DEVEN CHOKSEY RESEARCH

Ecoreco®
Eco Recycling Limited

Eco Recycling Ltd

Initiating Coverage Note **October 10, 2025**

Eco Recycling Ltd

Riding India's circular economy wave with margin resilience and scalable growth

Eco Recycling Ltd. (Ecoreco) is one of India's pioneering and leading players in the formal e-waste recycling industry, offering an integrated value chain for the collection, recycling, and safe disposal of electronic waste. The company has demonstrated robust growth, with revenue rising significantly from INR 177 Mn in FY23 to INR 440 Mn in FY25, reflecting a strong CAGR of 57.4%. This scale led to substantial EBITDA margin expansion, improving dramatically from 22.1% in FY23 to 70.5% in FY25 due to operational efficiencies and securing raw materials at lower costs. Ecoreco's strongest advantage lies in its capacity-led operating leverage, having expanded capacity from 7,200 MTPA to 31,200 MTPA entirely through internal accruals, which enables deeper material recovery and better fixed-cost absorption. This positions the company perfectly to capture the twin tailwind of India's burgeoning circular economy and the robust growth (20.0-25.0% annually) of the EPR partnering industry.

Based on the above factors, we initiate coverage on Eco Recycling Ltd with a BUY rating.

Investment Rationale

Eco Recycling Ltd. presents a robust investment proposition anchored by a 4.3x capacity expansion from 7,200 MTPA to 31,200 MTPA, financed entirely through internal accruals. This expansion enhances operating leverage, drives superior material recovery, and has translated into substantial margin gains, with EBITDA improving from 22.1% in FY23 to 70.5% in FY25. The company's strong compliance framework, access to material from multinational corporations at nominal rates, and growing portfolio of high-margin services such as secure data destruction provide resilience and earnings visibility. Supported by e-waste volumes projected to grow at a 25% CAGR and the strengthening of the Extended Producer Responsibility (EPR) regime, Eco Recycling is well positioned to consolidate market share as volumes migrate from the unorganized sector. Strategic initiatives—including advanced battery metal recovery through its C-MET partnership, participation in the USD 23.2 Bn global lithium-ion recycling market, and the exploration of a franchise-led retail model.

Outlook and Valuation

Eco Recycling Ltd. has demonstrated significant growth over the last three years, with revenue rising from INR 177 Mn in FY23 to INR 440 Mn in FY25, reflecting a robust CAGR of 57.4%, driven by increasing demand for sustainable recycling solutions. The company improved its EBITDA margin from 22.1% in FY23 to 70.5% in FY25, thanks to operational efficiencies and cost optimization. The recent addition of a new 18,000 MTPA capacity in 2024, funded through internal accruals, positions Eco Recycling for continued growth. Its capacity-led operating leverage, integrated service platform, strong compliance credentials, and low-debt balance sheet make it a compelling long-term play on India's emerging circular economy.

Furthermore, we forecast a revenue/EBITDA/PAT CAGR of 30.8%/28.8%/26.9% over FY25-FY27E. We value Eco Recycling Ltd at a PE multiple of 37.0x FY27E EPS of INR 19.5 and arrive at a target price of INR 720 per share, implying an upside potential of 16.1% from the CMP. **Accordingly, we have a "BUY" rating on the stock.**

RECOMMENDATION

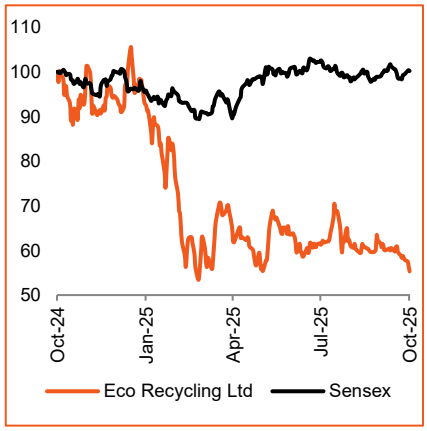
CMP (INR)*	620
Target Price (INR)	720
Upside %	16.1%
Rating	**BUY**

MARKET DATA

M.Cap (INR Mn)	11,960
52 Week H/L (INR)	1,045/502
Outstanding shares (Mn)	19.2
Face Value (INR)	10.0

*All market data as per previous closing.

Price Chart



Shareholding Pattern (%)

Particulars	Sep-24	Dec-24	Mar-25
Promoters	73.3	73.3	73.3
FIIs	1.2	1.2	1.1
DIIs	0.0	0.0	0.1
Others	25.5	25.5	25.4
Total	100.0	100.0	100.0

Key Financials

Key Financials	FY23	FY24	FY25	FY26E	FY27E
Revenue	177	280	440	550	673
EBITDA	39	164	310	374	451
PAT	62	182	234	271	326
EBITDA Margin	22.1%	58.7%	70.5%	68.0%	67.0%
PAT Margin	34.9%	65.0%	53.2%	49.3%	48.4%
P/E (x)	34.0x	54.3x	55.4x	42.8x	35.6x

Source: Company, DevenChoksey Research

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Industry Overview

E-Waste Industry

Electronic waste (E-Waste), refers to discarded, unwanted, obsolete and end-of-life electrical and electronic products, including computers, mobile phones, equipment used in Information and Communication Technology (ICT), home appliances, audio and video products, and their peripherals. E-waste encompasses products that are no longer wanted, whether destined for disposal, refurbishment, reuse, or recycling—covering both working and non-working devices.

