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BSE Limited
Corporate Services Department
P J Towers, Dalal Street
Mumbai – 400001

Scrip Code : 530643
Scrip Name : ECORECO
ISIN : INE316A01038

Subject: Submission of Transcript of Q1 FY 2025 Results Conference Call held on August 16, 2024 under Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In compliance with Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A (15) of Schedule III, and in continuation to our intimation letter dated August 12 2024, please find attached the Transcript of Analyst/Investor Conference Call held on Friday, August 16, 2024 at 4:00 P.M. in respect of Unaudited Financial Results of the Company for the quarter ended June 30, 2024.

Pursuant to Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid Intimation and Transcript of the Conference Call is available on the website of the Company and can be accessed at www.ecoreco.com.

This is for your information and record.

Thanking you,

Yours faithfully,
For Eco Recycling Limited

Maneesha Jena.

Maneesha Jena
Company Secretary & Compliance Officer



Encl: As above



“Eco Recycling Limited Q1 FY25 Earnings Conference Call”

August 16, 2024



MANAGEMENT: MR. B K SONI – CHAIRMAN & MD, ECO RECYCLING LIMITED

MS. MANEESHA JENA – COMPANY SECRETARY, ECO RECYCLING LIMITED

MODERATOR: MS. CHANDNI CHANDE – KIRIN ADVISORS PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Eco Recycling Limited Q1 FY '25 Conference Call, hosted by Kirin Advisors.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Chandni Chande from Kirin Advisors. Thank you, and over to you, ma’am.

Chandni Chande: Thank you. And on behalf of Kirin Advisors, I welcome you all to the Conference Call of Eco Recycling Limited.

From Management Team we have Mr. B.K. Soni – Chairman and Managing Director. Now I have over the call to Mr. B.K. Soni. Over to you, sir.

B K Soni: Okay. Thank you so much, Chandni. Good evening, everyone. I am joined on this call with my Company Secretary – Ms. Maneesha Jena. We both are there on the same call. Thank you for joining us today to discuss Eco Recycling Limited’s Financial Performance for the 1st Quarter of FY25.

I am pleased to report that our Results reflect a strong start of the Fiscal Year driven by significant growth across key financial metrics. Eco Recycling Limited is India’s leading e-waste management Company, and in e-waste recycling for nearly 20 years with a commitment to globally accepted practices that meet international standards. Ecoreco focuses on providing high quality services across the entire spectrum of e-waste management right from collection to the compliance and assuring adherence to the e-waste management rules and environment protection.

The Company prioritizes innovation and industry benchmarks over cut-throat competition, offering clients including MSMEs, MNCs, producers that support their extended producer’s responsibility obligation. Well, before the formal introduction of EPR in 2016, we had started the service of introducing EPR in the year 2012 itself but started providing commercial services in this financial year only. Recognizing the critical importance of recycling, the government of India has placed a strong emphasis on the recovery of valuable materials from waste streams such as e-waste battery, e-waste, lithium-ion batteries, and end-of-life vehicles. To regulate the handling of these materials, various rules have been established under the Environment Protection Act, authorizing specific facilities to manage this process.

Ecoreco proudly holds the distinction of being India’s very first authorized recycling facility for electrical and electronic waste. Since our inception in 2005, we have been steadfast in our commitment to serve both the nation and the nature, ensuring that waste materials are managed

in an environmentally responsible manner. The Central Government's implementation of the e-waste management and battery waste management rules, which prominently includes the EPR framework, has been a pivotal step towards the effective generalization of used equipment. These regulations give the owners and producers of electrical and electronic equipment to ensure that their products are disposed of responsibly and contribute to a more sustainable future. In the recent budget speech, Finance Minister, Ms. Nirmala Sitharaman, underscored the importance of recycling in the context of India's critical mineral mission. This initiative aims to secure the supply of essential minerals such as lithium, copper, cobalt, rare earth elements, over and above precious, and other metals, which are vital to strategic sectors like nuclear energy, renewable energy, defense, telecommunication, high-end electronics devices, and others. The Minister announced the establishment of a critical mineral mission, focusing on domestic production, recycling, and overseas acquisition of critical mineral assets. This mission will drive technology development, workforce, training, EPR framework, and innovative financing mechanisms.

