIR	9,00,00,000	9,00,00,000
Deposits		-
Loans from related parties		-
Loans from Others	-	25,00,000
<b>Total</b>	<b>9,00,00,000</b>	<b>9,25,00,000</b>
<b>Secured</b>	<b>-</b>	<b>-</b>
<b>Unsecured</b>	<b>9,00,00,000</b>	<b>9,00,00,000</b>
<b>Total</b>	<b>9,00,00,000</b>	<b>9,00,00,000</b>

### Note No.15: Deferred Tax Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening Balance	52,34,444	52,34,444
<b>Adjustments during the year</b>		
Profit and Loss	4,32,285	-
Other Comprehensive Income	56,43,962	-
<b>Total</b>	<b>1,13,10,691</b>	<b>52,34,444</b>

### Note : 16 Non-current provisions

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Provision for employee benefits</b>		
Provision for gratuity (net)	71,14,616	8,96,917
<b>Total</b>	<b>71,14,616</b>	<b>8,96,917</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 17: Trade Payables - Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Trade Payables:</b>		
-For Goods	1,87,90,910	2,54,250
Outstanding for following periods from due date of payment :		
Less than 6 month		
6 month - 1 year	1,74,36,505	2,54,250
1 year - 2 year	13,54,406	
2 year - 3 year		
More than 3 years		
-For Services	2,72,902	4,29,080
Outstanding for following periods from due date of payment :		
Less than 6 month	2,72,902	4,29,080
6 month - 1 year		
1 year - 2 year		
2 year - 3 year		
More than 3 years		
<b>Total</b>	<b>1,90,63,812</b>	<b>6,83,330</b>

From above payable to Micro Small Medium Enterprises

### Note No.18: Current Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loans Repayable on Demand		
- From banks		-
- From other parties		-
Loans and advances from related parties	50,00,000	-
Deposits	15,00,000	15,00,000
<b>Total</b>	<b>65,00,000</b>	<b>15,00,000</b>

i) Period and amount of default as on the balance sheet date in repayment of borrowings and interest shall be specified separately in each case

### Note No. 19: Other current financial liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Salary Payable	14,22,697	18,13,991
Other payables	-	-
<b>Total</b>	<b>14,22,697</b>	<b>18,13,991</b>

@ A liability is classified as current if, as on the Balance Sheet date, the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 20: Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Revenue received in advance	-	-
Statutory dues payable	22,341	70,012
GST payable	8,76,610	3,58,476
Provident Fund payable	71,797	85,610
Income tax (TDS payable)	8,28,406	6,06,191
Advances from customers	45,82,440	13,72,908
Others	3,32,000	18,596
<b>Total</b>	<b>67,13,594</b>	<b>25,11,793</b>

### Note No. 21: Current provisions

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Provision for employee benefits</b>		
Provision for gratuity (net)	-	24,60,567
Provision for taxation	1,64,57,948	1,00,54,638
<b>Total</b>	<b>1,64,57,948</b>	<b>1,25,15,205</b>

### Note No. 22: Revenue from operations

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
<b>Sale of Stock in Trade</b>		
Electric and Electronic Equipment	12,06,73,965	9,95,20,731
<b>Sale of services</b>		
Data destruction charges	1,76,27,269	83,74,971
Other operating revenues	1,27,46,693	1,87,56,673
<b>Total</b>	<b>15,10,47,926</b>	<b>12,66,52,375</b>

### Note No. 23: Other Income

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Gains from Sale of Shares	9,84,61,314	5,03,76,059
Sundry Balances Written Back	1,40,528	
Dividend	37,11,855	10,99,544
Gain / (loss) on shares measured at FVTPL	1,43,66,959	61,32,783
Membership fees	-	1,00,000
Other Non operating income	11,88,713	1,35,675
Interest Income	5,08,629	2,98,843
<b>Total</b>	<b>11,83,77,997</b>	<b>5,81,42,904</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 24: Cost of Materials Consumed

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Material Consumed	7,13,17,095	3,55,82,027
<b>Total</b>	<b>7,13,17,095</b>	<b>3,55,82,027</b>

### Note No. 25: Purchases of Stock in Trade

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Purchases	93,18,000	49,72,675
<b>Total</b>	<b>93,18,000</b>	<b>49,72,675</b>

### Note No. 26: Changes in Inventories, Raw Material & Work in Progress

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
<b>Opening inventories</b>		
Finished Goods	2,19,69,705	2,65,45,373
Stock in Trade		
Work in Progress		
	2,19,69,705	2,65,45,373
<b>Closing Inventories</b>		
Finished Goods	1,33,05,745	2,19,69,705
Stock in Trade	3,05,34,352	
Work in Progress	-	-
	4,38,40,097	2,19,69,705
<b>Total</b>	<b>(2,18,70,392)</b>	<b>45,75,668</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 27: Employee benefit expenses

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Salaries, Bonus and Other Allowances to staff	87,58,587	66,20,582
Remuneration to Directors	1,81,50,000	1,13,46,962
Contribution to Provident and Other funds	5,17,316	3,72,304
Gratuity and other long term employee benefits	3,73,337	3,24,245
Employee welfare expenses	2,05,569	65,478
<b>Total</b>	<b>2,80,04,809</b>	<b>1,87,29,571</b>

### Note No. 28: Finance cost

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Interest expenses	-	29,89,920
Other borrowing costs	-	12,13,179
<b>Total</b>	<b>-</b>	<b>42,03,099</b>

### Note No. 29: Other expenses

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Rent, Rates and Taxes	98,99,000	75,64,957
Freight and Transportation	11,67,468	11,03,216
Travelling and Conveyance	6,11,292	26,272
Legal and Professional Fees	32,03,754	16,77,754
Retainership Expenses	6,00,000	1,07,143
Training Charges	14,60,000	-
Advertisement	20,64,655	16,09,296
ROC Charges	4,700	-
Bad Debts	-	1,17,65,122
Insurance Premium	8,80,353	7,64,004
Bank Charges	94,346	51,955
Printing and Stationery	1,09,403	91,159
Repairs and Maintenance	2,47,512	5,75,056
Electricity Charges	3,41,270	3,02,609
Security Charges	10,33,928	9,19,493
Fees to Auditors	3,00,000	2,50,000
Annual Listing Fees	4,94,360	5,79,299
Loss of Damages in Building	78,42,800	-
Loss from Sale of Shares	-	39,86,108
Miscellaneous Expenses	6,12,485	9,34,482

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Membership & Subscription Fees	4,05,349	3,16,217
Sundry Balances Written off	56,115	2,05,64,337
Software License	3,61,240	21,551
Share Trading	17,29,874	3,99,261
Telephone Expenses	2,09,518	2,86,178
Income Tax Expenses	10,31,151	19,35,066
Postage & Courier Charges	1,51,946	1,16,244
Business Promotion Expenses	3,44,000	66,030
Disocunt	11,634	11,712
Donation	94,441	1,47,095
Commision Paid	2,24,990	3,876
Interest Paid	3,41,633	1,70,579
Office Expenses	12,59,928	69,232
Exchnage Rate Fluctuation	26,648	86,208
Motor Car & Vehicle Expenses	1,15,052	16,668
Other Factory Expenses	4,57,305	7,82,647
Packaging Material & Charges	98,452	-
<b>Total</b>	<b>3,78,86,602</b>	<b>5,73,00,827</b>

### Note No. 30: Disclosure in Respect of Leases:

#### Operating Lease: Company as Lessee

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

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

Particulars	2021-2022	2020-2021
i) Not later than one year	94,84,000	74,75,880
ii) Later than one year and not later than five years	-	-
b) Lease payments recognized in the statement of profit & loss account	94,84,000	76,25,880

### Note No. 31: Contingent Liabilities

Particulars	2021-2022	2020-2021
Guarantee given by Bank on behalf of the Company Secured against equal fixed deposits, standing bank guarantee in favour of The Customs, JNPT	18,10,000	18,10,000
*Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	2,49,64,139	2,49,64,139
*Outstanding as on 31.03.2022 (Previous Year 31.03.2021)	1,61,67,250	1,97,59,974

### Note No. 32: Payment to Auditors

Particulars	2021-2022	2020-2021
Audit Fees	2,50,000	200,000
Tax Audit Fees	50,000	50,000

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

<b>Total</b>	<b>3,00,000</b>	<b>250,000</b>
--------------	-----------------	----------------

### Note No. 33: Earnings in Foreign Currency

Particulars	2021-2022	2020-2021
Service Charges	1,33,69,511	1,62,73,512
<b>Total</b>	<b>1,33,69,511</b>	<b>1,62,73,512</b>

**Note No. 34:** The Company was maintaining a demat and a trading account with Keynote Capital Limited for its investment in equity shares in the secondary market. In the year 2013-14 Keynote misappropriated 20,56,234 Nos. of shares worth Rs. 4,48,55,092 from its demat account and sold in the market under the pretext of an alleged recovery of debit balance in the derivative segment. The company filed a complaint against Keynote with SEBI & NSE. The matter was referred to Arbitration and your company won at both the levels of the Arbitration. Now the matter is pending before The High Court of Mumbai and we are waiting for an early hearing and the decision in the matter at the earliest.