The global landscape is undergoing rapid electronification and digital transformation, with technology reshaping daily life, business operations, and social interactions, evidenced by widespread ownership of multiple electronic devices and expanding digital networks. Today the connectivity remains extended beyond traditional computers and smartphones, including household appliances, e-bikes and e-scooters, health monitors, environmental sensors, furniture and other equipment's, which has led to a sharp surge in the volume of electrical and electronic equipment (EEE) in circulation, resulting in unprecedented growth in e-waste generation.

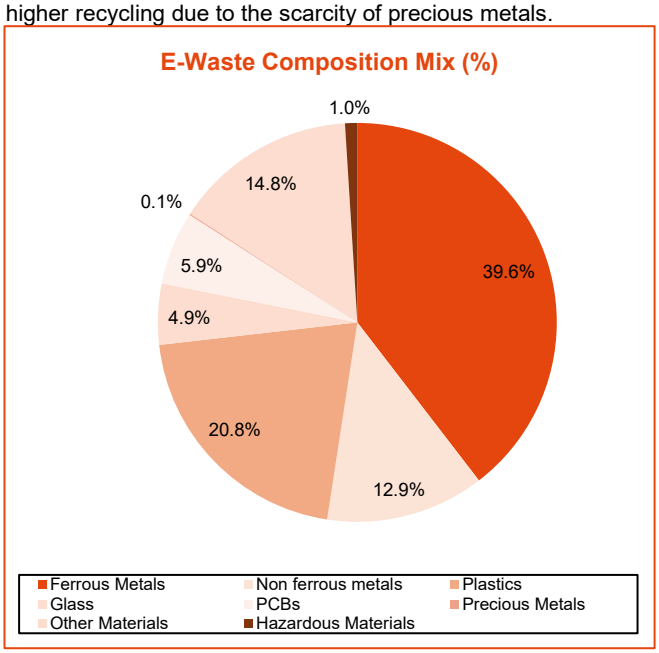
When EEE is discarded, it produces both hazardous substances and valuable materials. Although the valuable resources are critical for manufacturing of diverse range of products across industries but pose significant health and environmental risks if not properly managed.

The e-waste management industry focuses on the systematic segregation and recovery of valuable resources embedded within these products. Extracted materials include ferrous (iron and steel) and non-ferrous metals (such as copper and aluminum), plastics, glass, printed circuit boards (PCBs), precious metals (gold, silver, palladium), and other substances like rubber, ceramics, lead, mercury, and cadmium. The industry's circular approach not only mitigates environmental risks associated with improper e-waste disposal but also supports sustainability by channeling recovered materials back into manufacturing supply chains and enabling a circular economy.

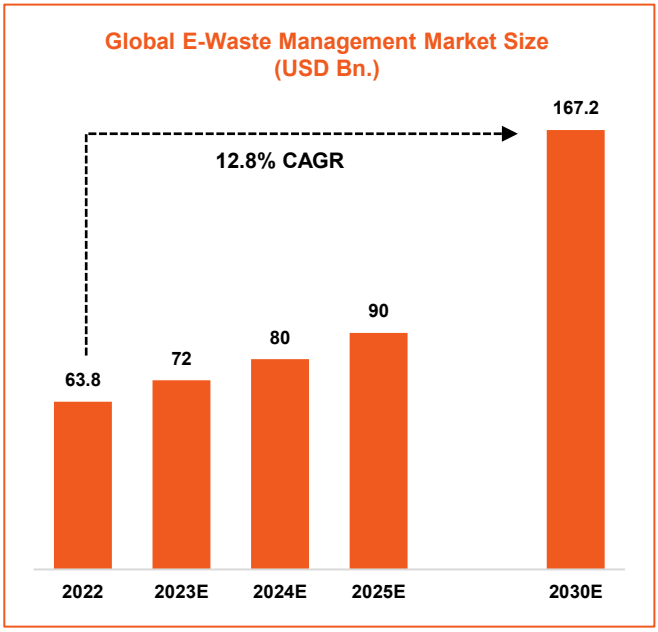
Global E-Waste Industry Overview

As per the Global E-waste Monitor 2024, E-waste generated globally during 2022, contained 31bn kg of metals, 17bn kg of plastics and 14bn kg of other materials (minerals, glass, composite materials, etc.), of which ~19bn kg of iron was recycled from all e-waste management routes, and precious metals, present in much lower quantities, ~0.3mn kg was recycled through formal and informal channels.

The global e-waste management market was valued at USD 63.8bn in 2022 and is expected to grow at 12.8% CAGR over 2022-30 to reach USD 167.2bn by 2030E, driven by increase in usage of electronics on account of shorter device lifespans and, higher recycling due to the scarcity of precious metals.