At Ecoreco, we have long believed that the success of initiatives like the Production Link Incentive, PLI scheme hinges on the secure and uninterrupted supply of precious and rare earth metals. We are convinced that recycling of waste, particularly e-waste and lithium-ion batteries, represents the most viable and sustainable source of these critical minerals. In response to the growing generation of this waste stream and increasing demand for critical minerals, Ecoreco has already expanded its capacity to 25,200 metric tons per annum. The expansion has been funded entirely out of internal accruals, a testament to our commitment and financing prudence. Today, we are proud to serve some of the world's leading global brands, not only by recycling their e-waste, but also by providing EPR credits, as mandated under the aforementioned rules. Now, I will briefly deal with the financial performance of the Company for the quarter ended June '24.

This quarter, on a consolidated basis, total revenue surged by 69.48% to Rs. 13.44 crores as compared to Rs. 7.93 crores in Quarter 1 of '24. The Company's EBITDA also saw a substantial increase of 76.38%, reaching to Rs. 10.23 crores up from Rs. 5.80 crores, with the EBITDA margin improving by 298 basis points to 76.12%.

The consolidated PAT for the quarter rose by 73.04% to Rs. 8.15 crores, reflecting a PAT margin enhancement of 125 basis points to 60.64%.

The earning per share also increased by 73.36% from Rs. 2.44 to 4.23 per share. And our stand-alone revenue surged by 86.46% year-on-year to Rs. 12.53 crores, while EBITDA saw an increase of 102.6% to Rs. 9.34 crores.

Our profit after tax also nearly doubled, growing by 97.6% to Rs. 7.41 crores. These numbers are a clear indication of the growing recognition and urgent need for responsible e-waste management in India.

As we move forward, Ecoreco remains dedicated to the sustainability, circularity and environmental stewardship. Our sustained focus on innovation, investment in cutting-edge technologies and adherence to the international standards have enhanced the demand of our premium services, leading to higher profitability. We remain confident in our comprehensive approach towards e-waste management, which we believe will continue to generate positive outcomes for our clients, our other stakeholders and the environment for sure.

Thank you. I now open the floor for questions. Thank you so much for giving me patient hearing.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is on the line of Viraj Mahadevia from MoneyGrow. Please go ahead.

Viraj Mahadevia: Quick question, sir. Over the last quarter, I mean Q4, we have seen a 75% jump in total income, as you highlighted, but the materials consumed have more than halved. Can you explain to us what is happening there? Is that because of a larger part of the revenue this quarter is coming from EPR and your core recycling has been a smaller part of the revenue and consequently lesser your raw material is used?

B K Soni: Mr. Viraj, this is the greatest USP of Ecoreco. And let me tell you and I mean remind you about it, on the previous call also I had mentioned that we insist our suppliers, particularly the producers, that if they are following certain practices in the world, in the developed countries, they should follow over here too, like giving the material at a nominal price, bearing other expenses, and all other things put together, we always focus on reducing the cost of acquisition of the waste. That is one of the major, major reasons. And the second part, you are absolutely right, it does include EPR fees also for that quarter.

Viraj Mahadevia: My second question, sir, is now that EPR fees have begun in earnest with the system is all working with CPCB, etc. Are we expected to see EPR fees ramp up from here over the next 2-3 quarters?

B K Soni: In all probability, yes, not only because of the quantity what we recycle and the certificate we provide of EPR, but also CPCB is looking at various sectors, why the material is not flowing to the formal sector and going more to the informal sector, and realize finally that it is the price difference which is giving, I mean, because of that the material is going more towards the informal. To bring it to the formal sector, the government, I mean, CPCB is particularly with the Ministry of Environment, is working on the mechanism of giving us a higher EPR fees, suggesting or mandating very shortly that higher EPR fees should be charged by the formal sector so that they can bridge the gap of price difference between formal and informal.

Viraj Mahadevia: Very interesting, a very innovative and sensible approach.

B K Soni: Really appreciate that.

