

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	Note No.	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
EQUITY AND LIABILITIES			
1) Shareholders' Funds			
a) Share Capital	2	175,425,000	175,425,000
b) Reserves and Surplus	3	138,064,095	148,689,319
		<u>313,489,095</u>	<u>324,114,319</u>
2) Non-Current Liabilities			
a) Long-Term Borrowing	4	97,270,290	99,051,267
b) Deferred Tax Liability (Net)	5	3,027,509	1,885,855
c) Other Long-Term Liabilities	6	759,753	1,356,435
		<u>101,057,551</u>	<u>102,293,557</u>
3) Current Liabilities			
a) Short-Term Borrowing	7	60,190,135	34,656,097
b) Trade Payables	8	101,986,811	59,803,877
c) Other Current Liabilities	9	15,721,816	67,282,779
		<u>177,898,762</u>	<u>161,742,754</u>
Total		<u>592,445,409</u>	<u>588,150,630</u>
ASSETS			
1) Non-Current Assets			
a) Fixed Assets	10		
i) Tangible Assets		78,758,108	52,566,968
ii) Intangible Assets		70,616,177	82,718,559
iii) Capital work in progress		77,313,572	96,713,572
		<u>226,687,857</u>	<u>231,999,099</u>
b) Non-Current Investments	11	57,283,775	55,434,703
c) Long-Term Loans and Advances	12	28,498,946	87,836,093
d) Other Non-Current Assets	13	6,830,122	6,656,596
		<u>319,300,700</u>	<u>381,926,491</u>
2) Current Assets			
a) Inventories	14	78,096,498	79,194,264
b) Trade Receivables	15	124,389,429	73,760,629
c) Cash and Bank Balances	16	442,763	4,364,109
d) Short-Term Loans and Advances	17	67,636,911	46,634,407
e) Other Current Assets	18	2,579,108	2,270,730
		<u>273,144,709</u>	<u>206,224,139</u>
Total		<u>592,445,409</u>	<u>588,150,630</u>

Notes forming part of the financial statements No. 1-44

As per our report of even date

For GMJ & Co

Chartered Accountants

FRN No. 103429W

CA. P. Somani (Partner)

M No.40637

Place: Mumbai | Date: May 30, 2014

For and on behalf of the Board

B K Soni (Chairman & Managing Director)

Srikrishna B. (Director)

Shashank Soni (Executive Director)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	2013-14 (Amount in ₹)	2012-13 (Amount in ₹)
INCOME			
a) Revenue from Operations	19	254,552,482	223,140,357
b) Other Income	20	33,751,976	2,143,053
Total		<u>288,304,458</u>	<u>225,283,410</u>
EXPENSES			
a) Purchase of Stock-in-Trade	21	235,774,911	200,023,881
b) Changes in inventories of Stock-in-Trade	22	(1,064,731)	(29,132,068)
c) Employee Benefits Expense	23	13,329,602	11,259,212
d) Finance Costs	24	8,661,051	5,917,645
e) Other Expenses	25	23,596,327	26,519,038
f) Depreciation and Amortization Expense	10	2,858,331	1,811,922
Total		<u>283,155,491</u>	<u>216,399,630</u>
Profit Before Tax		5,148,967	8,883,780
Tax expense:			
-Current tax		1,010,000	1,670,000
-Earlier Year tax		11,540	-
-Deffered tax		1,141,653	807,763
Profit for the year		<u>2,985,774</u>	<u>6,406,017</u>
Earnings per equity share: (face value of ₹10/-) Basic and Diluted	43	0.17	0.23

Notes forming part of the financial statements No. 1-44

As per our report of even date
For GMJ & Co
Chartered Accountants
FRN No. 103429W
CA. P. Somani (Partner)
M No.40637
Place: Mumbai | Date: May 30, 2014

For and on behalf of the Board

B K Soni (Chairman & Managing Director)
Srikrishna B. (Director)