Source: Government of India, Deven Choksey Research



Source: Global E-waste Monitor 2024, Deven Choksey Research

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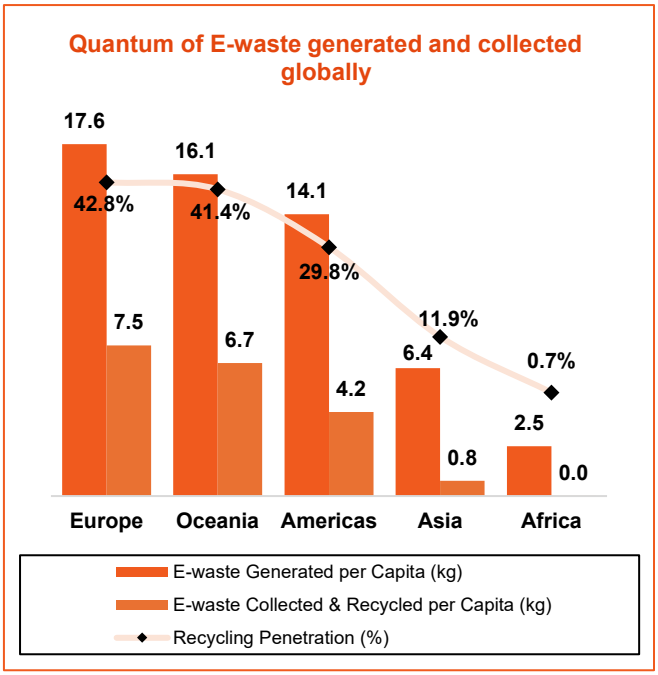
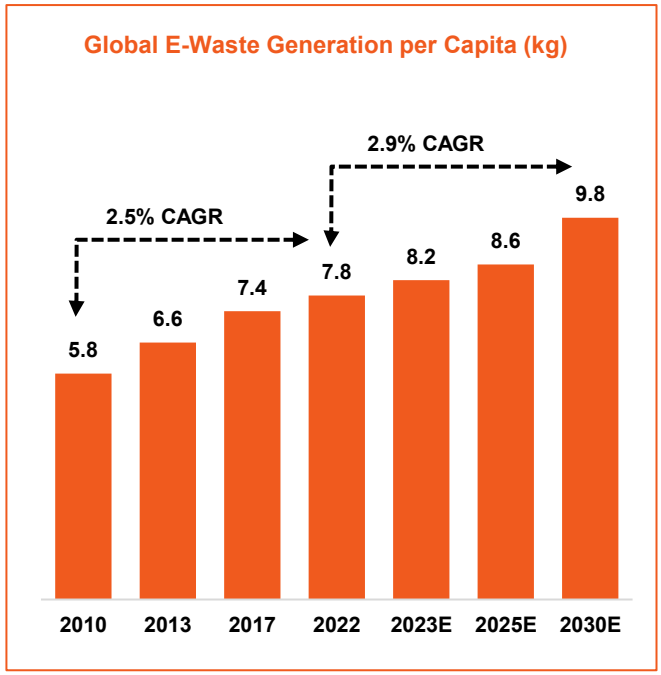
In 2010, e-waste generated globally stood at ~34bn kg, with per capita generation at 5.8kg, of which only 8bn kg (~23.5% of total waste generated) was recycled formally. Led by increase in usage of electronics and electrical appliances, total e-waste generated during 2022 stood at 62bn kg, with per capita at 7.8kg, of which only 13.8bn kg (~22.3% of total waste generated) was recycled formally. Despite higher quantum of e-waste was recycled, the formal penetration has remained flat over the last decade.

As per Global E-waste Monitor 2024, global per capita e-waste generation is expected to increase at 2.9% CAGR over FY22-30 (higher than 2.5% CGAR witnessed over FY10-22), from 7.8kg in 2022 to 9.8kg in 2030, led by higher requirement of computing power in data centers, increasing penetration of AI, cloud and integration of technology in every aspect of life, with total global e-waste generation is expected at 82bn kg.



Source: Global E-waste Monitor 2024, Deven Choksey Research



Source: Statista, Global E-waste Monitor 2024, Deven Choksey Research

To overcome the escalating challenge and increasing pile-up of e-waste, governments across the world are mandating strict implementation of recycling of critical resources, to promote and encourage circular economy and, reduce land pollution driven by landfilling of e-waste.

The key policies for promoting recycling and refurbishment of e-waste are implemented through formulating regulations through legislation, international treaties and agreements and, through offering incentive programs. Some of such policies include Extended Producer Programs (EPR) which mandates manufacturers and importers to take responsibility for their electronic products, Basel convention under international treaty to ban export/import of hazardous and non-hazardous e-waste, mandating strict adherence to recycling and collections targets, and promoting recycling through public awareness, with setup of convenient collection centers and by certifying recycling facilities and practices.

As of 2022, Europe leads in e-waste recycling globally, with recycling rate of 42.8%, largely driven by its legal binding target under the WEEE directive. Out of per capita e-waste generation of 17.6 kg by Europe, ~7.5 kg was recycled by it. Oceania, Americas, Asia and Africa followed Europe in recycling the per-capita e-waste generation.

Although, small equipment including toys, microwaves, vacuum cleaners, and e-cigarettes accounted for ~20bn kg of global e-waste (one-third of overall generated e-waste), yet their recycling rate stood low at 12.0%. IT and telecommunication devices including laptop, mobiles, routers contributed ~5bn, with higher formal recycling rate of 22.0%. In contrast, collection and recycling rates stood higher for heavier and bulkier equipment including large appliances, HVACs and screens, led by its easier collection and higher material value recovery.