- Viraj Mahadevia:** Regarding the books, how much net cash is in the business and are we looking to monetize that for further expansions in the future?
- B K Soni:** Yes. As I mentioned earlier in the previous 2 quarters, that we are accumulating cash and we will assess the requirement of further investment in plant machineries and the capacity, which will be sometime in September 25, we will evaluate based on the performance of March '25 and half of the year of the next year, so that we can judge the requirement, whether we need more capacity and if yes, of which item, maybe of e-waste and out of e-waste again, maybe categorically PCB recycling and lithium-ion battery recycling. So, this evaluation will take another 12 to 13 months from now, but till then we will accumulate the cash.
- And how much is the net cash just quickly, at the end of this quarter?
- B K Soni:** Net cash figure is not there in my hand. Cash flow, can you get, Maneesha? Yes, I mean, we have invested by 30th June entirely Rs. 50 crores in the plant and machinery and the land building. So, probably it may not be much, but yes, it's not very small also. Let me check.
- Viraj Mahadevia:** No problem.
- B K Soni:** If I can answer during the further communication? Yes.
- Moderator:** Thank you. The next question is from the line of Parv Jain from Niveshaay Investment Advisory. Please go ahead.
- Parv Jain:** Sir, on our procurement side, could you help me with our approximate mix that we saw during this quarter? I mean, what portion of our procurement was via contractual arrangements? What was via secondary markets? And how much of our procurement was via imports? Any help there, sir?
- B K Soni:** So, I'll just go in a reverse direction. We don't import anything, ne. We don't procure from the market, two. But we directly take it from our end user, which are inclusive of the multinational Company's user admin and the producer board. So, our main source of supply, rather 100% source of supply, varying, of course, from the individual collection under the door-to-door collection from the individuals. But otherwise, we procure it from the end user and producer only.
- Parv Jain:** I think that helps. So, the second question would be, what was the weight of the materials recycled in this quarter, the quantity?
- B K Soni:** So, as I informed earlier about the method of calculation at our end is very simple. We calculated by 30 rupees a kg of profit. So, since we made a profit of 9 crores, so we should judge it by the number. I mean, it comes to about 3,000 metric tons kind of scenario. We don't go by the quantity, we go by the value of it.

Parv Jain: And sir, what was the approximate mix between recycling, refurbishment and data destruction? Is that the same as we have seen in other quarters or was there some change here?

B K Soni: Broadly, it remains almost the same all the time. But yes, in case if we go for the white goods, which we are not doing at this point of time, home appliances, I mean, freezers, washing machine and all. So, since they are more for the recycling rather than refurbishment and remarketing, so we focus on the IT and mobile communication, I mean, communication devices. So, our mix broadly remains the same barring a few percentage here and there.

Moderator: The next question is from the line of Sarang Joglekar from Vimana Capital. Please go ahead.

Sarang Joglekar: So, I was asking, can you just give some context on EPR mechanism, how it works, and like how are the fees decided? And you said something about CPCB encouraging the formal sector. So, can you just talk about it more?

B K Soni: Sure, why not? So, first and foremost, what EPR is? As you know about it, it's extended producer's responsibility, or producer's extended responsibility that they are not only responsible up to the point of its use or sale, but at the end of the life also of the equipment, the producer has to collect it back from the end consumer, or they can assign this job to any other agency, including a recycler, to collect on behalf of them their sold equipment, and get them recycled to the tune of 50% of that what they have placed over a period of time in the market. So, this is the basic foundation of the EPR.

And as far as the CPCB is, CPCB realized over a period of time that to achieve the higher quantity of recycling by the formal sector, there is a need to bridge the gap between the prices, what an informal sector can afford to pay to the end user, versus the recycler who has to invest a lot of money into a lot of equipment or infrastructure. So, therefore, there is a gap, and that gap is to be filled up. And therefore, they are suggesting some prices for the EPR to be charged to the producer, which will meet the gap between the formal and informal recyclers, and formal recyclers will get much higher quantity in future.

Sarang Joglekar: On the recycling business side, so you procure the e-waste from these MNCs that you talked about, and then sell that after recycling to those MNCs again, or the producers again, or in the open market. How does that work?

B K Soni: So, these are all, metals, primarily metals, plastic, and glass, and the producers don't need them. I mean, the producer of electronic equipment don't need, but their suppliers certainly need all these items. So, they may be one of the set of purchasers, but we don't deal directly with them. It goes through the smelter to them, the finished goods, because there has to be refining, and one has to do that kind of task. So, all the aluminum, copper, ferrous, gold, everything passes through the smelting process, refining process, and then goes to the producers directly if they are producing.