**Note No. 35:** The Company had entered in to an agreement with KUD Realtors Pvt. Ltd, Mumbai for purchase of 10 acres of land for a consideration of Rs. 650 lacs for setting up its e-waste recycling project at Kharbao, Bhiwandi and paid Rs.615 lacs against the above. As of now, M/s KUD Realtors Pvt Ltd, could convey 5.78 acres of land in favor of the company and for the remaining amount they have offered some warehouses and incomplete construction at the same site. With the help of local Gram Panchayat, we are gradually getting physical possession of the assets acquired from KUD and hope to resolve the issues in near future

**Note No. 36:** Balances of some of the trade receivables, trade payables and creditor of expenses, loans & advances (given and taken) and loans, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation if any. The management, however is of the view that there will be no material adjustments in this regards.

**Note No. 37:** The company is in the business of E-waste Recycling and Asset Management.

### Note Related Party Transactions

**Note No. 38:** Related party disclosures as required by IND AS - 24, are given below "

#### i) Relationships :

(a) **Holding Company :-**

Ecoreco Ventures Private Limited

(b) **Entities controlled by Directors:-**

Ecoreco Enviro Education Private Limited

(c) **Entities Controlled by Directors**

Reverse Logistics & Warehousing Private Limited

Ecoreco Park Private Limited

Eco Remarketing Private Limited

Data De-End Private Limited

Reverse E-Commerce Private Limited

EPR Compliance Private Limited

(d) **Key Management Personnel :-**

Mr. Brijkishor Soni - CMD

Mrs. Aruna Soni - Executive Director

Mr. Srikrishna B. - Independent Director

Mr. Shashank Soni - Executive Director & CFO

Mr. Dattatraya Devele - Independent Director

Mr. Giriraj Bhattar - Independent Director



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

ii) Transaction With Related Parties :-

(Amount in Rs.)

Particulars	Key management personnel	Holding/ Subsidiary	Common KMP
Remuneration (Previous Year)	1,74,00,000 (1,02,00,000)	-	-
Sitting Fees (Previous Year)	1,40,000 (1,60,000)	-	-
Rent (Previous Year)	36,00,000 (18,00,000)	-	-
Sales to Eco Remarketing PVT. Ltd	-	-	52,74,010
Opening as on 01/04/2021- 2,21,988	-	-	-
Closing as on 31/03/2022 - 10,50,200 (Previous Year)-	-	-	-
Purchase of E-waste from Reverse E-Commerce PVT. Ltd	-	-	(2,21,988)
Opening as on 01/04/2021- (5,000)	-	-	23,13,904
Closing as on 31/03/2022 - 15,000 (Previous Year)-	-	-	-
Training fees to Ecoreco Enviro Education PVT. Ltd	-	14,60,000	-
Outstanding deposits in the beginning of the year	1,50,00,000	-	-
<b>Outstanding deposit at the end of the year</b>	<b>1,50,00,000</b>	-	-

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

**Note No. 39: Earnings per share**

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Earnings per share has been computed as under :		
(a) Profit and Loss for the period	12,49,25,440	4,38,03,034
(b) Weighted Average of number of equity shares outstanding	1,92,96,750	1,92,96,750
<b>Earnings per Share - BASIC Dilutes earnings per share is the same as basic earning per share</b>	<b>6.47</b>	<b>2.27</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 40: Fair value measurements

The carrying value and fair values of financial assets and financial liabilities by categories as at March 31, 2022 is as follows:

(A) Financial instruments by category						
Particulars	31-Mar-22			31-Mar-21		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments	84,99,990	10,91,58,670	9,22,99,635	84,99,990	2,34,71,020	5,11,53,577
Trade receivables	1,00,85,389	-	-	1,09,60,255	-	-
Loans	1,92,10,483	-	-	5,32,91,553	-	-
Other Financial Assets	30,10,483	-	-	67,91,553	-	-
Cash and cash equivalents	8,79,92,259	-	-	35,70,224	-	-
<b>Total financial assets</b>	<b>12,87,98,604</b>	<b>10,91,58,670</b>	<b>9,22,99,635</b>	<b>8,31,13,576</b>	<b>2,34,71,020</b>	<b>5,11,53,577</b>
<b>Financial liabilities</b>						
Borrowings	9,65,00,000	-	-	9,40,00,000	-	-
Trade Payables	1,90,63,811	-	-	6,83,330	-	-
Other financial liabilities	14,22,697	-	-	18,13,991	-	-
<b>Total Financial liabilities</b>	<b>11,69,86,697</b>	<b>-</b>	<b>-</b>	<b>9,64,97,321</b>	<b>-</b>	<b>-</b>

### (B) Fair value hierarchy

**Level 1:** Quoted prices in active markets for identical assets and liabilities

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3:** Inputs for assets and liabilities that are not based on observable market data (unobservable inputs)

The Fair value hierarchy of assets and liabilities as at March 31, 2022 are as follows:

Financial Assets	Level 1	Level 2	Level 3	Total
Investments in Equity instruments	20,14,58,305	-	-	20,14,58,305
Investment in preference shares	-	-	-	-
<b>Total financial assets</b>	<b>20,14,58,305</b>	<b>-</b>	<b>-</b>	<b>20,14,58,305</b>

The Fair value hierarchy of assets and liabilities as at March 31, 2021 are as follows:

Financial Assets	Level 1	Level 2	Level 3	Total
Investments in Equity instruments	7,46,24,597	-	-	7,46,24,597
Investment in preference shares	-	-	-	-
<b>Total financial assets</b>	<b>7,46,24,597</b>	<b>-</b>	<b>-</b>	<b>7,46,24,597</b>

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 41: Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.	
Risk	Exposure arising from
Credit Risk	Trade receivables, financial assets measured at amortised cost
Liquidity Risk	Borrowings and other liabilities
Market risk – interest rate	Long-term borrowings at variable rates

#### a. Credit risk

The Company is exposed to credit risk, subject to that the counterparty defaults on its contractual obligation resulting in a financial loss.

Credit risk arises from financial assets carried at amortized cost and, as well as credit exposures categorised under trade receivables

#### Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risk may arise from accounts receivables, at the same time Company's major clients include those who the Company regularly deals with and have high credit quality. Accordingly, the Company's customer credit risk is very low.

The Company is making provision for trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as below:

Particulars	31-Mar-22	31-Mar-21
Opening balance (provision for bad debts)	Nil	Nil
Changes in loss allowance (Provision for doubtful debts):	-	-
Loss allowance based on ECL	-	-
Additional Provision	-	-
Bad-debts	-	-
<b>Closing balance</b>	<b>Nil</b>	<b>Nil</b>



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

**b. Liquidity risk**

Liquidity risk is defined as risk that the company will not be able to settle or meet its obligations on time.

In respect of its existing operations, the Company has provided for the funds from its internal accruals and occasionally from intra group entities.

As at 31st March,2022	Less than 1 year	More than 1 Year	Total
Trade Payable	1,77,09,407	13,54,406	1,90,63,813
Other financial liabilities	14,22,697	-	14,22,697
As at 31st March,2021	Less than 1 year	More than 1 Year	Total
Trade Payable	6,83,330	-	6,83,330
Other financial liabilities	18,13,991	-	18,13,991

**c. Market risk**

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

**i. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Company does not have any foreign currency loans, receivables or payables, hence the risk towards foreign currency risk is not applicable to the Company.

**ii. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS-107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Capital Management

<b>I. Risk Management</b>		
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.		
The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity. Debt includes term loan and short term loans. The following table summarizes the capital of the Company:		
<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Equity (excluding other reserves)	19,29,67,500	19,29,67,500
Debt (current maturities and interest due)	-	-
<b>Total</b>	<b>19,29,67,500</b>	<b>19,29,67,500</b>

#### Note No. 42:

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

For R M R & CO.

**Chartered Accountants**  
ICAI Reg.No.106467W

**CA Ashish Mandowara**  
Partner  
Membership No.: 168656  
Mumbai | 27<sup>th</sup> July, 2022

**B. K. Soni**  
Managing Director  
DIN: 01274250

**Shashank Soni**  
Director & Chief Financial Officer  
DIN: 06572759

**Kaushal Shukla**  
Company Secretary  
ACS39234

For and on behalf of the Board of Directors

**BEYOND CSR...**

**Ecoreco helps you meet your Environmental, Social & Corporate Governance (ESG)**

Ecoreco pledges to donate ₹ 10\* for every kilogram of e-waste disposed through Ecoreco.

