# Eco Recycling Limited

## ANNUAL REPORT 2022-2023

मन की बात

If E-Waste is not disposed properly then it can harm our environment, but if done carefully, it can strengthen Circular Economy of Recycle and Reuse.

Mumbai based **Ecoreco** has developed a system to collect E-waste through a Mobile App **'BookMyJunk'** and helping make India a Global Recycling Hub.

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As said by **PM Shri Narendra Modiji** in his first **Mann Ki Baat** of 2023, on 29th January.

Ecoreco®
Eco Recycling Limited

Give your e-waste to the best

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



**Mann ki baat**
on 29th January, 2023

Ecoreco®
Eco Recycling Limited

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


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## Investor Information

| | | |
|---|---|---|
| Market Capitalisation | : | ₹211.10 Crores as on 31.03.2023 |
| CIN | : | L74120MH1994PLC079971 |
| BSE Code | : | 530643 |
| Scrip Name | : | ECORECO |
| ISIN | : | INE316A01038 |
| AGM Date | : | August 28th, 2023 |
| 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

## Secretarial Auditor

KPUB & Co.

## 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,**

**I am thrilled to share and equally sure that you will be extremely happy and feel proud to know that on 29th January, 2023, efforts of Ecoreco & its Mobile Application (BookMyJunk) were admired by none other than the Most Popular Global Leader and our own Prime Minister Shri Narendra Modiji in his 1st Mann Ki Baat of the year 2023. Truly speaking, the Day of 29th January, 2023 will be written in the Golden Letters in the history of Ecoreco.**

I am overwhelmed to state that, although your Company has been Awarded on several platforms for its various achievements & innovations in the last 18 years of its services in the E-waste Management Segment but in the beginning of the 19th year, the Most Prestigious Certification & Recognition of our efforts of 18 years was received from the Prime Minister Shri Narendra Modiji, will always stand tall apart. We really thank you Sir for this honour to Ecoreco, we will remain indebted to you.

Another major achievement was to launch your Company's latest innovation, **"Recycling on Wheels-SmartER"** (ER-Electronic Recycling), which has been built on three basic foundations of the E-waste Management Viz-**Training-Transport-Technology (T3)**. Recycling on Wheels-ER has been recommended by the Office of the PSA to the Smart Cities. It's proud to share with the Members that, the CM Mr. Eknath Shinde and DCM Mr. Devendra Fadnavis of the State of Maharashtra personally viewed the innovation.

One more prestigious achievement was, when your CMD was inducted as a Director on the Board of MRAI (Material Recycling Association of India), the largest representative body of the Recyclers in India having strength of 1500 Members.

## Potential, Possibilities, Projections & Plans:

Increasing quantity of e-waste generation and advance visualization of the potential by the team of Ecoreco are completely in sync. To continue to march ahead of time and to participate in such a potential market, Ecoreco has developed strong business plan. To implement the same, Ecoreco has acquired two independent newly constructed buildings in Vasai East, Mumbai, Maharashtra. I am sure that the Shareholders will be happy to note that for these valuable acquisitions, Eco Recycling Ltd invested entire funds out of internal accruals and maintained its Zero Debt Status.

To equip these buildings with latest technologies & machineries, Ecoreco has entered in to several arrangements with appropriate experts & suppliers. Ecoreco will continue to focus on building higher capacity & more capabilities with these experts & suppliers.

## The Facilitator-E-waste Management Rules, 2022

The latest E-waste Management Rules has increased list of e-waste items for recycling to 106 items as against 21 in the previous Rules to be collected & recycled to meet EPR obligations & targets. Over & above the list, it is also proposed that EPR Certificates will now be traded on an electronic market place, this is certainly a great development from Ecoreco's point of view to actively & aggressively participate in the Extended Producers' Responsibility Services to the Producers.

On behalf of the Board of Directors of the Company, I would like to make appeal to the Policy Makers & Regulator that this is an appropriate time to frame policy to support Recyclers to meet the Viability Gap Funding (VGF) to encourage Recyclers to invest in the Environment Friendly and high-end Technologies for recovery of all the elements without impurity. Similarly, to meet the gap in operating expenses, it is suggested to implement Recycling Linked Incentive (RLI) to overcome the unhealthy competition from the unorganised sector.

## Circular Economy & Sustainability while complying ESG

Recycling & Waste Management Industry has one of the most important roles to play to lead circular economy and sustainable source of raw material for on-going production for our growing requirements. On behalf of Eco Recycling Ltd and Material Recycling Association of India, as Director of both the entities, I would like to assure Government for our best efforts in achieving Aatmanirbhar Bharat, while taking care of Environment-Social Governance and to achieve Mission LiFE, as envisaged by our PM Shri Modiji.

# Industry Outlook
# E-waste Management Industry-Perspective & Prospects

I am pleased to present a synopsis on E-waste Management Industry encompassing global statistics, environmental impacts of unattended e-waste, circularity & decarbonisation, EPR obligations, refurbishment & reuse, data security, awareness initiatives and ways & means to transform the sector.

## The Growing Numbers

Data Bridge Market Research has recently published comprehensive business research on "E- Waste Management Market", according to the Report, e-waste market is expected to reach USD 167.22 Billion by 2030, which is USD 63.79 billion in 2022, at a CAGR of 12.80% during the forecast period.

The Global E-Waste Statistics Partnership (GESP) estimated that in 2019, only 17.4% of e-waste produced reached recycling facilities or was formally managed. Up to 82.6% of e-waste was illegally handled and a large portion of that was dumped in low or middle-income countries. According to the WHO, the proper disposal of 17.4% of e-waste prevented an estimated 15 million tons of carbon dioxide equivalent from being released into the atmosphere.

According to a Central Pollution Control Board (CPCB) report for FY 2019-2020, India generated 1.01 million tons of e-waste for 21 types of electrical and electronic equipment (EEE). In 2020, India produced 3.2 million tons of e-waste (all kinds of e-waste put together), this number has a tendency to grow only and may touch 5 million by 2025.

Our lives are becoming more electrified, there are new phones, new tablets, and new laptops on the market every day and all of those electronic devices end up as e-waste sooner or later, letting the e-waste stream grow immensely and making it the fastest-growing waste stream worldwide. Still very little of it gets recycled. Proper end-of-life management means not only dealing with hazardous materials but also with sensitive data. Electronics are expensive to manufacture and can generate significant quantum of commodities on recycling. A move towards circular economy with less waste also provides a great opportunity for businesses to benefit financially.

## The Environmental Impact

Electronics are comprised of many complex materials like batteries, plastics, glass, and ferrous and non-ferrous metals. These materials must be processed carefully to avoid releasing harmful chemicals into the environment. Ecoreco takes steps to safely recover valuable commodities within e-waste for recycling and reuse.

Cost and absence of regulations in some of the developed nations contribute to the mishandling of e-waste; it's cheaper to export e-waste than to build and develop local infrastructure for recycling. We anticipate that the demand for e-waste management will increase with escalating pressure for companies to demonstrate their commitment to sustainability. Ecoreco's R2V3 certifications heavily protects businesses and customers from the data, health, safety, and environmental risks associated with e-waste disposal.

## Circularity & Sustainability

We need to maximise circularity to protect resources and work towards decarbonisation. Refurbishing tech products is a clear way to achieve this, as electronic devices contain materials such as plastics and metals that take hundreds of years to degrade if simply discarded in landfills. Reusing these materials through resale reduces the strain on natural resources caused by excessive manufacturing and can combat the complexity of electronic waste. Despite representing only 2% of solid waste streams, electronic waste represents 70% of hazardous waste in landfills.

Sustainability focuses on balance between the present and the future that is crucial to the existence of our world. Technology advancements have significantly increased the amount of garbage produced, particularly e-waste, whose treatment is currently an important topic. Certain legal regulations cover the handling of global e-waste. Extended Producers Responsibility (EPR) was taken into consideration to determine the global trend of its eradication. According to the UN, e-waste recycling is anticipated to increase by over 33% during the following four years.

The impact of returns of electronic products on the environment is staggering, equal to the weight of 500,000 laptops are disposed of every day globally and nearly 50 million metric tonnes of carbon dioxide emissions are released into the atmosphere each year from the disposal of electronic devices. Instead, by refurbishing these items, the emissions produced can be reduced up to 50%, easing the strain on the environment caused by their disposal. While focusing on the bigger picture may seem separate from the concerns of individual businesses, half of CEOs now believe that climate risks will impact their firm's finances within a year.

A sound market-based incentive focusing on stakeholders that encourages both demand

and supply-side factors to voluntarily adopt e-waste recycling. Considering the adverse impacts caused by untreated e-waste on land, water, and air; the government should encourage the new entrepreneurs by providing the necessary financial support and technological guidance. Incentives could be in the form of tax concessions or rebates, to ensure compliance across the electrical and electronics industry. Additionally, the e-waste collection targets need to be regularly reviewed and renewed to ensure compliance across India on collection of e-waste. Integration of the duly skilled informal sector into a transparent recycling system is crucial for better control on environmental and human health impacts.

While producers are responsible for e-waste management (EPR), consumers, retailers, state governments, municipalities, NGOs, Self-Help Groups (SHGs), local collection agencies and such others need to play an appropriate role in collection, facilitation, and creation of infrastructure to make e-waste management a success. Digitally connecting stakeholders will open opportunities for industry collaborations and participation by stakeholders will result in implementing robust waste segregation – collection – disposal best practices.

## Right to Repair

The more obvious upside to reselling refurbished electronics is its environmental benefits. Despite this rather undisputed argument and societal drive towards sustainability, the world has become less circular in recent years, as emphasised by the annual Circularity Gap Reporting.

When devices pass their peak performance or no longer fit the user's needs, do they become obsolete? Not necessarily. Refurbishing and reselling is a sustainable and certified option that businesses of any size can take advantage of. By re-selling products at lower prices can optimise revenue opportunities and gain profit from all the items. Additional business growth and profit from customer returns is a win-win situation for all involved.

Moreover, this strategy can introduce a new customer base, unlocking an additional revenue stream. By providing lower-cost items through refurbishment, customers who couldn't afford to purchase them at their initial prices, now have access. This can increase a retailer's market share, by attracting cost-conscious customers, perhaps for the first time. Recent trend indicates that consumer opinions about refurbished items are improving and larger number of users are preferring to buy a refurbished electronic item. As younger generation is increasingly receptive to the concept of circularity, this trend is expected to continue.

## Importance of EPR

EPR programs hold electronics manufacturers accountable for the full lifecycle of the products they produce, including waste disposal management. Manufacturers offer EPR programs that encourage customers to return their used electronics for recycling or refurbishment. This increases the amount of e-waste sent for reuse and recycling, further adding to the growth of proper e-waste management and the companies that specialize in that management.

EPR, which stands for Extended Producer Responsibility, is a government policy that places producers in charge of the treatment and disposal of consumer goods. Producers, importers, manufacturers, and brand owners must obtain EPR authorisation. EPR is a practice that incorporates environmental, economic, and social concerns. EPR is a policy concept that holds producers financially and physically accountable for the treatment and disposal of post-consumer items. In theory, delegating such authority might generate incentives to decrease source waste and thereby promote environmentally friendly product design and support waste management goals.

According to India's EPR regulations, makers and importers of electronic items are fully responsible for treating and disposing of consumer goods once their lifespan has expired. Furthermore, in order to reduce the growing amount of e-waste, entrepreneurs, manufacturers, and importers must register for an EPR licence. Extended producer responsibility is a strategy for reducing planned extinction since it financially incentivises producers to design for recycling and build things that last longer. Governments may be relieved of the financial burden of paying for and managing waste by moving part of the cost responsibilities to the manufacturer and battling planned obsolesce. One of the significant benefits of EPR is that it becomes increasingly effective when countries that export E-waste are compelled to do so. Regulation of e-waste compels infrastructure to either cope with the trash or adopt new manufacturing methods. As more countries implement these measures, it becomes more difficult for others to ignore the issues. Waste accumulated at ports after China prohibited the import of E-waste from the United States; for example, the absence of infrastructure surrounding recycling E-waste in the United States has been possible due to the freedom to export and producers' indifference. The growing weight of e-waste is pressing countries to build infrastructure and compelling local and federal governments to put additional rules on corporations.

## Data Security

For businesses large and small, the secure disposal of electronic waste (e-waste) is extremely important. E-waste contains sensitive data that must be safeguarded against theft or misuse. Unsecured e-waste can lead to identity theft and leave organizations vulnerable to hackers and other malicious actors. The environmental impact of the proliferation of e-waste is alarming, to say the least. Finding a responsible e-waste recycler is essential for protecting data security as well as taking steps to safeguard the planet for generations to come. Experience matters and using Ecoreco, the recycler with over two decades of experience is a prudent choice in ensuring you are doing the right thing. It is critical for businesses to find a trusted electronics recycler that can provide secure data destruction & proper recycling of all materials and that stands behind their work. An e-waste recycler with an extensive experience takes the responsibility entrusted to them very seriously: they employ techniques that completely erase all traces of sensitive information from electronic devices before disposal. This includes wiping physically destroying hard drives & other storage mediums and providing certificates of destruction.

Businesses should ensure the e-waste recycler they choose has the experience & credentials in order to protect the environment as well as customer data. The way to determine a recycling program's effectiveness is through these measures, as well as their licensing & credentials with government-associated certifications centred around information security & responsible recycling practices.

### Awareness & Collection Drive

The presence of heavy metals and highly toxic substances such as mercury, lead, beryllium and cadmium pose a significant threat to the environment even in minute quantities. e-waste releases harmful chemicals, such as lead, on burning, which adversely impacts human blood, kidney and the peripheral nervous system. When it is thrown in landfills, the chemicals seep in the air, ground and water, affecting both the land and sea animals.

E-waste recycling in India is predominantly an informal sector activity (small-scale, informal sector buyers often known as 'Kabadies', who sort and sell these as an input material to artisanal or industrial processors.

Despite the Ministry of Environment, Forest, and Climate Change (MoEFCC) releasing the E-waste (Management) Rules in 2022, lack of investment, reverse logistic & processing infrastructure and consumer awareness are still major roadblocks on the way of effective handling of E-waste.

Non-governmental organisations (NGOs) and Self-Help Groups (SHGs) needs to be provided with funding and incentives to create information campaigns, capacity building and awareness among key stakeholders including informal sector & end consumers by educating them on their limited role in the e-waste management.

E-waste collection events are a great way to promote responsible e-waste recycling and prevent toxic materials from ending up in a potentially dangerous environment. Consider working with your local government, schools, businesses or non-profits to organize e-waste collection event. This can be achieved by NGOs, SHGs and government agencies by targeting resident welfare associations (RWAs), primary and secondary schools and colleges, etc. The government needs to conduct a multi-stakeholder consultation with the public sector, formal and informal e-waste processing sectors, civil societies, and academics to develop an e-waste management system and promote information, education, and communication activities in schools, colleges, and industry.

### Aligning UN SDG

All stakeholder in e-waste management will require to formulate policies and implement them in alignment with UN Sustainable Development Goals. A better understanding on e-waste will contribute to the achievement of several goals of the 2030 agenda for sustainable development. Understanding and management of e-waste is closely linked to Goal 3 (Good health and Well-being), Goal 6 (Clean water and Sanitation), Goal 11 (Sustainable Cities and Communities), Goal 12 (Responsible Consumption and Production), Goal 14 (Life Below Water), and Goal 8 (Decent Work and Economic Growth).

### The Mission Ahead

Your Company, Eco Recycling Ltd (Ecoreco) is fully committed to implement the best practices and principles of circular economy that reduces the negative impact of electronic waste on public health and the environment while promoting positive socio-economic outcomes. We at Ecoreco consider:

1. Serving Environment is an Opportunity
2. Safeguarding Health is a Necessity
3. Preserving Natural Resources is a Responsibility
4. Complying Rules & Regulations is a Duty

**B K Soni**

**Chairman & MD**

**Eco Recycling Ltd**

# BOARD OF DIRECTORS

## Executive Director

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

Responsible for the strategic growth initiatives

**Aruna Soni**
Director

Responsible for driving the day-to-day operations

**Shashank Soni**
Director

Responsible for Pan-India marketing & sales strategy

## Non-Executive Director

**Giriraj Bhattar**
Director

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

**D T Devale**
Director

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

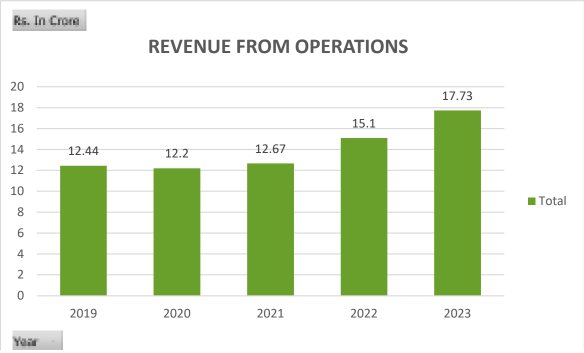
**Srikrishna B**
Director

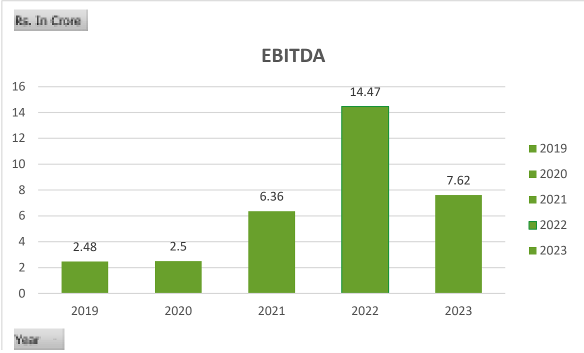
Responsible for refurbishment & remarketing business development

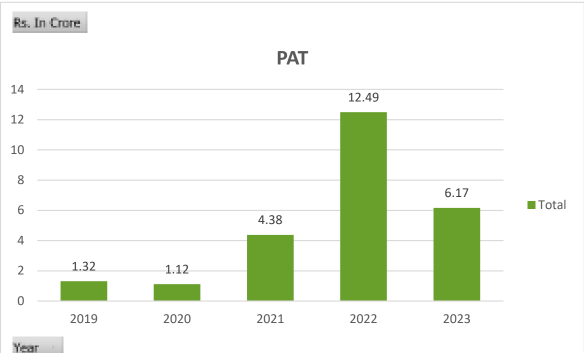
# FINANCIAL PERFORMANCE TREND

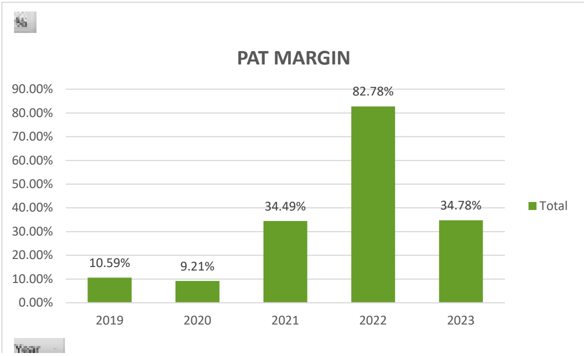
### Driving growth and sustainability through robust financial performance

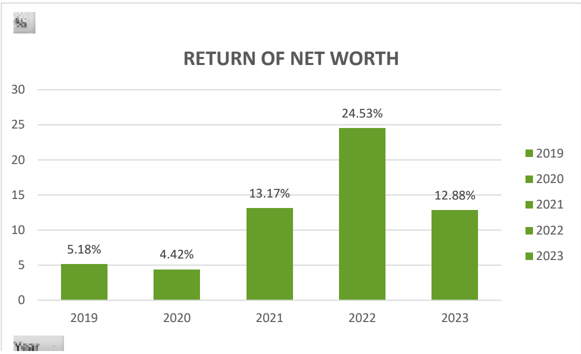
Sound financial performance is one of the important ingredients for a sustainable growth. Thus, we ensure optimum utilisation of funds in our business activities while also monitoring the value we generate.



## 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.


PERRY JOHNSON REGISTRARS, INC.

Certificate of Registration

Eco Recycling Limited

## 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.


CERTIFICATE

ECO RECYCLING LIMITED

ISO 45001:2018

(Occupational Health & Safety Management System)

E-WASTE MANAGEMENT & DATA DESTRUCTION SERVICES


CERTIFICATE

ECO RECYCLING LIMITED

ISO/IEC 27001:2013

(Information Security Management System)

E-WASTE MANAGEMENT & DATA DESTRUCTION SERVICES


CERTIFICATE

ECO RECYCLING LIMITED

ISO 9001:2015

(Quality Management System)

E-WASTE MANAGEMENT & DATA DESTRUCTION SERVICES


CERTIFICATE

ECO RECYCLING LIMITED

ISO 14001:2015

(Environmental Management System)

E-WASTE MANAGEMENT & DATA DESTRUCTION SERVICES

## 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

Ecoreco® Eco Recycling Limited

# NOTICE OF 29th ANNUAL GENERAL MEETING

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

| | |
|---|---|
| Scrip Code | 530643 |
| Scrip Name | Ecoreco |
| ISIN | INE316A01038 |

Dear Sir/Madam

**Sub: Notice of 29th Annual General Meeting ("AGM"), Integrated Annual Report for Financial Year 2022-23 and intimation of book closure for the AGM**

This is to inform that the 29th AGM of the Company is scheduled to be held on Monday, August 28, 2023 at 12:30 PM 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.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the following:

1. Notice of the 29th AGM (including e-voting instructions)
2. Integrated Annual Report for the Financial Year 2022-23

In Compliance with the MCA Circulars and SEBI Circulars the Notice of the 29th AGM and Annual Report for the financial year 2022-23 are being sent only through electronic mode to those members whose Email IDs are registered with the Companies/ Depositories. Further, the same are also made on the available on the website of the company at https://www.ecoreco.com/investors/shareholders-services. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer books will remain closed from Friday, August 18, 2023 to Friday, August 25, 2023 (both days inclusive) for the purpose of the AGM.

| Event | Date | Time |
|---|---|---|
| Cut-off date for e-voting | 17th August 2023 | - |
| **Record Date for:** | | |
| Commencement of e-voting | 25th August 2023 | 9:00 AM (IST) |
| End of e-voting | 27th August 2023 | 5:00 PM (IST) |
| AGM | 28th August 2023 | 12:30 PM (IST) |

We Request you to take the same on record.

Thanking You,

For **Eco Recycling Limited**

**Kaushal Shukla**

CS & Compliance Officer

Date: 5th August, 2023

# NOTICE OF 29th ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** THE 29th ANNUAL GENERAL MEETING OF **ECO RECYCLING LIMITED** WILL BE BE HELD ON 28th AUGUST 2023 AT 12.30 PM 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, 2023 together with the Board's Report and the Report of Auditors' thereon;

   b. The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 with the Report of the Auditors thereon;

2. To appoint Mrs. Aruna Soni (DIN: 01502649), 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.

**Special Businesses:**

3. Reappointment of Mr. Shashank Soni as Whole-Time Director.

   To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   **"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, pursuant to the Articles of Association of the Company and as approved by the members of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company hereby approves the re-appointment of Mr. Shashank Soni (DIN: 06572759) as the Whole-Time Director of the Company for the period of 5 years commencing from 28th August, 2023 to 27th August, 2028, liable to retire by rotation, on such remuneration, terms and conditions as set out in Clause A to E (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and the terms of remuneration in such manner as may be agreed to between the Board of Directors and Mr. Shashank Soni.

A. Period of Appointment: 28th August, 2023 to 27th August, 2028.

B. Salary: INR 5,00,000 (Rupees Five Lac only) per month with such annual increments as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

C. Commission: Such amount for each Financial Year as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

D. Perquisites: In addition to the Salary and commission as outlined above, Mr. Shashank Soni (DIN: 06572759) shall be entitled to perquisites/ allowance as under:

i. Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Managing Director on hiring accommodation shall be made by the Company subject to the ceiling of 60% of the salary as defined in Para B above.

