

1st June, 2023

BUSINESS UPDATE

The Previous year under review:

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 prefer 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%. As far as the profitability of the fourth quarter of the FY 2022-23 is concerned, the company has to provide for Income Tax Liability of Rs. 1.17 Crores (for the full 2022-23) and has to write off a sum of Rs. 1.93 Crores.

The Prospects:

It gives me an extraordinary pleasure to inform that the year 2022-23 was one of the most vibrant and decisive year for the E-waste Management Industry. In this period, 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 tonne of e-waste will be of the magnitude of \$5 Billion and 70% of the same is another humungous number of 3.5 billion US\$ equivalent to Rs. 30,000/- Crores per annum, having CAGR of 25%.

For the success of the E-waste Management Rules, the entire responsibility has been given to the Producer (Brands) of the Electrical & Electronic Equipment, who are supposed to engage the services of a Recycling Company like Eco Recycling Limited for collection and recycling from the end consumer and has to provide the necessary Reverse Logistics infrastructure at its costs & expenses.

Eco Recycling Limited (Ecoreco, the first authorized and registered E-waste Management Company of India) was awaiting such development since 2005, the year in which Ecoreco pioneered the concept of E-waste Recycling in India to provide raw material back to the main stream of industry, rather than digging natural resources, without any impact on the environment and health of the surrounding. As far as Ecoreco is concerned, in this period of 18 years, it established itself as one of the most trusted and compliant Brand not only in India but on global canvas. During this journey of 18 years, Ecoreco focused on developing necessary infrastructure to undertake multifold responsibility, as soon as the E-waste Management Rules becomes reality.

I am 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.

I am proud to mention that your company is completely a zero-debt company and all of its assets are free from encumbrances. For the multifold organic and inorganic growth, as envisaged looking at the unfolding and untapped opportunity, the company will leverage its credentials to tape required amount of funds either as an Equity or Debt or a combination of both, whichever will be in the best interest of the shareholders net worth.

Ecoreco is committed to recycle to save natural resources.

For Eco Recycling Limited



Brijkishor Kishangopal Soni
Chairman& Managing Director