Shashank Soni (Executive Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31.03.2014 (Amount in ₹)	Year ended 31.03.2013 (Amount in ₹)
A Cash Flow from Operating Activities		
Net Profit before Tax and Extraordinary items	5,148,967	8,883,780
Depreciation	2,858,331	1,811,922
Interest Expenses	8,436,331	5,917,645
Interest Income	(363,749)	(566,235)
Dividend Income	(57,726)	(118,957)
(Profit)/Loss on sale of Investment	(630,749)	842,648
Miscellaneous balance Written Back	(197,975)	-
Deferred Revenue Expenditure	2,227,832	2,789,676
Operating Profit before Working Capital Changes		
Adjusted For:		
(Increase)/Decrease in Trade receivable	(50,628,800)	(14,510,171)
(Increase)/Decrease in Inventories	1,097,766	(29,132,068)
(Decrease)/Increase in Trade Payable	42,182,934	2,494,478
(Decrease)/Increase in Other Current Liabilities	(51,560,963)	(17,922,282)
(Decrease)/Increase in Other Long-Term Liabilities	(596,682)	56,364,910
(Increase)/ Decrease in Short term Loans & Advance	(21,002,505)	(17,545,755)
(Increase)/ Decrease in Long term Loans & Advance	59,317,736	(13,246,711)
(Increase)/ Decrease in Other Non-Current Assets	(173,526)	(107,951)
(Increase)/ Decrease in Other Current Assets	(308,378)	(42,898)
Net Cash generated from Operations	(4,251,156)	(14,087,968)
Taxes	-	(1,304,071)
Net Cash generated from Operating Activities	(4,251,156)	(15,392,039)
B Cash Flow from Investing Activities		
(Increase)/Decrease in Fixed Assets, Capital WIP & Intangible Assets	(11,158,089)	(35,683,860)
(Increase)/Decrease in Non-Current Investments	(1,849,072)	(13,556,156)
Deposits Account (with maturity more than 3 months but less than 12 months)	-	(3,031,981)
Net receipt from sale proceeds of Investments	630,749	(842,648)
Interest Income	363,749	566,235
Dividend Income	57,726	118,957
Net Cash from Investing Activities	(11,954,937)	(52,429,454)
C Cash Flow from Financing Activities		
(Decrease)/Increase in Long Term Borrowings	(1,780,977)	19,051,267
(Decrease)/Increase in Short Term Borrowings	25,534,038	(5,549,585)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31.03.2014 (Amount in ₹)	Year ended 31.03.2013 (Amount in ₹)
Proceeds From Issue of Equity Shares on Preferential Basis	-	66,400,000
Proceeds/(Allotment) From/to Share Application Money	-	(8,600,000)
Interest Expenses	(8,436,331)	(5,917,645)
Net Cash Flow from Financing Activities	15,316,730	65,384,037
Net Increase in Cash and Cash Equivalent during the Year (A+B+C)	(889,364)	(2,437,456)
Cash and Cash equivalents at the beginning of the year	1,332,128	3,769,585
Cash and Cash equivalents at the end of the year	442,763	1,332,128
Cash and Cash Equivalents include:		
Cash in Hand	203,177	1,202,309
Balance with Scheduled Banks:		
- Current Account	239,586	129,819
Fixed deposit with original maturity period less than 3 months As margin money	-	-
	442,763	1,332,128
Fixed deposit with original maturity period more than 3 months but less than 12 months As margin money not taken in cash flow statement (Refer Note No."16")	-	3,031,981
	442,763	4,364,109

NOTES:

1. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) 3 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.

Notes forming part of the financial statements No. 1-44

As per our report of even date
 For GMJ & Co
 Chartered Accountants
 FRN No. 103429W
CA. P. Somani (Partner)
 M No.40637
 Place: Mumbai | Date: May 30, 2014

For and on behalf of the Board

B K Soni (Chairman & Managing Director)
Srikrishna B. (Director)

Shashank Soni (Executive Director)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis of accounting and accounting standards issued by The Central Government as Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.

1.2 Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Fixed Assets and Depreciation:

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use. Depreciation on Fixed Assets has been provided on straight line method on pro-rata basis at the rates prescribed in Schedule XIV of the Companies Act, 1956.

1.4 Branding Expenses:

Brand building expenses have been considered as intangible fixed asset and shown at actual cost. Branding expenses will be amortized over its useful life of assets, however, not exceeding a period of 10 years. The

write off will commence from the year in which the branding exercise is completed.

1.5 Goodwill on Merger:

Pursuant to the court order on amalgamation, Goodwill is written off from the General Reserve. The same is done over a period of 5 years.

1.6 Revenue Recognition:

Revenue (income) is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a) Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Sales Tax & Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- b) Revenue from service charges are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- c) Interest Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the applicable interest rate.
- d) Dividend Income is recognized when the company's right to

receive dividend is established.

1.7 Inventories:

Stock-in-Trade are valued at cost or net realizable value, whichever is lower.

1.8 Investments:

Investment that are readily realizable and intended to be held for not more than a year from the date on which such investment are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investments basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.9 Derivative Instruments:

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS-11, are marked to market on portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedge item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedge item, is ignored.

1.10 Retirement and Other Employee Benefits:

Retirement benefits in the form of provident fund and employee state insurance scheme are a defined contribution scheme. The contribution to the provident fund are charged to the statement of profit and loss for the

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

year when the contributions are due. The company has no obligation, other than the contribution payable towards provident fund and employee state insurance scheme.

The company has paid the liability towards leave encashment at the year end as an when accrued to the company and does not provide any liability. The amount paid is charged to the Statement of profit and loss account.

1.11 Borrowing Costs:

Borrowing Costs include interest, incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

1.12 Foreign Exchange Transactions:

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in th statement of profit and loss account.

1.13 Operating Leases:

- Where the company is lessee Leases where significant portion of risk and reward of ownership are retained by the lesser are classified as operating leases and lease rental thereon are charged to statement of profit and loss.
- Where the company is the lessor Leases in which the company does not transfer substantially all the

risks and benefits of ownership of the asset are classified as operating leases. Asset subject to operating lease are included in fixed assets (Facility Land). Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term.