   In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishing, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.

ii. Medical Benefits: Payment/ reimbursement of expenses incurred for self and family (including mediclaim/medical insurance premium) or medical allowance in accordance with the rules of the Company

iii. Leave Travel Allowance/ Assistance: Once in a year on actual for traveling within the Country or once in a year on a foreign tour with family.

iv. Club Fees: Payment/ reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.

v. Personal Accident Insurance Premium: For a personal accident insurance cover not exceeding Rs. 100 lacs.

vi. Contribution to Provident Fund,

Pension/Superannuation or Annuity Funds: As per the Rules framed under the Company's relevant scheme

vii. Gratuity: As per the Rules of the Company and applicable statutory provisions from time to time.

viii. Leave Encashment: Leave with full pay and allowance as per rules of the Company. Accumulation/encashment of unavailed earned or privilege leave will be permissible in accordance with the Rules specified by the company

ix. Car/Communication Facilities: The following shall not be included in the computation of perquisites-

(a) Provision of Company's car(s) with driver for the official use.

(b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls.

Explanation(s):

(a) The said perquisites and allowances shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per the Income Tax Act, 1961 or any rules there under as are in force from time to time.

(b) The Company's contribution to or provision for provident fund, pension/superannuation or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, commission, perquisites and allowances.

(c) For the purpose of gratuity, pension Mr. Shashank Soni (DIN: 06572759) will be considered continuous service with the Company from the date he joins the services of sister concern(s) of this Company in any capacity from time to time and termination of the appointment/ agreement or renewal(s) will not be considered as a break in service. However, in case of gratuity any benefit already obtained from such sister concern(s) or the Company shall be deducted from the final amount payable.

(d) The Company shall reimburse travelling, entertainment and other business promotion expenses actually and properly incurred, by the Managing Director, in the course of the legitimate business of the Company in accordance with rules and regulations of the Company in force from time to time or as may be approved by the Board. Expenses relating to spouse accompanying on any official domestic and overseas trip or other trip or other facilities, if any, shall be dealt with in accordance with the practices and policies of the Company as applicable from time to time.

E. Termination: The appointment is liable for termination by either party giving 6 months' notice in writing to the other.

**RESOLVED FURTHER that** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

4. Reappointment of Mrs. Aruna Soni as Whole-Time Director

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED that** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mrs. Aruna Soni (DIN: 01502649) as the Whole-Time Director of the Company for the period of 5 years commencing from 28th August, 2023 to 27th August, 2028, liable to retire by rotation, on such remuneration, terms and conditions as set out in Clause A to E (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and the terms of remuneration in such manner as may be agreed to between the Board of Directors and Mr. Shashank Soni.

A. Period of Appointment: 28th August, 2023 to 27th August, 2028.

B. Salary: INR 3,50,000 (Rupees Three Lacs Fifty Thousand only) per month with such annual increments as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

C. Commission: Such amount for each Financial Year as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

D. Perquisites: In addition to the Salary and commission as outlined above, Mrs. Aruna Soni (DIN: 01502649) shall be entitled to perquisites/allowance as under:

i. Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Managing Director on hiring accommodation shall be made by the Company subject to the ceiling of 60% of the salary as defined in Para B above.

In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishing, repairs/ upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.

ii. Medical Benefits: Payment/ reimbursement of expenses incurred for self and family (including mediclaim/ medical insurance premium) or medical allowance in accordance with the rules of the Company

iii. Leave Travel Allowance/ Assistance: Once in a year on actual for traveling within the Country or once in a year on a foreign tour with family.

iv. Club Fees: Payment/ reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.

v. Personal Accident Insurance Premium: For a personal accident insurance cover not exceeding Rs. 100 lacs.

vi. Contribution to Provident Fund, Pension/ Superannuation or Annuity Funds: As per the Rules framed under the Company's relevant scheme

vii. Gratuity: As per the Rules of the Company and applicable statutory provisions from time to time.

viii. Leave Encashment: Leave with full pay and allowance as per rules of the Company. Accumulation/encashment of unavailed earned or privilege leave will be permissible in accordance with the Rules specified by the company

ix. Car/Communication Facilities: The following shall not be included in the computation of perquisites-

(a) Provision of Company's car(s) with driver for the official use.

(b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls.

Explanation(s):

(a) The said perquisites and allowances shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per the Income Tax Act, 1961 or any rules there under as are in force from time to time.

(b) The Company's contribution to or provision for provident fund, pension/superannuation or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, commission, perquisites and allowances.

(c) For the purpose of gratuity, pension Mrs. Aruna Soni (DIN: 01502649) will be considered continuous service with the Company from the date he joins the services of sister concern(s) of this Company in any capacity from time to time and termination of the appointment/ agreement or renewal(s) will not be considered as a break in service. However, in case of gratuity any benefit already obtained from such sister concern(s) or the Company shall be deducted from the final amount payable.

(d) The Company shall reimburse travelling, entertainment and other business promotion expenses actually and properly incurred, by the Managing Director, in the course of the legitimate business of the Company in accordance with rules and regulations of the Company in force from time to time or as may be approved by the Board. Expenses relating to spouse accompanying on any official domestic and overseas trip or other trip or other facilities, if any, shall be dealt with in accordance with the practices and policies of the Company as applicable from time to time.

E. Termination: The appointment is liable for termination by either party giving 2 months' notice in writing to the other.

**RESOLVED FURTHER that** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

5. INCREASE IN THRESHOLD OF LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

"RESOLVED that in supersession of all earlier special resolution passed by the shareholders, and pursuant to Section 186 and other applicable provisions of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014, Articles of Association of the Company and subject to necessary approvals, if required, approval of the Company be and is hereby given to the Board of Directors for: i) giving loans to any person or other body corporate; ii) giving of guarantee or providing security in connection with a loan to any other body corporate or person; and iii) acquiring whether by way of subscription, purchase or otherwise, the securities including shares, debentures etc. of any other body corporate upto an amount, the aggregate outstanding of which should not, at any time, exceed Rs.30 Crore (Rupees Thirty Crore only) which shall be over and above (i) the aggregate of free reserves and securities premium account, and (ii) the aggregate outstanding amount of loans/ guarantees/ securities/ investments, given/ provided/ made to/ into, wholly owned subsidiary companies and joint venture companies, from time to time."

"RESOLVED FURTHER that the Board of Directors is hereby authorized to decide, from time to time, the amounts to be invested, loans / guarantees to be given and securities to be provided to any person and / or bodies corporate within the above mentioned limits, finalize terms and conditions, execute necessary documents, delegate all or any of these powers to any Sub-Committee/ Director(s) / Officer(s) of the Company, settle any question, difficulty or doubt that may arise in this regard and do all acts, deeds and things which it considers proper for giving effect to this resolution."

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

20th July, 2023
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. Pursuant to the provisions of Section 91 of the Companies Act, 2013 (the Act) and Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18th August, 2023 to Friday, 25th August, 2023 (both days inclusive).

2. **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, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.**

3. The Ministry of Corporate Affairs ("MCA"), vide its General circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 10/2022 dated December 28, 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA and SEBI Circulars, applicable provisions of the Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), the 29th AGM of the Company is being convened and conducted through VC. 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.

4. The Company has enabled the Members to participate at the 29th AGM through VC facility. The instructions for participation by Members are given in the subsequent pages. 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.

5. 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 with a copy marked to 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.

6. 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.

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 29th 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 29th AGM through VC/OAVM and e-voting during the 29th AGM.

8. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote-voting and e-voting during the AGM. The process and instructions for remote e-voting are provided in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 29th AGM being held through VC. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, will be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

9. 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. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM. 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.

10. Notice is also available on the website of CDSL (agency for providing the Remote Voting facility) i.e. www.evotingindia.com.

11. 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.

12. As per the provisions under the MCA Circulars, Members attending the 29th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

13. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 18 August, 2023 to Friday, 25 August July, 2023, (both days inclusive). Record date is Thursday, 17th August 2023.

14. To all the Beneficial Owners as at the end of the day on Thursday, 17th August 2023 as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/ Registrar and Share Transfer Agent on or before the close of business hours on Thursday, 17th August 2023.

15. 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.

16. 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

17. Queries, if any, on the Annual Report and operations of the Company, may please be sent at 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.

18. Notice of the AGM and the Annual Report for the Financial Year 2022-23 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. 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.

19. 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.

20. Remote e-Voting before/during the AGM:

    a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if it/they have been passed at the AGM.

    b. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Thursday, 17th August 2023 may cast their vote by remote e-Voting. A person who is not a Member as on the cutoff date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and

holding shares as on the cut-off date i.e. Thursday, 17th August 2023, may obtain the User ID and Password by sending a request at evoting@cdsl.co.in.

c. The remote e-Voting period commences on Friday, 25th August 2023 at 9.00 AM (IST) and ends on Sunday, 27th August 2023 at 5.00 PM (IST). The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, 17th August 2023.

d. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

e. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

21. 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.

22. The results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company 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."

23. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.

24. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Big Share Services Private Limited, Address: S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India.

25. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent, the details of such folios together with the share certificates

for consolidating their holding in one folio as per the procedure stipulated in SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022.

26. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13, prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Corporate Secretarial Department of the Company at its registered office.

27. SEBI, vide its circular nos. SEBI/HO/MIRSD/MIRSD/RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD- 1/P/CIR/2023/37 dated March 16, 2023, has mandated Members holding shares in physical form to submit PAN, nomination, contact details, bank account details and specimen signature in specified forms.

28. In case a holder of physical securities fails to furnish PAN, nomination, contact details, bank account details and specimen signature by October 1, 2023, Big Share Services will be obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the Registrar/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.

    In compliance with SEBI guidelines, the Company had sent communication intimating about the submission of above details to all the Members holding shares in physical form.

29. Dispute Resolution Mechanism at Stock Exchanges- SEBI, vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, provided an option for arbitration as a Dispute Resolution Mechanism for investors. As per this circular, investors can opt for arbitration with Stock Exchanges in case of any dispute against the Company or its Registrar and Transfer Agent on delay or default in processing any investor services related request.

30. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:

    a. the change in the residential status on return to India for permanent settlement, and;

    b. the particulars of the NRE account with a bank in India, if not furnished earlier.

**RTA 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

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain ordinary business mentioned in the accompanying Notice of AGM:

**Item No. 1 - Re-appointment of Mrs Aruna Soni (DIN: 01502649) who retires by rotation.**

Though not statutorily required, the following is being provided as additional information to the Members.

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Company's Articles of Association, not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One-third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors and the Executive Chairman are not subject to retirement by rotation.

In August 2022, Mr. Brijkishor Kishangopal Soni was subject to retire by rotation was re-appointed by members at the 28th AGM. Accordingly, Mrs.

Aruna Soni is now required to retire by rotation at this AGM and being eligible, has offered herself for re-appointment.

Considering Mrs. Aruna Soni's skills, competencies, expertise and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to reappoint her as a Whole-Time Director of the Company.

Additional information in respect of Mrs. Aruna Soni, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2), is given as part of Annexure A to this Notice. Brief profile of Mrs. Aruna Soni is given as part of Annexure B to this Notice.

Except Mrs. Aruna Soni and/or her relatives, none of the Directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested.

Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution in relation to the re-appointment of Mrs. Aruna Soni as set out in Item No. 2, for approval of the Members by way of an Ordinary Resolution.

**Item No. 2 - Reappointment of Mr. Shashank Soni as Whole-Time Director.**

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Shashank Soni has been re-appointed by the Board as the Whole-Time Director on the recommendation of the Nomination and Remuneration Committee and Board also recommended approval of members at the 29th AGM.

Mr. Shashank Soni is a MBA from Cardiff University UK, Bachelor of Commerce degree from Narsee Monjee Institute of Management Studies (NMIMS). He is associated with the Company since 2013. He is also entrusted with addition responsibilities as Chief Financial Officer of the Company. Mr. Shashank has provided assistance to the company through his strategic growth initiatives within and outside India as well as helped the Company through his financial and accounting expertise

The Whole-time Director shall devote his time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

Pursuant to Section 102(1) of the Act, it is informed that, Mr. Brijkishor Soni (DIN: 01274250) and Mrs. Aruna Soni DIN: (01502649), being relatives within the meaning of Section 2(77) of the Act, are concerned or interested in the Resolution at Item No. 3 of the accompanying notice.

One of the key objectives of reappointing Mr. Shashank Soni is to help the Company sustain its market leadership in the key high growth areas and also lead the Company to the next level of growth.

Mr. Shashank Soni shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof;

The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Shashank Soni under Section 190 of the Act.

The Board recommends the special resolution set out at Item No. 3 of the Notice for approval by the members.

**Item No.3: Reappointment of Mrs. Aruna Soni as Whole-Time Director**

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mrs. Aruna Soni has been re-appointed by the Board as the Whole-Time Director on the recommendation of the Nomination and Remuneration Committee and Board also recommended approval of members at the 29th AGM.

Mrs. Aruna Soni graduated with Bachelor of Arts and has been involved in managing the administrative functions of the Company. She also shouldered with additional responsibility of overseeing the day to day operations of the company.

The Whole-time Director shall devote her time and attention to the business of the Company and carry out such duties as may be entrusted to her by the Board from time to time and separately communicated to her and such powers as may be assigned to her, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

Pursuant to Section 102(1) of the Act, it is informed that, Mr. Brijkishor Soni (DIN: 01274250) & Mr. Shashank Soni (DIN: 06572759), Managing Director and Director of the Company, being relatives within the meaning of Section 2(77) of the Act, are concerned or interested in the Resolution at Item No. 3 & 4 of the accompanying notice.

One of the key objectives of reappointing Mrs. Aruna Soni is to help the Company sustain its market leadership in the key high growth areas and also lead the Company to the next level of growth.

Mrs. Aruna Soni shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof;

The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mrs. Aruna Soni under Section 190 of the Act.

The Board recommends the special resolution set out at Item No. 4 of the Notice for approval by the members.

**Item No.4: INCREASE IN THRESHOLD OF LOANS/ GUARANTEES, PROVIDING OF SECURITIES AND MAKING OF INVESTMENTS IN SECURITIES UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee, provide security or make investment in shares, debentures etc. up to an amount of 60% of its paid-up capital, free reserves and securities premium account or 100% of free reserves and securities premium account, whichever is higher. A company may give loan, guarantee, provide security or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution.

In terms of Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014, the above limits are not applicable in case a company gives loan or guarantee or provides security to its wholly owned subsidiary companies or joint venture companies or makes investment in securities of its wholly owned subsidiary companies.

# Annexure A

Details of Director retiring by rotation and seeking re-appointment at the 29th Annual General Meeting to be held on August 28, 2023

[Pursuant to Regulation 36(3) of the Listing Regulations]

| | | |
|---|---|---|
| **Name of the Director** | Shashank Soni | Aruna Soni |
| **DIN** | **06572759** | **01502649** |
| **Date of Birth** | 26th November 1990 | June 29th, 1962 |
| **Age** | 34 years | 61 years |
| **Relationship with Directors and Key Managerial Personnel** | Son of Mr. Brijkishor Kishangopal Soni and Mrs. Aruna Soni | Wife of Mr. Brijkishor Kishangopal Soni and Mother of Mr. Shashank Soni |
| **Expertise in functional area** | Sales & Marketing | Responsible for driving the day-to-day operations |
| **Board Membership of other listed companies as on March 31, 2023:** | Nil | Nil |
| **Chairmanships/Memberships of the Committees of other public limited companies as on March 31, 2023:** | | |
| **a.** Audit Committee | Nil | Nil |
| **b.** Stakeholder's Grievance Committee | Nil | Nil |
| **c.** Nomination and Remuneration Committee | Nil | Nil |
| **d.** CSR Committee | Nil | Nil |
| **e.** Other Committees | Nil | Nil |
| **Directorships (other than Eco Recycling Limited)** | 1. ECORECO PARK PRIVATE LIMITED<br>2. DATA DE-END PRIVATE LIMITED<br>3. ECORECO ENVIRO EDUCATION PRIVATE LIMITED<br>4. ELV Recycling Private Limited<br>5. REVERSE E-COMMERCE PRIVATE LIMITED<br>6. EPR COMPLIANCE PRIVATE LIMITED<br>7. ECO REMARKETING PRIVATE LIMITED | 1. ECORECO VENTURES PRIVATE LIMITED<br>2. REVERSE LOGISTICS & WAREHOUSING PRIVATE LIMITED<br>3. ECORECO PARK PRIVATE LIMITED<br>4. DATA DE-END PRIVATE LIMITED<br>5. ECORECO ENVIRO EDUCATION PRIVATE LIMITED<br>6. REVERSE E-COMMERCE PRIVATE LIMITED<br>7. EPR COMPLIANCE PRIVATE LIMITED |
| **Number of equity shares held in the Company as of March 31, 2023** | Nil | 11,63,200 as on 31st March, 2023 (6.03%) |

## Annexure B

Brief profile of Director seeking re-appointment at the 29th Annual General Meeting to be held on 28th August, 2023.

**Mr. Shashank Soni:**

Mr. Shashank Soni is a MBA from Cardiff University UK, Bachelor of Commerce degree from Narsee Monjee Institute of Management Studies (NMIMS). He is associated with the Company since 2013. He is also entrusted with addition responsibilities as Chief Financial Officer of the Company. Mr. Shashank has provided assistance to the company through his strategic growth initiatives within and outside India as well as helped the Company through his Sales & Marketing expertise.

**Mrs. Aruna Soni:**

Mrs. Aruna Soni is an Executive Director of Eco Recycling Limited and part of the promoter group. Mrs. Aruna Soni has graduated in Bachelor of Arts. Mrs. Soni is responsible for driving the day-to-day operations of the company including human resources (HR), administration and other non-technical functions.

With over two decades of work experience, she has partnered the company right from its inception to build a people-driven and customer-focused organization. An accomplished business woman, Mrs. Soni is responsible for the growth journey of the company along with the Chairman. Her direction has enabled the setting up of an efficient administrative back end that is critical for scaling up the company.

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## THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on 25th August, 2023 and 9:00 am and ends on 27th August, 2023 and 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 17th August, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, 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.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) 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 abovesaid 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** | 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 users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab.<br>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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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. |


| | |
|---|---|
| Individual Shareholders holding securities in demat mode with **NSDL Depository** | 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: https://eservices.nsdl.com 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 & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)** | 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 & voting during the meeting. |

**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 |
|---|---|
| Individual Shareholders holding securities in Demat mode with **CDSL** | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with **NSDL** | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website 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 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:

| | **For Physical shareholders and other than individual shareholders holding shares in Demat.** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• 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. |
| 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.<br>• 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. |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 require 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 and 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 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 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.
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 at least **8 days prior to meeting** mentioning their name, demat account number/ folio number, email id, mobile number at accounts@ecoreco.com and shareholders@ecoreco.com The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email

id, mobile number at accounts@ecoreco.com and 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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 and to RTA at investor@bigshareonline.com

For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

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 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 or call on 022-23058542/43.

# DIRECTORS' REPORT

The Members of

**ECO RECYCLING LIMITED**

The Directors are pleased to present the Twenty Nine Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended 31st March, 2023.

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

In the previous year 2022-23, the company achieved a growth of 17% in its operational revenue along with a massive increase of 278% in its Net Profit from Operational activity primarily because the company preferred high value containing E-waste at most negotiated rates, controlled logistics and operational expenses and focusing on Fee based Business from the local and global markets. We are confident that the global companies who prefers environment compliance while disposing their E-waste certainly looks at Ecoreco with confidence & trust to meet their standards and compliances. It may not be out of place to clarify that the operational profit from core activities (excluding income from treasury portfolio) has increased by 28%.

The Central Government framed the strictest E-waste Management Rules, 2022 which has come into force with effect from 01st April, 2023. The most important provision is that the Producers of Electrical & Electronic Equipment have to collect back as high as 70% of the equipment placed in the market in the previous years and get them recycled with the Registered Recycler. The number of items which were covered in the previous E-waste Management Rules were just 21 which has now been increased to 106, more than 5-fold jump which signifies a massive growth in the E-waste Management Industry. In financial terms, the value of commodities recovered out of 4 million metric tonnes of e-waste will be of the magnitude of $5 Billion and 70% of the same is another humungous number of 3.5 billion USS equivalent to Rs. 30,000/- Crores per annum, having CAGR 25%.

We are very proud to share that its present infrastructure including 2 new premises which have been recently acquired in the year 2022-23 admeasuring 28000 square feet at an investment of Rs. 21.40 Crores out of the internal accruals and liquidation of treasury portfolio. We are not stopped here and will further invest in the higher end technology for which enough resources are sitting in the Balance Sheet of the company to meet the financial requirement for such capacity and capability building.

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

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| Total Income | 2143 | 2694 | 2153 | 2716 |
| Expenditure | 1489 | 1293 | 1492 | 1294 |
| Profit/(Loss) before Depreciation and Tax | 747 | 1448 | 754 | 1469 |
| Depreciation | 93 | 47 | 94 | 47 |
| Profit/(Loss) before Tax | 654 | 1401 | 660 | 1422 |
| Tax Expense | 37 | 151 | 42 | 151 |
| Profit / (Loss) after Tax | 617 | 1249 | 619 | 1269 |

### 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 2022-23 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2023 is Rs. 19,29,67,500 (Nineteen Crore Twenty Nine Lakh Sixty Seven Thousand Five Hundred). During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

### 1.4 Revision of Annual Financial Statement

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

## 2. DIVIDEND

Your Directors have not recommended any dividend for the financial year ended

March 31, 2023 under review to conserve resources for working capital, working capital expenditure projects, acquisitions etc.

## 3. TRANSFERS TO RESERVES

The closing balance of the retained earnings of the Company for the financial year 2022-23, after all appropriations and adjustments was Rs. 12,27,70,596.

## 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 | 2022-23 | 2021-22 |
|---|---|---|
| Earnings in Foreign Currency | 239.93 | 133.69 |
| Expenses in Foreign Currency | 256.16 | 17.47 |

## 7. EXTRACTS OF ANNUAL RETURN

The Annual Return in Form No MGT 7 for financial year 2022-2023 is uploaded and available on the website of the Company and same can be downloaded by clicking on the following link: https://ecoreco.com/investor-overview.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. Therefor 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 5 (Five) 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 | 21-05-2022 | 422, 4th Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 4000 93<br><br>Time: 11:00 A.M. | i) Brijkishor Soni<br>ii) Shashank Soni<br>iii) Srikrishna B.<br>iv) Giriraj Bhattar | i) Aruna Soni<br>ii) Dattatraya D. |
| 2 | 30-05-2022 | 422, 4th Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 4000 93<br><br>Time: 11:00 A.M. | i) Brijkishor Soni<br>ii) Aruna Soni<br>iii) Shashank Soni<br>iv) Srikrishna B.<br>v) Dattatraya D.<br>vi) Giriraj Bhattar | No leave of absence granted |
| 3 | 27-07-2022 | 422, 4th Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 4000 93<br><br>Time: 10:30 A.M. | i) Brijkishor Soni<br>ii) Aruna Soni<br>iii) Shashank Soni<br>iv) Srikrishna B.<br>v) Dattatraya D.<br>vi) Giriraj Bhattar | No leave of absence granted |
| 4 | 20-10-2022 | 422, 4th Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 4000 93<br><br>Time: 10:00 A.M. | i) Brijkishor Soni<br>ii) Aruna Soni<br>iii) Shashank Soni<br>iv) Srikrishna B.<br>v) Dattatraya D.<br>vi) Giriraj Bhattar | No leave of absence granted |
| 5 | 12-01-2023 | 422, 4th Floor, The Summit Business Bay, Opp. Cine Max Theater, Andheri - Kurla Road, Andheri (East), Mumbai – 4000 93<br><br>Time: 10:00 A.M. | i) Brijkishor Soni<br>ii) Aruna Soni<br>iii) Shashank Soni<br>iv) Srikrishna B.<br>v) Dattatraya D.<br>vi) Giriraj Bhattar | i) 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, 3 (Three) Executive Directors including a Woman Director.