Moreover, despite generation of significant volumes of e-waste in India, only 10.0% of its e-waste was formally collected and recycled, highlighting requirement of better recycling infrastructure and higher potential of enforcement.

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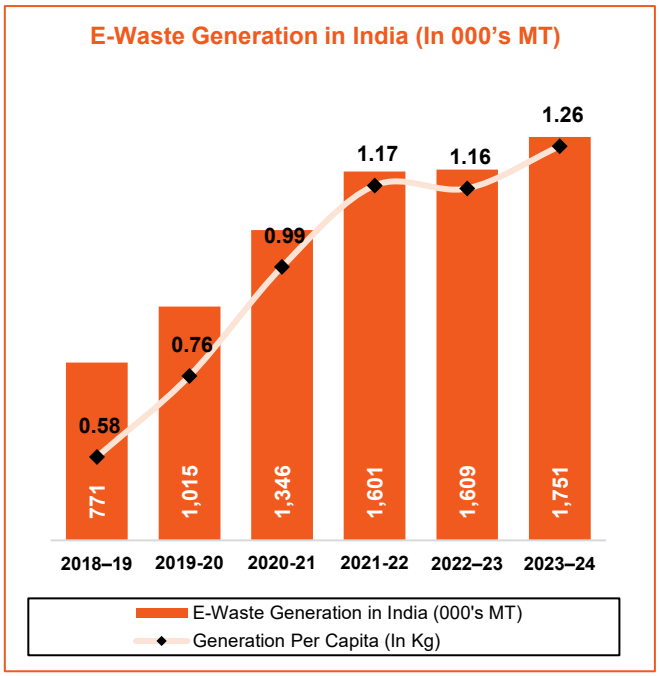
India's E-Waste Industry Overview:

E-Waste Generation

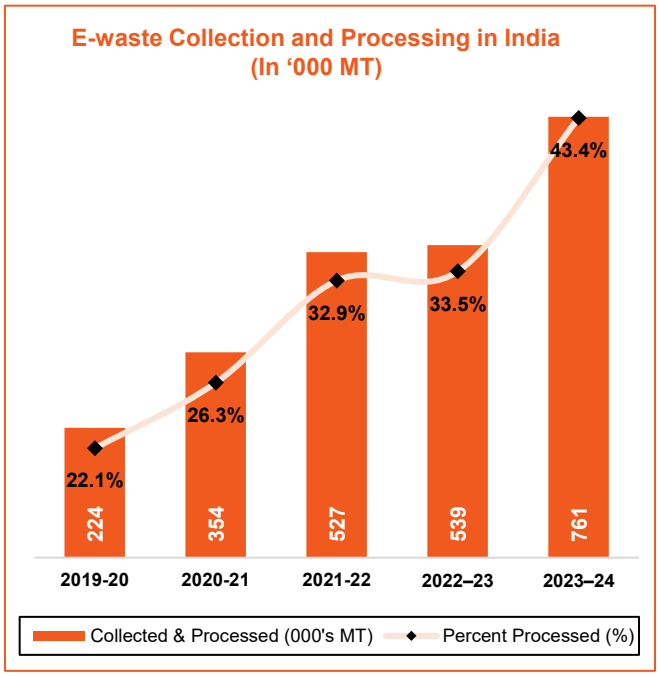
- Indian E-waste industry in India has evolved continuously over last few years led by increase in waste generation. The E-waste management industry comprises of e-waste collection through both formal and informal channels, segregation of range of components and metals, their validation for determination of its quality for reuse, refurbishment, recycling or for safely discarding end-of-life products.
- E-waste industry in India is witnessing rapid expansion driven by increasing digitalization and higher consumption of electronic goods on the backdrop of fast-paced technological advancement. The E-waste management market in India was valued at ~USD 1.7bn as of 2023, while it is expected to grow at 13.5% CAGR over 2024-32, to reach ~USD 5.2bn by 2032, led by introduction of EPR norms effective Apr'25 and stricter government's regulation for recycling (as per Astute Analytica).
- Led by shorter lifespan of electronic devices, e-waste generation in India has increased from ~0.8 Mn. tones per annum in FY19 at 17.8% CAGR to reach ~1.8 Mn. tones per annum, making it the third-largest e-waste producer globally, after China and the USA. Further, the per capita generation of electronic waste has increased simultaneously from ~0.6 kg in FY19 to ~1.3 kg in FY24.

E-Waste Collection and Processing

- The substantial volume of e-waste generation exposes the country with significant challenges for sustainable waste management, leading to health hazards and environmental degradation. E-waste recycling is essential for the transition to a circular economy particularly in the face of rising electronic waste generation. Recycling companies are instrumental in recovering valuable metals significantly reducing the demand for mining new materials and preventing pollution from toxic substances.
- Over the last few years, formal recycling has witnessed significant improvement, as only ~22.0% of the e-waste generated in the country used to get collected and processed by formal channels as of FY20, which has increased to ~43.0% as of FY24.
- The recycling industry in the country is highly fragmented with presence of ~595 authorized recyclers with a combined capacity of 1.8 Mn. tones per annum. Even though the authorized recyclers have a meaningful built capacity, much of it remains under-utilized, due to stronger presence of informal players near to the site of waste generation and led by weaker collection network of formal players.