- Sarang Joglekar:** So, you don't directly sell the recycled materials to the producers?
- B K Soni:** No, it doesn't really go that way.
- Moderator:** The next question is from the line of Darshit Shah from Nirvana Capital Group. Please go ahead.
- Darshit Shah:** Sir, can you please quantify, if possible, how much was the EPR revenue this quarter?
- B K Soni:** Darshit, we would like to hold on those break-ups. In the revenue from operations, it includes both, or rather 3, recycled material, refurbished, EPR fees, and of course, the data restriction service charges. So, it's a combination of all four, but giving break-up at this point of time may not be possible for me, please.
- Darshit Shah:** No problem. And sir, just one other question on the client that we had onboarded in the new plant, how is the progress, if you can highlight that point?
- B K Soni:** I am sure that this is reflected in the performance. And you will appreciate the kind of turnover also, I mean, the revenue line has also gone out. So, there is a good amount of value addition about more than Rs. 3 crores in the quarter to quarter. And so that is getting reflected. And going forward with this further scheme of CPCB, if it is implemented, which is hopefully in the coming week itself, hope things will move much faster.
- Darshit Shah:** And do we expect ramp-up from this client gains in future quarters?
- B K Soni:** Yes, we are certainly expecting because obligation of each one of these clients of ours and of the recyclers are much higher. But just because of the price difference, we were unable to get that quantum. And so now this time has come for that.
- Darshit Shah:** And on the CPCB thing, which you highlighted on the EPR fees, which they want to kind of formalize, and the decision is probably going to happen in a week's time. So, the fees would be for different materials, different fees, or how would that work out for different e-waste?
- B K Soni:** So, all the e-waste, 106 items of e-waste, which are covered under the rules, have been categorized into 7 categories, okay, like IT devices, medical equipment, toys, home appliances, and all these kinds, seven items. So, they are suggesting category-wise under the 7 categories, certain fees to be charged to the producer towards EPR. And so this will be applicable to different categories, not only metals. Based on this category-wise price of the EPR, we can allocate amongst the metals, different metals based on their component or constituents in the particular item.
- Darshit Shah:** And if the understanding is correct, this would be higher than what currently the recyclers are getting in terms of EPR fees?

- B K Soni:** Yes, it is higher.
- Darshit Shah:** Currently, what the normal average rate is?
- B K Soni:** Correct. What the normal market rate is, much above that, much higher than that.
- Moderator:** The next question is on the line of Pradeep Rawat from Yogya Capital. Please go ahead.
- Pradeep Rawat:** Good evening and thank you for the opportunity. So, sir, as you mentioned that our Company procure much of the raw material from MNCs and you also mentioned that we reduce our raw material cost. So, I wanted to understand how did we manage to reduce our raw material cost from the MNCs?
- B K Soni:** Excellent. Let me tell you, boss, there are different categories of the recycling systems in the world. Not that every system or every machine which protects the environment to the extent it is required. So, if you invest in the high-end technologies and take care of the protection of the environment, then obviously the multinational companies who are giving their levers to you, they are not giving just only for the sake of formality to meet, but for them, it's a real, real compliance and obligations towards the environment. And when we invest that kind of money, and in our case, as you know better than me about that everything has been invested out of internal accruals. So, we have lesser burden of expenses and when we ask for the good price from the multinational companies or the class A producers in the world, they never hesitate to pay the fees of our choice because of the environmental compliances and not only to meet the formality of the US management rules. This is the driver of our price, our premium service charges.
- Pradeep Rawat:** And I just wanted to understand more about our raw material mix. So, what would be the concentration of raw material mix? So, how much of the top 5 suppliers make up of our raw material cost?
- B K Soni:** So, it hardly matters that what is the mix of the USP, because finally under the EPR, I am supposed to provide the credit on the basis of 4 metals. So, combination, permutation of material does not really matter. What really matters is coming from the source. So, that is very important. In our case, as I mentioned, it's multinational companies and class A producers. That is first thing. And the second part of your question, what was the second part of it?
- Pradeep Rawat:** It was that only. I just wanted to understand like how much cost of goods is sourced from the top 5 MNCs.
- B K Soni:** We never talk about our clients' names and all. That was second part of your question. So, sorry, excuse me for that.
- Pradeep Rawat:** So, can you provide the number that EPR fee that we generated in this quarter?