1.14 Finance Lease:

Finance Lease or similar arrangements, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed under Tangible Assets. Finance Expenses to the extent of Borrowing cost are capitalized and remaining are charged to statement of profit and loss account.

1.15 Research and Development Expenditure:

Research costs are expensed as incurred. Development expenditure incurred on a project is recognized as an intangible asset where the company can demonstrate the criteria laid down in AS-26 for recognition of an Intangible Asset.

1.16 Taxes on Income:

“Tax expense comprises both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period.”

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of The Income Tax Act, 1961.

Deferred Tax represents the effect of “timing differences” between taxable income and accounting income for

the reporting period that originate in one period and capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized only on reasonable certainty of realization and on unabsorbed depreciation and brought forward losses only on virtual certainty.

1.17 Provisions and Contingencies:

A provision is recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

1.18 Earning Per Share:

“Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.”

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.19 Cash and Cash Equivalents:

Cash and Cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
2 Share Capital		
Authorized		
30,000,000 Equity Shares of ₹10/- each	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid up		
17,542,500 (Previous Year 17,542,500) Equity Shares of ₹10/- each fully paid up	<u>175,425,000</u>	<u>175,425,000</u>
Total	<u>175,425,000</u>	<u>175,425,000</u>

a) 11,342,500 (P.Y.11,342,500) Equity Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the schemes of amalgamation of Eco Recycling Limited and Infotrek Syscom Limited without payments being received in cash.

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	17,542,500	175,425,000	15,942,500	159,425,000
Shares Issued during the year	-	-	1,600,000	16,000,000
Outstanding at the end of the year	<u>17,542,500</u>	<u>175,425,000</u>	<u>17,542,500</u>	<u>175,425,000</u>

c) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

d) Shares held by Holding Company

Ecoreco Ventures Private Limited, the holding company

91,39,250 (P.Y. 91,39,250) Equity Shares of ₹10/- each fully paid up

	91,392,500	91,392,500
--	------------	------------

e) Details of Shareholders holding more than 5 % shares in the Company

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Name of Shareholder	31.03.2014		31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹10/- each fully paid up				
Ecoreco Ventures Private Limited	9,139,250	52%	9,139,250	52%
Brijkishor Soni (Refer Note "4 (a)")	2,135,320	12%	2,135,320	12%
Bennett, Coleman and Company Limited	1,400,000	8%	1,400,000	8%
3 Reserves and Surplus				
a) Capital Reserve				
Balance as per last financial statements			35,115,495	35,115,495
b) Securities Premium Reserves				
Balance as per last financial statements			98,400,000	48,000,000
Add : Premium on issue of shares on preferential basis			-	50,400,000
Balance as at the end of the year			<u>98,400,000</u>	<u>98,400,000</u>
c) General Reserve				
Balance as per last financial statements			3,879,130	7,490,130
Add: Transferred from surplus balance in the statement of profit and loss			10,000,000	10,000,000
Less : Goodwill on merger			<u>(13,611,000)</u>	<u>(13,611,000)</u>
Balance as at the end of the year			<u>268,130</u>	<u>3,879,130</u>
d) Surplus/(Deficit) in the Statement of profit and loss				
Balance as per last financial statements			11,294,694	14,888,677
Add : Profit for the year			2,985,774	6,406,017
Less: Appropriation				
Transferred to General Reserve			<u>(10,000,000)</u>	<u>(10,000,000)</u>
Net Surplus in the Statement of profit and loss			<u>4,280,470</u>	<u>11,294,694</u>
Total			<u>138,064,095</u>	<u>148,689,319</u>
(Amount)				
4 Long-Term Borrowings				
	Non - Current		Current Maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Secured, Term loan				
Indian Rupee loan from Bank	7,270,290	9,051,267	2,270,000	2,262,817
Unsecured, Term loan				
From Government	90,000,000	90,000,000	-	-
Total	<u>97,270,290</u>	<u>99,051,267</u>	<u>2,270,000</u>	<u>2,262,817</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

31.03.2014 31.03.2013
(Amount in ₹) (Amount in ₹)

Secured Long-Term Borrowings:

- a) Indian Rupee term loan from bank is repayable in equated periodic installments upto a 5 year period each along with interest, after the repayment holiday of 1 year viz., June, 2013. The loan is secured by hypothecation of inventory and trade receivables of the company. Further, the loan has been guaranteed by personal guarantee of the chairman and managing director of the company, Ecoreco Ventures Private Limited, the holding company and by collateral security of the registered office in the name of B.K.Soni (HUF) and Pledge of 3.40 lakhs equity shares of the company by the chairman and managing director of the company Mr. B. K. Soni.

Unsecured Long-Term Borrowings:

- b) Repayment to start after 1 year from the date of completion of the project in 5 annual instalments.