Now, when you dispose your e-waste with Ecoreco, you even bring a positive change for the society. For every kilogram of your e-waste disposed through Ecoreco, we pledge to donate:

- ₹ 10\* if delivered at our facility free of cost.
- ₹ 5\* if collected by Ecoreco from your premises free of cost.
- ₹ 1\* if disposed through us.

Contributions so accrued above the value of ₹ 1,00,000 will be utilised as per the client requirement in CSR activity. All contributions will be made through a trust working for the upliftment of the underprivileged.



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## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Eco Recycling Limited  
Report on the Consolidated Ind AS  
Financial Statements

### Qualified Opinion:

We have audited the consolidated financial statements of **ECO RECYCLING LIMITED** which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss account (including other comprehensive income), Statement of change in Equity, Cash Flow Statement for the year ended, a summary of significant accounting policy and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters mentioned in the Basis For Qualified Opinion, the aforesaid consolidated financial statements gives the information required by the Companies Act 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act with relevant rules thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Company as at **31st March 2022** and its consolidated financial performance including other comprehensive income), its consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Basis for Opinion

The company has not adopted Indian

Accounting Standard (Ind AS) 116 Leases, which is applicable to all Ind AS financial statements beginning on or after April 01 2019, to a lease arrangement of a factory premise entered into by the Company in May 2020. Consequently, the company has continued to treat the said lease arrangement as an operating lease in accordance with the erstwhile Ind AS 17 Lease, and has not recognised a Right-Of-Use asset and a lease liability in the statement.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Emphasis of Matter Paragraph we have determined that there are no key audit matters to communicate in our report.

### Emphasis of Matter

1 Note no. 3 to the consolidated financial statements, Non Current Asset Deposits

The company has not done any fair valuation of its Property at Kharbao, Mumbai as it believes that the carrying amounts of these financial assets and financial liabilities approximate their fair values and that the impact of change, if any, on account of fair valuation of these financial assets and financial liabilities, will be insignificant

2. Note no. 7 to the consolidated financial statements, Capital advances.

The Holding company has a pending legal dispute with M/s KUD Realtors Pvt. Ltd relating to the transfer of assets purchased in favour of the holding company. As at 31st March 2022, the holding company has paid amount of Rs. 1,93,08,133 as advance for purchase of the assets. As at the date of this report, the final outcome of the legal proceedings is pending.

3. Note no.14 to the consolidated financial statements, unsecured borrowings from DSIR

The Company was granted funds of Rs 900 lacs by DSIR, for a project

of "E-Waste Recycling and Precious Metal Recovery" and as per the original terms of the disbursement, the loan by DSIR, was to be repaid on the successful commercialisation of the project. According to the information and explanations given to us, the dispute between the Holding Company and DSIR Over the repayment of the loan from DSIR is now pending before the Delhi High Court. The grant received from the DSIR is presented in the financial statements as at 31st March 2022, at its original transaction amount.

4. Note No.7 to the consolidated financial statements, Receivables from Keynote Capital Limited

An amount of Rs 2,35,16,348 is receivable from M/s Keynote Capital Limited (Keynote), by the company, on account of share transactions misappropriated by the Keynote Capital Limited. As on the date of this report, the matter is pending for its final outcome before the Bombay High Court.

Our opinion is however not qualified in respect of the above matters.

**Information other than the Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance

conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the consolidated Financial Statements**

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Those Board of Directors are also responsible for overseeing the Company's financial reporting process.**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AS part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism

throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion, our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For matters communicated with those charged with governance, we determine those matters that were most significant in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our

auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements:**

**As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.**

1. As required by Section 143 (3) of the Act, we report that
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid



consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) on the basis of the written representations received from the directors as on 31st March, 2022, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. Further, no remuneration is paid during the year by any of its subsidiary companies forming part of the group.

- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014; in our opinion and to the best of our information and according to the
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
  - ii. The Company did not have any long-term contracts

including derivative contracts for which there were any material foreseeable losses for which provision was required to be made under the applicable law or the accounting standards.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**As per our Report of even date**  
**For R M R & CO.**  
 Chartered Accountants  
 Firm Registration No.: 106467W

**CA Ashish Mandowara**  
 Partner  
 Membership No.: 168656

Mumbai  
 27<sup>th</sup> July 2022  
**UDIN: 22168656AOEVQC4297**



## **“ANNEXURE A” TO THE INDEPENDENT AUDITOR'S REPORT**

**REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON THEIR LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT ON EVEN DATE TO THE MEMBERS OF ECO RECYCLING LIMITED FOR THE YEAR ENDED ON 31st March, 2022.**

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) There are no intangible assets in the company.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets at reasonable interval having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company has immovable property under the head Property, Plant and Equipment and the title deeds of the same exists in the name of the company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and according to the information and explanations given to us, no material discrepancies were noticed.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments in, companies, firms, Limited Liability Partnerships, and had not granted any unsecured loans to other parties, during the year, and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.
- (iv) The company has granted loans & made investments in other quoted companies and the provisions of section 185 and 186 of the Companies Act, 2013, has been complied properly.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) In our opinion and according to information and explanation given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

- (vii) (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the appropriate authorities except income tax which is as below:

Name of statute	Nature of Dues	Amount in Rs.	Financial Year	Forum
Income Tax	TDS on interest	12,74,308	2018-19	CIT (A)
		1,24,690	2016-17	Income Tax Auth.
		11,750	2010-11	Income Tax Auth.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, service tax, excise duty and cess were in arrears, as at 31st March, 2022 for a period of more than six months from the date they become payable.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not made any default in repayment of loans or other borrowings or in the payment of interest thereon to any financial institution, bank, Government or dues to debenture holders or to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) On an overview examination of the financial statement, the Company has applied the funds raised from the term loans, for the purpose for which the loans were obtained.
- (d) The Company has not raised any on short-term funds during the year and hence reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No such whistle-blower complaints were received during the year by the company and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the consolidated financial statements as required by the applicable accounting standards.
- (xiv) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors of the Company during the year. The previous statutory Auditor "Talati & Talati" has resigned as an auditor from their post. Further, the issues and concerns raised by the outgoing auditor has been taken care off.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Compliance in regards to second proviso to sub-section (5) of section 135 of the Companies Act 2013 is not applicable to the company and reporting under clause 3(xx)(a) & (b) of the Order is not applicable.

As per our Report of even date  
**For R M R & CO.**  
Chartered Accountants  
ICAI Reg.No.106467W

**CA Ashish Mandowara**  
Partner  
Membership No. 168656  
UDIN : 22168656AOEVQC4297

Place : Surat  
Date : July 27, 2022

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over consolidated financial reporting of **ECO RECYCLING LIMITED** as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls:

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over consolidated financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Consolidated Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation reliable

financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

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

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over consolidated financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over consolidated financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

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

#### **Inherent Limitations of Internal Financial Controls over financial reporting**

Because of the inherent limitations of internal financial controls over consolidated financial reporting,

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over consolidated financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based

on the internal control over consolidated financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Consolidated Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R M R & CO.**  
Chartered Accountants  
ICAI Reg.No.106467W

**CA Ashish Mandowara**  
Partner  
Membership No. 168656

Surat  
27<sup>th</sup> July 2022  
**UDIN: 22168656AOEVQC4297**



## STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS - (CONSOLIDATED)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]			
(₹ In lacs)			
Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	2,716	2,716
2.	Total Expenditure	1,294	1,294
3.	Net Profit/(Loss)	1,269	1,269
4.	Earnings Per Share	6.56	6.56
5.	Total Assets	6,710	6,710
6.	Total Liabilities	1,751	1,751
7.	Net Worth	4,960	4,960

### II. Audit Qualification

a. **Details of Audit Qualification:**

The Company has entered into a lease agreement for its factory premises in May 2020 to April 2023. The Company has continued to treat the lease arrangement as an operating lease because of its short term and believe that there is no material and pervasive effect.

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** Continuing from the previous year

d. **For Audit Qualification where the impact is quantified by the auditor, Management's Views:** Not Applicable.

e. **For Audit Qualification where the impact is not quantified by the auditor:**

(i) **Management's estimation on impact of audit qualification:** - No impact on financials.