- B K Soni:** So, as I just told to Darshit also that we don't give the breakup because our premium fees is different than the market. And I do not want to make an indication of our fees to the competitor. Please excuse me for that
- Pradeep Rawat:** And last question regarding our new facility. So, how is the ramp-up going on and what is the current utilization at which we are running?
- B K Soni:** So, it was a very nominal utilization during the June quarter because on 5th June only we formally inaugurated it. And we received all the consent for the batteries and the rest everything. So, we hardly have utilized during the quarter of June. And we have sufficient capacity available in our first facility itself. And hopefully, with the quantity moving forward faster, the capacity utilization at both the facilities will increase substantially over a period of time. So, I am unable to give the number of, I mean in terms of percentage of the capacity. But as I envisage that yes, much higher utilization will happen going forward.
- Moderator:** The next question is from the line of Vivek Seth, an individual investor. Please go ahead.
- Vivek Seth:** Thank you for the opportunity. We had some arrangement with TERRA some time back. So, just wanted to know, how is this arrangement benefiting the Company?
- B K Soni:** Yes, it is yielding results now because a lot of other clients we got connected in the global market. And as you know, we are otherwise providing our services in the global market. So, the addition with the TERRA and TERRA's other members is expanding our wings and is adding to gradually the business. We are very hopeful because these members of TERRA are a cream layer of the recycling community in the global market. And we are about 120 only in all in TERRA. So, working with each other really adds a lot of value, not always in terms of the money only or the material only, but lots of other benefits do come to us.
- Vivek Seth:** Another question, sir. Do we have some patents on the machines or the processes belonging to our Company?
- B K Soni:** Sorry, come again.
- Vivek Seth:** Do we have any patents on the technology or the machines or the process which we can monetize or we just want to just expand in our own capacity or we plan to monetize it by selling that technology to other companies because the recycling as a sector is expanding?
- B K Soni:** So, you know, technologies are available across the globe and I mean, hundreds of suppliers are there. So, one more addition of Ecoreco and deviating from the core action of recycling is not right now on the consideration. But let's see if something very, very unique, proprietary, some technology we will be working on, that time we will look at that possibility.

- Vivek Seth:** So, one more question, if you would permit. We had the fire incident some time back. So, just want to know if we have taken any remedial measures to alleviate such risk to our business?
- B K Soni:** Obviously, we have learned from that mistake of our shortfall, whatever we noted and have been correctly implemented in the old one also and in the new one also. Okay.
- Moderator:** The next question is from the line of Amit Agicha from HG Hawa & Company. Please go ahead.
- Amit Agicha:** My question was with respect to where in Mumbai is the second facility?
- B K Soni:** Vasai only. Both the facilities are in Vasai East only.
- Amit Agicha:** And my question was specific regarding to what was the CapEx for the second facility?
- B K Soni:** Rs. 50 crores.
- Amit Agicha:** And is the Company planning to move any city other than Mumbai?
- B K Soni:** No, it hardly matters because centralized facility is much cheaper than multiple facilities and logistic cost is far lower than the cost of interest and depreciation in the multiple facilities. So, we are of the opinion that the centralized facility is always good. And security of the material and all other things remains under control.
- Amit Agicha:** And sir, last question was like what are the total number of employees that we have?
- B K Soni:** Now we have about 50. And with the capacity as utilization increases, more number will be added according to the requirement.
- Moderator:** The next question is on the line of Kayan Irani, an individual investor. Please go ahead.
- Kayan Irani:** I want to ask you a question regarding the EPR fee side. So, as I understand, you must have accumulated a lot of credits from recycling activities of the previous quarters also. So, how much of that is booked in this quarter? And going forward, how much can be carried from the previous quarters to the next quarter in booking of the EPR fees?
- B K Soni:** So, booking of the EPR fees will be done based on the metals generated and demand comes from our existing and the new clients. Obviously, we focus on the EPR fees at much higher level. And therefore, it's a very gradual but very sustainable and very profitable model we look at. So, we are not in a hurry to sell all the credits, but until we don't realize the best value.
- Kayan Irani:** So, similar to how you're doing your normal business, you want high margins over there also. But at this point of time, you don't want to share the percentage which is already booked in this quarter.

- B K Soni:** Certain USPs should be maintained.
- Kayan Irani:** And also, sir, in the past few decks, you have been sharing how you are partnering with CNET regarding the battery recycling technology. Sir, what stage of the market you would say India is regarding battery recycling and your Company also? How do you see this going forward in the next 2-3 years?
- B K Soni:** So, I am honestly confessing that I do not know what is the exact status in India. But what we have set up is a very nominal facility of 6,000 metric tons. And that too, we have set up it only primarily for the in-house material what we receive out of the electronic waste, okay. And if those same clients have accumulated batteries at their end because of the services what they provide to their end customers, and if the batteries are returned during the refurbishment or replacement, those are the batteries only we don't procure it from market. Consciously, we don't procure from market.
- Moderator:** The next question is from the line of Harish Kumar Gupta, an individual investor. Please go ahead.
- Harish Gupta:** Sir, you have just answered in the response of a participant that how many employees are there. So, we have 50 employees. But the employee expense for this quarter is only Rs.94 lakhs. So, since you are also an employee, so, I am hoping your salary should be more than Rs. 2-3 crores package.
- B K Soni:** No, boss. I have never drawn such kind of salaries. You will be getting the annual report very shortly for the March '24. Have a look at that and then you can make out from there.
- Harish Gupta:** So, mostly employees are collection employees, so lower paid employees mostly.
- B K Soni:** There are all kinds of employees. Some people are in collection, some people are in processing and some people are in refurbishment. So, there are all kinds of people.
- Harish Gupta:** So, in Rs. 94 lakhs, your work is done in a quarter.
- B K Soni:** Yes. These are all qualities of Ecoreco that it manages its expenses to such a low level but at the same time takes care of the network of the shareholders.
- Harish Gupta:** So, sir, as you gave the margin guidance in the past con calls that it will be around 40%-45%. But it is 72% in this quarter and other items which I see, I don't think our margin should be downgraded. So, would you like to upgrade it?
- B K Soni:** Look, there are already such good percentages. So, it will increase further. So, there are only 1 or 2 factors. Like our focus is always that producers should not ask for any money because they are looking for service. And service will be provided when, if my stomach is full, they will get