In accordance with the requirements of the Companies Act 2013 and the Company's Articles of Association, Mrs. Aruna Soni (DIN: 01502649) retires by rotation and is eligible for re-appointment. Members' approval is being sought at the ensuing AGM for her re-appointment.

Further, the Board of Director of the Company in the Board Meeting held on 21st May 2022 board has appointed Mr. Kaushal Shukla, as Whole-Time Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022.

Pursuant to the provisions of Section 149 (7) of the Companies Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies 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) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), 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 Companies Act, 2013.

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
- Ms. Aruna Soni (DIN: 01502649), Director
- Mr. Kaushal Shukla, Company Secretary and Compliance Officer (w.e.f 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 the 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 2022-23.

The details of training and familiarization programs are available on our website at: https://ecoreco.com/investor-overview.aspx

## 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 Devale 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 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 Companies Act, 2013 your Directors hereby state and confirm that:

(a) in the preparation of the annual accounts for the financial year ended on March 31st, 2023, 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 31st, 2023 and of the profit 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, 2023; 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, 2023.

## 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 appointment of M/S. R M R & Co. Chartered Accountants as the Statutory Auditors of the Company with effect from August 6, 2021 in the causal vacancy caused consequent to the resignation of M/S. Talati and Talati LLP, Chartered Accountants be and hereby is approved and they shall hold the said office till conclusion of this 27th Annual General Meeting. 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 from the conclusion of the 27th AGM of the Company till the conclusion of the 28th AGM to be held for the financial year 2021-22. In the 28th Annual General Meeting held on 26th August 2022, resolution for re-appointing M/s. RMR & CO., Chartered Accountants, (Firm Registration No.106467W) was not taken up for voting by the members and therefore pursuant to Section 139(10) and other applicable provisions, read with Companies (Audit & Auditors) Rules, 2014 as amended from time to time Board of Directors appointed M/s. RMR & CO., Chartered Accountants, (Firm Registration No.106467W) as Statutory Auditor through circular resolution on 26th August 2022 for period from the conclusion of the 28th AGM of the Company till the conclusion of Annual General Meeting to be held in the Financial Year 2026.

**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 Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board in its meeting held on 30.05.2023 had appointed M/s. KPUB & Co., Practicing Company Secretary (Firm Registration No. P2015MH069000), to conduct Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as **Annexure VI** to this Report.

The Secretarial Audit Report contains the following non-compliances:

1 In terms of Regulation 6(1) of the SEBI (LODR) Regulation 2015, the

Company has appointed Mr. Kaushal Shukla as Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022.

Board's comment: The Company made efforts to appoint suitable candidate and filled up intermittent vacancy for appointment of Whole Time Company Secretary and Compliance officer appointment within 180 days

2 The company filed a Compliance report on Corporate Governance under regulation 27(2) and shareholding pattern under regulation 31 of SBEI (LODR) Regulations, 2015 with delay of five days and BSE Limited has imposed fine of Rs.11,800/- (including GST) for delay in each compliance.

Board's comment: This was on account of inadvertence and the Board will ensure compliance in future.

3 The company has submitted a financial statement for the year ended 31st March 2022 along with Limited Review Report in place of submission of Audit Report on Standalone and Consolidated Financial Statement. Therefore, BSE has informed the company about discrepancies in filing annual financial statements and imposed a fine of Rs.88,500/- As informed by the company a waiver application has been submitted before BSE Limited for a fine imposed.

Board's Comment: This was on account of inadvertence and the Board will ensure compliance in future.

4 Due to Clerical error made in filling the data for Composition of Audit Committee in Compliance report on Corporate Governance for the quarter and year ended 31st March 2022, BSE Limited sent Notice for Non-Compliance with Regulation 18(1) and imposed a fine of Rs. 2,21,400/- and Company has filed rectified compliance report on corporate governance for period ended 31st March 2022 and composition of Audit Committee was in terms of Regulation 18(1) of the SEBI (LODR) Regulations, 2015.

Board's Comment: This was on account of inadvertence and the Board will ensure compliance in future.

5 The Company has re-appointed Mr. Shashank Soni (DIN: 06572759) and Mrs. Aruna Soni (DIN: 01502649) in retire by rotation on 27th September 2021 and 24th August 2020 respectively in the Annual General meetings and since their appointment they were designated as executive directors but terms of both the directors were not defined as required under section 196(2).

Board's Comment: The Company has re-appointed Mr. Shashank Soni (DIN: 06572759) and Mrs. Aruna Soni (DIN: 01502649) in retire by rotation on 27th September 2021 and 24th August 2020 respectively in the Annual General meetings. However, remuneration paid to both the directors were approved by the shareholders in Annual General Meeting.

### 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.

### 22.5 REPORTING OF FRAUD

The Auditors of the company have not reported any fraud committed by the company as specified under section 143 (12) of the Companies Act, 2013. Further, no case of fraud on the company has been reported to the management from any other sources.

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

During the year the Company has made investment in Ecoreco Park Private Limited for 18,00,000/- Equity Shares having a face value of Rs. 10/- each which constitute 78.26 % of Total Shareholding of the aforesaid Company. Pursuant to section 2(87) (ii) of Companies Act, 2013 **Ecoreco Park 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 2022-23 in order to enable its Shareholders to have insight in the working of its Subsidiary Company.

During the year the Company has made investment in ELV Recycling Private Limited for 50,000/- Equity Shares having a face value of Rs. 10/- each which constitute 50 % of Total Shareholding of the aforesaid Company. Pursuant to Section 2 (6) 2(87) (ii) of Companies Act, 2013 **ELV Recycling Private Limited** is an Associate Company. Further Company along with its Audited standalone financial statements have also produced Audited Consolidated Financial Results for the year 2022-23 in order to enable its Shareholders to have insight in the working of its Subsidiary Company.

Your Company had made an 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 wholly owned subsidiary. Further Company along with its Audited standalone financial statements have also produced Audited Consolidated Financial Results for the year 2022-23 to enable its Shareholders to have insight in the working of its wholly owned subsidiary.

There has been no material change in the nature of the business of the subsidiary company. Pursuant to Rule 5(1) of the Companies (Accounts) Rules, 2014 the performance and financial position of the subsidiary company and associate company is included for the financial year ended March 31, 2023 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 |
| 2 | Ecoreco Park Private Limited | Subsidiary |
| 3 | ELV Recycling Private Limited | Associate |

## 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 2022-2023 under review with related parties were in the ordinary course of business and on an arm's length basis. There were no other materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and Body Corporate(s) which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of these Related Party Transactions as required under Section 134 (3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable for the year under review. The details of the transactions with related parties are provided in the accompanying Financial Statements.

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 https://ecoreco.com/investor-overview.aspx

## 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 Companies Act, 2013. Further, the Company has not made any fresh investment falling within the meaning of Section 186 of the Companies Act, 2013.

## 26. CORPORATE SOCIAL RESPONSBILITY

Your company meets the requirements of Section 135 of the Companies Act, 2013 read with CSR Policy Amendment Rules 2021 for establishing Corporate Social Responsibility (CSR) Committee. 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 Companies Act, 2013 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 Companies Act, 2013 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  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 during the financial year 2022-23.

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

a None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5) (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

b. Details of remuneration of each Director to the median remuneration of the employees pursuant to Section 197 read with Rule 5 of the Companies Act, 2013 are attached to this report as **Annexure III**.

### 31. 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.

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

The Company has not issued sweat equity shares pursuant to provisions of Section 54 of the Companies Act, 2013 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 and Section 62 of the Companies Act, 2013 during the Financial Year 2022-2023.

### 33. DISCLOSURE REGARDING UNCLAIMED DIVIDEND AND IEPF

Details of unclaimed dividends and equity shares transferred to the Investor Education and Protection Fund authority have been provided as part of the Corporate Governance report.

### 34. DISCLOSURE REGARDING PROCEEDINGS OF IBC

There are no proceedings initiated/ pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

### 35. 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.

### 36. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year 2022-2023 under review as stipulated under regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in a separate Section forming part of this Report.

### 37. LISTING AT STOCK EXCHANGE

The Equity shares of the Company are listed with BSE Ltd, Mumbai and the listing fee for the year 2022-23 has been duly paid.

### 38. 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.

### 39. BUSINESS RESPONSIBILITY AND SUSTAINBILITY REPORT

The Business Responsibility and Sustainability 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, 2023.

### 40. 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.

### 41. 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.

### 42. 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 2022-2023.

## 43. 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 31st, 2023, no complaints have been received pertaining to sexual harassment.

## 44. 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 2022-23 no grievance / complaint from any women employee was reported.

## 45. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During and pertaining to the Financial Year 2022-23, the company has not transferred any amount as unclaimed dividend and equity shares to the Investor Education and Protection Fund.

## 46. 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.

## 47. 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.

## 48. 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 20th, 2023
Mumbai

# MANAGEMENT DISCUSSION AND ANALYSIS

1. **E-waste Industry and Environment**

The year 2022-23 has been an eventful year for the Indian economy, as it became the fifth-largest economy in the world (by nominal GDP) and the third largest economy by purchasing power parity (PPP) in September 2022 according to a World Economic Forum report. As per the International Monetary Fund (IMF), India will maintain this position in 2023 and is well-placed on the path to become the fourth-largest economy by 2025.

The Union Budget 2023-24 highlights that the current year's economic growth is estimated to be at 7%, the highest among all the major economies.

Electronic equipment is no longer a signature statement of a select few; rather these are integral parts of everyone's life now. Over a period, 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 & aluminum 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 socioeconomic 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 formalization 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, 2023, your Company has performed exceedingly well with very clear focus on high value business as against high volume business. The Management of our 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 2023 was extremely satisfactory.

**Key Financial Parameters:**

| Ratio | Formula | 2022-23 (working) | 2021-22 (working) | 2022-23 Ratio | 2021-22 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 | 7,62,10,681/ 15,00,000 | 14,47,69,809/ 9,65,00,000 | 50.81:1 | 1.50:1 | Your Company is no longer liable to pay Rs. 900 Lakhs as per the order of the Delhi High Court dated 17.07.2023 and due to its strong operating earnings, the DSCR Ratio is much higher. |
| Current Ratio | Current Assets/ Current Liabilities | 8.52,53,588/ 13,02,92,709 | 26,14,76,782/ 5,01,58,050 | 0.65:1 | 5.21:1 | The Current Ratio decreased due to a short term liability arises with respect to purchase of an Immovable Property. During the FY 2023-24, the liability is property discharged from the Operating Income. |
| Debt Equity Ratio | Total Debt/ Shareholders Equity | - | 9,65,00,000/ 19,29,67,500 | - | 0.50:1 | Your Company is no longer liable to pay Rs. 900 Lakhs as per the order of the Delhi High Court dated 17.07.2023 and due to its strong operating earnings, the DSCR Ratio is much higher. |
| Net Profit Ratio | Net Profit/Total Revenue | 6,16,87,676/ 21,42,93,964 | 12,49,25,440/ 26,94,25,923 | 29% | 46% | The Net Profit Ratio decreased due to reduction in the Other Income as the Liquid Assets had been liquidated to fund for the acquisition of the Immovable Property. |
| Return on Equity Ratio | Net Income/ Shareholders Equity | 6,16,87,676/ 47,89,39,902 | 12,49,25,440/ 50,92,36,424 | 13% | 34% | Net Income got reduced due to reduction in the Other Income as the Liquid Assets had been liquidated to fund for the acquisition of the Immovable Property. |
| Trade Receivable Turnover Ratio | Net Credit Sale/ Average Account Receivable | 17,73,36,832/ 1,37,43,196 | 15,10,47,926/ 1,05,22,822 | 12.90:1 | 14.35:1 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Inventory Turnover Ratio | Cost of Goods Sold/Average Inventory | 5,97,23,218/ 4,24,82,872 | 5,87,64,703/ 3,29,04,901 | 1.40:1 | 1.78:1 | High acquisition of the Inventory have been made at the end of the March 31, 2023. |
| Trade Payable Turnover Ratio | Net Credit Purchase/ Average Trade Payable | 4,72,05,053/ 6,30,14,683 | 7,52,21,250/ 98,73,570 | 0.75:1 | 7.62:1 | The Ratio decreased due to a short term liability arises with respect to purchase of an Immovable Property. During the FY 2023-24, the liability is property discharged from the Operating Income. |
| Net Capital Turnover Ratio | Net Sales/ Working Capital | 17,73,36,832/ (4,50,39,121) | 15,10,47,926/ 21,13,18,733 | (3.93):1 | 0.71:1 | Reduction in working Capital is due to a short term liability arises with respect to purchase of an Immovable Property. During the FY 2023-24, the liability is property discharged from the Operating Income. |
| Return on Capital Employed | EBIT/ Capital Employed | 7,62,10,681/ 47,89,39,902 | 14,47,69,809/ 50,92,36,424 | 16% | 28% | Net Income got reduced due to reduction in the Other Income as the Liquid Assets had been liquidated to fund for the acquisition of the Immovable Property. |

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.

# ANNEXURE TO DIRECTORS' REPORT

## ANNEXURE - I

**Nomination and Remuneration Policy**

The Board of Directors of Eco Recycling Limited ("the Company") constituted Remuneration Committee in the year 2007, which was renamed as Nomination and Remuneration Committee in the year 2014 pursuant to section 178 of the Companies Act, 2013 consisting of three (3) Directors forming majority are Non-Executive Independent Directors. The same has been reconstituted on December 26, 2018 as per requirement of section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations 2015 constituting 3 Non-Executive Independent Directors as member of committee.

**1. Purpose of the Policy:**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**The Policy is framed with the objective(s):**

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

**2. Definitions:**

2.1 Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2 Board means Board of Directors of the Company.

2.3 Directors mean Directors of the Company

2.4 Policy or this Policy means, "Nomination and Remuneration Policy."

2.5 Key Managerial Personnel means

2.5.1. Chief Executive Officer or the Managing Director or the Manager;

2.5.2. Whole-time director;

2.5.3. Chief Financial Officer;

2.5.4. Company Secretary; and

2.5.5. Such other officer as may be prescribed.

2.6 Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

2.7 Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

2.8 Company means Eco Recycling Limited.

2.9 Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**3. Applicability:**

The Policy is applicable to

3.1 Directors (Executive and Non-Executive)

3.2 Key Managerial Personnel

3.3 Senior Management Personnel

**4. ROLE OF COMMITTEE**

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

**The Committee shall:**

4.1.1 Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down.

4.1.2 Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance.

4.1.3 Formulate the criteria for determining qualifications, positive attributes and independence of a director.

4.1.4 Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees.

4.1.5 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate.

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

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

4.2.1. Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

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

(a) Performance: The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company.

(b) Responsibilities and Accountability: The roles and responsibilities towards the organisation and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration.

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

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

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

4.2.3. Remuneration to Directors and Key Managerial Personnel

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

4.2.4. Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

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

4.2.5. Evaluation

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

4.2.6. Removal

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

4.2.7. Retirement

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

4.3 Policy relating to the Remuneration for the Whole-time Director and Key Managerial Personnel

4.3.1. General

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

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

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

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

4.3.2. Remuneration to Non- Executive / Independent Director

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed Rs. 15,000/- per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**5. Membership**

5.1 Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.

5.2 The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.

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

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

**6. Frequency of the meetings**

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities. However, the Committee shall meet at least once in a year.

**7. Quorum for the meeting**

The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

**8. Committee Members' Interests**

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

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

**9. Minutes of Committee Meetings:**

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

**10. Amendment**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

# ANNEXURE - II

**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 & Associates**

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

| Sr. No. | Particulars | Details | | |
|---|---|---|---|---|
| 1 | Name of the Subsidiary & Associate | **Ecoreco Park Private Limited (Subsidiary)** | **ELV RECYCLING PRIVATE LIMITED (Associate)** | **Ecoreco Enviro Education Private Limited (Subsidiary)** |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Not Applicable | Not Applicable | 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 | Not Applicable | Not Applicable |
| 4 | Share capital | 230.00 | 10.00 | 85.00 |
| 5 | Reserves & surplus | 250.76 | Nil | (108.06) |
| 6 | Total assets | 493.32 | 10.00 | 102.73 |
| 7 | Total Liabilities | 493.32 | 10.00 | 102.73 |
| 8 | Investments | 424.57 | Nil | Nil |
| 9 | Turnover | Nil | Nil | 18.80 |
| 10 | Profit before taxation | (15.91) | Nil | 21.89 |
| 11 | Provision for taxation | 3.45 | Nil | 0.05 |
| 12 | Profit after taxation | (19.36) | Nil | 21.84 |
| 13 | Proposed Dividend | NIL | NIL | Nil |
| 14 | % of shareholding | 78.26 | 50 | 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 III

## PARTICULARS OF REMUNERATION OF DIRECTORS / KMP

A) **The Information required under section 197 of the Companies Act, 2013 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 | 72 | 13.33:1 |
| 2 | Shashank Soni | Director and Chief Financial Officer | 60 | 11.11:1 |
| 3 | Aruna Soni | Executive Director | 42 | 7.77:1 |
| 4 | D T Devale | Non Executive Independent Director | 0.70 | 0.12:1 |
| 5 | Srikrishna B | Non Executive Independent Director | 0.70 | 0.12:1 |
| 6 | Giriraj Bhattar | Non Executive Independent Director | 0.42 | 0.08:1 |

- Remuneration to Executives Directors for the FY 22-23 amounting to Rs. 174 lakhs
- Sitting Fees to Independent Directors for the FY 22-23 amounting to Rs. 1.85 lakhs
- Number of permanent employees on the rolls of the company as on 31.03.2023: 37
- 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 2022-23. - None
- The median remuneration is Rs. 5.40 lakhs for the financial year 2022-23.
- The percentage increase in the median remuneration of employees in the financial year 2022-23 is 8%.
- Average increase in the salaries of employees other than the managerial personnel - 8%
- Average increase in remuneration of managerial personnel - NIL

*During the year 2022-23, the Managerial Remuneration remained the same as compared to the previous Year 2021-22 and the same is as per the Section 198 of the Companies Act, 2013.

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

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2022-23**

*[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Companies (Corporate Social Responsibility) Rules, 2022]*

1. **Brief outline on CSR Policy of the Company:**

The Company considers their responsibility to work and contribute towards social cause. The CSR Policy of the Company has been developed in consonance with section 135 of the Companies Act 2013 (referred to as 'the Act' in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules in this policy) notified thereof by the Ministry of Corporate Affairs, Government of India in 2014. In order to meet its responsibility the Company carries out CSR Activity as under:

- Promoting healthcare including preventive healthcare.
- Promoting Food distribution and Environment Protection Activities.
- which are in line with the activities specified in Schedule VII of the Companies Act, 2013 and as amended from time to time as recommended by CSR Committee and approved by the Board.

2. **Composition of CSR Committee**

| Sr. No. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 01. | Mr. Dattatraya Devale | Chairman | 2 | 2 |
| 02. | Mr. Brijkishor Soni | Member | 2 | 2 |
| 03. | Mr. Giriraj Bhattar | Member | 2 | 2 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://ecoreco.com/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable

| Sr. No. | Financial Year | Amount available for set-off from preceding financial year (in Rs.) | Amount required to be set-off for the financial year, if any (in Rs.) |
|---|---|---|---|
| 01. | Not Applicable | | |

6. (a) Average net profit of the company as per section 135(5)
   **Rs. 6,72,24,100/-**

   (b) Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013
   **Rs. 13,44,500/-**

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years. - **NIL**

   Amount required to be set off for the financial year, - **NIL**

   Total CSR obligation for the financial year (7a+7b-7c). - **Rs. 13,52,000/-**

7. (a) CSR amount spent or unspent for the financial year:

| **Total Amount Spent for the Financial Year. (in Rs.)** | **Amount Unspent (in Rs.)** | | | | |
|---|---|---|---|---|---|
| | **Total Amount transferred to Unspent CSR Account as per section 135(6).** | | **Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).** | | |
| | **Amount** | **Date of transfer.** | **Name of the Fund** | **Amount** | **Date of transfer.** |
| Rs. 13,52ss,000/- | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

   (b) Details of CSR amount spent against **ongoing projects** for the financial year:

| (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | State | District | | | | | | Name | CSR Registration number |
| Not Applicable | | | | | | | | | | | |

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

| (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|
| Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in Rs.). | Mode of implementation - Direct (Yes/No). | Mode of implementation Through implementing agency. | |
| | | | State. | District. | | | Name. | CSR registration number. |
| Speciality Hospital cum Medical Colleges | Healthcare | No | Gujarat | Ahmedabad | 7,51,000 | No | Raginiben Bipinchandra Sevakarya Trust | **CSR000302** |
| Distributing Foods and environment protection activities | Environment sustainability | No | Gujarat | Ahmedabad | 6,01,000 | No | Arya Foundation | **CSR00032202** |
| TOTAL | | | | | 13,52,000 | | | |

(d) Amount spent in Administrative Overheads - **NIL**

(e) Amount spent on Impact Assessment, if applicable - **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - **Rs. 13,52,000/-**

(g) Excess amount for set off, if any

| **Sr. No.** | **Particular** | **Amount (in Rs.)** |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 13,44,500/- |
| (ii) | Total amount spent for the Financial Year | 13,52,000/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 7,500/- |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | N.A. |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 7,500/- |

8. (a) Details of Unspent CSR amount for the preceding three financial years:

| **Sr. No.** | **Preceding Financial Year** | **Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)** | **Amount spent In the reporting Financial Year (in Rs.)** | **Amount transferred to any fund specified under Schedule VII as per section 135(6), if any** | | | **Amount remaining to be spent in succeeding financial years. (in Rs.)** |
|---|---|---|---|---|---|---|---|
| | | | | **Name of the Fund** | **Amount (in Rs.)** | **Date of transfer** | |
| Not Applicable | | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs.) | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project-Completed / Ongoing |
| Not Applicable | | | | | | | | |

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(asset-wise details).**

| Sr. No. | Date of creation or acquisition of the capital asset(s). | Amount of CSR spent for creation or acquisition of capital asset (in Rs.) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). |
|---|---|---|---|---|
| Not Applicable | | | | |

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**Brijkishor Kishangopal Soni**
**Managing Director**
**DIN: 01274250**

**Giriraj Bhattar**
**Independent Director**
**DIN: 09067018**

Place: Mumbai,
Dated: 20th July 2023

# CSR Policy

1. **Background**

Eco Recycling Limited carries on business of e-waste management & recycling which includes Waste collection, treatment and disposal activities as well as materials recovery from the clients.

2. **Title and Applicability**

Eco recycling Limited (hereinafter referred to as 'the Company') CSR policy has been developed in consonance with section 135 of the Companies Act, 2013 as amended from time to time (referred to as 'the Act' in this policy) on CSR and in accordance with the CSR rules 2014 and CSR Rules 2022 (hereby referred to as the CSR Rules in this policy) amended thereof by the Ministry of Corporate Affairs dated 20th September, 2022.

The Policy shall apply to all the CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act as amended from time to time.

The Policy shall apply to the Company.

3. **Definitions**

i. **"Corporate Social Responsibility (CSR)"** means activities undertaken by the Company in pursuance of its statutory obligation as mentioned in Section 135 of Act, 2013 as amended from time to time with the provisions contained in CSR Rules but not include following:

- Activities in pursuance of the normal course of business. However, for financial years 2020-21, 2021-22 and 2022-23, for a company engaged in R&D of vaccines, drugs and medical devices, R&D related to COVID-19 and carried out in collaboration with an institute or organisation under Schedule VII of the Act would be considered as a CSR activity;
- Activities undertaken outside India except training of National or International level Indian sportspersons;
- Contribution to a political party, directly or indirectly, under Section 182 of the Act;
- Activities benefiting employees of the company as defined in Section 2 of Code of Wages, 2019;
- Sponsorship activities for deriving marketing benefits for own products and services;
- Activities for the fulfillment of statutory obligations under any other law in force in India.

ii. **"Administrative Overheads"** means the expenses incurred by the company for the 'general management and administration' of CSR functions. However, expenses that are directly attributable to the designing, implementation, monitoring and evaluation of a particular CSR project do not constitute administrative overheads.

iii. **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

4. **CSR Vision Statement**

The CSR vision of the Company is **"Being a leading e-waste recycling service provider in India, the Company endeavors to transform lives of all its stakeholders financially and socially by becoming a sustainable corporate citizen. The Company through this policy strives to enrich society, both materially and socially while contributing towards social upliftment and preservation of the global environment."**

The Company either by itself or through partnerships with the Government, NGO's and Other

Organisations, will extend its support in the measures for rescue, relief and rehabilitation.