(ii) **If management is unable to estimate the impact, reasons for the same:**  
NA

(iii) **Auditors comments on (i) or (ii) above:** No Comments

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

Particulars	Note	As At March 31, 2022	As At March 31, 2021
<b>A ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	20,42,91,606	21,66,22,115
(b) Intangible assets	3	1,89,750	2,21,375
<b>(c) Financial Assets</b>			
(i) Investments	4A	10,91,58,670	2,34,71,020
(ii) Loans	5	1,65,00,000	4,65,00,000
(iii) Other Financial assets	6	45,03,256	42,20,597
(iv) Other Non Current assets	7	6,35,43,814	5,06,18,362
<b>Total Non-Current Assets</b>		<b>39,81,87,096</b>	<b>34,16,53,470</b>
<b>(2) Current Assets</b>			
(a) Inventories	8	4,38,40,097	2,19,69,705
<b>(b) Financial Assets</b>			
(i) Investments	4B	9,22,99,635	5,11,53,577
(ii) Trade receivables	9	1,00,85,389	1,09,60,255
(iii) Cash and cash equivalents	10	9,89,54,422	1,63,76,899
(iv) Bank balances other than (iii) above		1,00,00,000	-
(c) Other Current assets	11	1,76,32,302	1,30,10,714
<b>Total Current Assets</b>		<b>27,28,11,844</b>	<b>11,34,71,150</b>
<b>Total Assets</b>		<b>67,09,98,940</b>	<b>45,51,24,620</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	12	19,29,67,500	19,29,67,500
(b) Other Equity	13	30,29,77,780	12,47,32,224
<b>Total Equity</b>		<b>49,59,45,280</b>	<b>31,76,99,724</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	14	10,61,67,250	11,22,59,974
(b) Provisions	15	71,14,616	8,96,917
(c) Deferred tax liabilities (net)	16	1,12,85,143	52,34,444
<b>Total Non-Current Liabilities</b>		<b>12,45,67,009</b>	<b>11,83,91,335</b>
<b>(2) Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17	65,00,000	15,00,000
(ii) Trade payables	18	1,90,87,412	6,63,391
(iii) Other financial liabilities	19	14,22,697	18,13,991
(b) Other current liabilities	20	67,48,594	25,40,973
(c) Provisions	21	1,67,27,948	1,25,15,205
<b>Total Current Liabilities</b>		<b>5,04,86,651</b>	<b>1,90,33,560</b>
<b>Total Equity and Liabilities</b>		<b>67,09,98,940</b>	<b>45,51,24,620</b>
See accompanying notes forming part of the financial statements			

For R M R & CO.

Chartered Accountants  
ICAI Reg.No.106467W

CA Ashish Mandowara  
Partner  
Membership No.: 168656  
Mumbai | 27<sup>th</sup> July, 2022

B. K. Soni  
Managing Director  
DIN: 01274250

Shashank Soni  
Director & Chief Financial Officer  
DIN: 06572759

Kaushal Shukla  
Company Secretary  
ACS39234

For and on behalf of the Board of Directors



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

PARTICULARS	Note No.	Year Ended March 31 2022 ₹	Year Ended March 31 2021 ₹
<b>I INCOME</b>			
(a) Revenue from operations	22	15,28,57,926	12,66,52,375
(b) Other income	23	11,87,08,009	5,81,42,904
<b>Total Income</b>		<u>27,15,65,935</u>	<u>18,47,95,279</u>
<b>II EXPENSES</b>			
(a) Cost of materials consumed	24	7,13,17,095	3,55,82,026
(b) Purchases of stock-in-trade	25	93,18,000	49,72,675
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	-2,18,70,392	45,75,668
(d) Employee benefits expense	27	2,80,04,809	1,87,29,571
(e) Finance costs	28	-	31,03,345
(f) Depreciation, amortisation, impairment expense	3	47,31,739	48,13,486
(g) Other expenses	29	3,79,42,404	5,73,23,780
<b>Total expenses</b>		<u>12,94,43,655</u>	<u>12,91,00,551</u>
<b>III Profit / (Loss) before exceptional items</b>		<b>14,21,22,280</b>	<b>5,56,94,728</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit / (Loss) before tax</b>		<u>14,21,22,280</u>	<u>5,56,94,728</u>
<b>VI Tax expense:</b>			
(a) Current tax		1,47,48,920	88,83,968
(b) Deferred tax		4,32,285	20,62,770
		<u>1,51,81,205</u>	<u>1,09,46,738</u>
<b>VII Profit / (Loss) for the year</b>		<u>12,69,41,075</u>	<u>4,47,47,990</u>
<b>VIII Other Comprehensive Income</b>			
(a) <b>Items that will not be reclassified to Profit or loss</b>			
(i) Measurement of employment defined benefit plans		(33,83,795)	(3,93,288)
(ii) Fair value changes of equity instruments		5,67,79,691	3,09,18,364
(b) <b>Income tax relating to items in (a) above</b>		(56,43,962)	51,81,250
<b>Total Other Comprehensive Income (Net of Tax)</b>		<u>4,77,51,934</u>	<u>3,57,06,326</u>
<b>IX Total Comprehensive Income for the period</b>		<u>17,46,93,009</u>	<u>8,04,54,316</u>
<b>X Earnings Per Share (Rs 10 per share fully paid up)</b>			
(a) Basic		6.58	2.32
(b) Diluted		6.58	2.32
See accompanying notes forming part of the financial statements			

**In terms of our report attached.**

**For R M R & CO.**

**Chartered Accountants**

ICAI Reg.No.106467W

**CA Ashish Mandowara**

Partner

Membership No.: 168656

Mumbai | 27<sup>th</sup> July, 2022

**B. K. Soni**

Managing Director

DIN: 01274250

**Shashank Soni**

Director & Chief Financial Officer

DIN: 06572759

**Kaushal Shukla**

Company Secretary

ACS39234

**For and on behalf of the Board of Directors**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	Year Ended March 31 2022	Year Ended March 31 2021
<b>Cash Flow from Operating Activities</b>		
<b>Net Profit before tax</b>	<b>14,21,22,280</b>	<b>5,56,94,728</b>
<b><u>Adjustments for Non cash and other items:</u></b>		
Depreciation and Amortisation	47,31,739	48,13,486
Interest and Dividend Income	(44,76,316)	(13,98,387)
Loss due to Damages	67,17,507	-
Gain/Loss on Sale of Investment	(11,28,28,273)	(77,49,474)
Sundry Balance Written off	-	2,05,64,337
Provision for Gratuity	4,06,737	3,24,245
Finance Cost	-	31,03,345
<b>Total</b>	<b>(10,54,48,605)</b>	<b>1,96,57,552</b>
<b>Operating Profit before working capital changes</b>	<b>3,66,73,675</b>	<b>7,53,52,280</b>
<b><u>Adjustments for:</u></b>		
(Increase) / Decrease in Inventories	(2,18,70,392)	-
(Increase) / Decrease in Trade Receivables	8,74,866	(73,73,834)
(Increase) / Decrease in Loans and Other Financial Assets	35,26,315	1,01,56,271
(Increase) / Decrease in other Current and Non Current Assets	(2,10,73,355)	3,13,63,823
Increase / (Decrease) in other Trade Payables	1,84,24,021	(16,37,500)
Increase / (Decrease) in other Financial Liabilities	(3,91,294)	(2,08,749)
Increase / (Decrease) in other Non Current Liabilities	-	(75,72,468)
Increase / (Decrease) in Other Current Liabilities	42,07,621	(1,23,14,791)
<b>Total</b>	<b>2,03,71,457</b>	<b>8,77,65,032</b>
Less: Income Taxes Paid (Net of refunds)	1,71,17,481	(22,75,932)
<b>Cash generated from Operating Activities (I)</b>	<b>32,53,976</b>	<b>8,54,89,100</b>

**I Don't waste-I Recycle**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Cash Flow from Investing Activities

<b>Inflows</b>		
Sale of Investments	79,40,47,669	-
Dividend Income	37,11,855	-
Interest on Investments	44,76,316	13,98,387
<b>Outflows</b>		
Purchase of fixed assets	-	(25,69,537)
Purchase of equity investments (NET)	(72,18,19,568)	(15,32,550)
<b>Cash generated from Investing Activities (II)</b>	<b>8,04,16,272</b>	<b>(27,03,700)</b>

### Cash Flow from Financing Activities

<b>Inflows</b>		
Borrowings	50,00,000	-
<b>Outflows</b>		
Finance cost	-	(31,03,345)
Repayment of borrowings	60,92,724	(6,35,31,242)
<b>Cash generated from Financing Activities (III)</b>	<b>(10,92,724)</b>	<b>(6,66,34,587)</b>

<b>Net Increase / (Decrease) Cash and Cash Equivalents</b>	8,25,77,523	1,61,50,812
Add: Cash and cash equivalent at the beginning of the year	1,63,76,899	2,26,086
<b>Cash and Cash Equivalent at the End of the Year</b>	<b>9,89,54,422</b>	<b>1,63,76,898</b>

For R M R & CO.