5 Deferred Tax Liability (Net)

Major components of deferred tax balances consist of the following:

Deferred Tax Liability

Related to fixed assets

3,027,509 1,885,855

Total

3,027,509 1,885,855

6 Other Long-Term Liabilities

Provision for Income Tax (Net)

759,753 1,356,435

Total

759,753 1,356,435

7 Short-Term Borrowings

Secured

Working Capital Loans

From Banks*

48,495,135 34,656,097

Unsecured Loan Repayable on Demand

From Director's

11,695,000 -

Total

60,190,135 34,656,097

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014	31.03.2013
	(Amount in ₹)	(Amount in ₹)
<p>*Working Capital Loans from banks are secured by way of hypothecation of Stock, Book-Debts and Personal Gurantee of the Chairman and Managing Director of the company Mr. B.K. Soni.</p>		
<p>8 Trade Payables (Unsecured, Considered Good)</p>		
Trade Payables*	101,986,811	59,803,877
Total	<u>101,986,811</u>	<u>59,803,877</u>
<p>*The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.</p>		
<p>9 Other Current Liabilities</p>		
Current Maturity of Indian rupee term loan from Bank (Refer Note "4")	2,270,000	2,262,817
Interest accrued & due on borrowings	665,801	1,319,521
Book Overdraft on a Scheduled Bank	-	1,193,601
Creditors for Expenses	2,065,939	1,535,596
Creditors for Capex	8,452,356	56,364,910
Advance from customers	100,000	2,490,275
Statutory Dues*	524,094	472,433
Other Payable	1,643,626	1,643,626
Total	<u>15,721,816</u>	<u>67,282,779</u>

*Includes Tax deducted at source, Provident Fund and Profession Tax.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

10. Fixed Assets

A. Tangible Assets

(Amount in ₹)

Particulars	Facility Land	Plant and Machinery	Furniture and Fixtures	Computers	Vehicles	Office Equipment	Total
<u>Gross Block</u>							
As At 1st April, 2013	5,500,000	42,913,697	456,823	2,727,943	6,905,975	782,595	59,287,033
Additions During the Year	28,147,167	690,164	188,875	-	15,965	7,300	29,049,471
Disposals During the Year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
As At 31st March, 2014	33,647,167	43,603,861	645,698	2,727,943	6,921,940	789,895	88,336,504
<u>Depreciation/Amortization</u>							
As At 1st April, 2013	-	2,126,156	99,769	2,559,407	1,508,040	426,693	6,720,065
Depreciation During the Year	-	2,049,021	39,595	33,255	701,673	34,787	2,858,331
Deduction During the Year	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
As At 31st March, 2014	-	4,175,177	139,364	2,592,662	2,209,713	461,480	9,578,396
<u>Net Block</u>							
As At 31st March, 2013	5,500,000	40,787,541	357,054	168,536	5,397,935	355,902	52,566,968
As At 31st March, 2014	33,647,167	39,428,684	506,334	135,281	4,712,227	328,415	78,758,108

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

B. Intangible Assets

(Amount in ₹)

Particulars	Goodwill*	Branding	Total
<u>Gross Block</u>			
As At 31st March, 2013	68,055,000	55,496,559	123,551,559
Additions During the Year	-	1,508,618	1,508,618
Disposals During the Year	-	-	-
Other Adjustments	-	-	-
As At 31st March, 2014	68,055,000	57,005,177	125,060,177
<u>Depreciation/Amortization</u>			
As At 31st March, 2013	40,833,000	-	40,833,000
Depreciation During the Year	13,611,000	-	13,611,000
Deduction During the Year	-	-	-
Other Adjustments	-	-	-
As At 31st March, 2014	54,444,000	-	54,444,000
<u>Net Block</u>			
As At 31st March, 2013	27,222,000	55,496,559	82,718,559
As At 31st March, 2014	13,611,000	57,005,177	70,616,177

Note : *Amortization of Goodwill is adjusted against General Reserve (Refer to Note "3")

C. Capital Work-in-Progress

	As at 31st March, 2014	As at 31st March, 2013
Plant and Machinery	73,000,000	92,400,000
Development "Precious Metal Recovery Plant"*	4,313,572	4,313,572
Computer Software	-	-
Total	77,313,572	96,713,572