**5. Validity of CSR Policy**

The Board shall review the CSR policy on a regular basis and the CSR policy will be amended as and when required.

**6. CSR Programme Areas & Company Philosophy**

Our commitment is to improve the management of our Company every day to make it increasingly sustainable.

We are committed to: -

- Getting involved in the COMMUNITY and SOCIAL FABRIC of geographies wherein we operate and work towards community development and social upliftment by promoting social business projects and providing aid wherever possible.
- Minimising ENVIRONMENTAL impact and being more efficient in consuming resources, prioritising reduction and reuse through E-waste recycling, preserving the environment of the natural areas where there is infrastructure we manage and using the best available technologies that are economically viable so that our activities and services are environmentally more efficient by undertaking renewable energy projects.
- Providing added value for SHAREHOLDERS by managing financial resources efficiently with criteria of profitability and value creation and offering transparent information to all relevant stakeholders.
- Providing EMPLOYEES and MEMBERS OF SOCIETY, equality of opportunity and non-discrimination because of gender, religion, country of origin, age, disability or sexual orientation in all areas; applying the necessary measures to ensure health and safety in all workplaces and guaranteeing respect for human rights, rejecting force or compulsory labour through disaster relief programmes, road safety initiatives.
- Satisfying CUSTOMERS by offering QUALITY services adapted to their needs coupled with providing consumer protection services.
- Prioritising relations with SUPPLIERS AND CONTRACTED COMPANIES incorporating sustainability criteria in each action.

**7. CSR Budget**

The Board shall endeavor that in each Financial Year the Company spends at least 2 percent of the average net profit made during the immediate three preceding financial years in accordance with Section 135 and rules thereof of the Act as may be amended from to time.

The unutilized CSR budget from the 2% of the average net profit will be parked in a CSR Fund (Corpus) created by the Company clearly specifying the project to which the amount will be spent. This Fund will also include any income arising there from and any surplus arising out of CSR activities.

The CSR Committee shall recommend the project-wise annual budgeted expenditure to the Board for its consideration and approval.

The Company may collaborate or pool resources with other Organizations or Companies to undertake the CSR activities in accordance with Section 135 and rules thereof of the Act as may be amended from to time.

i. The Company shall deal with unutilized CSR Amount in following manner:

   a. Transfer such unspent amount to a separate bank account to be called as 'Unspent CSR Account within 30 days from the end of financial year in case unspent amount pertaining to On going project;

   b. Transfer unspent amount to the Fund prescribed under Schedule VII within 6 months from the end of the financial year in case Unspent amount does not pertain to 'ongoing project':

ii. In case of any surplus arises out of the CSR activities, it cannot be treated a business profit, it should be utilized in any of the following manners within 6 months from the end of the financial year:

a. Ploughed back in the same project or;

b. Transferred to the Unspent CSR Account and utilized as per the CSR policy and annual action plan or;

c. Transferred to a Fund under Schedule VII of the Act.

i. In case Company spend an amount excess of CSR requirement amount, then such excess amount may be set-off against the CSR requirement amount upto immediate succeeding three Financial years subject to that the Board of Directors may pass a resolution for setting-off the excess amount spent for CSR; however, surplus arising out of CSR activities cannot be set-off.

ii. The Company may spend CSR amount for creation or acquisition of a capital asset, which shall be held by –

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number as per CSR Amended Rules, 2022 ; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority (as defined in clause (h) of Section 2 of Right to Information Act, 2005 (22 of 2005).

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

iii. The CSR Committee shall recommend the project-wise annual budgeted expenditure to the Board for its consideration and approval.

The Company may collaborate or pool resources with other Organizations or Companies to undertake the CSR activities in accordance with Section 135 and CSR rules thereof of the Act as may be amended from to time

**8. Implementation process**

The Company CSR programmes will be aligned with section 135 and Schedule VII of the Companies Act, 2013 and as per CSR Rules as amended from time to time.

**Execution Modality:**

The mode of implementation will include a combination of direct or indirect implementation and implementation. The CSR activities may be undertaken by the Company itself or

**a.** Through any of the following implementing agencies or:

i. Entity established by the company itself or along with any other company: A Company established under Section 8 of the Act, or a registered trust or a registered society, registered under Section 12A and 80G of the Income Tax Act;

ii. A company established under Section 8 of the Act, or a registered trust or registered established by the Central or State Government;

iii. Any entity established under an Act of Parliament or State Legislature;

iv. A company established under Section 8 of the Act, or a registered trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961 and having established track record in similar activities for 3 years;

b. A Company may also Collaborate with other companies to undertake CSR activities, if the CSR committees of respective companies are in position to report separately on the CSR activities undertaken as per CSR rules.

In case implementing agencies undertaking CSR on behalf of a Company then it shall register with the Central Government by e-filling the CSR-1 form, subsequent to it, the implementing agency would be allotted a unique CSR Registration Number.

c. A company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR. International organisation means an organisation so notified by the Central Government under Section 3 of the United Nations (Privileges and Immunities) Act, 1947 to which provisions of the Schedule to the said Act apply.

d. The mode of implementation will also include employee volunteering. The Company's employee volunteering will involve the Company's employees in the community initiatives it undertakes and help them contribute towards the society.

e. CSR programme will be undertaken by the Company within the defined ambit of Need Assessment carried out by the Company.

f. The Company may use the services of government / expert agencies, consultancy firms, etc., wherever required for guidance on project design and implementation, impact assessment surveys etc.

g. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

**Monitoring of Projects:** The Company will set measurable targets for its social projects wherever possible and will have a robust monitoring and evaluation mechanism for its CSR projects.

It will aim to ensure that every programme has:

- clearly defined objectives (developed out of existing societal needs determined through studies/research/ field visits by the employees of the Company etc.), targets and time lines.
- a robust progress monitoring system
- undertake impact assessments as per the evaluation plan developed by the Company.
- a reporting framework and system in aligned with the requirements of the Act.

**Impact Assessment:** A Company with minimum Rs. 10 crore average CSR obligations in the three immediately preceding financial years according to Section 135(5) of the Act, have to conduct impact assessment of the CSR projects that have an outlay of Rs. 1 crore or more and which have been completed not less than 1 year before undertaking of the impact study. The impact assessment shall be conducted by an independent agency and the expense for the assessment in a financial year shall not exceed 2% of the total CSR expenditure for that financial year and Rs. 50 lakhs, whichever is higher. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

## 9. CSR Governance Structure

- Board of directors
- CSR Committee
- Implementation Partners.

## 10. Roles and responsibilities

The Board of Directors of the Company will be responsible for:

- constituting the CSR committee through a Board resolution with the defined composition and tenure.
- approve the CSR policy as formulated by the CSR Committee through a Board resolution
- Implementation of CSR activities;
- Monitor the implementation of ongoing project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- Ensure to deal in case of any

surplus arises out of the CSR activities;

- Ensure to deal in case Company spend an amount excess of CSR requirement
- Also responsible pertaining to set-off of excess CSR amount;
- Satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by Board and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- Approve the Annual action plan recommend by CSR Committee. Board may alter such annual action plan at any time during the financial year, as may be recommended CSR Committee, based on the reasonable justification to that effect.
- Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- Board may also extended the period pertaining to any Capital asset created by the Company based on reasonable justification;
- disclose in its Annual Report the names of the CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activites on the Company's website and Directors' Report in such manner as prescribed under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014) 2014 and amended CSR Rules 2021, CSR Rules, 2022.('CSR Rules') as amended from time to time.
- ensuring that the projects included in the Policy are undertaken by the Company .
- ensuring that the Company endeavors to spend, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy or as per applicable provisions of Act as amended from time to time. or as per applicable provisions of Act as amended from time to time.
- endeavor that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.
- ensuring that it specifies the reasons in its report for not spending the allocated amount in case the Company fails to spend such amount.
- ensure annual reporting of CSR policy to the Ministry of Corpoarte Affairs, as per the prescribed format.

**11. CSR Committee:**

**Composition of the CSR committee:** The Board of Directors of the Company shall constitute the committee to be known as the Corporate Social Responsibility Committee ("Committee") consisting of three or more Directors, out of which at least one Director shall be an Independent Director. In case, Company not required to appoint Independent Director under Section 149 (4) of Act, in that case, Committee shall consist of two or more Directors without any Independent Director.

The Company not required to form CSR Committee, if amount to be spent by a company does not exceed fifty lakh rupees, in such cases Board shall discharge all functions of CSR Committee

The Board shall have the powers to make any change(s) in the constitution of the Committee.

**Tenure the CSR Committee:** The tenure of the CSR Committee will be determined by the Board.

**Responsibility of the CSR Committee:**

- formulate and recommend the CSR Policy to the Board for approval
- identify and recommend the CSR projects to be undertaken by the Company, which are in line with the activities specified in Schedule VII and outlined herein above.
- recommend the amount of expenditure to be incurred on CSR projects
- constitute a transparent monitoring mechanism for ensuring implementation of the

CSR projects undetaken by the Company

- monitor the Policy from time to time and recommend changes to the board

**12. Monitoring and Reporting Framework**

In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework is being put in place. The monitoring and reporting mechanism is divided into three distinct areas:

- Project Monitoring
- Evaluation
- Reporting and Documentation

**13. Project Monitoring:**

Project monitoring mechanism will ensure:

- The CSR policy is implemented as per the Act and the Rules as amended from to time.
- The CSR policy is implemented ensuring that all projects/ programmes as budgeted are duly carried out.
- A separate budget will be earmarked for set up and implementation of the monitoring system. The cost incurred (will be/can be) billed to the CSR spend of the Company.
- CSR spends will be closely monitored and funds shall be released against verified utilisations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with the beneficiary communities.

**14. Evaluation**

- Expected outcomes, outputs and inputs will be clearly defined for each project as per stated timelines.
- There shall be clarity about the scope of the project and the need before evaluations are undertaken.
- Third parties may be engaged to ensure objective assessment and end line parameters.
- Head of CSR will be authorised to decide whether it will be internal, external or third party evaluation.

**15. Reporting and Documentation**

- The Company will ensure CSR reporting annually in the format recommended in the CSR rules as part of its Annual Report.
- The CSR Committee will prepare the annual CSR Report to be filed by the Company on approval of the Board. This report will ensure:
- CSR Projects and Programmes are being properly documented.
- An MIS in maintained on spending across sectors geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format.
- Accountability is fixed at each level of CSR process and implementation.
- A repository of case studies and good practices will be maintained.

# ANNEXURE - V

## PARTICULARS OF CONTRACTS/ ARRANGEMENTS MADE WITH RELATED PARTIES

*[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 - AOC-2)]*

This form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's Length Basis:**

   There were no contracts or arrangements or transactions entered into during the year ended March 31st, 2023 which were not at Arm's Length Basis.

2. **Details of material contracts or arrangements or transactions at Arm's Length Basis**

   There were no material contracts or arrangements or transactions entered into during the year ended March 31st, 2023.

**For Eco Recycling Limited**

**Brijkishor Kishangopal Soni**

Place: Mumbai (DIN: 01274250)

Date: 20th July, 2023 Chairman & Managing Director

# ANNEXURE VI

# SECRETARIAL AUDIT REPORT

**Form No. MR-3**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

*[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
Unit No.422, 4th Floor, The Summit Business Bay, Near Cine Max Theater, Andheri Kurla Road Andheri (E)
Mumbai – 400 093, Maharashtra

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, 2023** 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, 2023 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:

In terms of Regulation 6(1) of the SEBI (LODR) Regulation 2015, the Company has appointed Mr. Kaushal Shukla as Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022.

The company filed a Compliance report on Corporate Governance under regulation 27(2) and shareholding pattern under regulation 31 of SBEI (LODR) Regulations, 2015 with delay of five days and BSE Limited has imposed fine of Rs.11,800/- (including GST) for delay in each compliance.

The company has submitted a financial statement for the year ended 31st March 2022 along with Limited Review Report in place of submission of Audit Report on Standalone and Consolidated Financial Statement. Therefore, BSE has informed the company about discrepancies in filing annual financial statements and imposed a fine of Rs.88,500/- As informed by the company a waiver application has been submitted before BSE Limited for a fine imposed.

Due to Clerical error made in filling the data for Composition of Audit Committee in Compliance report on Corporate Governance for the quarter and year ended 31st March 2022, BSE Limited sent Notice for Non-Compliance with Regulation 18(1) and imposed a fine of Rs. 2,21,400/- and Company has filed rectified compliance report on corporate governance for period ended 31st March 2022 and composition of Audit Committee was in terms of Regulation 18(1) of the SEBI (LODR) Regulations, 2015.

**We further report that**

The Board of Directors of the Company is duly constituted with a 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.

The Company has re-appointed Mr. Shashank Soni (DIN: 06572759) and Mrs. Aruna Soni (DIN: 01502649) in retire by rotation on 27th September 2021 and 24th August 2020 respectively in the Annual General meetings and since their appointment they were designated as executive directors but terms of both the directors were not defined as required under section 196(2).

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 28th Annual General Meeting held on 26th August 2022
   - A. Approval pursuant to Section 180(1)(a) of the Companies Act, 2013 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.

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

**Keshav Purohit**
**Partner**
ACS No: 39702; C P No.: 20471
Mumbai | 18th July 2023
**ICSI UDIN:** A039702E000635825

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

# Annexure A

To,
The Members,
**Eco Recycling Limited**
CIN NO: L74120MH1994PLC079971
Unit No.422, 4th Floor, The Summit Business Bay, Near Cine Max Theater, Andheri Kurla Road Andheri (E)
Mumbai – 400 093, Maharashtra

Our Secretarial Audit Report for the Financial Year ended on March 31, 2023 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 | 18th July 2023
**ICSI UDIN:** A039702E000635825

# ANNEXURE - VII

# CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2022 - 2023

**(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, 2023 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's 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, 2023 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.

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 positions # | |
|---|---|---|---|---|---|---|
| | | | | | Chairperson | Member |
| **Executive Directors** | | | | | | |
| Mr. Brijkishor Soni (DIN: 01274250) | Chairman & Managing Director | Promoter | - | - | - | - |
| Mrs. Aruna Soni (DIN: 01502649) | Executive Woman Director | Promoter | - | - | - | - |
| Mr. Shashank Soni (DIN: 02083384) | Director | - | - | - | - | - |
| **Non -Executive Directors** | | | | | | |
| Mr. Dattatraya Trimbak Devale (DIN: 07186290) | Non-Executive Director | Independent | - | - | - | - |
| Mr. Shrikrishna Bhamidipati (DIN: 02083384) | Non-Executive Director | Independent | Avance Technologies Limited - Executive | 1 | - | - |
| 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 2022-23, 5 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 | 21st May 2022 | Present | Absent | Present | Present | Absent | Present |
| 2 | 30th May, 2022 | Present | Present | Present | Present | Present | Present |
| 3 | 27th July, 2022 | Present | Present | Present | Present | Present | Present |
| 4 | 20th October, 2022 | Present | Present | Present | Present | Present | Present |
| 5 | 12th January, 2023 | Present | Absent | Present | Present | Present | Present |

| Sr. No. | Date of Meeting | Attendance at the Annual General Meeting held on August 26, 2022 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Mr. B. K. Soni | Mrs. Aruna Soni | Mr. Srikrishna Bhamidipati | Mr. Shashank Soni | Mr. Giriraj Bhattar | Mr. Dattatraya Trimbak Devale |
| 1 | August 26, 2022 | 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/UploadsD ownloads/ Familarization_Prog ramme. 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 12, 2023 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.

d. Corporate Social Responsibility Committee. (w.e.f 30.05.2022)

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 with 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, 2023 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 | | | |
|---|---|---|---|---|---|---|
| | | | **30.05.2022** | **27.07.2022** | **20.10.2022** | **12.01.2023** |
| 1 | Mr. Srikrishna Bhamidipati (DIN: 02083384) | **Chairman**- Non-Executive Independent Director | Present | Present | Present | Present |
| 2 | Mrs. Giriraj Bhattar (DIN: 09067018) | **Member**- -Independent Non-Executive Director | Present | Present | Present | Present |
| 3 | Mr. Dattatraya Trimbak Devale (DIN: 07186290) | **Member** -Independent Non-Executive Director | 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.

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 auditor, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
    a. Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
    b. The vigil mechanism under sub-section (9) of Section 177 of Companies Act, 2013, shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;

c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;

21. The Audit Committee shall have powers, which should include the following:

a. To investigate any activity within its terms of reference;

b. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of Companies Act, 2013, or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;

c. To seek information from any employee;

d. To obtain outside legal or other professional advice;

e. To secure attendance of outsiders with relevant expertise, if it considers necessary;

22. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company;

23. All Related Party Transactions shall require prior approval of the Audit Committee.

Approval or any subsequent modification of transactions of the company with related parties;

24. When money is raised through an issue (public issues, rights issues, preferential issues etc.), the company shall disclose the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc.), on a quarterly basis as a part of their quarterly declaration of financial results to the Audit Committee.

Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and place it before the audit committee. Such disclosure shall be made only till such time that the full money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company. Furthermore, where the company has appointed a monitoring agency to monitor the utilization of proceeds of a public or rights issue, it shall place before the Audit Committee the monitoring report of such agency, upon receipt, without any delay. The audit committee shall make appropriate recommendations to the Board to take up steps in this matter.

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

The Minutes of the Meetings of the Committee are circulated 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, 2023 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** | |
|---|---|---|---|---|
| | | | **21.05.2022** | **30.05.2022** |
| 1 | Mr. Srikrishna Bhamidipati (DIN: 02083384) | **Chairman**- Non-Executive Independent Director | Present | Present |
| 2 | Mrs. Giriraj Bhattar (DIN: 09067018) | **Member**- -Independent Non-Executive Director | Present | Present |
| 3 | Mr. Dattatraya Trimbak Devale (DIN: 07186290) | **Member** -Independent Non-Executive Director | 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 overseas 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, 2023 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 | | | |
|---|---|---|---|---|---|---|
| | | | 21.05.2022 | 27.07.2022 | 12.11.2022 | 30.03.2023 |
| 1 | Mr. Srikrishna Bhamidipati (DIN: 02083384) | **Chairman**- Non-Executive Independent Director | Present | Present | Present | Present |
| 2 | Mrs. Aruna Soni (DIN: 01502649) | **Member**- Executive Director | Absent | Present | Present | Present |
| 3 | Mr. Dattatraya Trimbak Devale (DIN: 07186290) | **Member** -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 1,2022 | 0 |
| Number of shareholders' complaints received during the financial year 2022-23 | 0 |
| Number of complaints not resolved to the satisfaction of shareholders as on March 31, 2023 | 0 |
| No. of pending complaints as on March 31, 2023 | 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, Nextto 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 2022-23 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 | - | 70,000 | 70,000 |
| Mr. Shashank Soni | 60,00,000 | - | 60,00,000 |
| Mr. Giriraj Bhattar | - | 70,000 | 70,000 |
| Mr. Dattatraya Trimbak Devale | - | 45,000 | 45,000 |

## 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 |
|---|---|---|---|---|
| **2019-2020** | 24th August, 2020 | 422, The Summit Business Bay Opposite Cinemax Theatre, Andheri-Kurla Road, Andheri (E), Mumbai–400 093 | 04.00 P.M. | 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<br>2) Re-appointment of Brijkishor Soni as Managing Director<br>3) Re-appointment of Mr. Dattatraya Devale for second term as Independent Director.<br>4) Issuance of fully convertible warrants on preferential basis. |
| **2020-2021** | 27th 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 |
| **2021-2022** | 26th August, 2022 | 422, The Summit Business Bay Opposite Cinemax Theatre, Andheri-Kurla Road, Andheri (E), Mumbai–400 093 | 11.00 A.M. | Approval to Mortgage, Charge or dispose of the Undertakings, Both present and future, of the Company. |

- **Extra ordinary General Meeting:**

  No Extra ordinary General Meeting of the members was held during the year under review.

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

  During the year under review, no resolution has been passed through the exercise of postal ballot.

6. **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*

- **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*

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

  The Company has maintained a functional website 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 2022-23.