**Chartered Accountants**

ICAI Reg.No.106467W

**CA Ashish Mandowara**

Partner

Membership No.: 168656

Mumbai | 27<sup>th</sup> July, 2022

**B. K. Soni**

Managing Director

DIN: 01274250

For and on behalf of the Board of Directors

**Shashank Soni**

Director & Chief Financial Officer

DIN: 06572759

**Kaushal Shukla**

Company Secretary

ACS39234

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022

### Note No. 12

A	Particulars	2021-2022		2020-2021	
		No. of shares	Amount	No. of shares	Amount
	<b>(A) Equity Share Capital</b>				
	Opening Equity Share Capital	1,92,96,750	19,29,67,500	1,92,96,750	19,29,67,500
	Add: Increase during the year	-	-	-	-
	Less: Reduction during the year	-	-	-	-
	<b>As at March 31, 2022</b>	<b>1,92,96,750</b>	<b>19,29,67,500</b>	<b>1,92,96,750</b>	<b>19,29,67,500</b>

### Note No. 13 Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income				Total
	Capital Reserves	Securities premium	General Reserves	Retained Earnings	Equity Instruments FVTOCI	Revaluation of Fixed Asstes	Remeasurements of employee benefits expense	Other OCI Items	
Balance as at April 01, 2021	3,51,15,495	8,08,57,500	1,57,130	(6,21,37,165)	6,15,89,573	1,85,20,066	(8,48,564)	(85,21,812)	12,47,32,223
Profit for the year	-	-	-	13,04,93,625	-	-	-	-	13,04,93,625
Other Comprehensive income for the year	-	-	-	-	5,11,35,728	-	(33,83,795)	-	4,77,51,933
<b>Total Comprehensive for the year</b>	3,51,15,495	8,08,57,500	1,57,130	6,83,56,460	11,27,25,301	1,85,20,066	(42,32,359)	(85,21,812)	30,29,77,781
Dividends	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>3,51,15,495</b>	<b>8,08,57,500</b>	<b>1,57,130</b>	<b>6,83,56,460</b>	<b>11,27,25,301</b>	<b>1,85,20,066</b>	<b>(42,32,359)</b>	<b>(85,21,812)</b>	<b>30,29,77,781</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 2 (A) Principles of consolidation:

The consolidated financial statements relate to the Company and its subsidiary company and companies controlled, that is, companies over which the Company exercises control over ownership and voting power (herein after collectively referred to as the “Group”). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses in accordance with the IND AS – 110 “Consolidated Financial Statements” prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014 issued by the Central Government.
- Investments in subsidiary are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiaries are recognised as goodwill or capital reserve, as the case may be.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s stand alone financial statements.

Name of the Company	Country of incorporation	% holding
Ecoreco Enviro Education Pvt. Ltd.	India	100%

Investments other than in Subsidiaries are accounted as per IND AS – 109 – “Accounting for Investments”.

### 3 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### a. Basis of preparation

##### i. Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the

Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

The Financial Statements are presented in INR and all values are rounded off to the nearest Rupees, unless otherwise stated

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land and buildings classified as property, plant and equipment
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Defined Benefit Plans - PVDBO

measured at fair value.

#### **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### b. Operating segment

As the Company is operating only in one business segment i.e. operation of e-waste recycling business in organised manner, the requirement to give segment reporting as per Ind-AS Accounting Standard 108 on Operating Segment issued by the Institute of Chartered Accountants is not applicable.

#### **Use of Accounting Estimates**

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported

amounts of incomes and expenses for the periods presented.

#### **Fair value measurement**

The Company measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant

observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for valuation of significant assets, such as property, plant & equipment.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### c. Revenue recognition

The Company derives revenues primarily from purchase of e-waste Scraps, segregates and accordingly sell it to the concerned customers. The Company also provides Data Destruction Services as a part of

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

the services. The Company also receives income from Share trading, Membership Fees and Interest Income apart from above key goods and services rendered.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. As the nature of the business, The Company does not have a policy of Sales Return and hence, does not have any accountability for products to be returned or defective services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied. Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of

the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

d. **Income tax:**

**Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

**Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can

be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

e. **Non-current assets held for**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### sale/ distribution to owners and discontinued operations

The Company classifies non-current assets and disposal Company as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Company is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal Company), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal Company to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Company),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal Company) is being actively marketed for sale at a price that is reasonable

in relation to its current fair value,

- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/ for distribution to owners and disposal Company are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal Company qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and: Represents a separate major line of business or geographical area of operations,

- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations Or
  - Is a subsidiary acquired exclusively with a view to resale
- Discontinued operations are excluded from the results of

continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

### f. Property, plant and equipment

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

### **Depreciation methods, estimated useful lives and Residual Value**

Depreciation is calculated using straight-line method over the estimated useful life of the assets as given below. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Asset Class	Useful life
Plant & Equipment	15 years
Furniture & fixtures	10 years
Office equipment	5 years
Vehicles	8 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

### g. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

### h. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever

events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### i. Provisions and contingent liability

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present

Value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic

benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

### j. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### k. Employee benefits

#### Defined Contribution plans

For certain group of employees, employee benefit in the form of Provident fund, Superannuation, Employees State Insurance Contribution and Labour Welfare fund are defined contribution plans. The Company has no obligation,

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

other than the contribution payable to the respective fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### Defined benefit plans

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. Periodic contributions to the Fund are charged to the Statement of profit and loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognized in the Statement of profit and loss. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

### Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under current provision in the Balance Sheet. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused

entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### I. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at INR spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### n. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets including derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

### o. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting

contractual cash flows, and

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

### p. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has made such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are equity instruments and are measured as at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other

financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

‘other expenses’ in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

### q. Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss Gains or losses on liabilities held for trading are recognised in the profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### r. Loans and borrowings

This is the category most relevant to the Company. After initial

recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### s. Earnings per share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**t. Inventories**

Inventories are valued at lower of cost and net realisable value. Cost of work in progress and finished goods comprise of purchase cost, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined using the weighted average basis.

Net realisable is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**u. Finance cost**

Finance cost includes interest expense on borrowings calculated using the effective interest rate (EIR) method.

The entity capitalises borrowing costs that are directly attributable to the acquisition, construction or

production of a qualifying asset as part of the cost of the asset. All other borrowing costs is recognised as an expense in the period in which incurred.

**Recent Accounting Pronouncement**

On 23<sup>rd</sup> March 2022, the Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 which is applicable with effect from 1<sup>st</sup> April, 2022.

Ind AS 103- Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind As 16- Proceeds before intended Use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items

produced while the company is preparing the asset for its intended use. Instead, an

entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. .

The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements Ind AS 109 – Annual Improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 3: Property Plant and Equipment Property

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As At April 01 2021	Additions During the Year	Deductions During the Year	As At March 31 2022	As At April 01 2021	Additions During the Year	Deductions During the Year	As At March 31 2022	As At March 31 2022	As At March 31 2021	
Facility Land and Building	4,64,12,402	-	78,42,800	3,85,69,602	-	-	-	-	3,85,69,602	4,64,12,402	
Plant and Machinery	18,28,17,230	-	-	18,28,17,230	2,00,19,484	29,50,999	-	2,29,70,483	15,98,46,747	16,27,97,746	
Furniture and Fixtures	45,57,533	-	-	45,57,533	19,50,782	2,78,913	-	22,29,695	23,27,798	26,06,751	
Computers	27,89,343	92,012	-	28,81,355	27,78,266	1,616	-	27,79,882	1,01,473	11,077	
Vehicles	1,44,76,048	13,000	-	1,44,89,048	98,40,058	13,28,779	-	1,11,68,837	33,20,211	46,35,990	
Office Equipments	22,56,067	42,458	-	22,98,525	20,97,918	1,39,807	-	22,37,725	1,25,775	1,58,149	
<b>TOTAL</b>	<b>25,33,08,623</b>	<b>1,47,470</b>	<b>78,42,800</b>	<b>24,56,13,293</b>	<b>3,66,86,508</b>	<b>47,00,114</b>	<b>-</b>	<b>4,13,86,622</b>	<b>20,42,91,606</b>	<b>21,66,22,115</b>	

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 4A: Investments - Non Current