Note : * It represents an expenditure for development of the project 'E-Waste recycling and Precious metal recovery' under TDDP of TDPU and DSIR.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014		31.03.2013	
	No. of shares (Amount in ₹)		No. of shares (Amount in ₹)	
11 Non-Current Investments				
a) Quoted Equity Shares				
Anant Raj Ind Ltd (Face Value ₹2/-)	500	57,849	500	57,849
National Peroxide Ltd (Face Value ₹10/-)	1,000	231,275	2,000	462,550
G.V. Films Ltd (Face Value ₹10/-)	-	-	10,000	82,150
Hindustan Motors Ltd (Face Value ₹5/-)	42,000	775,572	42,000	775,572
Malu Paper Mills Ltd (Face Value ₹10/-)	9,997	375,336	9,997	375,336
Prism Cement Ltd (Face Value ₹10/-)	2,000	120,070	2,000	120,070
Ruchi Infrastructure Ltd (Face Value ₹1/-)	425,000	18,807,258	424,500	18,798,798
Anik Industries Ltd (Face Value ₹10/-)	50,000	2,473,150	50,000	2,473,150
NOCIL Ltd (Face Value ₹10/-)	49,000	1,539,872	63,989	1,193,473
BSEL Infrastructure Realty Ltd (Face Value ₹10/-)	13,000	138,056	10,000	100,346
Harrison Malayalam Ltd (Face Value ₹10/-)	3,000	241,752	3,000	241,752
Hindustan Organic Chemicals Ltd (Face Value ₹10/-)	10,000	302,060	10,000	302,060
Indian Card Clothing Company Ltd (Face Value ₹10/-)	3,459	563,019	1,298	178,296
KPR Mills Ltd (Face Value ₹10/-)	1,997	292,227	1,721	250,000
Murli Industries Ltd (Face Value ₹2/-)	3,500	119,008	3,500	119,008
Financial Analysis Credential Ltd (Face Value ₹10/-)	56	7,527	56	7,527
India Bull Securities Ltd (Face Value ₹10)	160,000	1,672,640	160,000	1,672,640
Tata Tele Services (Maharashtra) Ltd (Face Value ₹10/-)	1,413,543	16,929,700	1,413,543	16,929,700
Jubilant Food Works Ltd (Face Value ₹10/-)	5	6,449	5	6,449
Kingfisher Airlines Ltd (Face Value ₹10/-)	45,000	434,749	45,000	434,749
Srei Infra Ltd (Face Value ₹10/-)	5,000	136,919	5,000	136,919
JSW Energy Ltd (Face Value ₹10/-)	500	61,683	500	61,683
Himachal Futuristic Communications Ltd (Face Value ₹1/-)	3,000	108,000	3,000	54,000
Aditya Birla Chemicals (India) Limited (Face Value ₹10/-)	400	222	-	-
Brigade Enterprises Limited (Face Value ₹10/-)	800	320,960	-	-
Electrosteel Castings Limited (Face Value ₹10/-)	2,000	189,249	-	-
GTL Infrastructure Limited (Face Value ₹10/-)	3,000	130,710	-	-
IFCI Ltd (Face Value ₹10/-)	800	26,264	-	-
Jensen & Nicolsan Ltd (Face Value ₹10/-)	5,000	35,500	-	-
Lok Housing Ltd (Face Value ₹10/-)	1,000	149,322	-	-
Moschip Semiconductor Technology Ltd (Face Value ₹10/-)	2,000	31,320	-	-
NRC Ltd (Face Value ₹10/-)	3,999	109,693	-	-
Shipping Corporation Ltd (Face Value ₹10/-)	500	12,310	-	-
Shree Digvijay Cement Ltd (Face Value ₹10/-)	3,000	70,110	-	-
Videocon Appliances Ltd (Face Value ₹10/-)	5,000	213,319	-	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014		31.03.2013	
	No. of shares (Amount in ₹)		No. of shares (Amount in ₹)	
b) Unquoted Equity Shares				
Saujanya Trading Pvt Ltd (Face Value ₹10/-)	200,000	5,000,000	200,000	5,000,000
Dombivali Sakhari Bank Ltd (Face Value ₹10/-)	10,000	100,000	10,000	100,000
The Shamrao Vithal Coop Bank Ltd (Face Value ₹10/-)	25	625	25	625
Sanjay Chemical Pvt Ltd (Face Value ₹10/-)	3,000	3,000,000	3,000	3,000,000
MGI India Consulting Pvt Ltd	10,000	2,500,000	10,000	2,500,000
Total		<u>57,283,775</u>		<u>55,434,703</u>
Aggregated Value of Quoted Investments		46,683,150		44,834,078
Aggregated Market Value of Quoted Investments		22,325,935		27,224,433
Aggregated Value of Unquoted Investments		10,600,625		10,600,625
			31.03.2014	31.03.2013
			(Amount in ₹)	(Amount in ₹)
12 Long-Term Loans and Advances				
<i>(unsecured, considered good)</i>				
Lease Rent Deposits			12,550,000	13,495,000
Other Security Deposits			20,750	332,055
Other Loans and Advances				
Capital Advance			11,011,224	58,819,030
Advances Recoverable in Cash or in Kind or value to be received			4,750,000	11,072,566
Balances with Statutory/Government Authorities			166,972	4,117,442
Total			<u>28,498,946</u>	<u>87,836,093</u>
Loans and Advances above includes :-				
Lease Rent Deposit includes:				
Aruna Soni			5,000,000	5,000,000
B.K. Soni HUF			6,050,000	6,050,000
13 Other Non-Current Assets				
Deposits with Bank (with maturity more than 12 months)				
Held as margin money			1,625,405	1,800,000
Interest Accrued			1,285,208	815,339
Miscellaneous Expenditure (To the extent not w/off)			3,919,509	4,041,257
Total			<u>6,830,122</u>	<u>6,656,596</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
14 Inventories (Refer Note 1.7)		
Stock of Electrical and Electronic Equipment	78,096,498	75,523,168
Stock of Shares and Securities	-	3,671,096
Total	<u>78,096,498</u>	<u>79,194,264</u>
15 Trade Receivables (unsecured, considered good)		
More than six months from the date they are due for payment	23,409,121	3,008,171
Other Debts	100,980,308	70,752,458
Total	<u>124,389,429</u>	<u>73,760,629</u>
Trade Receivable above includes: Nippon Magnetic Dressing Co. Ltd.	18,667,008	8,674,814
16 Cash and Bank Balances		
Cash and cash equivalents:		
Cash on hand	203,177	1,202,309
Balances with banks - On current accounts	239,586	129,819
Deposits Account (with less than 3 month maturity) As margin money	-	-
Other Bank Balances:		
Deposits Account (with maturity more than 3 months but less than 12 months) As margin money	-	3,031,981
Total	<u>442,763</u>	<u>4,364,109</u>
Deposits with banks having maturity more than 12 months of ₹1,625,405/- (P.Y. : ₹18,00,000/-) is classified as Other Non-current Assets (Refer Note "13")		

