

Eco Recycling Ltd.

Booming time ahead

The undisputed leader in the country's nascent e-waste management space, Ecoreco stands to gain the most from upcoming government rules that put the onus for responsible e-waste collection on electrical & electronic equipment manufacturers. The company, started by first-gen entrepreneur B.K.Soni, has two modern e-waste recycling plants near Mumbai and has attracted tie-ups with best available technologies from EU, Japan & USA.

Considering that domestic e-waste is projected to touch a gargantuan 15 million tons annually by 2020, with a recovery value of \$ 15 billion, Ecoreco has set up e-waste collection centres and installed eco-bins in several cities. The eco-missionary in Mr. Soni has also initiated training in scientific e-waste collection for the informal sector of kabadiwalas and rag-pickers. Boomtime is ahead for investors in the company.

Like an invigorating breeze on a jaded summer day, the news that the Union government is busy finalizing Rules for making electronics manufacturers responsible for collection of e-waste of a certain portion of the goods sold and for making a provision for the cost of collection in their books, has given the nascent e-waste management industry much to smile about. Says a visibly elated Brij Kishor Soni, visionary entrepreneur and Chairman cum Managing Director of Eco Recycling Ltd, "The government move is not only a step in the right direction but will go a long way in strengthening upcoming e-waste management companies and will contribute significantly towards protecting the environment from the growing menace of electronics waste, which is emerging as a dangerous health hazard for human beings, animals, birds and other flora and fauna."

Observers believe that, thanks to the government's move, sunny days are ahead for players in the upcoming reverse logistic management space like Eco Recycling Ltd. Popularly known as Ecoreco, the brainchild of first-gen entrepreneur B.K.Soni is the pioneer and torchbearer of the fledging e-waste management segment. The undisputed market leader and the first to get listed on a recognized stock exchange, Ecoreco is engaged in providing end-to-end, seamlessly integrated solutions for e-waste management to the private sector, government departments, industries, BFSI segment, NGOs, households, educational institutions and all other entities willing to discard their e-waste in an environment-friendly manner.

Mumbai-headquartered Ecoreco can boast of two modern e-waste recycling plants located at Vasai and Bhiwandi – both near Mumbai – equipped with the latest technologies from European Union, USA & Japan. Smitten by Mr. Soni's

business acumen and praiseworthy passion for environment protection, Nippon Magnetic Dressing Co. Ltd has showed its faith in Mr. Soni and his business enterprise by joining as a financial partner with a symbolic 5 per cent equity stake in the company.

Ecoreco is not only the first company to get listed on a stock exchange; it is also the first e-waste management company to be authorised by the Maharashtra Pollution Control Board & registered by the Central Pollution Control Board and is the first professionally-run e-waste management company. Having spent its initial years pioneering a virtually new movement, it has contributed significantly in creating awareness about the utmost need to manage electrical and electronic waste.

Thanks to a growing population, rising incomes and speeding urbanization, consumer demand for television sets, mobiles, tablets, computers, washing machines and refrigerators is rising at a fast clip. What is more, as the technology in electronic products is changing at a fast pace, the levels of e-waste generation are rising speedily. India, which has emerged as the fifth largest producer of e-waste, currently discards roughly 4.5 million tons of electronic waste per year.

MOBILE MENACE

Points out Mr. Soni, "I can say without any fear of contradiction that in India, along with *roti, kapda and makaan*, a mobile communication device has become a basic necessity. Today, over 1.2 billion mobiles are in circulation in the country, making India the second largest mobile markets in the world. We are living in a world where electronic gadgets in general and mobile phones in particular are deemed ob-

solete in less than a year and are replaced by others with more advanced features. Smartphone makers, for example, release a new model every year with new features and for many consumers, one is considered out of fashion if he/she does not replace one's perfectly functional smartphone with the latest model."