Particulars		As at 31 March, 2022		As at 31 March, 2021	
		No. of Shares	Amount	No. of Shares	Amount
<b>I</b>	<b>Investment in Equity Instruments</b>				
	<b>At Fair Value Through Other Comprehensive Income</b>				
	Sintex Industries Ltd	-	-	30,000	1,01,400
	Tata teleservices (Mah) Ltd	6,53,000.00	10,89,53,050	16,40,000	2,31,24,000
	NEPC Limited	6,000.00	4,920	6,000	4,920
	Jeypore Sugar Limited	1,000.00	48,700	1,000	48,700
	Vardhman Concrete (Stresscrete)	20,000.00	1,52,000	20,000	92,000
	Dombivali Sahakari Bank			10,000	1,00,000
	<b>Total</b>	<b>6,80,000</b>	<b>10,91,58,670</b>	<b>17,07,000</b>	<b>2,34,71,020</b>

### Note No. 4B: Investments - Current

Particulars		As at 31 March, 2022		As at 31 March, 2021	
		No. of Shares	Amount	No. of Shares	Amount
<b>I</b>	<b>Investment in Equity Instruments</b>				
	<b>Quoted, fully paid up</b>				
	<b>At Fair Value Through Profit and Loss</b>				
	Bharat Heavy Electricals limited	1,50,000	74,02,500	75,000.00	36,56,250.00
	Bank of Maharashtra	25,000	4,26,590	-	-
	Ircon International	1,00,000	39,75,000	-	-
	Marksans	1,05,000	47,82,750	-	-
	One 97 Communication Limited (Paytm)	1,000	5,28,200	-	-
	Shree Cement Ltd	500	1,19,96,550	-	-
	Sovereign Gold Bound	100	4,71,900	0	0
	IDBI Bank	-	-	10,000.00	3,85,500.00
	IDFC First Bank	75,000	29,73,750	45,000.00	25,06,500.00
	Indian Railway Finance Corporation Ltd	8,25,000	1,76,96,250	25,000.00	5,73,750.00
	Subex Limited	5,000	16,05,000	-	-
	Jai Corp Limited	5,000	5,46,250	10,000.00	8,44,500.00
	MMTC Limited	-	-	15,000.00	6,36,000.00
	MSTC Limited	3,000	9,18,900	-	-
	NLC Limited	95,000	59,42,250	40,000.00	20,18,000.00
	NHPC Ltd	1,50,000	41,70,000	2,25,000.00	55,01,250.00
	NMDC Limited	-	-	1,000.00	1,35,250.00
	PNB Gilts Limited	50,000	29,80,000	80,000.00	38,40,000.00
	Shipping Corporation of India Ltd	-	-	15,000.00	16,61,250.00
	Vodafone Idea Ltd	1,75,000	16,94,000	-	-
	Yes Bank Limited	4,62,286	56,81,495	67,287.00	10,49,677.20



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Ashoka Buildcon	5,000	4,28,750	-	-
Jindal Saw Limited	10,000	9,00,500	85,000.00	63,02,750.00
Oil & Natural Gas Corporation	-	-	21,000.00	21,45,150.00
J K Tyre & Industries Ltd	-	-	15,000.00	16,32,750.00
Navabharat Ventures Limited	-	-	25,000.00	17,40,000.00
Punjab National Bank	75,000	26,28,750	40,000.00	14,66,000.00
Rail Vikas Nigam Ltd	-	-	10,000.00	2,91,000.00
RPSG Ventures Limited	-	-	1,000.00	3,36,850.00
Tata Motors Ltd	1,000	4,33,500	9,000.00	27,16,650.00
Reliance Communications Ltd	4,50,000	12,06,000	-	-
Sintex Industries Limited	10,000	78,200	10,000.00	33,800.00
Steel Authority of India Ltd	1,05,000	1,03,47,750	22,000.00	17,34,700.00
Suzlon Energy Ltd	-	-	25,000.00	1,24,500.00
Tata Tele services Limited	-	-	5,65,000.00	79,66,500.00
Ruchi Soya Industries Limited	500.00	4,77,800.00	-	-
Zodiac Clothing Limited	20,000.00	20,07,000.00	20,000.00	18,55,000.00
<b>Total</b>	<b>29,03,386.00</b>	<b>9,22,99,634.94</b>	<b>14,56,287.00</b>	<b>5,11,53,577.20</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 5: Non current financial assets - Loans

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security Deposits	1,65,00,000	4,65,00,000
Loans to related parties	-	-
<b>Total</b>	<b>1,65,00,000</b>	<b>4,65,00,000</b>
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade Receivables with significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-

### Note No. 6: Other non current financial assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Margin money deposits with bank	45,03,256	42,20,597
Finance lease receivables	-	-
<b>Total</b>	<b>45,03,256</b>	<b>42,20,597</b>

### Note No. 7: Other Non Current Assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Capital Advances	1,93,08,133	1,93,08,133
Security deposits	90,710	90,710
Advance Income tax (Net of Provision)	2,06,28,623	77,03,171
Receivable from Keynote capitals	2,35,16,348	2,35,16,348
<b>Total</b>	<b>6,35,43,814</b>	<b>5,06,18,362</b>

### Note No. 8: Inventories (At lower of cost and net realisable value)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Stock in Trade	3,05,34,352	-
Finished goods	1,33,05,745	2,19,69,705
<b>Total</b>	<b>4,38,40,097</b>	<b>2,19,69,705</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 9: Trade Receivables

Particulars	As at 31 March, 2022	As at 31 March, 2021
Trade Receivables (Refer Note below)	1,00,85,389	1,09,60,255
Less: Provision for loss allowance	-	-
<b>Total</b>	<b>1,00,85,389</b>	<b>1,09,60,255</b>
Secured, considered good	-	-
Unsecured, considered good	1,00,85,389	1,09,60,255
Trade Receivables with significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<b>1,00,85,389</b>	<b>1,09,60,255</b>
Less: Provision for Loss allowance	-	-
<b>Total</b>	<b>1,00,85,389</b>	<b>1,09,60,255</b>

### Note No. 10: Cash and cash equivalents

Particulars	As at 31 March, 2022	As at 31 March, 2021
Cash on hand	5,14,191	20,630
Cheques, drafts on hand	-	-
<b>Balance with banks</b>		
In current accounts	1,68,40,230	1,63,30,981
In term deposits with banks (less than 3 months)	7,24,00,000	25,288
Fixed Deposites	92,00,000	-
<b>Total</b>	<b>9,89,54,422</b>	<b>1,63,76,899</b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 11: Other current assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Security deposits	29,35,129	65,00,836
Loans to related parties	-	-
Loans and advances to employees	55,000	35,961
Other current loans	20,354	-
Advances to Suppliers	1,34,57,230	52,05,715
Accrued Interest on Fixed Deposites	2,01,818	4,51,209
Balances with government authorities	7,68,034	5,62,236
Advances recoverable in kind for value to be received	-	-
Others	1,94,738	2,54,756
	<b>1,76,32,303</b>	<b>1,30,10,714</b>
Less: Provision for Loss allowance	-	-
<b>Total</b>	<b>1,76,32,303</b>	<b>1,30,10,714</b>
<b>Break-Up:</b>		
Secured, considered good		
Unsecured, considered good		
Loans which have a significant increase in credit risk		
Loans which are credit impaired		
	1,76,32,303	1,30,10,714
Less: Allowance for Doubtful fees	-	-
<b>Total</b>	<b>1,76,32,303</b>	<b>1,30,10,714</b>

### Note No. 14: Non-current borrowings

Particulars	As at 31 March, 2022	As at 31 March, 2021
Loan from DSIR	9,00,00,000	9,00,00,000
Loans from NSDC	1,61,67,250	1,97,59,974
Loans from related parties	-	-
Loans from Others	-	25,00,000
<b>Total</b>	<b>10,61,67,250</b>	<b>11,22,59,974</b>
<b>Secured</b>	-	-
<b>Unsecured</b>	-	-
<b>Total</b>	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 15: Non-current provisions

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Provision for employee benefits</b>		
Provision for gratuity (net)	71,14,616	8,96,917
<b>Total</b>	<b>71,14,616</b>	<b>8,96,917</b>

### Note No. 16: Deferred Tax Liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Opening Balance	52,34,444	52,34,444
Adjustments during the year		
Profit and Loss	4,06,737	
Other Comprehensive Income	56,43,962	
<b>Total</b>	<b>1,12,85,143</b>	<b>52,34,444</b>

### Note No. 17: Current Borrowings

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Loans Repayable on Demand</b>		
- From banks	-	-
- From other parties		
Loans and advances from related parties	50,00,000	-
Deposits	15,00,000	15,00,000
<b>Total</b>	<b>65,00,000</b>	<b>15,00,000</b>
<b>Break -up:</b>		
Secured		
Unsecured	-	-
	-	-

### Note No. 18: Trade Payables - Current

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Trade payables:</b>		
-For Goods	1,87,90,910	38,358
-For Services	2,96,502	6,25,033
<b>Total</b>	<b>1,90,87,412</b>	<b>6,63,391</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### From above payable to Micro Small Medium Enterprises

	Year Ended March 31st 2022	As at 31 March, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

\* Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business.