the best service. This is our thought. The producers also agree with this. So, that's why you can see such good numbers.

Harish Gupta: So, we can have similar numbers in the future as well?

B K Soni: I don't want to give that kind of guidance, but yes, I am very confident things will be better at my end.

Moderator: The next question is on the line of Viraj Mahadevia from MoneyGrow. Please go ahead.

Viraj Mahadevia: Thank you for taking my question again. Sir, you mentioned the new facility has kicked in early June. Hence, there has not been a big impact in Q1 of these facilities. Can you give us a sense of how these facilities are ramping up and doing in the month of July and till middle of August, qualitatively? Is there any big ramp up?

B K Soni: So, let me put it this way. The total capacity is 25,200 metric tons put together. It's not that we need to focus on both the facilities together. Whatever best we can do in one facility to save the expenses on electricity and many other things, we try to use the first facility to the extent possible, okay. So, that is the first and foremost care we take so that we can save on a lot of expenses. And secondly, as far as the organization is concerned, I am very, very positive about the kind of strictness the CPCB is now demonstrating and using that, rather asking producers to work on the lines of the rules. It's much higher than all the lines strictly, I am very positive. Not only Eco Recycling, but other recyclers will also get a lot of material from producers. Our producers will have to collect much higher quantities from end consumers, maybe both individuals and corporate. So, capacity utilization of all the recyclers will go up substantially.

Moderator: Thank you. The next question is from the line of Anmol from BLB Limited. Please go ahead.

Anmol: I just wanted to understand the growth registry going forward. So, I can see that you have grown very well for this year. But you had given a guidance of about Rs. 100 crores revenue for this year, right, for FY25. So, on the back of the envelope calculation, we have to catch up about Rs. 90 crores in the next 3 quarters. Do you think we can achieve that with the sustained margins?

B K Soni: So, as I mentioned a number of other questions, yes, we are expecting a good amount of volume to increase or substantial increase, rather. And in all probability, as I envisaged, about 12,000 metric tons, which I will link with the profitability of about Rs. 30 crores plus, or even Rs. 35 crores is what we envisage out of 12,000 metric tons. That's how we really look at it, not from top line perspective, neither from the capacity utilization perspective. We always take care of how much we have earned for our shareholders and increase their net worth. That's the focus area.

Anmol: So, this Rs. 30 crores to Rs. 35 crores profit that you're talking about, does it include the EPR fees that you are expecting to collect for this year or is that excluding that?