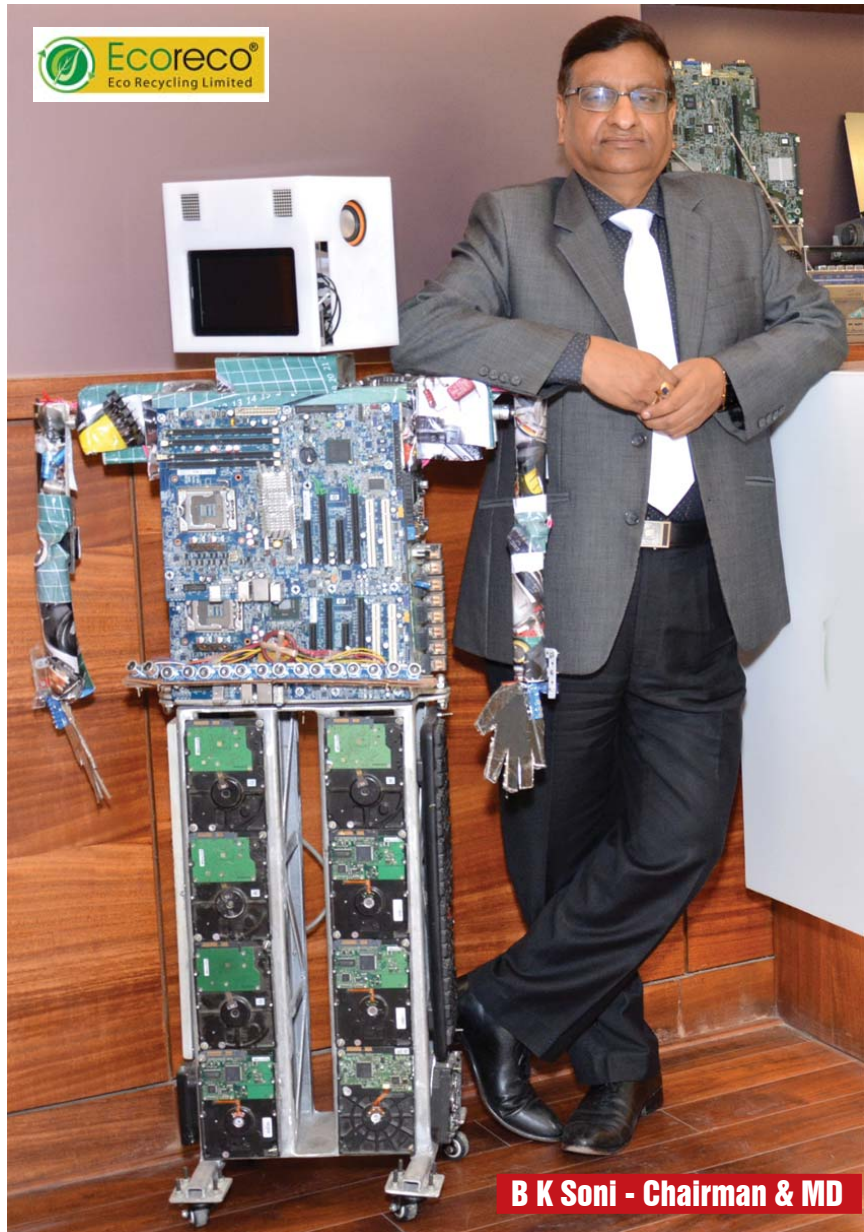
Mr. Soni is right on target. Considering that the country has emerged as the fastest growing market in the world for smartphones, it would not be surprising if the e-waste generated in India far surpasses the current level of 4.5 million tons annually mainly because of all round digitization, smart cities, increasing buying power etc.

During the last five years, number of registered waste collection, dismantling, refurbishing & recycling units have gone up multiple times but a few only can claim to adhere to the international standards of processing. Presently, not more than 5 per cent of e-waste is channeled through the formal sector and around 95 per cent of e-waste continues to be accounted for by the informal sector; i.e., *kabadiwalas* (scrap collectors) who use unscientific methods of collection/disposal that pose a risk to human health and the environment.

But thanks to enlightened new-age entrepreneurs like Mr. Soni who are passionate about environment protection while doing systematic business in a scientific manner and awareness about scientific management of e-waste is fast growing. The pioneer that he is, Mr. Soni took two significant steps after setting up a modern plant and setting up a fully equipped R&D center to sharpen the edge of e-waste management research.

After successful implementation of his e-waste management initiative in Mumbai, he has spread the message far and wide by taking the movement across nation, to start with, Ecoreco, opened dedicated e-waste collection centres in many major cities of the country thus creating awareness about the need to treat e-waste scientifically in order to protect the environment.