Source: Ministry of Environment, Forest and Climate Change, Ministry of Statistics and Programme Implementation Deven Choksey Research



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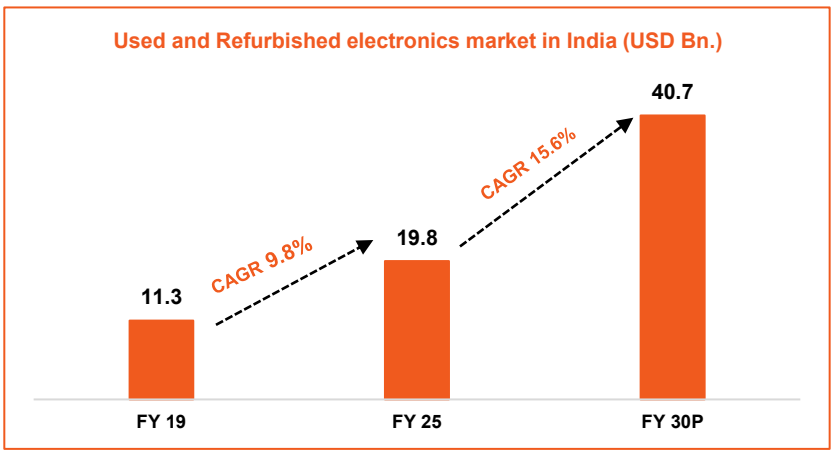
Structural Growth Drivers

- Policy momentum has strengthened under the E-Waste (Management) Rules, 2022, which has expanded product coverage, along with strict enforcement of Extended Producer Responsibility (EPR) norms, with set collection and processing targets.
- With recycling, "urban mining" of metals and other resources from e-waste can be done by utilizing advanced methods including hydrometallurgical processing and AI-powered sorting to improve recovery. Recycling of e-waste coupled with consumer awareness and robust collection systems, is critical for promoting circular economy, reduce carbon emissions along with unlocking economic value and ensuring sustainable e-waste management in India.

Refurbishment Industry

- India, as a whole, is very price sensitive market, and there are users of electronic products at diverse price points, as per the end use and need. Before the electronic product is discarded, it is used by several users, after refurbishing either by formal and informal players.
- The Indian secondary electronics market includes used electronics sold 'as-is' and refurbished products that undergo thorough inspection and repairs to meet OEM standards. The market covers a wide array of devices, including smartphones, laptops, home appliances, and gaming consoles. Refurbished electronics offer multiple benefits including alike performance, extended battery life, and warranties backed by the brand or refurbisher, resulting in a compelling and value-for money alternative to new devices.
- The used and refurbished market has grown from USD 11.3Bn in FY19 to USD 19.8Bn in FY25 and is expected to reach USD 40.7Bn by FY30, driven by a CAGR of 15.6% over FY25–30, fueled by rising demand for affordable, quality tech products.
- Increased consumer awareness about sustainability, coupled with government support for a circular economy, has led to increase demand for refurbished electronics. In FY25, the used and refurbished PCs and premium smartphones segment alone accounted for ~35% to the overall market. The adoption of refurbished electronics significantly contributes to reducing e-waste, aligning with eco-friendly consumer behavior and corporate sustainability initiatives.
- While smartphones remain the primary growth driver, other categories such as laptops, tablets, televisions, wearables, and home appliances are also seeing increasing levels of refurbishment. This momentum is fueled by multiple demand drivers. Affordability and value consciousness play a major role, with refurbished devices typically priced 20–50% lower than new products and now offering improved battery health transparency and warranty coverage, which boosts trust and repeat purchases.
- Policy support is also significant, with the launch of India's Right to Repair portal encouraging repair and refurbishment over replacement by making repair information more accessible. In addition, leading technology companies are legitimizing the market by backing certified refurbishment programs, such as partnerships between OEMs and recommerce firms to offer refurbished products with warranties, further strengthening consumer confidence.
- Despite cyclical supply tightness in 2025, the medium-term fundamentals of the refurbishment industry in India remain strong, supported by value-seeking consumers, validation from OEMs and marketplaces, the Right-to-Repair policy, and E-waste/EPR compliance frameworks. The industry is expected to witness continued formalization, stricter quality assurance standards, greater transparency in battery health, and the expansion of premium "certified" tiers, ensuring a durable growth trajectory through the decade.



Source: I lattice Analysis, DevenChoksey Research

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E-Waste/ WEEE (Waste Electronic and Electrical Equipment) Recycling:

- The e-waste recycling industry in India is a vital part of the broader waste management sector, with a market valued at approximately USD 1.7 Bn in 2023.
- Projected to grow at a CAGR of 13.5%, the market is expected to reach USD 5.2 Bn by 2032E, driven by increasing electronic consumption, rapid technological advancements, and supportive regulatory frameworks.
- E-waste recycling involves the collection, dismantling, and processing of discarded electronic devices, recovering primary materials such as metals (including gold, silver, and copper), plastics, and glass, which are essential for producing new electronic products and reducing environmental pollution.
- Effective e-waste recycling mitigates the risk of hazardous materials leaching into the environment and conserves natural resources by recovering valuable materials.
- Given India's rapid urbanization and technological growth, effective recycling practices are crucial for managing the environmental impact of electronic waste.
- The industry is expected to expand further as stringent regulations and technological advancements enhance recycling processes, supported by increased public awareness and government initiatives like the E-Waste Management Rules 2016.