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
17 Short-Term Loans and Advances <i>(unsecured, considered good)</i>		
Earnest Money Deposit	964,000	611,750
Other Deposits	131,888	-
Other Loans and Advances		
Advances Recoverable in Cash or in Kind	32,474,542	42,889,210
Advance for expenses	33,270,222	2,739,877
Prepaid Expenses	444,658	323,570
Advance to Employees	115,264	70,000
Balances with Statutory/Government Authorities	236,337	-
Total	<u>67,636,911</u>	<u>46,634,407</u>
18 Other Current Assets		
Interest Accrued on fixed deposit with bank <i>(Refer Note "16")</i>	-	42,898
Miscellaneous Expenditure <i>(To the extent not w/off)</i>	2,579,108	2,227,832
Total	<u>2,579,108</u>	<u>2,270,730</u>
19 Revenue from Operations		
a) Sale of Stock in Trade		
Electrical and Electronic Equipment	247,119,614	219,007,774
Sale of Shares	1,516,384	-
b) Sale of Services		
Data Destruction Charges	5,916,484	4,132,583
Total	<u>254,552,482</u>	<u>223,140,357</u>
20 Other Income		
Interest Income on		
- Bank Deposits	363,749	554,235
- Others	-	12,000
Dividend	57,726	118,957
Profit/(Loss) on sale of Shares held as Investments	630,749	(842,648)
Speculative Profit on sale of Shares	38,597	21,512
Derivative Loss	-	(3,533,071)

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
Rent Income	31,519,763	5,730,866
Reimbursement of Expenses	815,000	-
Sundry Balances Written Back	197,975	-
Miscellaneous Income	128,418	81,203
Total	<u>33,751,976</u>	<u>2,143,053</u>
21 Purchases of Stock-in-Trade		
Purchases of Electrical and Electronic Equipment	235,774,911	200,023,881
Total	<u>235,774,911</u>	<u>200,023,881</u>
22 Changes in Inventories of Stock-in-Trade		
Inventories at the end of the year		
Stock of Electrical and Electronic Equipment	78,096,498	75,523,168
Stock of Shares	-	3,671,096
	78,096,498	79,194,264
Inventories at the beginning of the year		
Stock of Electrical and Electronic Equipment	75,523,168	46,391,100
Stock of Shares*	1,508,599	3,671,096
	77,031,767	50,062,196
Total	<u>(1,064,731)</u>	<u>(29,132,068)</u>
* During the year , Company has converted Stock of Shares into Investments of ₹21,62,497/-		
23 Employee Benefits Expense		
Salaries, Bonus and Other Allowances	12,305,802	9,806,617
Contribution to Provident & Other Funds	314,415	210,087
Employee Welfare Expenses	709,385	1,242,508
Total	<u>13,329,602</u>	<u>11,259,212</u>
24 Finance Costs		
Interest Expense		
On Term Loan	1,516,321	441,111
On Working Capital Loan	6,095,536	5,476,534
Other Borrowing Costs	824,474	-
Processing Fees	224,720	-
Total	<u>8,661,051</u>	<u>5,917,645</u>

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
25 Other Expenses		
Lease Rent	9,884,221	7,046,089
Freight and Transportation	2,415,385	2,704,502
Duties & Taxes	641,499	561,341
Travelling and Conveyance	801,447	1,273,891
Legal and Professional Fees	1,167,254	768,648
Labour Charges	1,053,546	626,825
Advertisement Expenses	1,030,619	838,996
Insurance Expense	503,761	169,464
Printing and Stationery	147,763	259,517
Repairs and Maintenance	341,692	444,952
Electricity Charges	252,662	210,997
Security Charges	191,519	200,880
Auditors' Remuneration (Refer Note "29")	110,000	175,372
Directors' Sitting Fees	60,000	60,000
Annual Listing, Registrar and Transfer Agent Expense	78,652	241,346
Bank Charges	114,752	184,654
Other Expenses	2,534,315	4,718,086
Research & Development Expense (Refer Note "37")	39,408	3,243,802
Miscellaneous Expenditure w/off (Refer Note "35")	2,227,832	2,789,676
Total	<u>23,596,327</u>	<u>26,519,038</u>

26 Disclosure in Respect of Leases:

I Operating Lease: Company as Lessee

The Company's leasing arrangements are in respect of operating leases for factory, office premises and guest house occupied by the Company. These leasing arrangements are cancellable except during the lock in period, and are renewable on a periodic basis by mutual consent on mutually acceptable terms.