7. **GENERAL SHAREHOLDERS INFORMATION:**

I. **Details of the Annual General Meeting for the financial year 2022-2023:**

- **Date:** 28th August, 2023
- **Day:** Monday
- **Time**: 12.30 PM
- **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 2022-2023:**

III. **Dividend:**

During the year, Company has not declared any dividend

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 :

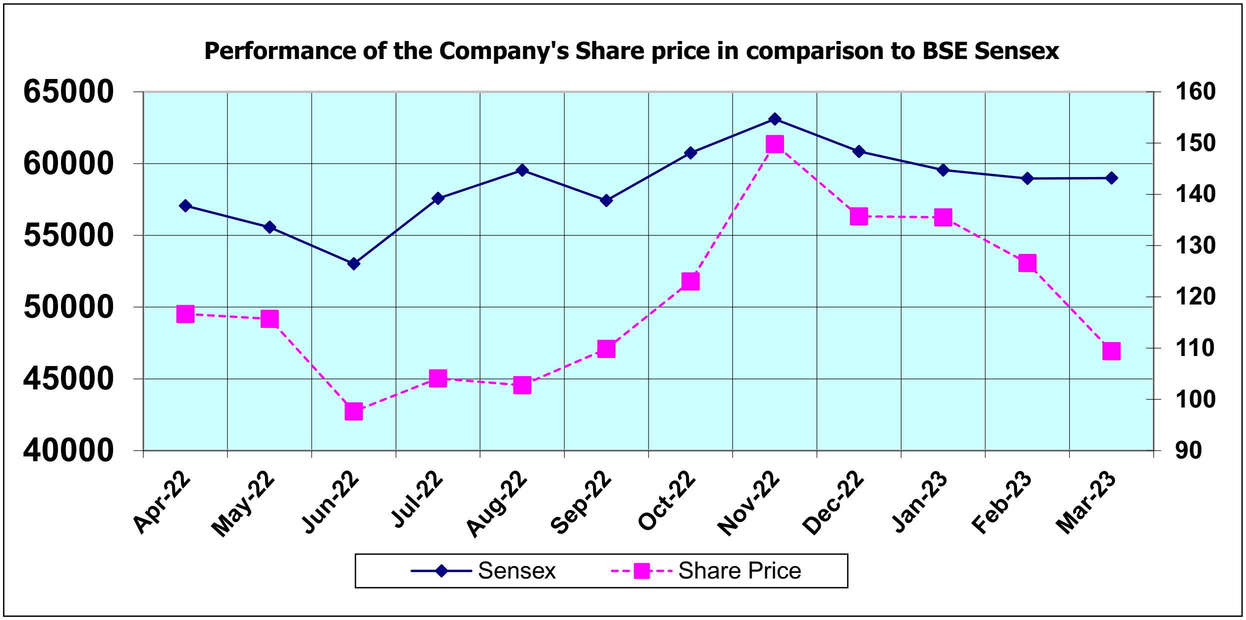
| | |
|---|---|
| BSE Scrip Code | 530643 |
| ISIN Number for NSDL & CDSL | INE316A01038 |

## VI. Market Price Data: High / Low price during each Month of 2022-23 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-22 | 116.3 | 129.95 | 114 | 116.65 | 328084 | 4931 | 39619723 | 224212 | 68.34 | 15.95 | 0.35 |
| May-22 | 115.05 | 119.9 | 98 | 115.7 | 397186 | 6454 | 44105399 | 278949 | 70.23 | 21.9 | 0.65 |
| Jun-22 | 116.15 | 120.4 | 92 | 97.65 | 357838 | 5076 | 38287065 | 251229 | 70.21 | 28.4 | -18.5 |
| Jul-22 | 93.5 | 109 | 93.5 | 104.1 | 117708 | 2408 | 11938354 | 86225 | 73.25 | 15.5 | 10.6 |
| Aug-22 | 101.7 | 110.5 | 94 | 102.75 | 322653 | 4340 | 32947681 | 201774 | 62.54 | 16.5 | 1.05 |
| Sep-22 | 102.5 | 134 | 101.2 | 109.85 | 849824 | 6596 | 101973700 | 608586 | 71.61 | 32.8 | 7.35 |
| Oct-22 | 111.4 | 128 | 106.1 | 123 | 319392 | 3520 | 37658988 | 213414 | 66.82 | 21.9 | 11.6 |
| Nov-22 | 127.95 | 155.3 | 121.7 | 149.8 | 1379313 | 10525 | 189656928 | 950798 | 68.93 | 33.55 | 21.85 |
| Dec-22 | 150 | 155 | 122.7 | 135.7 | 615738 | 7104 | 86200175 | 429168 | 69.7 | 32.3 | -14.3 |
| Jan-23 | 143.8 | 162.95 | 124.2 | 135.5 | 848339 | 9324 | 123878235 | 610820 | 72 | 38.75 | -8.3 |
| Feb-23 | 138.25 | 141.9 | 122.1 | 126.6 | 203664 | 3467 | 26829822 | 141169 | 69.31 | 19.8 | -11.65 |
| Mar-23 | 128.8 | 134.65 | 107 | 109.4 | 317467 | 4124 | 37767181 | 246664 | 77.7 | 27.65 | -19.4 |

**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

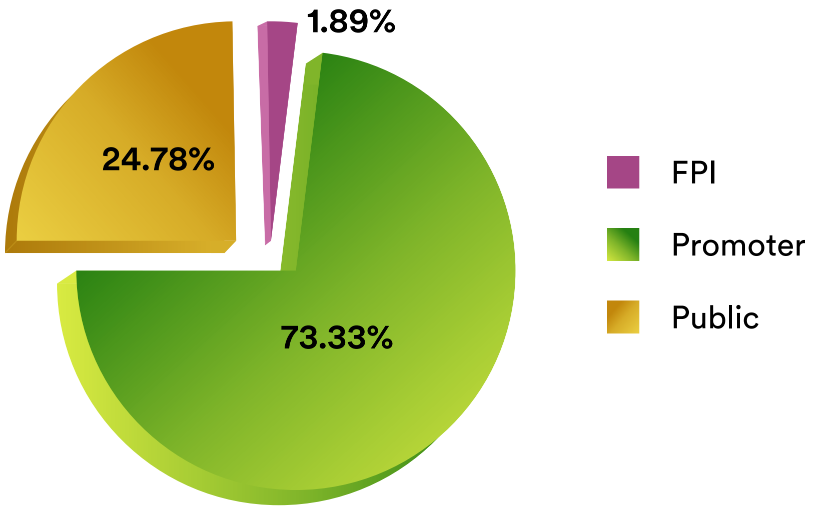
  **Email:** investor@bigshareonline.com | **Web:** www.bigshareonline.com

- **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, 2023**

| 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) |
|---|---|---|---|---|---|---|
| **(A). Promoter & Promoter Group** | | | | | | |
| 1. | Brijkishor Soni | 1 | 26,80,554 | 0 | 26,80,554 | 13.89 |
| 2 | Aruna Soni | 1 | 11,63,200 | 0 | 11,63,200 | 6.03 |
| 3. | Brijkishor Soni HUF<br><br>(Promoter Group) | 1 | 2,36,221 | 0 | 2,36,221 | 1.22 |
| 4. | Ecoreco Ventures Private Limited (Promoter Group) | 1 | 1,00,70,814 | 0 | 1,00,70,814 | 52.19 |
| **Sub Total (A)** | | **4** | **1,41,50,789** | **0** | **1,41,50,789** | **73.33** |
| **(B). Public Shareholder** | | | | | | |
| 5. | Foreign Portfolio Investors | 2 | 3,65,014 | 0 | 3,65,014 | 1.89 |
| 6. | Financial Institutions | 1 | 880 | 0 | 880 | 0 |
| 7. | Non Institutions (Individual share capital upto Rs. 2 lakhs) | 10706 | 24,49,351 | 0 | 24,49,351 | 12.69 |
| 8. | Non Institutions (Individual share capital in excess of Rs. 2 lakhs) | 16 | 6,90,018 | | 6,90,018 | 3.58 |
| 9. | Any other | 60 | 1,22,508 | 0 | 1,22,508 | 0.64 |
| 10. | Bunkim Finance & Investments Pvt Ltd | 1 | 3,39,913 | 0 | 3,39,913 | 1.76 |
| 11. | Jayati Finance & Investments Pvt Ltd | 15 | 6812 | 0 | 6812 | 0.04 |
| 12. | Clearing Members | 173 | 1,78,331 | 0 | 1,78,331 | 0.92 |
| 13. | HUF | 157 | 1,13,134 | 0 | 1,13,134 | 0.59 |
| 14. | Non Resident Indian | 1 | 8,80,000 | 0 | 8,80,000 | 4.56 |
| 15. | Nippon Magnetic Dressing Company Limited | 11,132 | 51,45,961 | 0 | 51,45,961 | 26.67 |
| **Sub Total (B)** | | **11,136** | **1,92,96,750** | **0** | **1,92,96,750** | **100** |
| **Total (A+B)** | | **10,106** | **1,92,96,750** | **0** | **1,92,96,750** | **100** |




- **Distribution of Shareholding as on March 31, 2023:**

| Shareholding of Nominal | | No. of Shareholders | % of Shareholders | No. of shares held | % of shareholding |
|---|---|---|---|---|---|
| 1 | 500 | 10247 | 90.8503 | 1015175 | 5.2609 |
| 501 | 1000 | 569 | 5.0448 | 425508 | 2.2051 |
| 1001 | 2000 | 242 | 2.1456 | 340379 | 1.7639 |
| 2001 | 3000 | 68 | 0.6029 | 171573 | 0.8891 |
| 3001 | 4000 | 29 | 0.2571 | 99850 | 0.5174 |
| 4001 | 5000 | 29 | 0.2571 | 137660 | 0.7134 |
| 5001 | 10000 | 56 | 0.4965 | 405960 | 2.1038 |
| 10001 and above | | 39 | 0.3458 | 16700645 | 86.5464 |
| **TOTAL** | | **11279** | **100.0000** | **19296750** | **100.0000** |

- **Dematerialization of shares and liquidity:**

The shares of the Company are available for dematerialization (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, 2023, 98.03% of the total Subscribed and Fully Paid-up equity share capital comprising of 18,924,266 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 touse 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**

  In terms of Regulation 6(1) of the SEBI (LODR) Regulation 2015, the Company has appointed Mr. Kaushal Shukla as Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022.

  In terms of Regulation 6(1) of the SEBI (LODR) Regulation 2015, the Company has appointed Mr. Kaushal Shukla as Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022

  The company filed a Compliance report on Corporate Governance under regulation 27(2) and shareholding pattern under regulation 31 of SBEI (LODR) Regulations, 2015 with delay of five days and BSE Limited has imposed fine of Rs.11,800/- (including GST) for delay in each compliance.

  The company has submitted a financial statement for the year ended 31st March 2022 along with Limited Review Report in place of submission of Audit Report on Standalone and Consolidated Financial Statement. Therefore, BSE has informed the company about discrepancies in filing annual financial statements and imposed a fine of Rs.88,500/- As informed by the company a waiver application has been submitted before BSE Limited for a fine imposed.

  Due to Clerical error made in filling the data for Composition of Audit Committee in Compliance report on Corporate Governance for the quarter and year ended 31st March 2022, BSE Limited sent Notice for Non-Compliance with Regulation 18(1) and imposed a fine of Rs. 2,21,400/- and Company has filed rectified compliance report on corporate governance for period ended 31st March 2022 and composition of Audit Committee was in terms of Regulation 18(1) of the SEBI (LODR) Regulations, 2015.

  The Company has re-appointed Mr. Shashank Soni (DIN: 06572759) and Mrs. Aruna Soni (DIN: 01502649) in retire by rotation on 27th September 2021 and 24th August 2020 respectively in the Annual General meetings and since their appointment they were designated as executive directors but terms of both the directors were not defined as required under section 196(2).

- **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 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. 270000/-**

- **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. Unclaimed Dividend**

In the 28th AGM held on 26th August, 2022 the company had declared and distributed final dividend of Rs.1 (One Rupees Only) per equity shares i.e. 10% on face value of Rs. 10/- each fully paid up equity shares of the company, within prescribed timeframe as per provisions of Sec 123 of the Companies Act, 2013 and rules made thereunder read with Regulation 43 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. At the end of financial year 2022-2023, Rs. 3,00,661/- lies in the unclaimed dividend account of the Company. The Company maintains the details of each individual shareholder whose dividends are transferred to the unclaimed Dividend Account.

**11. 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) **Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

12. **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 it's website at website at *www.ecoreco.com*

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

20th July, 2023

# ANNEXURE - A

## CEO AND CFO CERTIFICATION
## Under Regulation 17(8) of (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Financial Year Ended 31st March, 2023

The Board of Directors

**Eco Recycling Limited**

**Mumbai**

**Dear Members,**

We, the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of Eco Recycling Limited ('the Company'), to the best of our knowledge and belief certify that:

(a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March 2023 and we hereby certify and confirm to the best of our knowledge and belief the following:

   i. Financial statements and Cash Flow Statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii. the Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are no transactions entered in to by the Company during the year ended 31st March 2023 which are fraudulent, illegal or violative of Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting.

   Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.

(d) We have indicated to the Auditors and the Audit Committee that:

   i. There were no significant changes in internal control over financial reporting during the year.

   ii. There were no significant changes in accounting policies during the year and that if any, have been disclosed in the notes to the financial statement; and

   iii. There were no instances 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**
Date: 20th July, 2023

**For Eco Recycling Limited**

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

# 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, 2023 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 2023.

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. In terms of Regulation 6(1) of the SEBI (LODR) Regulation 2015, the Company has appointed Mr. Kaushal Shukla as Company Secretary and Compliance Officer of the Company w.e.f. 21st May 2022.

2. The company filed a Compliance report on Corporate Governance under regulation 27(2) and shareholding pattern under regulation 31 of SBEI (LODR) Regulations, 2015 with delay of five days and BSE Limited has imposed fine of Rs.11,800/- (including GST) for delay in each compliance.

3. The company has submitted a financial statement for the year ended 31st March 2022 along with Limited Review Report in place of submission of Audit Report on Standalone and Consolidated Financial Statement. Therefore, BSE has informed the company about discrepancies in filing annual financial statements and imposed a fine of Rs.88,500/- As informed by the company a waiver application has been submitted before BSE Limited for a fine imposed.

4. Due to Clerical error made in filling the data for Composition of Audit Committee in Compliance report on Corporate Governance for the quarter and year ended 31st March 2022, BSE Limited sent Notice for Non-Compliance with Regulation 18(1) and imposed a fine of Rs. 2,21,400/- and Company has filed rectified compliance report on corporate governance for period ended 31st March 2022 and composition of Audit Committee was in terms of Regulation 18(1) of the SEBI (LODR) Regulations, 2015.

5. The Company has re-appointed Mr. Shashank Soni (DIN: 06572759) and Mrs. Aruna Soni (DIN: 01502649) in retire by rotation on 27th September 2021 and 24th August 2020 respectively in the Annual General meetings and since their appointment they were designated as executive directors but terms of both the directors were not defined as required under section 196(2).

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 | 20th July, 2023
**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
Unit No.422 4th Floor, The Summit Business Bay, Near Cine Max Theater,
Andheri Kurla Road Andheri (E), Mumbai - 400 093, Maharashtra.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Eco Recycling Limited (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 us 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 our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status] at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we certify that following are the Directors on the Board of the Company as on 31 March, 2023:

| 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 |

We further certify that none of the aforesaid Directors on the Board of the Company for the financial year ended on 31 March, 2023 have 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, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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 | 20th July, 2023
ICSI UDIN: A039702E000635847

# INDEPENDENT AUDITOR'S REPORT

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

## Opinion

We have audited the standalone financial statements of **ECO RECYCLING LIMITED** which comprise the Balance Sheet as at 31st March, 2023, 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, 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 Standerds prescribed under section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, (Ind AS) thereunder and other aacounting principles generally accepted in India, of the standalone state of affairs (financial position) of the Company as at **31st March 2023** and its standalone financial performance induding other comprehensive income), its standalone cash flows and standalone changes in equity for the year ended on that date.

## Basis for Opinion

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 standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulflled 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. 7 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 financlal 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 2023, 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 but the company is of the view that it will not be able to recover the same and hence debited to profit and loss account.

3. **Note no. 3 & 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 disbursal, 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 settled as per the Order of Delhi High Court dated 17.03.2023 and now the company estimates that it is no longer liable to pay Rs. 900 Lakhs & therefore the value of the Fixed Assets which was acquired from the amount received from DSIR under the project has been reduced equally.

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficlent 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. Condude 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 amanner 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 significance 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, 2023, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 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 subsidairy 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.

      iv. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 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
30th May, 2023
UDIN : 23168656BGXCKE1784

# "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

**REFFERED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON THEIR LEGAL AND REGULATIRY REQUIREMENT" OF OUR REPORT ON EVEN DATE TO THE MEMBERS OF ECO RECYCLING LIMITED FOR THE YEAR ENDED ON 31st March, 2023.**

(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, 2023 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 discrepanices 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 made investments in subsidary companies but had not granted any unsecured loans to other parties, during the year and hence reporting under clause 3(iii)(c) to (f) of the Order is not applicable.

(a) Investment in ubsidary companies:

(A) The Company has made investments in its subsidary companies during the year as specified below:

| Name of the Companies | No. of Shares | Amount (in '000) |
|---|---|---|
| Ecoreco Park Private Limited | 18,00,000 | 45,000 |
| ELV Recycling Private Limited | 50,000 | 500 |

(B) The Company has not granted any unsecured loans to other parties, during the year and hence reporting under clause 3(iii)(a)(B) of the Order is not applicable.:

(b) According to information and explanation given to us, the investments made, guarantees provided, security given and the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

(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.

| Nature of Statue | Nature of Due | Amount in INR | F.Y. | Forum |
|---|---|---|---|---|
| Income Tax | Tax Dispute | 12,74,308 | 2018-2019 | CIT(A) |

(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, 2023 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.

(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 no resignation of the statutory auditors of the Company during the year.

(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
30th May, 2023
**UDIN:23168656BGXCKE1784**

# "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 31st March, 2023 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 2023, 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 **For R M R & CO.**
Chartered Accountants
ICAI Reg.No.106467W

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

Mumbai
30th May, 2023
**UDIN : 23168656BGXCKE1784**

# BALANCE SHEET AS AT 31ST MARCH, 2023

| Particluars | Note | As At March 31, 2023 | As At March 31, 2022 |
|---|---|---|---|
| A **ASSETS** | | | |
| (1) **Non Current Assets** | | | |
| (a) Property,Plant and Equipment | 3 | 33,70,84,228 | 20,41,37,270 |
| (b) **Financial Assets** | | | |
| (i) Investments | 4A | 14,96,59,390 | 11,76,58,660 |
| (ii) Loans | 5 | 1,65,00,000 | 1,65,00,000 |
| (iii) Other Financial Assets | 6 | 47,77,466 | 45,03,256 |
| (c) Deferred Tax Assets(net) | 15 B | 91,46,578 | - |
| (d) Other Non Current Assets | 7 | 2,38,94,740 | 6,35,43,814 |
| **Total Non-Current Assets** | | **54,10,62,402** | **40,63,43,000** |
| (2) **Current Assets** | | | |
| (a) Inventories | 8 | 4,11,25,646 | 4,38,40,097 |
| (b) **Financial Assets** | | | |
| (i) Investments | 4B | 68,19,104 | 9,22,99,635 |
| (ii) Trade Receivables | 9 | 1,74,01,004 | 1,00,85,389 |
| (iii) Cash and Cash Equivalents | 10 | 24,21,506 | 8,79,92,259 |
| (iv) Bank Balances other than (iii) above | | - | 1,00,00,000 |
| [c] Other Current Assets | 11 | 1,74,86,328 | 1,72,59,403 |
| | | **8,52,53,588** | **26,14,76,782** |
| **Total Assets** | | **62,63,15,990** | **66,78,19,782** |
| B **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 12 | 19,29,67,500 | 19,29,67,500 |
| (b) Other Equity | 13 | 28,59,72,402 | 31,62,68,924 |
| **Total Equity** | | **47,89,39,902** | **50,92,36,424** |
| **LIABILITIES** | | | |
| (1) **Non Current Liabilities** | | | |
| (a) **Financial Liabilities** | | | |
| (i) Borrowings | 14 | 15,00,000 | 9,00,00,000 |
| (ii) Lease Liability | | 50,26,192 | - |
| (b) Provisions | 16 | 71,98,446 | 71,14,616 |
| (c) Deferred Tax Liabilities (Net) | 15 A | 33,58,740 | 1,13,10,691 |
| **Total Non-Current Liabilities** | | **1,70,83,378** | **10,84,25,307** |
| (2) **Current Liabilities** | | | |
| (a) **Financial liabilities** | | | |
| (i) Borrowings | 18 | - | 65,00,000 |
| (ii) Lease Liability | | 39,76,471 | - |
| (iii) Trade Payables | 17 | 10,69,65,554 | 1,90,63,812 |
| (Iv) Other Financial Liabilities | 19 | 18,48,031 | 14,22,697 |
| (b) Other Current Liabilities | 20 | 51,11,010 | 67,13,594 |
| (c) Provisions | 21 | 1,23,91,643 | 1,64,57,948 |
| | | **13,02,92,709** | **5,01,58,051** |
| **Total Equity and Liabilities** | | **62,63,15,990** | **66,78,19,782** |
| **See accompanying notes forming part of the financial statements** | | | |

**For R M R & CO.**

**For and on behalf of the Board of Directors**

**Chartered Accountants**
ICAI Reg.No.106467W

**CA Ashish Mandowara**
Partner
Membership No.: 168656
Mumbai | 30th May, 2023

**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 31ST MARCH, 2023

| | PARTICULARS | Note No. | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | (a) Revenue from Operations | 22 | 17,73,36,832 | 15,10,47,926 |
| | (b) Other Income | 23 | 3,69,57,132 | 11,83,77,997 |
| | **Total Income** | | **21,42,93,964** | **26,94,25,923** |
| II | **EXPENSES** | | | |
| | (a) Cost Of Materials Consumed | 24 | 4,01,20,392 | 7,13,17,095 |
| | (b) Purchases of Stock-in-Trade | 25 | 1,68,88,375 | 93,18,000 |
| | (c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 26 | 27,14,451 | (2,18,70,392) |
| | (d) Employee Benefits Expense | 27 | 2,91,04,626 | 2,80,04,809 |
| | (e) Finance Costs | 28 | 14,61,454 | - |
| | (f) Depreciation, Amortisation, Impairment Expense | 3 | 93,08,116 | 46,63,164 |
| | (g) Other Expenses | 29 | 4,92,55,439 | 3,78,86,602 |
| | **Total Expenses** | | **14,88,52,853** | **12,93,19,278** |
| III | **Profit / (Loss) before Exceptional Items** | | **6,54,41,111** | **14,01,06,645** |
| IV | Exceptional Items | | - | - |
| V | **Profit / (Loss) before Tax** | | **6,54,41,111** | **14,01,06,645** |
| VI | **Tax Expense:** | | | |
| | **(a)** Current Tax | | 1,17,05,386 | 1,47,48,920 |
| | **(b)** Deferred Tax | | (79,51,951) | 4,32,285 |
| VII | **Profit / (Loss) for the year** | | **6,16,87,676** | **12,49,25,440** |
| VIII | **Other Comprehensive Income** | | | |
| (a) | **Items that will not be reclassified to Profit or loss** | | | |
| | **(i)** Measurement of Employment Defined Benefit Plans | | **3,85,005** | **(33,83,795)** |
| | **(ii)** Fair Value Changes of Equity Instruments | | **(8,07,93,965)** | **5,67,79,691** |
| (b) | **Income Tax relating to items in (a) above** | | **91,46,578** | **(56,43,962)** |
| | **Other Comprehensive Income (Net of Tax)** | | **(7,12,62,382)** | **4,77,51,934** |
| IX | **Total Comprehensive Income for the period** | | **(95,74,706)** | **17,26,77,374** |
| X | **Earnings Per Share (Rs 10 per share fully paid up)** | | | |
| | **(a)** Basic | | 3.20 | 6.47 |
| | **(b)** Diluted | | 3.20 | 6.47 |
| | 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 | 30th May, 2023

**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

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| Particluars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| Cash Flow from Operating Activities | | |
| **Net Profit before Tax** | **6,54,41,111** | **14,01,06,645** |
| Adjustments for Non Cash and Other Items: | | |
| Depreciation and Amortisation | 93,08,116 | 46,63,164 |
| Interest and Dividend Income | (44,65,997) | (42,20,484) |
| Finance Cost | 14,61,454 | - |
| Loss due to Damages | - | 66,91,959 |
| Provision for Gratuity | 4,68,835 | 4,32,285 |
| Sundry Balance Written Back | (32,68,677) | |
| Gain/Loss on Sale of Investments | (2,63,80,270) | (11,28,28,273) |
| **Total** | **(2,28,76,538)** | **(10,52,61,348)** |
| **Operating profit before working capital changes** | **4,25,64,573** | **3,48,45,296** |
| Adjustments for: | | |
| (Increase) / Decrease in Inventories | 27,14,451 | (2,18,70,392) |
| (Increase) / Decrease in Trade Receivables | (73,15,615) | 8,54,771 |
| (Increase) / Decrease in Loans and Other Financial Assets | 5,34,79,801 | 34,98,411 |
| (Increase) / Decrease in Other Current and Non Assets | (2,26,925) | (1,70,99,226) |
| Increase / (Decrease) in Other Non Current Liabilities | - | - |
| Increase / (Decrease) in Other Trade Payables | 8,79,01,743 | 1,83,80,480 |
| Increase / (Decrease) in Other Financial Liabilities | 4,25,334 | (3,91,294) |
| Increase / (Decrease) in Other Current Liabilities | (16,02,585) | 42,01,802 |
| **Total** | **17,79,40,777** | **2,24,19,848** |
| Less: Income Tax Paid (net of refunds) | 1,23,47,002 | 1,69,46,399 |
| **Cash generated from Operating Activities (I)** | **16,55,93,776** | **54,73,449** |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

| Particluars | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|
| **Cash Flow from Investment Activities** | | |
| **Inflows** | | |
| Sale of Investments | 56,06,84,830 | 79,40,47,669 |
| Interest and Dividend Income | 44,65,997 | 42,20,484 |
| **Outflows** | | |
| Purchase of Fixed Assets | 21,43,94,509 | - |
| Purchase of Equity Investments (NET) | 59,69,20,845 | 72,18,19,568 |
| Capital Advances | - | - |
| **Cash Generated from Investing Activities (II)** | **(24,61,64,528)** | **7,64,48,585** |
| | | |
| **Cash Flow from Financing Acticities** | | |
| **Inflows** | | |
| Borrowings | - | 50,00,000 |
| **Outflows** | | |
| Finance Cost | - | - |
| Repayment of Borrowings | 50,00,000 | 25,00,000 |
| **Cash generated from Financing Activities (III)** | **(50,00,000)** | **25,00,000** |
| | | |
| **Net Increase / (Decrease) Cash and Cash Equivalents** | (8,55,70,752) | 8,44,22,034 |
| Add: Cash and Cash Equivalent at the Beginning of the Year | 8,79,92,258 | 35,70,224 |
| **Cash and Cash Equivalent at the End of the Year** | **24,21,506** | **8,79,92,258** |

**For R M R & CO.**

**Chartered Accountants**
ICAI Reg.No.106467W

**CA Ashish Mandowara**
Partner
Membership No.: 168656
Mumbai | 30th May, 2023

**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 | 2022-2023 | | 2021-2022 | |
|---|---|---|---|---|
| | 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 | - | | | |
| **As at March 31, 2023** | **1,92,96,750** | **19,29,67,500** | **1,92,96,750** | **19,29,67,500** |

**Note No.13: Other Equity**

| Particulars | Reserves and Surplus | | | | Other Comprehensive Income | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserves | Securities Premium | General Reserves | Retained Earnings | Equity Instruments FVTOCI | Revaluation of Fixed assets | Remeasurement of Employee benefits | Other OCI items | **Total** |
| **Balance as at April 01, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **8,16,47,603** | **6,96,55,795** | **6,15,89,573** | **(42,32,359)** | **(85,21,812)** | **31,62,68,924** |
| Profit for the year | | | | - | | | | | |
| Other Comprehensive income for the year | | | | 2,74,23,924 | (3,74,92,111) | | | | |
| **Balance as at June 30, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **10,90,71,526** | **3,21,63,684** | **6,15,89,573** | **(42,32,359)** | **(85,21,812)** | **30,62,00,737** |
| **Balance as at July 01, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **10,90,71,526** | **3,21,63,684** | **6,15,89,573** | **(42,32,359)** | **(85,21,812)** | **30,62,00,737** |
| Profit for the year | | | | 3,87,38,218 | | | | | |
| Other Comprehensive income for the year | | | | - | (1,14,75,646) | | | | |
| Other | | | | (1,92,96,750) | - | | | | |
| **Balance as on September 30, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **12,85,12,994** | **2,06,88,038** | **6,15,89,573** | **(42,32,359)** | **(85,21,812)** | **31,41,66,559** |
| **Balance as on October 01, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **12,85,12,994** | **2,06,88,038** | **6,15,89,573** | **(42,32,359)** | **(85,21,812)** | **31,41,66,559** |
| Profit for the year | | - | - | 3,70,94,718 | - | - | - | - | 3,70,94,718 |
| Other Comprehensive income for the year | | | | | (17,97,022) | | | | |
| **Balance as at December 31, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **16,56,07,712** | **1,88,91,016** | **6,15,89,573** | **(42,32,359)** | **(85,21,812)** | **34,94,64,255** |
| Profit for the year | | | | **(4,29,94,249)** | **-** | | | | |
| Other Comprehensive income for the year | | | | | **(3,00,29,186)** | | **3,85,005** | **91,46,578** | |
| **Balance as at March 31, 2023** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **12,26,13,463** | **(1,11,38,171)** | **6,15,89,573** | **(38,47,354)** | **6,24,766** | **28,59,72,402** |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

1 **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.