- B K Soni:** These are all integral part of the recycling services, right from collection to data destruction to recycling, refurbishment, EPR fees. These are all integral part of the entire service package. So, what is coming from one particular source is not that significant, but what is more is that are we commanding that premium for our different services, which we provide all the time. That is what we focus. To be very honest, we don't work on the volumetric game, we work on the value metric game.
- Anmol:** So, just wanted to reiterate that, first of all, well done on the execution part, and all the best going forward for the upcoming quarter, and I hope you achieve the value.
- Moderator:** The next question is from the line of Arun from Das Capital Private Limited. Please go ahead.
- Arun:** I just wanted to understand about the recent subsidy announced by the government of Rs. 15,000 crores. So, what kind of margin improvement are you looking forward by this subsidy announcement going forward?
- B K Soni:** Great. So, this Rs. 15,000 crores MSME funds, what the government has announced about 48 hours before, will be utilized towards environment-friendly practices, recycling, and all other services, not only one. So, that will be a great boost. You can safely say about Rs. 60,000 crores more investment is expected in this industry, in the recycling industry in general, against Rs. 15,000 crores of the grant from the government. So, that will certainly help in boosting, and that will, if my investment, which is supposed to be Rs. 50 crores will reduce down in the next expansion to Rs. 37.5 crores. So, automatically my margin level will go up.
- Arun:** And one more thing I wanted to understand about the tax part. Last quarter, there was a tax of almost around 10%, and this quarter, it's almost like 17%, varying every quarter and quarter. So, can you put on a light on a little bit on that?
- B K Soni:** So, it depends on the permutation-combination of different income. Like, you will notice in the previous quarter, the income from long-term capital gain was also there. And in this quarter, you must have noted that it's very nominal, because we have already liquidated a lot of our investments. And so, other income has come down. And therefore, the percentage of tax rate has gone up.
- Moderator:** The next question is on the line of Pradeep Rawat from Yoga Capital. Please go ahead.
- Pradeep Rawat:** So, I have just one question. Sir, in our presentation, there is mention that there are many players in India similar to us. So, I just wanted to understand what sets us apart from them.
- B K Soni:** Beautiful. I really love this question. Let me just, first and foremost, that although there are a number of facilities out there, and far, far bigger than Ecoreco, okay, that is one thing. And still, there is a gap for many more to come in and sustain, for sure. Because the generation level of e-waste is very, very high in India. It's close to about 4 to 5 million metric tons. So, there is a scope

for everyone to be there. Now, as far as our USP or our kind of services are concerned, I am not saying that others are not providing, are not capable to provide, but we do take care that we provide, we take care of the compliances of the clients in its totality, as against considering them as a formality under the rules. This is the difference what we always follow. So, compliance versus formality makes a big difference to the clients, like, who have invested billions and billions of dollars in their facilities of manufacturing. They don't want to shut the door only for the noncompliance, for a nominal increase in the service fees. So, this is our USP, I would prefer to call it.

Moderator: Thank you. The next question is from the line of Sagar, an individual investor.

Sagar: So, I have two questions related to line items under expenses. I am looking at our consolidated financial results. So, firstly about purchases. So, what all constitutes under purchases? Is it just the e-waste that we procure from our clients or is it something more? And the extension to that question will be, does all the e-waste that you procure in a quarter, most of it gets consumed in the same quarter? That's my first question. And my second question is related to other expenses. What I can see is, Y-on-Y, our revenue has grown by 2x, but our other expenses have almost grown by 6x. Could you please throw some light on it?

B K Soni: Other expenses have grown to what level?

Sagar: It's almost by 6x, like Y-on-Y. It was Rs. 24 lakhs in June quarter 2023 and now it is Rs. 143 lakhs.

B K Soni: Got it. So, as far as the first point is concerned of yours, so whatever the purchases we have made is not necessarily that everything gets consumed within the same quarter itself. It might be old inventories, because it all relates to what you accumulate and what kind of batch you make out of that to generate which kind of metals. Based on that, we segregate and utilize that. That is one part.

And second is, as far as the expenses is concerned, which is from Rs. 24 lakhs to Rs. 143 lakhs, but you will notice that in the quarter of March '24, it was Rs. 111 lakhs as against Rs. 143 of this year, this quarter. So, there is not significant growth. '24 was very nominal, probably some very nominal expenses and the top line was also 539 as against 1140. So, there might have been some reason for that, but I don't have that break-up with me, why it was too low, but it's not very significantly higher than the other expenses.

Sagar: So, what all constitutes in other expenses, I mean, in recent quarter?

B K Soni: So, other expenses consisting of rent, legal and professional fees, traveling. Yes, your point is well taken as for the fees, professional fees for many services have gone up by about Rs. 30 lakhs, Rs. 40 lakhs in this quarter. Then courier and communication charges have gone up by

about Rs. 10 lakhs. So, these are the major constituents, but all within the control, nothing beyond control.

Moderator: The next question is from the line of Yatin Kapoor, an individual investor. Please go ahead.

Yatin Kapoor: So, my question is regarding EPR fees which we have received. So, last quarter, I remember that there was some issue with the portal. We could not get much income in the last few days. And this quarter, we can see an increase. So, how much do you think is more of a catch-up? Or do you see this as a pure for this quarter only? This is my first question.

B K Soni: really sorry. Can you repeat your question, please?

Yatin Kapoor: What I want to know is that in the March quarter, last quarter, there was an issue with the EPR portal.

B K Soni: Okay. Got it. And what is your next question?

Yatin Kapoor: I just wanted to know; does it include a catch-up of that also? Or it's a pure June quarter income, you feel?

