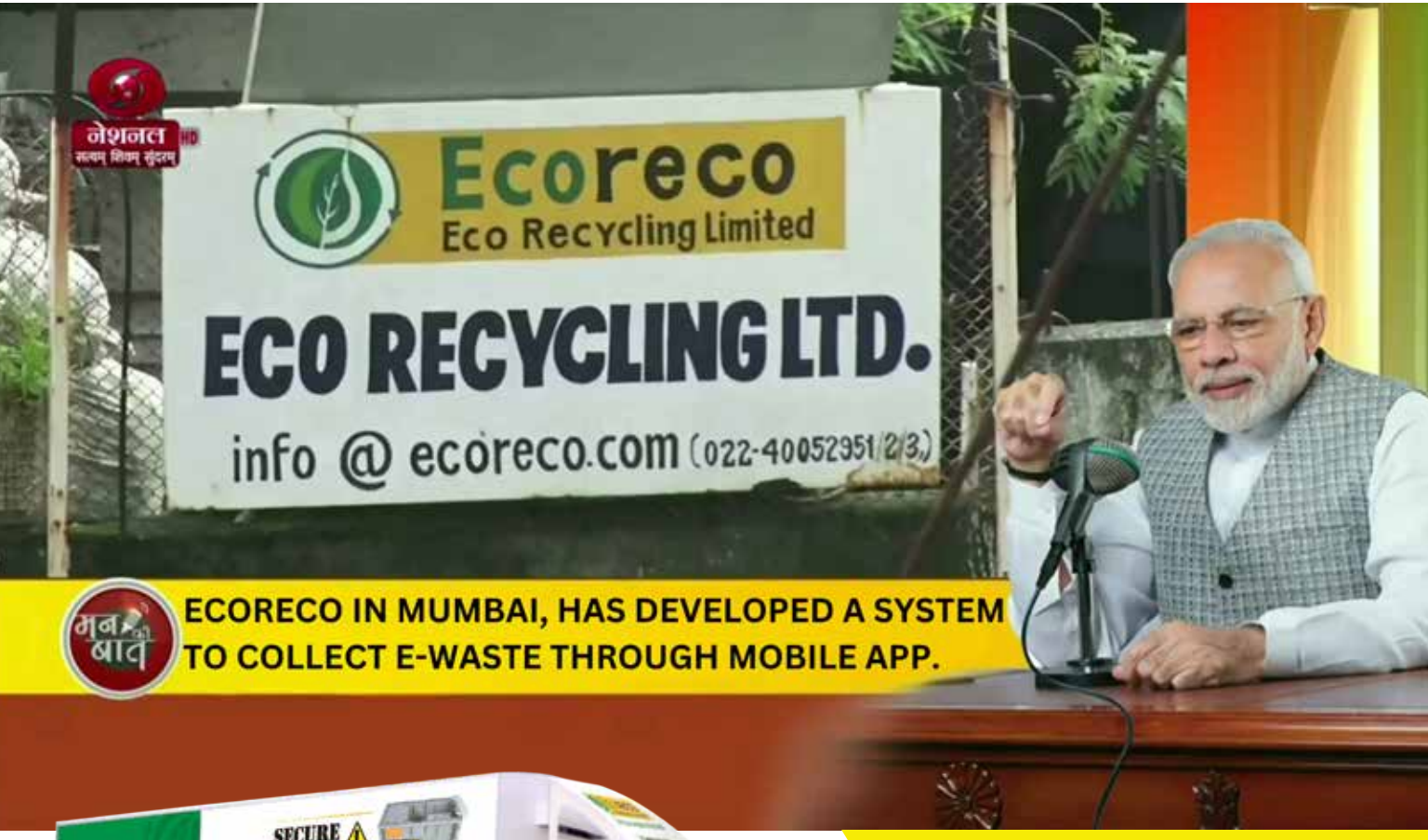
Eco Recycling Limited

ANNUAL REPORT 2022-2023

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.

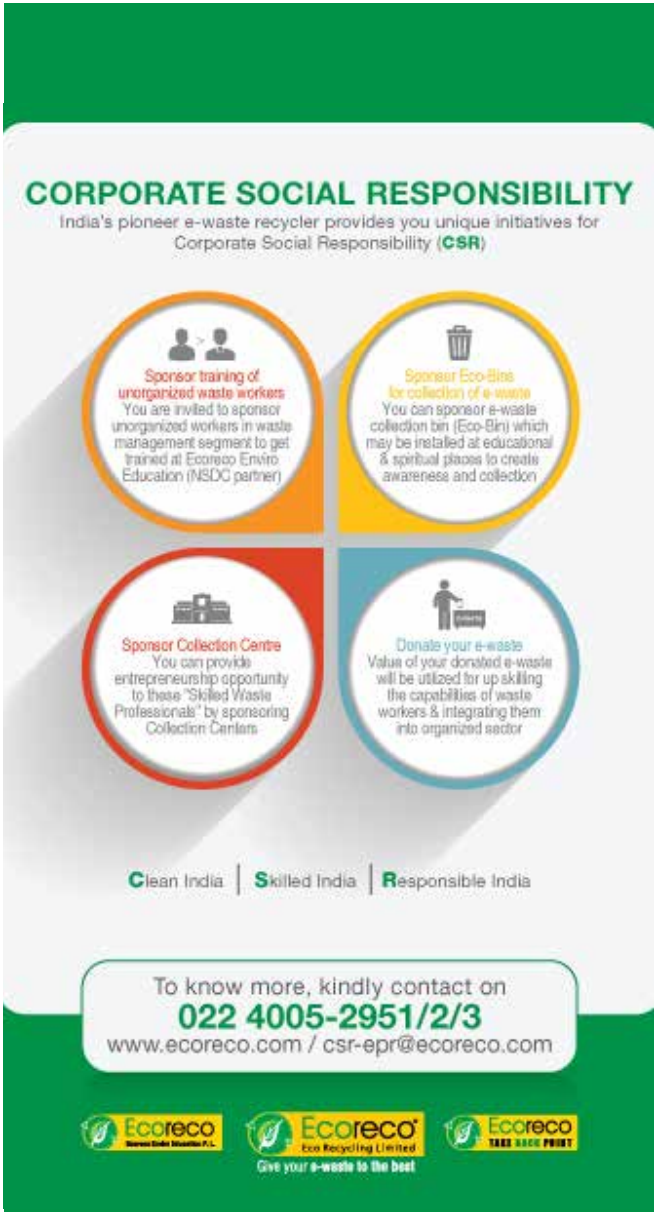
As said by **PM Shri Narendra Modiji** in his first **Mann Ki Baat** of 2023, on 29th January.



Mann ki baat
on 29th January, 2023

Ecoreco®
Eco Recycling Limited

Give your e-waste to the best



INDEXING

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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.