To facilitate his mission, he undertook a massive program of installing Eco-Bins at places like temples, mosques, churches, Gurudwaras, schools, colleges etc. and also as



per the requirement of the corporate clients which see considerable footfalls, where people can deposit discarded electronic gadgets like charger, mouse, pen drive, keyboards, cellular phones, batteries and other devices. Ecoreco organizes collection of e-waste from these Eco-Bins and transports the same to the recycling facilities of the company for scientific disposal.

CRUCIAL KABADIWALAS

At the same time, believing that in a large country like India, spread over millions of miles and comprising hundreds of cities and thousands of villages, the task of collection of discarded electronic equipment can be done more

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effectively with the help of *kabadiwalas* — who frequent visit almost every street of every city and village and have been collecting scrap for ages—Mr. Soni's fertile mind came up with the idea of training these *kabadiwalas* in systematic collection of e-waste. He started training them and persuaded them to change their traditional approach, at the same time promising better returns, greater health and greater respect in the society. His initiatives have gone a long way in spreading the cult of scientific management of e-waste across the country, so much so that the Indian government and even foreign countries have taken a note of it. Mr. Soni's this initiative is being run under Ecoreco Enviro Education Pvt Ltd (a 100% subsidiary of Eco Recycling Ltd and a funded partner of National Skill Development Corporation, NSDC).

Maintaining that “with in the manufacturing sector, the electronic products and appliances sector needs special focus and policy initiatives,” Mr. Soni adds, “presently India consumes close to \$160 billion worth of electronic equipment and the same is expected to cross \$400 billion by 2020, as per the estimates of the government.

In this direction, conversion of domestic reusable waste into raw material has the potential to support manufacturing units by providing low-cost raw material. Also, protection of land, water and air through scientific disposal of e-waste can save a country from losing a healthy workforce / reducing productivity of every single person.

Currently, the magnitude of e-waste arising mainly from abandoned, obsolete or broken electrical or electronic devices is gargantuan and is expected to grow to 15 million tons by 2020, from 3.2 million tons in 2015. The monetary value of recoveries from e-waste were to the tune of \$ 3 billion (Rs. 20,000 crore) in 2015 and may touch \$15 billion (Rs. 100,000 crore) by 2020. The sheer size of the issue has triggered a need for sound e-waste management in the country.

More than the generation of e-waste, a more serious problem is its collection, handling and processing. Mostly done through conventional modes of collection by *kabadiwalas*, scrap collectors and rag-pickers, the lack of an organized system for collection and disposal of e-waste is endangering the ecology. Hence, a two-way approach is the need of the hour:

(a) Formal training and skilling of *kabadies*, scrap col-

lectors, rag-pickers and others involved in waste management

(b) Post training, integration of these ‘waste managers’ with the formal sector. In this regard, EPR and CSR tools can certainly play very crucial roles.

PRODUCERS’ OBLIGATION

The government, realizing that the related problem from the rapid generation of e-waste is one of collection, transportation and processing of this waste on account of the huge size of the country, brought producers of electronic goods into the picture by adopting Extended Producer Responsibility (EPR), a popular framework across the world for e-waste management. In order to streamline e-waste management, the government notified Electronic Waste (Management and Handling) Rules based on EPR in May 2012.

These rules were modified in 2016 when for the first time; producers were covered with the collection targets and make necessary arrangements for collection from end users. In order to make these regulations more effective, the government may bring e-



goods manufacturing companies under Indian Accounting Standards (Ind-AS) to provide for the cost in the current fiscal.

Needless to say, if the above proposal is implemented as it is, in such case electrical & electronic equipment manufacturers, including global brands may pass recycling cost on to consumers. Regardless, it will certainly prove to be a boon for e-waste management companies, says a jubilant Mr. Soni, “These norms will prove to be a game changer for e-waste management companies like Ecoreco.”

In line with these norms, manufacturers will have to tie up with recycling companies and this will push up collection of e-waste. Ecoreco has initiated further investment in its recycling facilities with an object to process 100,000 MTPA, which can yield a turnover of around Rs. 400 crore at the current prices. As against this, the company had a turnover of just 19 crore for the fiscal 2017.

Indeed, sunny days are ahead for the Rs. 10,000-crore e-waste management industry. Needless to say, with collection and recycling also on the rise, Ecoreco will be able to push up its topline as well as bottom line and strengthen its balance sheet. For companies like Ecoreco, it will literally make the axiom of ‘wealth from waste’ come true. ■