### Note No. 19: Other current financial liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Salary Payable	14,22,697	18,13,991
<b>Total</b>	<b>14,22,697</b>	<b>18,13,991</b>

@ A liability is classified as current if, as on the Balance Sheet date, the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

### Note No. 20: Other current liabilities

Particulars	As at 31 March, 2022	As at 31 March, 2021
Statutory dues payable	52,341	99,192
GST payable	8,76,610	3,58,476
Provident Fund payable	71,797	85,610
Income tax (TDS payable)	8,28,406	6,06,191
Advances from customers	45,82,440	13,72,908
Others	3,37,000	18,596
<b>Total</b>	<b>67,48,594</b>	<b>25,40,973</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 21: Current Provisions

Particulars	As at 31 March, 2022	As at 31 March, 2021
<b>Provision for employee benefits</b>		
Provision for gratuity (net)		24,60,567
Provision for other employee benefits	-	
Provision for warranties	-	
Provision for Dismantling Cost	-	
Provision for taxation	1,67,27,948	1,00,54,638
<b>Total</b>	<b>1,67,27,948</b>	<b>1,25,15,205</b>

### Note 22: Revenue from operations

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
<b>Sale of Stock in Trade</b>		
Electric and Electronic Equipment	12,06,73,965	9,95,20,731
<b>Sale of services</b>		
Data Destruction charges	1,76,27,269	83,74,971
Other operating revenues	1,45,56,693	1,87,56,673
<b>Total</b>	<b>15,28,57,926</b>	<b>12,66,52,375</b>

### Note No. 23: Other Income

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
Gains from Sale of Shares	9,84,61,314	5,03,76,059
Sundry balances written back	1,69,708	
Dividend	37,11,855	10,99,544
Gain / (loss) on shares measured at fair value through profit or loss	1,43,66,959	61,32,783
Membership fees	-	1,00,000
Other Non operating income	12,33,713	1,35,675
Interest income	7,64,461	2,98,843
<b>Total</b>	<b>11,87,08,009</b>	<b>5,81,42,904</b>

### Note No. 24: Cost of Materials Consumed

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
Material Consumed	7,13,17,095	3,55,82,026
<b>Total</b>	<b>7,13,17,095</b>	<b>3,55,82,026</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 25: Purchases of Stock in Trade

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
Purchases	93,18,000	49,72,675
<b>Total</b>	<b>93,18,000</b>	<b>49,72,675</b>

### Note 26: Changes in inventories of finished goods, stock in trade, work in progress

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
<b>Opening inventories</b>		
Finished goods	2,19,69,705	2,65,45,373
Stock in Trade	-	-
Work in progress	-	-
	<b>2,19,69,705</b>	<b>2,65,45,373</b>
<b>Closing Inventories</b>		
Finished goods	1,33,05,745	2,19,69,705
Stock in Trade	3,05,34,352	-
Work in progress	-	-
	<b>4,38,40,097</b>	<b>2,19,69,705</b>
<b>Total</b>	<b>(2,18,70,392)</b>	<b>45,75,668</b>

### Note No. 27: Employee Benefit expenses

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
Salaries, Bonus and Other Allowances to staff	87,58,587	66,20,582
Remuneration to Directors	1,81,50,000	1,13,46,962
Contribution to Provident and Other Funds	5,17,316	3,72,304
Gratuity and other long term employee benefits	3,73,337	3,24,245
Employee Welfare expenses	2,05,569	65,478
<b>Total</b>	<b>2,80,04,809</b>	<b>1,87,29,571</b>

### Note No. 28: Finance Cost

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
Interest expenses	-	29,89,920
Other Borrowing costs	-	1,13,425
<b>Total</b>	<b>-</b>	<b>31,03,345</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 29: Other Expenses

PARTICULARS	Year Ended March 31st 2022	As at 31 March, 2021
Rent, Rates and Taxes	98,99,000	75,64,957
Freight and Transportation	11,67,468	11,03,216
Travelling and Conveyance	6,11,292	26,272
Legal and Professional Fees	30,29,754	16,77,754
Retainership Expenses	6,00,000	1,07,143
Training Charges	14,60,000	-
Advertisement	20,64,655	16,09,296
ROC Charges	5,900	-
Bad Debts	-	1,17,65,122
Insurance Premium	8,80,353	7,64,004
Bank Charges	94,346	51,955
Printing and Stationery	1,09,403	91,159
Repairs and Maintenance	2,47,512	5,75,056
Electricity Charges	3,41,270	3,02,609
Security Charges	10,33,928	9,19,493
Fees to Auditors	3,28,600	2,68,600
Annual Listing Fees	4,94,360	5,79,299
Loss of Damages in Building	78,42,800	-
Loss from Sale of Shares	-	39,86,108
Miscellaneous Expenses	6,12,486	10,00,110
Membership & Subscription Fees	4,05,349	3,16,217
Sundry Balances Written off	56,115	2,05,64,337
Software License	3,61,240	21,551
Share Trading	17,29,874	3,37,986
Telephone Expenses	2,09,518	2,86,178
Income Tax Expenses	10,31,151	19,35,066
Postage & Courier Charges	1,51,946	1,16,244
Business Promotion Expenses	3,44,000	66,030
Disocunt	11,634	11,712
Donation	94,441	1,47,095
Commision Paid	2,24,990	3,876
Interest Paid	3,41,633	1,70,579
Office Expenses	14,59,928	69,232
Exchnage Rate Fluctuation	26,648	86,208
Motor Car & Vehicle Expenses	1,15,052	16,668
Other Expenses	4,57,305	7,82,647
Packaging Material & Charges	98,452	-
<b>Total</b>	<b>3,79,42,404</b>	<b>5,73,23,780</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 30: Disclosure in Respect of Leases:

#### Operating Lease: Company as Lessee

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

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

Particulars	2021-2022	2021-2022
i) Not later than one year	94,84,000	74,75,880
ii) Later than one year and not later than five years	-	-
b) Lease payments recognized in the Statement of Profit and Loss for the period.	94,84,000	76,25,880

### Note No. 31: Contingent Liabilities

Particulars	2021-2022	2020-2021
Guarantee given by Bank on behalf of the Company Secured against equal fixed deposits, standing bank guarantee in favour of The Customs, JNPT	18,10,000	18,10,000
*Corporate Guarantee to National Skills development Corporation on behalf of its 100% subsidiary Ecoreco Enviro Education Pvt. Ltd.	2,49,64,139	2,49,64,139
*Outstanding as on 31.03.2022 (Previous Year 31.03.2021)	1,61,67,250	1,97,59,974

### Note No. 32: Payment to Auditors

Particulars	2021-2022	2020-2021
Audit Fees	2,78,600	2,20,000
Tax Audit Fees	50,000	50,000
<b>Total</b>	<b>3,28,600</b>	<b>2,70,000</b>

### Note No. 33: Earnings in Foreign Currency

Particulars	2021-2022	2020-2021
Service Charges	1,33,69,511	1,62,73,512
<b>Total</b>	<b>1,33,69,511</b>	<b>1,62,73,512</b>

**Note No. 34:** The Company was maintaining a demat and a trading account with Keynote Capital Limited for its investment in equity shares in the secondary market. In the year 2013-14 Keynote misappropriated 20,56,234 Nos. of shares worth Rs. 4,48,55,092 from its demat account and sold in the market under the pretext of an alleged recovery of debit balance in the derivative segment. The company filed a complaint against Keynote with SEBI & NSE. The matter was referred to Arbitration and your company won at both the levels of the Arbitration. Now the matter is pending before The High Court of Mumbai and we are waiting for an early hearing and the decision in the matter at the earliest.

**Note No. 35:** The Company had entered in to an agreement with KUD Realtors Pvt. Ltd, Mumbai for purchase of 10 acres of land for a consideration of Rs. 650 lacs for setting up its e-waste recycling project at Kharbao, Bhiwandi and paid Rs.615 lacs against the above. As of now, M/s KUD Realtors Pvt Ltd, could convey 5.78 acres of land in favor of the company and for the remaining amount they have offered some warehouses and incomplete construction at the same site.

With the help of local Gram Panchayat, we are gradually getting physical possession of the assets acquired from KUD and hope to resolve the issues in near future.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 36:

Balances of some of the trade receivables, trade payables and creditor of expenses, loans & advances (given and taken) and loans, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation if any. The management, however is of the view that there will be no material adjustments in this regards.