Lithium-Ion Battery Recycling

- The global lithium-ion battery recycling market, valued at USD 3.8 Bn in 2023, is projected to grow to USD 23.2 Bn by 2032E, presenting a CAGR of 22.8%, driven by electric vehicle adoption and rising environmental concerns.
- Recycling lithium-ion batteries is crucial for minimizing environmental impacts associated with disposal, reducing reliance on virgin materials, and promoting sustainable resource utilization.
- Recycling companies are essential in recovering valuable metals such as lithium, cobalt, nickel, and manganese from spent batteries, which supports a circular economy and ensures a consistent supply of critical materials for battery production.
- The industry's growth is propelled by regulatory pressures aimed at minimizing e-waste, advancements in recycling technologies that enhance recovery rates, and rising raw material costs that incentivize efficient recycling solutions.
- Effective recycling practices help reduce the carbon footprint associated with mining and processing new materials, contributing to ecological sustainability and responsible management of hazardous substances.
- As the demand for lithium-ion batteries continues to expand, the importance of robust recycling practices will be pivotal in fostering a sustainable circular economy, ensuring that resources are reused and environmental impacts are minimized.

Critical Metal Recovery

- India’s e-waste recycling industry is increasingly focused on recovering critical metals such as lithium, cobalt, nickel, copper, rare earths, indium, and palladium, which are vital for batteries, electronics, EVs, and renewable energy. These metals are often richer in discarded devices than in mined ores, making e-waste a strategic “urban mine.”
- To strengthen domestic supply, the government has rolled out major incentives: in September 2025, the Cabinet approved INR 15,000 Mn Critical Mineral Recycling Scheme under the National Critical Mineral Mission, offering 20% capital subsidies, performance-linked incentives, and duty exemptions on waste and scrap of critical minerals. The scheme targets 270 kt/year recycling capacity, production of ~40 kt of critical minerals, and creation of ~70,000 jobs by FY2031. Earlier, customs duties on lithium-ion battery waste and other mineral scrap were scrapped (Budget 2025), and grants such as INR 75 Mn to Remine India were issued for Li-ion battery and e-waste recycling.
- Together, these measures aim to formalize recycling, cut import dependence, and position India as a circular economy hub for critical metals. India’s critical-metals opportunity in e-waste is moving from fragmented scrap handling to policy-backed, metals-centric urban mining—with growth underwritten by EPR enforcement, capex incentives, and cheaper scrap inputs; near-term winners will pair secure feedstock with advanced recovery.

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EPR Partnering

- The EPR (Extended Producer Responsibility) partnering industry in India is rapidly growing, driven by heightened environmental awareness, regulatory frameworks, and increasing waste generation. The e-waste management sector is projected to be valued at approximately INR 120,000 Mn (around USD 1.5 Bn) by 2025.
- This industry is experiencing a robust growth rate of around 20.0-25.0% annually, bolstered by rising consumer awareness regarding environmental issues, stringent government regulations mandating EPR compliance, and increased electronic consumption leading to higher e-waste generation.
- EPR partnering involves collaboration between producers and waste management companies to ensure the responsible recycling of electronic products at the end of their life cycle. Producers are tasked with managing the waste generated by their products, including financing recycling programs.
- By shifting the responsibility for waste management from consumers to producers, EPR encourages manufacturers to design products with longer life spans and recyclability, thus supporting a circular economy and alleviating the burden on municipal waste management systems.
- The implementation of EPR policies is anticipated to become more comprehensive, with stricter regulations and greater producer involvement, driving enhancements in recycling infrastructure and promoting sustainable product design.

E-Waste recycling Target:

- E-waste recycling target shall be reviewed and may be increased after the end of year 2028- 2029.
- The importers of used electrical and electronic equipment shall have 100% extended producer responsibility obligation for the imported material after end of life, if not re-exported.
- E-Waste recycling targets shall not be applicable for waste generated from solar photovoltaic modules or panels or cells.

E-Waste Recycling Target (by weight)					
2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
60%*	60%*	70%*	70%*	80%*	80%*

*Note: *Targets are calculated as the quantity of an EEE placed in the market in year Y-X, where 'X' is the average life of that product*
Source: CPCB, Deven Choksey Research

ESG and E-Waste :

- The growing problem of e-waste highlights the need for stronger ESG practices in the technology and electronics sectors, as discarded devices often contain hazardous substances like mercury, lead, and cadmium.
- Without responsible disposal or recycling, these toxic materials can contaminate ecosystems and harm public health, making sustainable waste management critical for minimizing environmental damage.

Environmental

The environmental aspect of ESG emphasizes reducing pollution through responsible e-waste recycling. This minimizes greenhouse gas emissions, conserves resources, and prevents harmful chemicals from entering landfills. The circular economy, which promotes reusing and recycling materials, aligns closely with ESG principles and supports sustainable production and consumption.

Governance and Regulatory Compliance

Governance in ESG focuses on how companies manage compliance with e-waste regulations. Governments are enforcing stricter rules, such as India's Extended Producer Responsibility (EPR), which holds manufacturers accountable for proper e-waste collection and disposal. ESG-driven companies prioritize regulatory adherence and establish governance structures to ensure compliance with these evolving environmental laws.