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

Particulars

i) Not later than one year	9,704,058	9,884,221
ii) Later than one year and not later than five years	31,687,023	21,934,081
iii) Later than five years	-	-
b) Lease payments recognized in the Statement of Profit and Loss for the period.	9,884,221	7,046,089

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
II Operating Lease: Company as Lessor		
a) The total of future minimum rental receivable during lock in period of operating leases are as follows:		
Particulars		
i) Not later than one year	-	31,519,763
ii) Later than one year and not later than five years	10,560,000	10,560,000
iii) Later than five years	-	-
b) Lease rental recognized in the Statement of Profit and Loss for the period.	31,519,763	5,730,866
27 Capital and Other Commitments		
Capital Commitments:		
Estimated value of contracts in capital account remaining to be executed		
From others	-	27,500,000
28 Contingent Liabilities		
Guarantee given by Bank on behalf of the Company Secured against equal fixed deposits		
Standing Bank Guarantee in favour of The Customs, JNPT	1,810,000	1,810,000
Standing Bank Guarantee for Tender in favour of The MMRDA	-	-
Custom Duty on Imported Machineries cannot be sold or transferred to any person or other organisation for a period of 5 years from the date of its import	12,400,000	12,400,000
29 Payment to Auditors		
Particulars		
Audit Fees	75,000	75,000
Tax Audit Fees	25,000	25,000
Other Services	10,000	75,372
Total	110,000	175,372
30 CIF Value of Imports:		
Particulars		
Capital Goods	-	12,990,362
Total	-	12,990,362

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
31 Expenditure in Foreign Currency		
Particulars		
Travelling	-	252,534
Total	-	252,534
32 Earnings in Foreign Currency		
Particulars		
Rent - Facility Land	31,519,763	5,730,866
Goods Sold Locally	-	2,628,572
FOB Value of Goods Export	-	2,935,996
Reimbursement of Modification & Construction Cost of facility	2,554,712	24,900,535
Training Cost Reimbursement	-	101,631
Service Charges	606,197	75,797
Total	34,680,672	36,373,397
33 The Company was availing of broking services of M/s. Keynote Capitals Limited (Keynote), a BSE & NSE Broker. In the month of March, 2013 Keynote misappropriated the entire portfolio of the company lying in the demat account and transferred in its favor. The company immediately filed a complaint with the SEBI. SEBI then forwarded our complaint to the Arbitration Committee of NSE which decided the matter in favor of the company, against which Keynote went into an appeal but here too the Appellate Tribunal of NSE upheld the award passed by the Arbitration Committee. Keynote has now filed an application with Mumbai High Court for setting aside the award passed by the Appellate Tribunal of NSE. Since the matter is sub-judices and therefore no accounting treatment has been given to such misappropriated investments.		
34 The Company has not provided provision for gratuity on employees on accrual basis, which is not in conformity with AS-15 - Employee Benefits as required under The Gratuity Act, 1972. However in the opinion of the management the amount involved is negligible and has no impact on Statement of profit and loss account.		
35 The Company has not written off the " Miscellaneous Expenditure " amounting to ₹64,98,617/- fully in Statement of profit and loss account, which is not in conformity with AS - 26 - Intangible Assets which had arise at the time of amalgamation. However in the opinion of the management it will not create any discrepancy as the treatment taken is as per the provisions of The Income Tax Act, 1961.		
36 The office of the Whole Time Company Secretary has been vacant and the Company is in process of appointing a full time company secretary as amended by The Companies Act, 1956.		

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

37 The Company is engaging in research & development activity on Electronic Waste. The expenses incurred during the year other than capital expenditure is charged off in the Statement of profit and loss. The expenses included legal & professional fees, employee benefits expenses & other expenses incurred during the year.

38 The company is in the business of E-waste Management and Recycling.

39 The Company in 2012-13 has entered into agency arrangements with "Nippon Magnetic Dressing Co. Ltd.(NMD)" - Japan for technology agreements. Under this arrangements the company has issued equity shares on preferential basis to NMD and is setting up a facility for research and development in E-waste Management and recycling and increasing awareness in the society.

The NMD has reimbursed full Construction and modification cost of facility of which the Company has retained all risk and reward of ownership of assets. The reimbursement cost is in Japanese YEN; the difference arising on exchange amount is dealt to statement of profit and loss account as per AS - 11.

Under the arrangements NMD has exported to India two Machineries amounting to ₹112,944,791/- under technological arrangements with the company. These machines have been provided free of cost to be installed in facility where the company has paid only custom duty on the same amounting to ₹60,48,202/- in which the company has retained all risks and rewards of ownership of assets.

40 Balances of some of the trade receivable, trade payable and creditor of expenses, loans and advances are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management, however is of the view that there will be no material adjustments in this regards.