2 **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**

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 business model is to purchase the 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 generates 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. <u>Income tax:</u>**

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

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 31ST MARCH, 2023

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**

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,

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.

l. **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

- 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

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-of 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. **<u>Financial liabilities</u>**

**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. **<u>Loans and borrowings</u>**

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. **<u>Earnings per share</u>**

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.

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.

v. **Recent Accounting Pronouncement**

On 31st March 2023, the Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules a issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standard) Rules, 2015 by issuing the Companies (Indian Accounting Standard) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1** – Presentation of Financial Statements. The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind As 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

W. **Leases**

**The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the noncancellable period of a lease, together with both periodscovered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.**

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At April 01 2022 | Additions During the Year | Deductions During the Year | As At March 31 2023 | As At April 01 2022 | Additions During the Year | Deductions During the Year | As At March 31 2023 | As At March 31 2023 | As At March 31 2022 |
| Facility Land and Building | 3,85,69,602 | 23,19,24,745 | - | **27,04,94,347** | - | 51,03,020 | - | **51,03,020** | **26,53,91,327** | **3,85,69,602** |
| Plant and Machinery | 18,28,17,230 | 2,81,262 | 9,00,00,000 | **9,30,98,492** | 2,29,70,483 | 29,63,500 | - | **2,59,33,983** | **6,71,64,508** | **15,98,46,746** |
| Furniture and Fixtures | 41,77,533 | 42,373 | - | **42,19,906** | 20,04,070 | 2,43,591 | - | **22,47,661** | **19,72,244** | **21,73,463** |
| Computers | 28,81,355 | - | - | **28,81,355** | 27,79,882 | (23,235) | - | **27,56,647** | **1,24,708** | **1,01,473** |
| Vehicles | 1,44,89,048 | - | - | **1,44,89,048** | 1,11,68,837 | 9,90,834 | - | **1,21,59,671** | **23,29,377** | **33,20,211** |
| Office Equipment | 19,60,525 | 6,695 | - | **19,67,220** | 18,34,750 | 30,406 | - | **18,65,156** | **1,02,064** | **1,25,775** |
| **TOTAL** | **24,48,95,293** | **23,22,55,075** | **9,00,00,000** | **38,71,50,368** | **4,07,58,022** | **93,08,116** | **-** | **5,00,66,138** | **33,70,84,228** | **20,41,37,270** |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| | Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|---|---|---|---|---|
| | | No. of Shares | Amount (₹) | No. of Shares | Amount (₹) |
| I | **Investments in Equity Instruments** | | | | |
| | Unquoted, fully paid up | | | | |
| | **At Cost** | | | | |
| | **Investments in Subsidiaries, Associates and Joint ventures** | | | | |
| | **(i)** Ecoreco Enviro Education Private Limited | 8,49,999 | 84,99,990 | 8,49,999 | 84,99,990 |
| | **(ii)** Ecoreco Park Pvt Ltd | 45,00,000 | 4,50,00,000 | - | - |
| | **(iii)** ELV Recycling Pvt Ltd | 50,000 | 5,00,000 | | |
| | **At Fair Value Through Other Comprehensive Income** | | | | |
| | Sintex Industries Ltd | - | - | - | - |
| | Tata teleservices (Mah) Ltd | 6,50,000 | 3,60,68,500 | 6,53,000 | 10,89,53,050 |
| | NEPC Limited | - | - | 6,000 | 4,920 |
| | Jeypore Sugar Limited | - | - | 1,000 | 48,700 |
| | LIC Share | 66,000 | 3,52,86,900 | | |
| | IDFC First Bank | 2,00,000 | 1,10,04,000 | | |
| | Indian Railway Finance Corporation Ltd | 5,00,000 | 1,33,00,000 | | |
| | Vardhman Concrete (Stresscrete) | - | - | 20,000 | 1,52,000 |
| | **Total** | 68,15,999 | **14,96,59,390** | **15,29,999** | **11,76,58,660** |
| | Aggregate amount of **Unquoted** Investments at Cost | 53,99,999 | 5,39,99,990 | 8,49,999 | 84,99,990 |
| | Aggregate amount of **Quoted** Investments at Cost | | | | |
| | Market Value of **Quoted** investments | | | | |

## Note No. 4B: Investments - Current

| | Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|---|---|---|---|---|
| | | No. of Shares | Amount (₹) | No. of Shares | Amount (₹) |
| I | **Investments in Equity Instruments** | | | | |
| | **Quoted,** Fully Paid Up | | | | |
| | **At Fair Value Through Profit and Loss** | | | | |
| | Bharat Heavy Electricals limited | - | - | 1,50,000 | 74,02,500 |
| | Bank of Maharastra | - | - | 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 |
| | LIC Share | - | | - | - |
| | Sovereign Gold Bound | - | - | 100 | 4,71,900 |
| | IDFC First Bank | - | | 75,000 | 29,73,750 |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| | | | | |
|---|---|---|---|---|
| Indian Railway Finance Corporation Ltd | - | | 8,25,000 | 1,76,96,250 |
| Subex Limited | - | - | 5,000 | 16,05,000 |
| Jai Corp Limited | - | - | 5,000 | 5,46,250 |
| MMTC Limited | - | - | - | - |
| MSTC Limited | - | - | 3,000 | 9,18,900 |
| NLC Limited | - | - | 95,000 | 59,42,250 |
| NHPC Ltd | - | - | 1,50,000 | 41,70,000 |
| NMDC Limited | - | - | - | - |
| PNB Gilts Limited | - | - | 50,000 | 29,80,000 |
| Oricon Enterprises Ltd | 50,000 | 8,35,000 | - | - |
| Vodafone Idea Ltd | - | - | 1,75,000 | 16,94,000 |
| Yes Bank Limited | 2,286 | 34,404 | 4,62,286 | 56,81,495 |
| Ashoka Buildcon | - | - | 5,000 | 4,28,750 |
| Jindal Saw Limited | - | - | 10,000 | 9,00,500 |
| Oil & Natural Gas Corporation | - | - | - | - |
| J K Tyre & Industries Ltd | - | - | - | - |
| Navabharat Ventures Limited | - | - | - | - |
| Punjab National Bank | 20,000 | 9,34,200 | 75,000 | 26,28,750 |
| Rail Vikas Nigam Ltd | - | - | - | - |
| RPSG Ventures Limited | - | - | - | - |
| Tata Motors Ltd | - | - | 1,000 | 4,33,500 |
| Reliance Communications Ltd | - | - | 4,50,000 | 12,06,000 |
| Sintex Industries Limited | 10,000 | 36,700 | 10,000 | 78,200 |
| Steel Authority of India Ltd | 60,000 | 49,78,800 | 1,05,000 | 1,03,47,750 |
| Suzlon Energy Ltd | - | - | - | - |
| Tata Tele services Limited | - | - | - | - |
| Ruchi Soya Industries Limited | - | - | 500 | 4,77,800 |
| Zodiac Clothing Limited | - | - | 20,000 | 20,07,000 |
| **Total** | 1,42,286 | **68,19,104** | **29,03,386** | **9,22,99,635** |
| Aggregate amount of **Unquoted** investments at Cost | | | | - |
| Aggregate amount of **Quoted** investments at Cost | | | | |
| Market Value of **Quoted** investments | | **68,19,104** | | **9,22,99,635** |

**I Don’t waste-I Recycle**

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Security Deposits | 1,65,00,000 | 1,65,00,000 |
| Loans to related parties | | - |
| **Total** | **1,65,00,000** | **1,65,00,000** |

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

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Margin money deposits with bank | 47,77,466 | 45,03,256 |
| Finance lease receivables | | - |
| **Total** | **47,77,466** | **45,03,256** |

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

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Capital Advances | - | 1,93,08,133 |
| Security deposits | 1,23,530 | 90,710 |
| Advance Income tax | 2,54,862 | 2,06,28,623 |
| Receivable from Keynote capitals | 2,35,16,348 | 2,35,16,348 |
| **Total** | **2,38,94,740** | **6,35,43,814** |

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

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Stock in Trade | 2,91,77,127 | 3,05,34,352 |
| Finished Goods | 1,19,48,520 | 1,33,05,745 |
| **Total** | **4,11,25,646** | **4,38,40,097** |

**Note No. 9: Trade Receivables**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Trade Receivables (Refer Note below) | 1,74,01,004 | 1,00,85,389 |
| Outstanding for following periods from due date of payment : | | |
| Less than 6 month | 1,74,01,004 | |
| 6 month - 1 year | - | 1,00,85,389 |
| 1 year - 2 year | | |
| 2 year - 3 year | | |
| More than 3 years | | |
| Less: Provision for loss allowance | | |
| **Total** | **1,74,01,004** | **1,00,85,389** |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| | | |
|---|---|---|
| **Break-Up:** | | |
| Secured, considered good | | - |
| Unsecured, considered good | 1,74,01,004 | 1,00,85,389 |
| Trade Receivables with significant increase in credit risk | | - |
| Trade receivables - credit impaired | | - |
| | **1,74,01,004** | **1,00,85,389** |
| Less: Provision for Loss allowance | | - |
| **Total** | **1,74,01,004** | **1,00,85,389** |

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

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Cash on hand | 5,01,000 | 5,14,191 |
| Cheques, drafts on hand | | - |
| **Balance with banks** | | |
| In current accounts | 19,20,506 | 1,50,78,067 |
| In term deposits with banks (less than 3 months) | - | 7,24,00,000 |
| **Total** | **24,21,506** | **8,79,92,259** |

**Note No.11: Other current assets**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Security deposits | 14,24,197 | 29,35,129 |
| Loans to related parties | | |
| Loans and advances to employees | 2,13,000 | 55,000 |
| Other current loans | - | 20,354 |
| Advances to Suppliers | 17,06,247 | 1,34,57,230 |
| Prepaid expenses | 3,04,700 | - |
| Balances with government authorities | - | 5,96,952 |
| Advance Income tax | 1,37,48,180 | - |
| Others | 90,004 | 1,94,738 |
| **Total** | **1,74,86,328** | **1,72,59,403** |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| | | |
|---|---|---|
| **Break-Up:** | | |
| Secured, considered good | | |
| Unsecured,considered good | 1,74,86,328 | 1,72,59,403 |
| Loans which have a significant increase in credit risk | | |
| Loans which are credit impaired | | |
| | 1,74,86,328 | 1,72,59,403 |
| Less: Allowance for Doubtful fees | | |
| **Total** | **1,74,86,328** | **1,72,59,403** |

**Note No.14: Borrowings**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Loan from DSIR | - | 9,00,00,000 |
| Deposits | 15,00,000 | |
| Loans from related parties | | |
| Loans from Others | - | - |
| **Total** | **15,00,000** | **9,00,00,000** |
| **Secured** | | |
| **Unsecured** | **15,00,000** | **9,00,00,000** |
| **Total** | **15,00,000** | **9,00,00,000** |

**Note No.15A: Deferred Tax Liabilities**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Opening Balance | 1,13,10,691 | 52,34,444 |
| **Adjustments during the year** | | |
| Profit and Loss | (79,51,951) | 4,32,285 |
| Other Comprehensive Income | - | 56,43,962 |
| **Total** | **33,58,740** | **1,13,10,691** |

**Note No.15B: Deferred Tax Assets**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Opening Balance | - | - |
| **Adjustments during the year** | | |
| Profit and Loss | - | - |
| Other Comprehensive Income | 91,46,578 | - |
| **Total** | **91,46,578** | **-** |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note : 16 Non-current provisions**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Provision for emloyee benefits** | | |
| Provision for gratuity (net) | 71,98,446 | 71,14,616 |
| **Total** | **71,98,446** | **71,14,616** |

**Note No. 17: Trade Payables - Current**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Trade Payables:** | | |
| **- For Goods** | **10,57,09,517** | **1,87,90,910** |
| Outstanding for following periods from due date of payment : | | |
| Less than 6 month | 10,43,55,111 | |
| 6 month - 1 year | | 1,74,36,505 |
| 1 year - 2 year | 13,54,406 | 13,54,406 |
| 2 year - 3 year | | |
| More than 3 years | | |
| **- For Services** | **12,56,039** | **2,72,902** |
| Outstanding for following periods from due date of payment : | | |
| Less than 6 month | **12,56,039** | **4,29,080** |
| 6 month - 1 year | | |
| 1 year - 2 year | | |
| 2 year - 3 year | | |
| More than 3 years | | |
| **Total** | **10,69,65,555** | **1,90,63,812** |

**Note No.18: Current Libilities**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Loans Repayable on Demand | | - |
| - From banks | - | - |
| - From other parties | - | - |
| Loans and advances from related parties | - | 50,00,000 |
| Deposits | - | 15,00,000 |
| **Total** | **-** | **65,00,000** |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 19: Other current financial liabilities**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Salary Payable | 18,48,031 | 14,22,697 |
| Other payables | - | - |
| **Total** | **18,48,031** | **14,22,697** |

@ 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, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Revenue received in advance | - | - |
| Statutory dues payable | 18,297 | 22,341 |
| GST payable | 10,24,186 | 8,76,610 |
| Provident Fund payable | 59,945 | 71,797 |
| Income tax (TDS payable) | 7,89,676 | 8,28,406 |
| Advances from customers | 24,02,141 | 45,82,440 |
| Others | 8,16,765 | 3,32,000 |
| **Total** | **51,11,010** | **67,13,594** |

**Note No. 21: Current provisions**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| **Provision for emloyee benefits** | | |
| Provision for gratuity (net) | - | - |
| Provision for taxation | 1,23,91,643 | 1,64,57,948 |
| **Total** | **1,23,91,643** | **1,64,57,948** |

**Note No. 22: Revenue from operations**

| **PARTICULARS** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| **Sale of Stock in Trade** | | |
| Electric and Electronic Equipment | 11,31,93,012 | 12,06,73,965 |
| **Sale of services** | | |
| Data destruction charges | 4,25,86,542 | 1,76,27,269 |
| Other operating revenues | 2,15,57,278 | 1,27,46,693 |
| **Total** | **17,73,36,832** | **15,10,47,926** |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 23: Other Income**

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---:|---:|
| Gains from Sale of Shares | 2,57,26,917 | 9,84,61,314 |
| Sundry Balances Written Back | 32,68,677 | 1,40,528 |
| Dividend | 24,67,000 | 37,11,855 |
| Gain / (loss) on shares measured at FVTPL | 6,53,353 | 1,43,66,959 |
| Membership fees | 28,36,844 | - |
| Other Non operating income | 5,345 | 11,88,713 |
| Interest Income | 19,98,997 | 5,08,629 |
| **Total** | **3,69,57,132** | **11,83,77,997** |

**Note No. 24: Cost of Materials Consumed**

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---:|---:|
| Material Consumed | 4,01,20,392 | 7,13,17,095 |
| **Total** | **4,01,20,392** | **7,13,17,095** |

**Note No. 25: Purchases of Stock in Trade**

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---:|---:|
| Purchases | 1,68,88,375 | 93,18,000 |
| **Total** | **1,68,88,375** | **93,18,000** |

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

### Note No. 26: Changes in Inventories, Raw Material & Work in Progress

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|
| **Opening inventories** | | |
| 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 |
| **Closing Inventories** | | |
| Finished Goods | 1,19,48,520 | 1,33,05,745 |
| Stock in Trade | 2,91,77,127 | 3,05,34,352 |
| Work in Progress | - | - |
| | 4,11,25,646 | 4,38,40,097 |
| **Total** | **27,14,451** | **(2,18,70,392)** |

### Note No. 27: Employee benefit expenses

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|
| Salaries, Bonus and Other Allowances to staff | 1,00,65,020 | 87,58,587 |
| Remuneration to Directors | 1,74,00,000 | 1,81,50,000 |
| Contribution to Provident and Other funds | 5,47,624 | 5,17,316 |
| Gratuity and other long term employee benefits | 4,68,835 | 3,73,337 |
| Employee welfare expenses | 6,23,147 | 2,05,569 |
| **Total** | **2,91,04,626** | **2,80,04,809** |

### Note No. 28: Finance cost

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|
| Interest expenses | 14,61,454 | - |
| Other borrowing costs | - | - |
| **Total** | **14,61,454** | **-** |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 29: Other expenses**

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|
| Rent, Rates and Taxes | 1,81,815 | 98,99,000 |
| Freight and Transportation | 23,46,370 | 11,67,468 |
| Travelling and Conveyance | 26,53,380 | 6,11,292 |
| Legal and Professional Fees | 54,11,027 | 32,03,754 |
| Prior Period Expenses | 2,00,000 | |
| Retainership Expenses | 88,064 | 6,00,000 |
| Training Charges | 18,50,000 | 14,60,000 |
| Adertisement | 54,63,248 | 20,64,655 |
| ROC Charges | 7,300 | 4,700 |
| Bad Debts | 32,315 | |
| Insurance Premium | 6,07,780 | 8,80,353 |
| Bank Charges | 1,15,171 | 94,346 |
| Printing and Stationery | 1,71,813 | 1,09,403 |
| Repairs and Maintenance | 82,099 | 2,47,512 |
| Electricity Charges | 4,88,580 | 3,41,270 |
| Security Charges | 11,93,485 | 10,33,928 |
| Fees to Auditors | 2,70,000 | 3,00,000 |
| Annual Listing Fees | 3,61,309 | 4,94,360 |
| Loss of Damages in Building | - | 78,42,800 |
| Loss from Sale of Shares | - | - |
| Miscellaneous Expenses | 2,91,255 | 6,12,485 |
| Membership & Subscription Fees | 1,29,646 | 4,05,349 |
| Sundry Balances Written off | 1,97,84,526 | 56,115 |
| Software License | 3,85,000 | 3,61,240 |
| Share Trading | 16,25,468 | 17,29,874 |
| Telephone Expenses | 2,97,839 | 2,09,518 |
| Income Tax Expenses | - | 10,31,151 |
| Postage & Courier Charges | 2,09,675 | 1,51,946 |
| Business Promotion Expenses | 14,35,947 | 3,44,000 |
| Disocunt | - | 11,634 |
| Donation | - | 94,441 |
| Commision Paid | - | 2,24,990 |
| Interest Paid | 2,69,547 | 3,41,633 |
| Office Expenses | 10,13,846 | 12,59,928 |
| Exchnage Rate Fluctuation | 3,03,681 | 26,648 |
| Motor Car & Vehicle Expenses | 96,612 | 1,15,052 |
| Other Factory Expenses | 2,82,037 | 4,57,305 |
| Packaging Material & Charges | 2,54,605 | 98,452 |
| CSR Expenses | 13,52,000 | - |
| **Total** | **4,92,55,439** | **3,78,86,602** |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 30: Disclosure in Respect of Leases:**

**Finance Lease: Company as Lessee**

The Company's leasing arrangements are in respect of finance lease 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 mutally acceptable terms.

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

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| i) Not later than one year | 1,03,19,356 | 94,84,000 |
| ii) Later than one year and not later than five years | - | - |
| b) Lease payments recognized in the statement of profit & loss account | 1,03,19,356 | 94,84,000 |

**Note No. 31: Contingent Liabilities**

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| 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 31.03.2023 (Previous Year 31.03.2022) | 1,25,74,526 | 1,61,67,250 |

**Note No. 32: Payment to Auditors**

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| Audit Fees | 2,20,000 | 2,50,000 |
| Tax Audit Fees | 50,000 | 50,000 |
| **Total** | **2,70,000** | **3,00,000** |

**Note No. 33: Earnings in Foreign Currency**

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| Service Charges | 2,39,92,700 | 1,33,69,511 |
| **Total** | **2,39,92,700** | **1,33,69,511** |

**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.

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 35:** 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 consquential adjustments arising from reconcilaition if any. The management, however is of the view that there will be no material adjustments in this regards.