Conclusion:

ESG is becoming central to business and investment decisions, with investors favoring companies that demonstrate strong environmental stewardship. In e-waste management, robust ESG practices not only enhance sustainability but also strengthen financial performance and investor confidence. As governments and corporations set ambitious sustainability targets, stricter regulations, improved recycling infrastructure, and rising awareness will make ESG integration essential. By embedding ESG into e-waste strategies, companies can mitigate risks, reduce environmental impact, and position themselves as responsible, future-ready businesses.

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Company overview:

Incorporation

- Eco Recycling Ltd. (Ecoreco) is one of India's pioneering and leading players in the formal e-waste recycling industry, with a well-established track record spanning over two decades. Headquartered in Mumbai, the company is engaged in the collection, recycling, and safe disposal of electronic waste through a fully compliant and integrated value chain. Ecoreco has emerged as a trusted partner for both domestic and global brands, offering services such as EPR compliance, data destruction, asset disposition, and lamp recycling.
- The company operates with a total e-waste processing capacity of 31,200 metric tons per annum (MTPA), comprising a legacy capacity of 7,200 MTPA and a recently commissioned 18,000 MTPA facility in Maharashtra. This capacity expansion positions Ecoreco well to capture the upside from rising EPR obligations and growing regulatory scrutiny. Furthermore, the company's asset-light model, strong internal accruals-driven capex, and technological affiliations—such as TERRA membership and partnerships with global dismantling and refining units—provide a competitive edge in a structurally evolving market.

Business Verticals and Profitability

- Ecoreco provides an end to end seamlessly integrated solution for E-waste management. Their business model revolves around the collection, processing, and recycling of various waste materials, including e-waste, plastics, metals, and other industrial waste products.
- The company has experienced significant revenue growth over the last three years, increasing from INR 177 Mn in FY23 to INR 440 Mn in FY25. This growth, driven by rising demand for sustainable solutions and the expansion of its recycling capacities, resulted in a robust CAGR of 57.4% during the same period..
- Consistent improvement in EBITDA margins due to economies of scale, operational efficiencies, and strategic investments in advanced recycling technologies. The company saw significant jump in EBITDA margin from 22.1% in FY23 to 70.5% in FY25 as it convinced the suppliers to adopt global practices that reduced the prices paid for materials. This practice, combined with the company's emphasis on confidentiality and complete compliance, allowed them to secure materials at much lower costs.

Major Events

Year	Particulars
2005	Ecoreco came into existence
2006	First Shredder and Magnetic Separator
2008	BCCL (Times of India Group), invested in Eco Recycling Ltd. Introduced Mobile Data Destruction Services In India.
2009	Introduced Lamp Recycling in India.
2010	Cable recycling, CRT processing, Fridge Degasification, Precious Metal Recovery, Plastic Sorting
2012	Introduced EPR services in India in the name of WEEEPRO
2015	Ecoreco Take Back Point started. Nippon Magnetic Dressing Co. Ltd., Japan invested in Eco Recycling Ltd.
2016	Partnered with NSDC to develop skill set of the informal E-waste workers Started CSR assistance in E-Waste Management
2017	WEEEPRO the first PRO in India, changed name as PROEP
2018	Started assisting Producers for EPR Registration
2019	Launched Mobile App and Web Portal – Book My Junk
2022	Launched Recycling on Wheels – SmartER Training Transport Technology Features
2023	Acquired two new premises of 40,000 Sq Ft for expansion
2024	Added new capacity of 18,000 MTPA Ecoreco joined TERRA group, among the world's largest networks of certified escrap and ITAD providers.
2025	Added new capacity of 6,000 MTPA for Li-ion battery recycling

Source: Company, DevenChoksey Research

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Eco Recycling Ltd. offers a comprehensive range of services focused on sustainable e-waste management and environmental protection. With solutions spanning from secure data destruction to smart e-waste collection, the company ensures responsible recycling and disposal, catering to both corporate and individual needs. Below is a detailed breakdown of their service offerings:

- **E-waste recycling & refurbishment**: Environmentally compliant processing of end-of-life electronic assets across IT, telecom, medical, and consumer electronics segments. This remains a core revenue driver supported by formal capacity and scale advantages.
- **EPR compliance services**: Facilitation of collection targets, documentation, and generation of tradable EPR credits for obligated producers. This business line benefits from strong regulatory push and the introduction of pricing guidelines for EPR certificates.
- **Data destruction & ITAD (IT Asset Disposition)**: Secure on-premise and off-premise services for data sanitization and certified destruction, generating value-added service income. The company also monetizes refurbished IT assets through resale.
- **Reverse logistics & mobile recycling vans:** Physical asset traceability, doorstep collection, and data sanitization via mobile units enhance reach and client retention, particularly in regulatory-sensitive industries.
- **Specialized recycling (e.g., lamp recycling):** Offers additional revenue opportunity and client stickiness in niche categories requiring specialized handling and disposal protocols.
- **Digital infrastructure** – E-waste Exchange & EPR Connect: Proprietary platforms supporting transaction, traceability, and regulatory reporting, creating scope for future monetization through platform-as-a-service models.
- **Recycling On Wheels:** A mobile recycling solution that facilitates easy collection of e-waste directly from customers' locations.
- **CSR Enabling:** Supports companies in meeting their Corporate Social Responsibility (CSR) obligations through eco-friendly initiatives and programs.
- **Book My Junk Mobile App:** A user-friendly app enabling individuals and businesses to schedule e-waste pickups at their convenience.
- **Eco-Bin for Smart Collection:** Provides smart bins for efficient collection and disposal of e-waste in a more accessible and sustainable manner.