41 Related Party Transactions

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below "

i) Relationships:

(a) **Holding Company:-**

Ecoreco Ventures Private Limited

(b) **Associates:-**

Reverse Logistics & Warehousing Private Limited

Bennett Coleman & Company Limited (BCCL).

Nippon Magnetic Dressing Co., Ltd (NMD) - Japan

Ecoreco Park Private Limited

(c) **Key Management Personnel:-**

Mr. Brijkishor Soni - C.M.D.

Mrs. Aruna Soni - Director

Mr. Srikrishna B. - Director

Mr. T R Rao - Director

Mr. Shashank Soni - Director

Mr. Mahendra Thanai - CEO

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

ii) Transaction With Related Parties:-

(Amount in ₹)

Particulars	Key management personnel	Holding	Associates
Issue of Shares on Preferential Basis	-	-	-
(P.Y.)	-	-	(66,400,000)
Rent Income - Facility Land	-	-	31,519,763
(P.Y.)	-	-	(5,730,866)
Sales of EEE	-	-	-
(P.Y.)	-	-	(9,564,568)
Modification Cost & Reimbursement of expenses - Facility Building	-	-	2,554,712
(P.Y.)	-	-	(25,002,166)
Remuneration	3,600,000	-	-
(P.Y.)	(3,150,000)	-	-
Salary	4,587,500	-	-
(P.Y.)	(887,503)	-	-
Sitting Fees	60,000	-	-
(P.Y.)	(60,000)	-	-
Rent	5,400,000	-	-
(P.Y.)	(2,700,000)	-	-
Advertisement and Branding Expenses	-	-	1,009,295
(P.Y.)	-	-	(1,561,378)
Deposit Repaid	-	-	200,000
(P.Y.)	-	-	(200,000)
Loan Given	-	-	324,000
(P.Y.)	(9,549)	140,000	(5,450,000)
Loan Repaid	-	-	7,884,000
(P.Y.)	(150,000)	-	(1,100,000)
Loan Taken	16,350,000	-	-
(P.Y.)	-	-	-
Loan Repaid	4,655,000	-	-
(P.Y.)	-	-	-
Reimbursement of Expenses	-	-	-
(P.Y.)	(25,636)	-	-
Deposit For Advertisement Expenses	-	-	-
(P.Y.)	-	-	(25,800,000)
Purchase of e-waste	-	-	57,724
(P.Y.)	-	-	-
Sale of Shares	-	1,829,809	-
(P.Y.)	-	-	-
Closing Balance at the Year End			
Loan Taken	11,695,000	-	-
(P.Y.)	-	-	-
Receivable	-	-	18,667,008
(P.Y.)	(12,550,000)	(140,000)	(49,710,540)

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

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

42 Derivative Instruments

Foreign Currency Exposures that have not been hedged by a derivative instrument or otherwise as at year end:

Particulars	Year	Currency	Amount
Export Receivable (Trade Receivable)	2013-14	USD	-
		INR	-
	2012-13	USD	55,428
		INR	3,008,909
Export Receivable (Trade Receivable)	2013-14	JPY	-
		INR	-
	2012-13	JPY	9,966,001
		INR	5,742,230
Advance recoverable in cash or in kind or value to be received	2013-14	USD	310,806
(Reimbursement of Expenses)		INR	18,667,008
	2012-13	JPY	635,891
		INR	366,389

43 Earnings Per Share

	Units	2013-14	2012-13
i) Profit after tax and exceptional item	₹	2,985,774	6,406,017
ii) Weighted average number of equity shares outstanding	Nos.	17,542,500	16,786,336
iii) Basic Earnings Per Share	₹	0.17	0.38
iv) Diluted Earning Per Share	₹	0.17	0.38
v) Face Value of Shares	₹	10.00	10.00

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

Notes forming part of the financial statements No. 1-44

As per our report of even date
For GMJ & Co
Chartered Accountants
FRN No. 103429W
CA. P. Somani (Partner)
M No.40637
Place: Mumbai | Date: May 30, 2014

For and on behalf of the Board

B K Soni (Chairman & Managing Director)
Srikrishna B. (Director)

Shashank Soni (Executive Director)



Responsible Recycling Enlighten Lives

Support Ecoreco's movement of Mercury free India

Exposure to mercury, even in small amounts, may cause serious health problems.

- Mercury may have toxic effects on brain, heart, kidneys, lungs and immune system. High levels of methyl mercury in the bloodstream of unborn babies and young children may harm the developing nervous system, making the child less able to think and learn, leading to Autism.
- Recycling of mercury-containing products is one of the best ways to help prevent mercury releases into the environment, by keeping these products out of landfills and incinerators.

We sincerely appeal to the Manufacturers and Bulk Consumers of Lamps, to kindly incorporate **Responsible Lamp Recycling as part of your CSR Policy** and support the movement.

Hand us your lamps today

☎ 022 4005-2951/2/3

www.ecoreco.com | lamps@.ecoreco.com

BOOKPOST

If undelivered, please return to:

Eco Recycling Limited

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



Give your e-waste to the best