B K Soni: Got it. So, yes, in March quarter, there were lots of challenges on the portal. And therefore, hardly participation was there of many, many recyclers, including us. But in the June quarter, yes. It pertains to the quarter only. And next quarter will have its own reflection. So, this is what the exact status is.

Yatin Kapoor: So, this is pure June numbers, you could say, right?

B K Soni: Absolutely.

Yatin Kapoor: So, second question would be that nowadays, there are a few other companies which are coming in between the producer and the recycler. So, what do you think about that? And do you feel any risk on this?

B K Soni: No, it's not a risk. They are just matchmakers; I would call them. But since CPCB is considering specifying the EPR fees for various items, various categories of items, so probably the role of them will minimize over a period of time. But they're not a threat to us because in any case, we are never dealing through the intermediaries in the market for anything. We are directly purchasing from the corporate or from producers. So, it hardly matters who are they. Yes, a lot of people do keep coming and contacting us for that. But we don't encourage that.

Moderator: The next question is from the line of Vivek Seth, an individual investor. Please go ahead.

Vivek Seth: Thank you for the follow-up, sir. So, there are some of our industry peers who are collecting collection from the retail through pickup vehicles or collection bins. I understand your perspective that you are only focusing on business customers. But are there any plans to foray into this domain? And are we conducting any promotional events in colleges, et cetera, which are also educative in nature, as well as giving impetus to the sector as a whole with respect to CSR?

B K Soni: We do certainly have the plan. And we have implemented, like, BookMyJunk mobile application and even a skill development program with the assistance of National Skill Development Corporation. All these things we have implemented far before the time arrived, I mean, the people have thought of. But the impact is not positive from the profitability point of view of the Company. As far as the social service is concerned, yes, we do provide that, and we will continue to provide that. But those expenses are purely incurred by another Company of mine personally, but not from the Eco Recycling Limited because it's not profitable for Eco Recycling to do that.

Vivek Seth: One more, sir. Are we participating in any international events for our brand promotion with respect to the recycle industry?

B K Soni: As such we don't do for the brand promotion, but we do attend all the major conferences in the global market. As many as about 5 to 6, we do attend in various parts of the world to gain the knowledge or to source the technology with the clients. But not specific to the brand promotion because in the risk management, you are not selling any product. You are buying the used ones.

Vivek Seth: I meant to gain more business.

B K Soni: Yes. Certainly, we do that.

Moderator: The next question is from the line of Durbaksh Singh, an individual investor. Please go ahead.

Durbaksh Singh: Sir, my question is, sir, where do you see, I understand we have a capacity expansion going on and probably we are going to reach full capacity in the next 2 to 3 years, right? But beyond that, where do you see Ecoreco going after like 5, 7 years? Do you see a capacity of maybe 1 lakh metric ton at the end of quarter could you throw some light on that? And my second question is, once we scale up further, do you see these margins sustainable? What would be your thoughts on the margin front going forward? Because even if the competition is going to pick up, do you see any pressure on that front? Thank you so much.

B K Soni: Great. So, as far as the ramp-up of the capacity and the capacity installation and utilization, all this certainly will be required in proportion to the growth as per our margin. I mean, that is the focus area is always the margin. We are a service provider, and we will set up and establish more and more capacity as the demand goes up. And since we know at Ecoreco that we trust what our present and the future clients put on us, we always maintain that. And I am very sure that 100,000 metrics what you envisage will not be a difficult task to achieve in the years you mentioned.

Coming to the second part of your question is, I am sorry, I just forgot.

Durbaksh Singh: Doubling the margins.

B K Soni: Sorry?

Durbaksh Singh: My question was the margins, when you scale up further.

B K Soni: Okay. When we scale up, whether the margins will be maintained. Yes. So, this probably is a part of the first question itself where we think that it's a service industry where the compliance is more and more required. And I need not tell you, but you know better than me, environmental compliance has become essential for all of us, not only from the business point of view, but it's a need. So, companies are indirectly doing this kind of CSR under EPR, which is really, really a driving force to maintain the sustainability of the margin for the right service provider who are taking care of their requirement as a compliance, once again, I am saying that as a compliance, not as a formulation. So, I am very confident we will maintain that. But let's see the challenges comes in the future, we will address them accordingly.

Moderator: Thank you. We will take this as the last question. I now hand the conference over to Ms. Chandni Chande from Kirin Advisors for closing remarks.

Chandni Chande: Thank you, everyone, for joining the conference call of Eco Recycling Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the call.

B K Soni: Thank you so much, everybody, for joining the call and giving me a patient hearing. Hope to see you soon again. Thank you.

Moderator: On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.