

19th July, 2021

BSE Limited

Corporate Relationship Department
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400001

Security Code: 530643-Board Meeting Outcome

Dear Sir / Madam,

Re. Ecoreco to invest INR 1500 Million to support ESG and Circular Economy

The Board of Directors met this morning to discuss Expansion Plan and to raise required resources for the same in order to enhance Reverse Logistic & Collection Network, Additional Capacity & Capability enhancement (both in house and through acquisitions). In addition, the Board also agreed to add End of Life Vehicle (ELV) & Li-ion Batteries Recycling while maintaining focus on E-waste recycling.

The importance of reverse logistic in any waste management is the highest, both in terms of in transit compliances & documentations from clients' locations till the recycling facility of Ecoreco. With the hands-on experience of more than 15 years, Ecoreco gained superb understanding of this backbone and kept on improving various models suitable for both B2B and B2C businesses by investing in its own fleet of vehicles, packaging and with the help of third-party logistic companies of great repute. The Board discussed the need of **further investment to the tune of Rs. 300 million in the Reverse Logistic & Collection Points to enhance substantially to facilitate aggregation & seamless transportation of e-waste from 10 major cities of India and also to set up 500 Collection Boxes** in and around the city of Mumbai at strategic locations, keeping the level of footfall and security of the aggregated e-waste in to consideration. Since E-waste generation has a tendency to increase only for some more decades and therefore its recycling will continue to play greater role from environment & ecological points of view.

In the light of the above, the Board is of the view that the Company should own all the above infrastructure as against rented premise to avoid cash outgo on rent for decades. It may not be out of place to state that Maharashtra is the largest consumer of EEE and Mumbai is the largest producer of WEEE and therefore Ecoreco decided to fully map all the four Municipal Corporation of Mumbai, Navi Mumbai, Thane-Dombivali and Vasai-Virar. Incidentally, the population of these four Municipal limits is larger than many countries like Australia and several European Nations and hence for Ecoreco the above territory is equal to or larger than many developed Countries.

The Board discussed the need of increasing recycling capacity and capabilities. In this regard, the Board was updated on the status of new capacity under implementation near Bhiwandi, Maharashtra. **The Board was also informed about the new client's added in the recent past and tie ups with the global major OEMs.** Looking at all the above developments and to meet the requirements of growing number of clients, it would be better to keep investing gradually in building the capacity & capabilities. It was unanimously opined by the Board Members that Ecoreco must keep both the options open to build the new capacities organically or inorganically. The Board also stressed that while considering any take over, the focus must be on the list of clients of the acquiree and its geographical location.

After afresh discussion on the **Extended Producers Responsibility (EPR)** provision in the E-waste Management Rules, the Board decided to invest up to **Rs. 200 million in a Special Purpose Vehicle** to provide relevant services to the Producers to meet their obligations under the Rules. The main objective of the SPV would be to extend complete support to the OEMs, who supports principles of **ESG. The SPV will focus on reduction of cost of acquisition of e-waste from individual customers and see that the recovered commodities are redeployed to conserve natural resources.** This will help, Pollution Control Boards (CPCB / SPCB) and the MoEF to achieve desired objectives as set out in the above Rules more effectively.

The Chairman informed the Board that Scrappage Policy announced by the Niti Aayog is coming in to force from 1st April, 2022 which will add **millions of end-of-life vehicles (ELV) and hundreds of thousands of tons of Li-ion Batteries** to the formal recycling business. Ecoreco has geared to participate in these opportunities and have identified technologies in EU & Japan for above mentioned streams of waste to recycle in the most environment friendly manner. Over and above the Central Government of India, the Government of Maharashtra has also announced Financial Incentive ranging from Rs. 10,000 to Rs. 20,00,000 for switching over to electric vehicles.

The Board is very proud to take on record that Ecoreco is now serving its global clients in nearly 100 countries as per the local regulations. The Company is further strengthening its capabilities in these countries and very sure to enhance foreign currency earnings in the coming years.

The Board discussed investments in all the above heads and arrived at a consensus to invest Rs. 150 Crores (20 million USD) over a period of two years. The Board also discussed various avenues to raise the above funds including Green Bonds, Bank Facilities and Internal Accruals.

For Eco Recycling Ltd



Shashank Soni
Director & Chief Financial Officer