**Note No. 36:** The company is in the business of E-waste Recycling and Asset Management.

**Note No. 37:** **Related Party Transactions**
Related party disclosures as required by IND AS - 24, are given below "

**i) Relationships :**

(a) **Holding Company :-**
Ecoreco Ventures Private Limited

(b) **Subsidiary Company:-**
Ecoreco Enviro Education Private Limited
Ecoreco Park Private Limited

(c) **Associate Company:-**

ELV Recycling Private Limited

(d) **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

(e) **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
Mr. Kaushal Shukla - Company Secretary & Compliance Officer


# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

ii) **Transaction With Related Parties :-** **(Amount in Rs.)**

| Particulars | Key management personnel | Holding/ Subsidary | Common KMP |
|---|---|---|---|
| Remuneration | 1,76,36,770 | - | - |
| (Previous Year) | (1,74,00,000) | - | - |
| Sitting Fees | 1,85,000 | - | - |
| (Previous Year) | (1,40,000) | - | - |
| Rent | 42,00,000 | - | - |
| (Previous Year) | (36,00,000) | - | - |
| Sales to Eco Remarketing PVT. Ltd | - | - | 1,63,97,750 |
| Opening as on 01/04/2022- 10,50,200 | - | - | - |
| Closing as on 31/03/2023 - NIL | - | - | - |
| Purchase of E-waste from Reverse E-Commerce PVT. Ltd | - | | 62,74,373 |
| Opening as on 01/04/2022- 15,000 | - | - | - |
| Closing as on 31/03/2023 - NIL | - | - | - |
| Sale of Application Software to Reverse E-Commerce Pvt.Ltd | - | - | 41,00,000 |
| Training fees to Ecoreco Enviro Education Pvt. Ltd | - | 18,60,000 | - |
| Outstanding deposits in the beginning of the year | 1,50,00,000 | - | - |
| **Outstanding deposit at the end of the year** | **1,50,00,000** | **-** | **-** |

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

### Note No. 38: Earnings per share

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|
| **Earnings per share has been computed as under :** | | |
| (a) Profit and Loss for the period | 6,16,87,676 | 12,49,25,440 |
| (b) Weighted Average of number of equity shares outstanding | 1,92,96,750 | 1,92,96,750 |
| **Earnings per Share - BASIC Dilutes earnings per share is the same as basic earning per share** | **3.20** | **6.47** |

### Note No. 39: Fair value measurements

**The carrying value and fair values of financial assets and financial liabilities by categories as at March 31, 2023 is as follows:**

**(A) Financial instruments by category**

| | 31-Mar-23 | | | 31-Mar-22 | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Amortised Cost** | **FVTOCI** | **FVTPL** | **Amortised Cost** | **FVTOCI** | **FVTPL** |
| **Financial assets** | | | | | | |
| Investments | 5,39,99,990 | 9,56,59,400 | 68,19,104 | 84,99,990 | 10,91,58,670 | 9,22,99,635 |
| Trade receivables | 1,74,01,004 | - | - | 1,00,85,389 | - | - |
| Loans | 1,65,00,000 | - | - | 1,92,10,483 | - | - |
| Other Financial Assets | 47,77,466 | - | - | 30,10,483 | - | - |
| Cash and cash equivalents | 24,21,506 | - | - | 8,79,92,259 | - | - |
| **Total financial assets** | **9,50,99,966** | **9,56,59,400** | **68,19,104** | **12,87,98,604** | **10,91,58,670** | **9,22,99,635** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Financial liabilities** | | | | | | |
| | Borrowings | 15,00,000 | - | - | 9,65,00,000 | - | - |
| | Trade Payables | 10,69,65,554 | - | - | 1,90,63,811 | - | - |
| | Other financial liabilities | 18,48,031 | - | - | 14,22,697 | - | - |
| | **Total Financial liabilities** | **11,03,13,585** | **-** | **-** | **11,69,86,697** | **-** | **-** |

**(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. dereived 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, 2023 are as follows:**

| Financial Assets | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investments in Equity instruments | 15,64,78,494 | - | - | **15,64,78,494** |
| Investment in preference shares | - | - | - | **-** |
| **Total financial assets** | **15,64,78,494** | **-** | **-** | **15,64,78,494** |

**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 | - | - | - | **-** |
| **Total financial assets** | **20,14,58,305** | **-** | **-** | **20,14,58,305** |

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**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-23 | 31-Mar-22 |
|---|---|---|
| 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 | - | - |
| **Closing balance** | **Nil** | **Nil** |


# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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,2023 | Less than 1 year | More than 1 Year | Total |
|---|---|---|---|
| Trade Payable | 10,56,11,150 | 13,54,406 | **10,69,65,556** |
| Other financial liabilities | 18,48,031 | - | **18,48,031** |
| **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** |

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.

**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-23** | **31-Mar-22** |
| | Equity (excluding other reserves) | 19,29,67,500 | 19,29,67,500 |
| | Debt (current maturities and interest due) | - | - |
| | **Total** | **19,29,67,500** | **19,29,67,500** |

**Note No. 41:**

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

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**For R M R & CO.**

**Chartered Accountants**
ICAI Reg.No.106467W

**CA Ashish Mandowara**
Partner
Membership No.: 168656
Mumbai | 30th May, 2023

**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

# INDEPENDENT AUDITOR'S REPORT

**To**
**The Members of**
**Eco Recycling Limited**
**Report on the Consolidated Ind AS Financial Statements**

**Opinion**

We have audited the Consolidated financial statements of **ECO RECYCLING LIMITED** which comprise the Balance Sheet as at 31st March, 2023, 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, 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 Standerds prescribed under section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, (Ind AS) thereunder and other aacounting principles generally accepted in India, of the standalone state of affairs (financial position) of the Company as at **31st March 2023** and its standalone financial performance induding other comprehensive income), its standalone cash flows and standalone changes in equity for the year ended on that date.

**Basis for Opinion**

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 standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfIled 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. 7 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 financlal 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 2023, 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 but the company is of the view that it will not be able to recover the same and hence debited to profit and loss account.

3. **Note no. 3 & 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 disbursal, 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 settled as per the Order of Delhi High Court dated 17.03.2023 and now the company estimates that it is no longer liable to pay Rs. 900 Lakhs & therefore the value of the Fixed Assets which was acquired from the amount received from DSIR under the project has been reduced equally.

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficlent 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. Condude 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 amanner 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 significance 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, 2023, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 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 subsidairy 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.

   iv. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has

represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 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
30th May, 2023
**UDIN : 23168656BGXCKF7094**


## "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

**REFFERED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON THEIR LEGAL AND REGULATIRY REQUIREMENT" OF OUR REPORT ON EVEN DATE TO THE MEMBERS OF ECO RECYCLING LIMITED FOR THE YEAR ENDED ON 31st March, 2023.**

(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, 2023 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 discrepanices 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 made investments in subsidary companies but had not granted any unsecured loans to other parties, during the year and hence reporting under clause 3(iii)(c) to (f) of the Order is not applicable.

(a) Investment in ubsidary companies:

(A) The Company has made investments in its subsidary companies during the year as specified below:

| Name of the Companies | No. of Shares | Amount (in '000) |
|---|---:|---:|
| Ecoreco Park Private Limited | 18,00,000 | 45,000 |
| ELV Recycling Private Limited | 50,000 | 500 |

(B) The Company has not granted any unsecured loans to other parties, during the year and hence reporting under clause 3(iii)(a)(B) of the Order is not applicable.:

(b) According to information and explanation given to us, the investments made, guarantees provided, security given and the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

(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.

| Nature of Statue | Nature of Due | Amount in INR | F.Y. | Forum |
|---|---|---|---|---|
| Income Tax | Tax Dispute | 12,74,308 | 2018-2019 | CIT(A) |

(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, 2023 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.

(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 no resignation of the statutory auditors of the Company during the year.

(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
30th May, 2023
**UDIN : 23168656BGXCKF7094**

# "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 31st March, 2023 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 2023, 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 **For R M R & CO.**
Chartered Accountants
ICAI Reg.No.106467W

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

Mumbai
30th May, 2023
**UDIN : 23168656BGXCKF7094**

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

| Particulars | Note | As At March 31, 2023 | As At March 31, 2022 |
|---|---|---|---|
| **A ASSETS** | | | |
| **(1) Non Current Assets** | | | |
| (a) Property,Plant and Equipment | 3 | 33,72,02,503 | 20,42,91,606 |
| (b) Intangible Assets | | 1,58,125 | 1,89,750 |
| (c) **Financial Assets** | | | |
| (i) Investments | 4A | 9,61,59,400 | 10,91,58,670 |
| (ii) Loans | 5 | 1,65,00,000 | 1,65,00,000 |
| (iii) Other Financial Assets | 6 | 47,77,466 | 45,03,256 |
| Deferred Tax Assets | 15B | 91,67,202 | - |
| Other Non Current Assets | 7 | 2,38,94,740 | 6,35,43,814 |
| **Total Non-Current Assets** | | **48,78,59,436** | **39,81,87,096** |
| **(2) Current Assets** | | | |
| (a) Inventories | 8 | 4,11,25,646 | 4,38,40,097 |
| (b) **Financial Assets** | | | |
| (i) Investments | 4B | 4,92,76,918 | 9,22,99,635 |
| (ii) Trade Receivables | 9 | 2,44,67,287 | 1,00,85,389 |
| (Iii) Cash and Cash Equivalents | 10 | 1,15,69,025 | 9,89,54,421 |
| (iv) Bank Balances other than (iii) above | | - | 1,00,00,000 |
| (c) Other Current Assets | 11 | 1,81,22,673 | 1,76,32,302 |
| **Total Current Assets** | | **14,45,61,548** | **27,28,11,844** |
| **Total Assets** | | **63,24,20,984** | **67,09,98,940** |
| **B EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity Share Capital | 12 | 19,29,67,500 | 19,29,67,500 |
| (b) Other Equity | 13 | 26,53,35,421 | 30,29,77,780 |
| **Total Equity attributable to Parent** | | **45,83,02,921** | **49,59,45,280** |
| **Non-Controlling Interest** | | 1,29,31,802 | - |
| **Total Equity** | | **47,12,34,722** | **49,59,45,280** |
| **LIABILITIES** | | | |
| **(1) Non Current Liabilities** | | | |
| (a) **Financial Liabilities** | | | |
| Borrowings | 14 | 1,40,74,526 | 10,61,67,250 |
| Lease Liability | | 50,26,192 | - |
| (b) Provisions | 16 | 71,98,446 | 71,14,616 |
| (c) Deferred Tax Liabilities (Net) | 15 A | 33,33,192 | 1,12,85,143 |
| **Total Non-Current Liabilities** | | **2,96,32,356** | **12,45,67,009** |
| **(2) Current Liabilities** | | | |
| (a) **Financial Liabilities** | | | |
| (i) Borrowings | 18 | - | 65,00,000 |
| (ii) Lease Liability | | 39,76,471 | |
| (iii) Trade Payables | 17 | 10,77,85,554 | 1,90,87,412 |
| (iv) Other Financial Liabilities | 19 | 18,48,031 | 14,22,697 |
| (b) Other Current Liabilities | 20 | 52,01,010 | 67,48,594 |
| (c) Provisions | 21 | 1,27,42,839 | 1,67,27,948 |
| **Total Current Liabilities** | | **13,15,53,905** | **5,04,86,651** |
| **Total Equity and Liabilities** | | **63,24,20,984** | **67,09,98,940** |
| **See accompanying notes forming part of the financial statements** | | | |

**For R M R & CO.**

**For and on behalf of the Board of Directors**

**Chartered Accountants**
ICAI Reg.No.106467W

**CA Ashish Mandowara**
Partner
Membership No.: 168656
Mumbai | 30th May, 2023

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

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

**Kaushal Shukla**
Company Secretary
ACS39234

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

| | PARTICULARS | Note No. | Year Ended March 31 2023 ₹ | Year Ended March 31 2022 ₹ |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | (a) Revenue from Operations | 22 | 17,73,66,812 | 15,28,57,926 |
| | (b) Other Income | 23 | 3,78,85,449 | 11,87,08,009 |
| | **Total Income** | | **21,52,52,261** | **27,15,65,935** |
| II | **EXPENSES** | | | |
| | (a) Cost of Materials Consumed | 24 | 4,01,20,392 | 7,13,17,095 |
| | (b) Purchases of Stock-in-Trade | 25 | 1,68,88,375 | 93,18,000 |
| | (c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 26 | 27,14,451 | (2,18,70,392) |
| | (d) Employee Benefits Expense | 27 | 2,91,04,626 | 2,80,04,809 |
| | (e) Finance Costs | 28 | 14,61,454 | - |
| | (f) Depreciation and Amortisation Expense | 3 | 93,75,841 | 47,31,739 |
| | (g) Other Expenses | 29 | 4,95,48,091 | 3,79,42,404 |
| | **Total expenses** | | **14,92,13,230** | **12,94,43,655** |
| III | **Profit / (Loss) before Exceptional Items** | | **6,60,39,032** | **14,21,22,280** |
| IV | Exceptional Items | | - | - |
| V | **Profit / (Loss) before Tax** | | **6,60,39,032** | **14,21,22,280** |
| VI | **Tax Expense:** | | | |
| | **(a)** Current Tax | | 1,20,50,622 | 1,47,48,920 |
| | **(b)** Deferred Tax | | (79,47,033) | 4,32,285 |
| VII | **Profit / (Loss) for the year** | | **6,19,35,442** | **12,69,41,075** |
| VIII | **Other Comprehensive Income** | | | |
| (a) | **Items that will not be Reclassified to Profit or Loss** | | | |
| | **(i)** Measurement of Employment Defined Benefit Plans | | **3,85,005** | **(33,83,795)** |
| | **(ii)** Fair Value Changes of Equity Instruments | | **(8,03,08,618)** | **5,67,79,691** |
| (b) | **Income Tax relating to items in (a) above** | | **91,46,578** | **(56,43,962)** |
| | **Total Other Comprehensive Income (Net of Tax)** | | **(7,07,77,035)** | **4,77,51,934** |
| IX | **Total Comprehensive Income for the Period** | | **(88,41,593)** | **17,46,93,009** |
| X | **Earnings Per Share (Rs 10 per share fully paid up)** | | | |
| | **(a)** Basic | | 3.21 | 6.58 |
| | **(b)** Diluted | | 3.21 | 6.58 |
| | 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 | 30th May, 2023

**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

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| **Net Profit Before Tax** | **6,60,39,032** | **14,21,22,280** |
| **Adjustments for Non Cash and Other Items:** | | |
| Depreciation and Amortisation | 93,75,841 | 47,31,739 |
| Interest and Dividend Income | (52,10,870) | (44,76,316) |
| Finance Cost | 14,61,454 | - |
| Loss due to Damages | - | 67,17,507 |
| Sundry Balances Written Back | (32,78,677) | - |
| Provision for Gratuity | 4,68,835 | 4,06,737 |
| Gain/Loss on Sale of Investments | (2,45,48,288) | (11,28,28,273) |
| **Total** | **(2,17,31,704)** | **(10,54,48,605)** |
| **Operating Profit Before Working Capital Changes** | **4,43,07,328** | **3,66,73,675** |
| **Adjustments for:** | | |
| (Increase) / Decrease in Inventories | 27,14,451 | (2,18,70,392) |
| (Increase) / Decrease in Trade Receivables | (1,43,81,898) | 8,74,866 |
| (Increase) / Decrease in Loans and other Financial Assets | 5,60,21,987 | 35,26,315 |
| (Increase) / Decrease in other Current Assets | (4,90,371) | (2,10,73,355) |
| Increase / (Decrease) in other Non Current Liabilities | - | - |
| Increase / (Decrease) in other Trade Payables | 8,86,98,143 | 1,84,24,021 |
| Increase / (Decrease) in other Financial Liabilities | 4,25,334 | (3,91,294) |
| Increase / (Decrease) in other Current Liabilities | (15,47,585) | 42,07,621 |
| **Total** | **17,57,47,390** | **2,03,71,456** |
| Income Tax Paid (net of refunds) | 1,25,78,589 | 1,71,17,481 |
| **Cash generated from Operating Activities (I)** | **16,31,68,801** | **32,53,975** |

I Don't waste-I Recycle

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| | | |
|---|---|---|
| **Cash Flow from Investing Activities** | | |
| **Inflows** | | |
| Sale of Investments | 59,12,94,745 | 79,40,47,669 |
| Interest and Dividend Income | 52,10,870 | 81,88,171 |
| **Outflows** | | |
| Purchase of Fixed Assets | 21,43,94,509 | - |
| Purchase of Equity Investments (NET) | 62,40,72,600 | 72,18,19,568 |
| **Cash generated from Investing Activities (II)** | **(24,19,61,494)** | **8,04,16,272** |
| | | |
| **Cash Flow from Financing Acticities** | | |
| **Inflows** | | |
| Borrowings | - | 50,00,000 |
| **Outflows** | | |
| Finance Cost | - | - |
| Repayment of Borrowings | 85,92,724 | 60,92,724 |
| **Cash generated from Financing Activities (III)** | **(85,92,724)** | **(10,92,724)** |
| | | |
| **Net Increase / (Decrease) Cash and Cash Equivalents** | (8,73,85,417) | 8,25,77,522 |
| Add: Cash and Cash Equivalent at the Beginning of the Year | 9,89,54,422 | 1,63,76,899 |
| **Cash and Cash Equivalent at the End of the Year** | **1,15,69,004** | **9,89,54,421** |

**For R M R & CO.**

**Chartered Accountants**
ICAI Reg.No.106467W

**CA Ashish Mandowara**
Partner
Membership No.: 168656
Mumbai | 30th May, 2023

**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, 2023

### Note No. 12 Equity Share Capital

| A | Particulars | 2022-2023 | | 2021-2022 | |
|---|---|---|---|---|---|
| | | No. of shares | Amount | No. of shares | Amount |
| | **(A) Equity Share Capital** | | | | |
| | 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 | - | | | |
| | **As at March 31, 2023** | **1,92,96,750** | **19,29,67,500** | **1,92,96,750** | **19,29,67,500** |

### Note No. 13 Other Equity

| Particulars | Reserves and Surplus | | | | Other Comprehensive Income | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserves | Securities premium | General Reserves | Retained Earnings | Equity Instruments FVTOCI | Revaluation of Fixed Asstes | Remeasurements of employee benefits expense | Other OCI Items | Non-Controlling Interest | **Total** |
| **Balance as at April 01, 2022** | **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** |
| Profit for the year | | | | - | | | | | | |
| Other Comprehensive income for the year | | | | 2,74,23,924 | (3,74,92,111) | | | | - | |
| **Balance as at June 30, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **9,57,80,384** | **7,52,33,190** | **1,85,20,066** | **(42,32,359)** | **(85,21,812)** | **-** | **29,29,09,593** |
| **Balance as at July 01, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **9,57,80,384** | **7,52,33,190** | **1,85,20,066** | **(42,32,359)** | **(85,21,812)** | **-** | **29,29,09,593** |
| Profit for the year | | | | 3,87,38,218 | | | | | | |
| Other Comprehensive income for the year | | | | - | (1,09,90,299) | | | | | |
| Dividend Distributed | | | | (1,92,96,750) | - | | | | | |
| **Balance as on September 30, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **11,52,21,852** | **6,42,42,891** | **1,85,20,066** | **(42,32,359)** | **(85,21,812)** | | **30,13,60,763** |
| **Balance as on October 01, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **11,52,21,852** | **6,42,42,891** | **1,85,20,066** | **(42,32,359)** | **(85,21,812)** | | **30,13,60,763** |
| Profit for the year | | - | - | 3,81,43,787 | - | - | - | - | | 3,81,43,787 |
| Other Comprehensive income for the year | | | | | (17,97,022) | | | | | |
| **Balance as at December 31, 2022** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **15,33,65,639** | **6,24,45,869** | **1,85,20,066** | **(42,32,359)** | **(85,21,812)** | | **33,77,07,528** |
| Profit for the year | | | | (5,18,74,503) | - | | | | 1,29,31,802 | |
| Other Comprehensive income for the year | | | | | (3,00,29,186) | | 3,85,005 | 91,46,578 | | |
| **Balance as at March 31, 2023** | **3,51,15,495** | **8,08,57,500** | **1,57,130** | **10,14,91,135** | **3,24,16,683** | **1,85,20,066** | **(38,47,354)** | **6,24,766** | **1,29,31,802** | **27,82,67,222** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

1 (A) **Principles of consolidation:**

The consolidated financial statements relate to the Company and its subsidiary company and companies controlled, that is, companies over which the Company exercises control over ownership and voting power (herein after collectively referred to as the "Group"). The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses in accordance with the 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.

b. Investments in subsidiary are eliminated and differences between the costs of investment over the net assets on the date of the investment in subsidiaries are recognised as goodwill or capital reserve, as the case may be.

c. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's stand alone financial statements.

| Name of the Subsidiary Companies | Country of incorporation | % holding |
|---|---|---|
| Ecoreco Enviro Education Private Limited | India | 100% |
| Ecoreco Park Private Limited | India | 78.26% |

| Name of the Associate Companies | Country of incorporation | % holding |
|---|---|---|
| ELV Recycling Private Limited | India | 50% |

Investments other than in Subsidiaries are accounted as per IND AS – 109 – "Accounting for Investments".

2 **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**

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 business model is to purchase the e-waste scrap, 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 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. <u>Income tax:</u>

**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. <u>Non-current assets held for sale/ distribution to owners and</u>

**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.

| 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, 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. <u>Foreign currencies</u>**

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
- 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

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-of 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. <u>**Financial liabilities**</u>

**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. <u>**Loans and borrowings**</u>

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. <u>**Earnings per share**</u>

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.