### Note No. 37:

The company is in the business of E-waste Recycling and Asset Management.

### Note No. 38: Related Party Transactions

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

#### i) Relationships :

##### (a) Holding Company :-

Ecoreco Ventures Private Limited

##### (b) Entities controlled by Directors:-

Reverse Logistics & Warehousing Private Limited

Ecoreco Park Private Limited

Eco Remarketing Pvt Ltd

Data De-End Private Limited

Reverse E-Commerce Private Limited

EPR Compliance Private Limited

##### (c) Key Management Personnel :-

Mr. Brijkishor Soni - C.M.D.

Mrs. Aruna Soni - Executive Director

Mr. Srikrishna B. - Independent Director

Mr. Shashank Soni - Executive Director & CFO

Mr. Dattatraya Devele - Independent Director

Mr. Giriraj Bhattar - Independent Director

#### ii) Transaction With Related Parties :-

(Amount in Rs.)

Particulars	Key management personnel	Holding/ Subsidiary	Common KMP
Remuneration (Previous Year)	1,74,00,000 (1,02,00,000)	-	-
Sitting Fees (Previous Year)	1,40,000 (1,60,000)	-	-
Rent (Previous Year)	36,00,000 (18,00,000)	-	-
Sales to Eco Remarketing PVT. Ltd	-	-	52,74,010
Opening as on 01/04/2021- 2,21,988	-	-	-
Closing as on 31/03/2022 - 10,50,200 (Previous Year)-	-	-	-
Purchase of E-waste from Reverse E-Commerce PVT. Ltd	-	-	(2,21,988)
Opening as on 01/04/2021- (5,000)	-	-	23,13,904
Closing as on 31/03/2022 - 15,000 (Previous Year)-	-	-	-
Training fees to Ecoreco Enviro Education PVT. Ltd	-	14,60,000	-
Outstanding deposits in the beginning of the year	1,50,00,000	-	-
<b>Outstanding deposit at the end of the year</b>	<b>1,50,00,000</b>	-	-

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Note No. 39: Earnings per share

PARTICULARS	Year Ended March 31 2022	Year Ended March 31 2021
Earnings per share has been computed as under :		
(a) Profit and Loss for the period	12,69,41,075	4,47,47,988
(b) Weighted Average of number of equity shares outstanding	1,92,96,750	1,92,96,750
<b>Earnings per Share - BASIC</b>	<b>6.58</b>	<b>2.32</b>
Diluted earnings per share is the same as basic earnings per share		

### Note No. 40: Fair value measurements

The carrying value and fair values of financial assets and financial liabilities by categories as at March 31, 2021 is as follows:

<b>(A) Financial instruments by category</b>						
Particulars	31-Mar-22			31-Mar-21		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments	84,99,990	10,91,58,670	9,22,99,635	84,99,990	2,34,71,020	5,11,53,577
Trade receivables	1,00,85,389	-	-	1,09,60,255	-	-
Loans	1,97,05,221	-	-	5,32,91,553	-	-
Other Financial Assets	1,44,47,436	-	-	67,91,553	-	-
Cash and cash equivalents	9,89,54,422	-	-	35,70,224	-	-
<b>Total financial assets</b>	<b>15,16,92,458</b>	<b>10,91,58,670</b>	<b>9,22,99,635</b>	<b>8,31,13,576</b>	<b>2,34,71,020</b>	<b>5,11,53,577</b>
<b>Financial liabilities</b>						
Borrowings	9,65,00,000	-	-	9,40,00,000	-	-
Trade Payables	1,90,87,412	-	-	6,83,330	-	-
Other financial liabilities	14,22,697	-	-	18,13,991	-	-
<b>Total Financial liabilities</b>	<b>11,70,10,109</b>	<b>-</b>	<b>-</b>	<b>9,64,97,321</b>	<b>-</b>	<b>-</b>

<b>(B) Fair value hierarchy</b>						
<b>Level 1:</b> Quoted prices in active markets for identical assets and liabilities						
<b>Level 2:</b> Inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices)						
<b>Level 3:</b> Inputs for assets and liabilities that are not based on observable market data (unobservable inputs)						
<b>The Fair value hierarchy of assets and liabilities as at March 31, 2022 are as follows:</b>						
Financial Assets	Note No.	Level 1	Level 2	Level 3	Total	
Investments in Equity instruments		20,14,58,305	-	-	20,14,58,305	
Investment in preference shares		-	-	-	-	
<b>Total financial assets</b>		<b>20,14,58,305</b>	<b>-</b>	<b>-</b>	<b>20,14,58,305</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The Fair value hierarchy of assets and liabilities as at March 31, 2021 are as follows:					
Financial Assets		Level 1	Level 2	Level 3	Total
Investments in Equity instruments		7,46,24,597	-	-	7,46,24,597
Investment in preference shares		-	-	-	-
<b>Total financial assets</b>		<b>7,46,24,597</b>	<b>-</b>	<b>-</b>	<b>7,46,24,597</b>

### Note No. 40: Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

Risk	Exposure arising from
Credit Risk	Trade receivables, financial assets measured at amortised cost
Liquidity Risk	Borrowings and other liabilities
Market risk – interest rate	Long-term borrowings at variable rates

#### a. Credit risk

The Company is exposed to credit risk, subject to that the counterparty defaults on its contractual obligation resulting in a financial loss

Credit risk arises from financial assets carried at amortized cost and, as well as credit exposures categorised under trade receivables

#### Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risk may arise from accounts receivables, at the same time Company's major clients include those who the Company regularly deals with and have high credit quality. Accordingly, the Company's customer credit risk is very low.

The Company is making provision for trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as below:

Particulars	31-Mar-22	31-Mar-21
Opening balance (provision for bad debts)	Nil	Nil
Changes in loss allowance (Provision for doubtful debts):	-	-
Loss allowance based on ECL	-	-
Additional Provision	-	-
Bad-debts	-	-
<b>Closing balance</b>	<b>Nil</b>	<b>Nil</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### b. Liquidity risk

Liquidity risk is defined as risk that the company will not be able to settle or meet its obligations on time.

In respect of its existing operations, the Company has provided for the funds from its internal accruals and occasionally from intra group entities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial liabilities

The amounts disclosed below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

As at 31st March,2022	Less than 1 year	More than 1 Year	Total
Trade Payable	1,77,38,007	13,54,406	1,90,92,413
Other financial liabilities	14,22,697	-	14,22,697
As at 31st March,2021	Less than 1 year	More than 1 Year	Total
Trade Payable	6,83,330	-	6,83,330
Other financial liabilities	18,13,991	-	18,13,991

### c. Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

#### i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Company does not have any foreign currency loans, receivables or payables, hence the risk towards foreign currency risk is not applicable to the Company.

#### ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS-107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Capital Management

#### i. Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity. Debt includes term loan and short term loans. The following table summarizes the capital of the Company:

Particulars	31-Mar-22	31-Mar-21
Equity (excluding other reserves)	19,29,67,500	19,29,67,500
Debt (current maturities and interest due)	-	-
<b>Total</b>	<b>19,29,67,500</b>	<b>19,29,67,500</b>

### Signature to Notes 1 to 40

For R M R & CO.

Chartered Accountants  
ICAI Reg.No.106467W

CA Ashish Mandowara  
Partner  
Membership No.: 168656  
Mumbai | 27<sup>th</sup> July, 2022

For and on behalf of the Board of Directors

**B. K. Soni**  
Managing Director  
DIN: 01274250

**Shashank Soni**  
Director & Chief Financial Officer  
DIN: 06572759

**Kaushal Shukla**  
Company Secretary  
ACS39234





**THERE'S A SAFE AND SMART WAY  
TO FULFILL YOUR  
EPR AND CSR OBLIGATIONS.**

**JOIN HANDS WITH US TO RECYCLE E-WASTE.  
THIS WORLD ENVIRONMENT DAY.**

**EXTENDED PRODUCER RESPONSIBILITY**

Our Producers' Responsibility Organization (PRO) - partners with companies in their responsibility to manage the disposal of the products they produce once those are no longer useful for consumers.

**CORPORATE SOCIAL RESPONSIBILITY**

We help sponsor training of unorganized workers, sponsor collection centres and sponsor e-collection bin. Also companies can make use of BookMyJunk app - a great initiative for spreading awareness about rightful disposal of e-waste among local individuals and households.

**BOOKMYJUNK APP**

Our latest initiative for bringing together One Million Eco Warriors. It's the easiest way to recycle e-waste safely. All that one needs to do is download BookMyJunk app and register. Select the e-waste to be recycled, get free box for e-waste delivered to doorstep, pack the e-waste and request for FREE pick-up. It is the ideal tool for corporates to fulfill their ERP and CSR obligations.



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