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.

v. **Recent Accounting Pronouncement**

On 31st March 2023, the Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules a issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standard)Rules, 2015 by issuing the Companies (Indian Accounting Standard) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1** – Presentation of Financial Statements. The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind As 12- Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

w. **Leases**

**The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the noncancellable period of a lease, together with both periodscovered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At April 01 2022 | Additions During the Year | Deductions During the Year | As At March 31 2023 | As At April 01 2022 | Additions During the Year | Deductions During the Year | As At March 31 2023 | As At March 31 2023 | As At March 31 2022 |
| **Facility Land and Building** | 3,85,69,602 | 23,19,24,745 | - | **27,04,94,347** | - | 51,03,020 | - | **51,03,020** | **26,53,91,327** | **3,85,69,602** |
| **Plant and Machinery** | 18,28,17,230 | 2,81,262 | 9,00,00,000 | **9,30,98,492** | 2,29,70,483 | 29,63,500 | - | **2,59,33,983** | **6,71,64,508** | **15,98,46,747** |
| **Furniture and Fixtures** | 45,57,533 | 42,373 | - | **45,99,906** | 22,29,695 | 2,79,691 | - | **25,09,386** | **20,90,519** | **23,27,798** |
| **Computers** | 28,81,355 | - | - | **28,81,355** | 27,79,882 | (23,235) | - | **27,56,647** | **1,24,708** | **1,01,473** |
| **Vehicles** | 1,44,89,048 | - | - | **1,44,89,048** | 1,11,68,837 | 9,90,834 | - | **1,21,59,671** | **23,29,377** | **33,20,211** |
| **Office Equipments** | 22,98,525 | 6,695 | - | 23,05,220 | 21,72,750 | 30,406 | - | **22,03,156** | **1,02,064** | **1,25,775** |
| **TOTAL** | **24,56,13,293** | **23,22,55,075** | **9,00,00,000** | **38,78,68,368** | **4,13,21,647** | **93,44,216** | **-** | **5,06,65,863** | **33,72,02,503** | **20,42,91,606** |

### Note No. 3: INTANGIBLE ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As At April 01 2022 | Additions During the Year | Deductions During the Year | As At March 31 2023 | As At April 01 2022 | Additions During the Year | Deductions During the Year | As At March 31 2023 | As At March 31 2023 | As At March 31 2022 |
| **Content Development** | 3,16,250 | - | - | **3,16,250** | 1,26,500 | 31,625 | - | **1,58,125** | **1,58,125** | **1,89,750** |
| **TOTAL** | **3,16,250** | **-** | **-** | **3,16,250** | **1,26,500** | **31,625** | **-** | **1,58,125** | **1,58,125** | **1,89,750** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| | Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|---|---|---|---|---|
| | | No. of Shares | Amount | No. of Shares | Amount |
| I | **Investments in Equity Instruments** | | | | |
| | Unquoted, fully paid up | | | | |
| | **At Cost** | | | | |
| | **Investments in Subsidiaries, Associates and Joint ventures** | | | | |
| | **(i)** ELV Recycling Pvt Ltd | 50,000 | 5,00,000 | | |
| | **At Fair Value Through Other Comprehensive Income** | | | | |
| | Sintex Industries Ltd | - | - | - | - |
| | Tata teleservices (Mah) Ltd | 6,50,000 | 3,60,68,500 | 6,53,000 | 10,89,53,050 |
| | NEPC Limited | - | - | 6,000 | 4,920 |
| | Jeypore Sugar Limited | - | - | 1,000 | 48,700 |
| | LIC Share | 66,000 | 3,52,86,900 | | |
| | IDFC First Bank | 2,00,000 | 1,10,04,000 | | |
| | Indian Railway Finance Corporation Ltd | 5,00,000 | 1,33,00,000 | | |
| | Vardhman Concrete (Stresscrete) | - | - | 20,000 | 1,52,000 |
| | **Total** | 14,66,000 | **9,61,59,400** | **6,80,000** | **10,91,58,670** |
| | Aggregate amount of **Unquoted** Investments at Cost | 50,000 | 5,00,000 | - | - |
| | Aggregate amount of **Quoted** Investments at Cost | | | | |
| | Market Value of **Quoted** investments | | | | |

## Note No. 4B: Investments - Current

| | Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|---|---|---|---|---|
| | | No. of Shares | Amount | No. of Shares | Amount |
| I | **Investment in Equity Instruments** | | | | |
| | **Quoted,** fully paid up | | | | |
| | **At Fair Value Through Profit and Loss** | | | | |
| | Bharat Heavy Electricals limited | - | - | 1,50,000 | 74,02,500 |
| | Vardhman Concrete (Stresscrete) | 20,000 | 2,27,200 | | |
| | Bank of Maharastra | - | - | 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) | 23,500 | 1,49,69,500 | 1,000 | 5,28,200 |
| | Shree Cement Ltd | - | - | 500 | 1,19,96,550 |
| | LIC Share | - | | - | - |
| | Sovereign Gold Bound | 100 | 5,45,501 | 100 | 4,71,900 |
| | IDFC First Bank | - | | 75,000 | 29,73,750 |
| | Indian Railway Finance Corporation Ltd | 1,25,000 | 3325000 | 8,25,000 | 1,76,96,250 |

| | | | | |
|---|---:|---:|---:|---:|
| Subex Limited | 50,000 | 14,18,500 | 5,000 | 16,05,000 |
| Jai Corp Limited | - | - | 5,000 | 5,46,250 |
| MMTC Limited | 50,000 | 13,95,000 | - | - |
| MSTC Limited | 1,000 | 2,52,900 | 3,000 | 9,18,900 |
| Udaipur Cement | 60,000 | 15,60,600 | | |
| NLC Limited | - | - | 95,000 | 59,42,250 |
| NHPC Ltd | - | - | 1,50,000 | 41,70,000 |
| NMDC Limited | - | - | - | - |
| NDTV | 4,000 | 7,68,800 | | |
| Jeypore Sugar | 1,000 | 100 | - | - |
| NEPC | 6,000 | 600 | - | - |
| PNB Gilts Limited | 40,000 | 22,90,800 | 50,000 | 29,80,000 |
| Oricon Enterprises Ltd | 50,000 | 8,35,000 | - | - |
| Vodafone Idea Ltd | 6,00,000 | 34,92,000 | 1,75,000 | 16,94,000 |
| Yes Bank Limited | 5,02,286 | 75,59,404 | 4,62,286 | 56,81,495 |
| Ashoka Buildcon | - | - | 5,000 | 4,28,750 |
| Jindal Saw Limited | - | - | 10,000 | 9,00,500 |
| Oil & Natural Gas Corporation | - | - | - | - |
| J K Tyre & Industries Ltd | - | - | - | - |
| Navabharat Ventures Limited | - | - | - | - |
| Punjab National Bank | 20,000 | 9,34,200 | 75,000 | 26,28,750 |
| Rail Vikas Nigam Ltd | - | - | - | - |
| RPSG Ventures Limited | - | - | - | - |
| Tata Motors Ltd | - | - | 1,000 | 4,33,500 |
| Reliance Industries Ltd | 1,250 | 29,13,813 | | |
| Reliance Communications Ltd | 7,50,000 | 9,60,000 | 4,50,000 | 12,06,000 |
| Sintex Industries Limited | 10,000 | 36,700 | 10,000 | 78,200 |
| Steel Authority of India Ltd | 60,000 | 49,78,800 | 1,05,000 | 1,03,47,750 |
| Suzlon Energy Ltd | - | - | - | - |
| Tata Tele services Limited | - | - | - | - |
| Ruchi Soya Industries Limited | - | - | 500 | 4,77,800 |
| Zodiac Clothing Limited | 10,000 | 8,12,500 | 20,000 | 20,07,000 |
| **Total** | **23,84,136** | **4,92,76,918** | **29,03,386** | **9,22,99,635** |
| Aggregate amount of **Unquoted** investments at Cost | | | | |
| Aggregate amount of **Quoted** investments at Cost | | | | |
| Market Value of **Quoted investments** | | **4,92,76,918** | | **9,22,99,635** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Security Deposits | 1,65,00,000 | 1,65,00,000 |
| Loans to related parties | - | - |
| **Total** | **1,65,00,000** | **1,65,00,000** |

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

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Margin money deposits with bank | 47,77,466 | 45,03,256 |
| Finance lease receivables | - | - |
| **Total** | **47,77,466** | **45,03,256** |

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

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Capital Advances | - | 1,93,08,133 |
| Security deposits | 1,23,530 | 90,710 |
| Advance Income tax | 2,54,862 | 2,06,28,623 |
| Receivable from Keynote capitals | 2,35,16,348 | 2,35,16,348 |
| **Total** | **2,38,94,740** | **6,35,43,814** |

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

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Stock in Trade | 2,91,77,127 | 3,05,34,352 |
| Finished goods | 1,19,48,520 | 1,33,05,745 |
| **Total** | **4,11,25,646** | **4,38,40,097** |

**I Don't waste-I Recycle**

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 9: Trade Receivables**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Outstanding for following periods from due date of payment : | 2,44,67,287 | 1,00,85,389 |
| Less than 6 month | | |
| 6 month - 1 year | 2,44,67,287 | |
| 1 year - 2 year | - | 1,00,85,389 |
| 2 year - 3 year | | |
| More than 3 years | | |
| Less: Provision for loss allowance | - | - |
| **Total** | **2,44,67,287** | **1,00,85,389** |
| **Break-Up:** | - | - |
| Secured, considered good | - | - |
| Unsecured,considered good | 2,44,67,287 | 1,00,85,389 |
| Trade Receivables with significant increase in credit risk | - | - |
| Trade receivables - credit impaired | - | - |
| | **2,44,67,287** | **1,00,85,389** |
| Less: Provision for Loss allowance | - | - |
| **Total** | **2,44,67,287** | **1,00,85,389** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Cash on hand | 5,01,000 | 5,14,191 |
| Cheques, drafts on hand | - | - |
| **Balance with banks** | | |
| In current accounts | 35,68,025 | 1,68,40,229 |
| In term deposits with banks (less than 3 months) | - | 7,24,00,000 |
| Fixed Deposites | 75,00,000 | 92,00,000 |
| **Total** | **1,15,69,025** | **9,89,54,421** |

**Note No. 11: Other current assets**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Security deposits | 14,24,197 | 29,35,129 |
| Loans to related parties | | |
| Loans and advances to employees | 2,13,000 | 55,000 |
| Other current loans | - | 20,354 |
| Advances to Suppliers | 17,06,247 | 1,34,57,230 |
| Prepaid expenses | 3,04,700 | 2,01,818 |
| Balances with government authorities | 2,59,487 | 7,68,034 |
| Advance Income tax | 1,37,48,180 | - |
| Others | 4,66,862 | 1,94,738 |
| | **1,81,22,673** | **1,76,32,303** |
| Less: Provision for Loss allowance | - | - |
| **Total** | **1,81,22,673** | **1,76,32,303** |
| **Break-Up:** | | |
| Secured, considered good | | |
| Unsecured,considered good | 1,81,22,673 | 1,76,32,303 |
| Loans which have a significant increase in credit risk | | |
| Loans which are credit impaired | | |
| | 1,81,22,673 | 1,76,32,303 |
| Less: Allowance for Doubtful fees | | |
| **Total** | **1,81,22,673** | **1,76,32,303** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Loan from DSIR | - | 9,00,00,000 |
| Loans from NSDC | 1,25,74,526 | 1,61,67,250 |
| Loans from related parties | | |
| Deposits | 15,00,000 | - |
| **Total** | **1,40,74,526** | **10,61,67,250** |
| **Secured** | - | - |
| **Unsecured** | 1,40,74,526 | 9,00,00,000 |
| **Total** | **1,40,74,526** | **9,00,00,000** |

**Note No.15A: Deferred Tax Liabilities**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Opening Balance | 1,12,85,143 | 52,34,444 |
| **Adjustments during the year** | | |
| Profit and Loss | (79,51,951) | 4,06,737 |
| Other Comprehensive Income | - | 56,43,962 |
| **Total** | **33,33,192** | **1,12,85,143** |

**Note No.15B: Deferred Tax Assets**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Opening Balance | - | - |
| Opeing Adjustment (Regrouping) | 15,706 | |
| **Adjustments during the year** | | |
| Profit and Loss | 4,918 | - |
| Other Comprehensive Income | 91,46,578 | - |
| **Total** | **91,67,202** | **-** |

**Note No. 16: Non-current provisions**

| **Particulars** | **As at 31 March, 2023** | **As at 31 March, 2022** |
|---|---|---|
| Provision for emloyee benefits | | |
| Provision for gratuity (net) | 71,98,446 | 71,14,616 |
| **Total** | **71,98,446** | **71,14,616** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 17: Trade Payables - Current**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Trade Payables:** | | |
| **-For Goods** | **10,57,09,517** | **1,87,90,910** |
| Outstanding for following periods from due date of payment : | | |
| Less than 6 month | 10,43,55,111 | - |
| 6 month - 1 year | - | 1,74,36,505 |
| 1 year - 2 year | 13,54,406 | 13,54,406 |
| 2 year - 3 year | | |
| More than 3 years | | |
| **-For Services** | **20,76,039** | **2,96,502** |
| Outstanding for following periods from due date of payment : | | |
| Less than 6 month | 20,76,039 | 2,96,502 |
| 6 month - 1 year | | |
| 1 year - 2 year | | |
| 2 year - 3 year | | |
| More than 3 years | | |
| **Total** | **10,77,85,555** | **1,90,87,412** |

**Note No.18: Current Libilities**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Loans Repayable on Demand | | - |
| - From banks | - | - |
| - From other parties | - | - |
| Loans and advances from related parties | - | 50,00,000 |
| Deposits | | 15,00,000 |
| **Total** | **-** | **65,00,000** |


# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 19: Other current financial liabilities**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Salary Payable | 18,48,031 | 14,22,697 |
| Other payables | - | - |
| **Total** | **18,48,031** | **14,22,697** |

@ 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, 2023 | As at 31 March, 2022 |
|---|---|---|
| Revenue received in advance | - | - |
| Statutory dues payable | 18,297 | 52,341 |
| GST payable | 10,24,186 | 8,76,610 |
| Provident Fund payable | 59,945 | 71,797 |
| Income tax (TDS payable) | 8,79,676 | 8,28,406 |
| Advances from customers | 24,02,141 | 45,82,440 |
| Others | 8,16,765 | 3,37,000 |
| **Total** | **52,01,010** | **67,48,594** |

**Note No. 21: Current Provisions**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Provision for emloyee benefits** | | |
| Provision for gratuity (net) | - | - |
| Provision for taxation | 1,27,42,839 | 1,67,27,948 |
| **Total** | **1,27,42,839** | **1,67,27,948** |

**Note 22: Revenue from operations**

| PARTICULARS | Year Ended March 31st 2023 | As at 31 March, 2022 |
|---|---|---|
| **Sale of Stock in Trade** | | |
| Electric and Electronic Equipment | 11,31,93,012 | 12,06,73,965 |
| **Sale of Services** | | |
| Data Destruction charges | 4,25,86,542 | 1,76,27,269 |
| Other operating revenues | 2,15,87,258 | 1,45,56,693 |
| **Total** | **17,73,66,812** | **15,28,57,926** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 23: Other Income**

| PARTICULARS | Year Ended March 31st 2023 | As at 31 March, 2022 |
|---|---|---|
| Gains from Sale of Shares | 2,57,25,552 | 9,84,61,314 |
| Sundry Balances Written Back | 32,78,677 | 1,69,708 |
| Dividend | 24,76,450 | 37,11,855 |
| Gain / (loss) on shares measured at FVTPL | (11,77,264) | 1,43,66,959 |
| Derivative Gain | 48,42,271 | |
| Membership fees | - | - |
| Other Non operating income | 5,345 | 12,33,713 |
| Interest Income | 27,34,420 | 7,64,461 |
| **Total** | **3,78,85,449** | **11,87,08,009** |

**Note No. 24: Cost of Materials Consumed**

| PARTICULARS | Year Ended March 31st 2023 | As at 31 March, 2022 |
|---|---|---|
| Material Consumed | 4,01,20,392 | 7,13,17,095 |
| **Total** | **4,01,20,392** | **7,13,17,095** |

**Note No. 25: Purchases of Stock in Trade**

| PARTICULARS | Year Ended March 31st 2023 | As at 31 March, 2022 |
|---|---|---|
| Purchases | 1,68,88,375 | 93,18,000 |
| **Total** | **1,68,88,375** | **93,18,000** |

**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 |
|---|---|---|
| **Opening inventories** | | |
| 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 |
| **Closing Inventories** | | |
| Finished goods | 1,19,48,520 | 1,33,05,745 |
| Stock in Trade | 2,91,77,127 | 3,05,34,352 |
| Work in progress | - | - |
| | 4,11,25,646 | 4,38,40,097 |
| **Total** | **27,14,451** | **(2,18,70,392)** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 27: Employee Benefit Expenses**

| PARTICULARS | Year Ended March 31st 2023 | As at 31 March, 2022 |
|---|---|---|
| Salaries, Bonus and Other Allowances to staff | 1,00,65,020 | 87,58,587 |
| Remuneration to Directors | 1,74,00,000 | 1,81,50,000 |
| Contribution to Provident and Other Funds | 5,47,624 | 5,17,316 |
| Gratuity and other long term employee benefits | 4,68,835 | 3,73,337 |
| Employee Welfare expenses | 6,23,147 | 2,05,569 |
| **Total** | **2,91,04,626** | **2,80,04,809** |

**Note No. 28: Finance Cost**

| PARTICULARS | Year Ended March 31st 2023 | As at 31 March, 2022 |
|---|---|---|
| Interest expenses | 14,61,454 | - |
| Other Borrowing costs | - | - |
| **Total** | **14,61,454** | **-** |

**Note No. 29: Other Expenses**

| PARTICULARS | Year Ended March 31st 2023 | As at 31 March, 2022 |
|---|---|---|
| Rent, Rates and Taxes | 1,81,815 | 98,99,000 |
| Freight and Transportation | 23,46,370 | 11,67,468 |
| Travelling and Conveyance | 26,53,380 | 6,11,292 |
| Legal and Professional Fees | 63,17,827 | 30,29,754 |
| Prior Period Expenses | 2,00,000 | |
| Retainership Expenses | 88,064 | 6,00,000 |
| Training Charges | - | 14,60,000 |
| Adertisement | 54,63,248 | 20,64,655 |
| ROC Charges | 10,03,500 | 5,900 |
| Bad Debts | 32,315 | |
| Insurance Premium | 6,07,780 | 8,80,353 |
| Bank Charges | 1,15,171 | 94,346 |
| Printing and Stationery | 1,71,813 | 1,09,403 |
| Repairs and Maintenance | 82,099 | 2,47,512 |
| Electricity Charges | 4,88,580 | 3,41,270 |
| Security Charges | 11,93,485 | 10,33,928 |
| Fees to Auditors | 2,80,000 | 3,28,600 |
| Annual Listing Fees | 3,61,309 | 4,94,360 |
| Loss of Damages in Building | - | 78,42,800 |
| Loss from Sale of Shares | - | - |
| Miscellaneous Expenses | 2,91,221 | 6,12,485 |
| Membership & Subscription Fees | 1,29,646 | 4,05,349 |
| Sundry Balances Written off | 1,98,63,808 | 56,115 |
| Software License | 3,85,000 | 3,61,240 |

| | | |
|---|---|---|
| Share Trading | 17,75,872 | 17,29,874 |
| Telephone Expenses | 2,97,839 | 2,09,518 |
| Income Tax Expenses | - | 10,31,151 |
| Postage & Courier Charges | 2,09,675 | 1,51,946 |
| Business Promotion Expenses | 13,68,807 | 3,44,000 |
| Disocunt | - | 11,634 |
| Donation | - | 94,441 |
| Commision Paid | - | 2,24,990 |
| Interest Paid | 2,69,547 | 3,41,633 |
| Office Expenses | 10,80,986 | 14,59,928 |
| Exchnage Rate Fluctuation | 3,03,681 | 26,648 |
| Motor Car & Vehicle Expenses | 96,612 | 1,15,052 |
| Other Factory Expenses | 2,82,037 | 4,57,305 |
| Packaging Material & Charges | 2,54,605 | 98,452 |
| CSR Expenses | 13,52,000 | - |
| **Total** | **4,95,48,091** | **3,79,42,402** |

**Note No. 30: Disclosure in Respect of Leases:**

**Finance Lease: Company as Lessee**

The Company's leasing arrangements are in respect of finance lease 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 mutally acceptable terms.

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

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| i) Not later than one year | 1,03,19,356 | 94,84,000 |
| ii) Later than one year and not later than five years | - | - |
| b) Lease payments recognized in the statement of profit & loss account | 1,03,19,356 | 94,84,000 |

**Note No. 31: Contingent Liabilities**

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| 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 31.03.2023 (Previous Year 31.03.2022) | 1,25,74,526 | 1,61,67,250 |

**Note No. 32: Payment to Auditors**

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| Audit Fees | 2,30,000 | 2,78,600 |
| Tax Audit Fees | 50,000 | 50,000 |
| **Total** | **2,80,000** | **3,28,600** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

**Note No. 33: Earnings in Foreign Currency**

| Particulars | 2022-2023 | 2021-2022 |
|---|---|---|
| Service Charges | 2,39,92,700 | 1,33,69,511 |
| **Total** | **2,39,92,700** | **1,33,69,511** |

**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:** 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 consquential adjustments arising from reconcilaition if any. The management, however is of the view that there will be no material adjustments in this regards.

**Note No. 36:** The company is in the business of E-waste Recycling and Asset Management.

**Note No. 37:** **Related Party Transactions**

Related party disclosures as required by IND AS - 24, are given below "

i) **Relationships :**

(a) **Holding Company :-**
Ecoreco Ventures Private Limited

(b) **Subsidiary Company:-**
Ecoreco Enviro Education Private Limited
Ecoreco Park Private Limited

(c) **Associate Company:-**

ELV Recycling Private Limited

(d) **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

(e) **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
Mr. Kaushal Shukla - Company Secretary & Compliance Officer

**ii) Transaction With Related Parties :-** **(Amount in Rs.)**

| Particulars | Key management personnel | Holding/ Subsidary | Common KMP |
|---|---|---|---|
| Remuneration | 1,76,36,770 | - | - |
| (Previous Year) | (1,74,00,000) | - | - |
| Sitting Fees | 1,85,000 | - | - |
| (Previous Year) | (1,40,000) | - | - |
| Rent | 42,00,000 | - | - |
| (Previous Year) | (36,00,000) | - | - |
| Sales to Eco Remarketing PVT. Ltd | - | - | 1,63,97,750 |
| Opening as on 01/04/2022- 10,50,200 | - | - | - |
| Closing as on 31/03/2023 - NIL | - | - | - |
| Purchase of E-waste from Reverse E-Commerce PVT. Ltd | - | | 62,74,373 |
| Opening as on 01/04/2022- 15,000 | - | - | - |
| Closing as on 31/03/2023 - NIL | - | - | - |
| Sale of Application Software to Reverse E-Commerce Pvt.Ltd | - | - | 41,00,000 |
| Training fees to Ecoreco Enviro Education Pvt. Ltd | - | 18,60,000 | - |
| Outstanding deposits in the beginning of the year | 1,50,00,000 | - | - |
| **Outstanding deposit at the end of the year** | **1,50,00,000** | **-** | **-** |

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

### Note No. 38: Earnings per share

| PARTICULARS | Year Ended March 31 2023 | Year Ended March 31 2022 |
|---|---|---|
| **Earnings per share has been computed as under :** | | |
| (a) Profit and Loss for the period | 6,19,35,442 | 12,69,41,075 |
| (b) Weighted Average of number of equity shares outstanding | 1,92,96,750 | 1,92,96,750 |
| **Earnings per Share - BASIC Dilutes earnings per share is the same as basic earning per share** | **3.21** | **6.58** |

### Note No. 39: Fair value measurements

**The carrying value and fair values of financial assets and financial liabilities by categories as at March 31, 2023 is as follows:**

**(A) Financial instruments by category**

| | 31-Mar-23 | | | 31-Mar-22 | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Amortised Cost** | **FVTOCI** | **FVTPL** | **Amortised Cost** | **FVTOCI** | **FVTPL** |
| **Financial assets** | | | | | | |
| Investments | - | 9,56,59,400 | 4,97,76,918 | 84,99,990 | 10,91,58,670 | 9,22,99,635 |
| Trade receivables | 2,44,67,287 | - | - | 1,00,85,389 | - | - |
| Loans | 1,65,00,000 | - | - | 1,97,05,221 | - | - |
| Other Financial Assets | 47,77,466 | - | - | 1,44,47,436 | - | - |
| Cash and cash equivalents | 1,15,69,025 | - | - | 9,89,64,442 | - | - |
| **Total financial assets** | **5,73,13,778** | **9,56,59,400** | **4,97,76,918** | **15,16,92,458** | **10,91,58,670** | **9,22,99,635** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Financial liabilities** | | | | | | |
| | Borrowings | 1,40,74,526 | - | - | 9,65,00,000 | - | - |
| | Trade Payables | 10,77,85,555 | - | - | 1,90,87,412 | - | - |
| | Other financial liabilities | 18,48,031 | - | - | 14,22,697 | - | - |
| | **Total Financial liabilities** | **12,37,08,112** | **-** | **-** | **11,70,10,109** | **-** | **-** |

**(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. dereived 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, 2023 are as follows:**

| **Financial Assets** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Investments in Equity instruments | 14,54,36,318 | - | - | **14,54,36,318** |
| Investment in preference shares | - | - | - | **-** |
| **Total financial assets** | **14,54,36,318** | **-** | **-** | **14,54,36,318** |

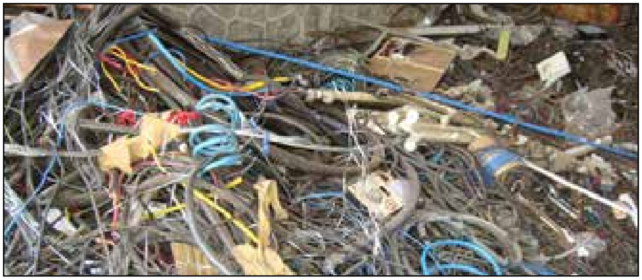
**The Fair value hierarchy of assets and liabilities as at March 31, 2022 are as follows:**

| **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 | - | - | - | **-** |
| **Total financial assets** | **20,14,58,305** | **-** | **-** | **20,14,58,305** |

**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 |



## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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-23 | 31-Mar-22 |
|---|---|---|
| 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 | - | - |
| **Closing balance** | **Nil** | **Nil** |

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,2023 | Less than 1 year | More than 1 Year | Total |
|---|---|---|---|
| Trade Payable | 10,64,31,150 | 13,54,406 | **10,77,85,555** |
| Other financial liabilities | 18,48,031 | - | **18,48,031** |
| **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** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

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.

**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-23** | **31-Mar-22** |
| | Equity (excluding other reserves) | 19,29,67,500 | 19,29,67,500 |
| | Debt (current maturities and interest due) | - | - |
| | **Total** | **19,29,67,500** | **19,29,67,500** |

**Note No. 41:**

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

**Signature to Notes 1 to 41**

**For R M R & CO.**

**Chartered Accountants**
ICAI Reg.No.106467W

**CA Ashish Mandowara**
Partner
Membership No.: 168656
Mumbai | 30th May, 2023

**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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