Service Suite

E-waste/WEEE (Waste Electrical and Electronic Equipment) Recycling

- Eco Recycling Ltd. (Ecoreco) has established itself as a pioneer in e-waste recycling in India, introducing the first e-waste recycling facility in 2005, offering an end-to-end solution for managing electronic waste.
- The company employs a combination of automated and manual technologies in its state-of-the-art facility to efficiently sort, dismantle, and recover valuable materials from discarded electronics, including precious metals such as gold, silver, copper, and aluminum.

Comprehensive 5-Step Recycling Process

1. **Sourcing & Collection:** Ecoreco sources e-waste from various suppliers, including businesses and households, ensuring that all types of electronic waste are collected for proper disposal or recycling.
2. **Sorting & Segregation:** The collected e-waste is weighed and segregated for easy retrieval of valuable components. This process also identifies items that can be repaired, refurbished, and remarketed, salvaging reusable parts to minimize waste.
3. **Dismantling & Recycling:** Ecoreco dismantles end-of-life equipment into separate fractions like plastics, metals, glass, cables, and printed circuit boards (PCBs) to streamline recycling and recovery operations.
4. **IT Asset Disposition (ITAD):** The ITAD process involves sorting and segregating reusable IT equipment and components, facilitating their reuse or resale, reducing environmental impact, and promoting sustainability.
5. **Hazardous Waste Disposal:** Ecoreco ensures that hazardous waste is disposed of safely, adhering to environmental standards and working with authorized facilities like the Common Hazardous Waste Treatment, Storage, and Disposal Facility.

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Eco Recycling Ltd

Present Facility: 65,000 sq. ft.

Total Capacity: 31,200 MTPA

Unit 1: 7,200 MTPA

Unit 2: 18,000 MTPA

Unit 3: 6,000 MTPA (Li-ion Battery Recycling)

Ecoreco's recycling technology is a mix of imported systems from the US, Europe, and Japan, as well as in-house innovations, providing cutting-edge solutions for resource recovery from e-waste.

Data Destruction

- Eco Recycling Ltd. (Ecoreco) provides advanced data destruction services, including data deletion, degaussing, and physical destruction, ensuring complete data security for clients.
- Committed to stringent security measures, Ecoreco's services adhere to the highest data protection standards, catering to industries such as banking, finance, and multinational corporations.
- Since 2008, Ecoreco has been a trusted partner for Non-Banking Financial Companies (NBFCs), and large corporate clients, delivering secure and reliable data destruction solutions.

India's First Mobile Data Device Destruction Facility:

Ecoreco is a pioneer in offering India's first mobile shredding facility, providing onsite data destruction at client premises. This mobile service ensures the highest levels of data security, enabling businesses to witness the entire destruction process, which eliminates any concerns regarding data breaches or leaks.

Three Methods of Data Destruction:

- Delete: Ecoreco uses Blancco, the world's most secure data deletion software, to completely erase data from devices. Each deletion is meticulously documented, including the device's serial number, and the deletion reports meet all international data security standards, ensuring complete audit readiness.
- Degauss: The degaussing process passes storage media through a high magnetic field, disrupting the magnetic properties of the device and permanently erasing all stored data. The degaussed devices are rendered unusable and transported securely to Ecoreco's recycling facility for scientific disposal.
- Destroy: Ecoreco's mobile shredders are available nationwide, allowing clients to witness the shredding of data devices firsthand. These shredders can destroy 60 to 100 hard drives per hour, meeting ISO standards for secure data destruction. The process is recorded, creating an audit trail, and all shredded material is responsibly recycled at Ecoreco's facility.

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Information Technology Asset Disposition (ITAD):

- Eco Recycling Ltd. (Ecoreco) specializes in salvaging, upcycling, and responsibly managing IT assets that have reached the end of their lifecycle, promoting sustainability by reducing electronic waste.
- Through IT Asset Disposition (ITAD) services, Ecoreco helps extend the life of electronic equipment and components, handling a variety of IT assets, including computers, laptops, RAM, hard drives, and LCDs.
- Ecoreco provides comprehensive solutions that include secure data destruction, refurbishment, and resale, making technology more affordable for lower- and middle-income consumers and contributing to the growth of computer literacy across India.

Refurbishment and Remarketing:

- Ecoreco's ITAD services emphasize refurbishing and remarketing IT assets, providing consumers access to affordable technology while also ensuring that businesses can responsibly manage their retired IT equipment.

Community-Centric Initiatives:

- As part of its commitment to environmental and social responsibility, Eco Recycling Ltd. (Ecoreco) organizes an annual E-Waste Week, encouraging companies to donate obsolete IT equipment.
- The donated equipment is refurbished and distributed to underprivileged communities, supporting education and digital inclusion initiatives.
- Ecoreco's IT Asset Disposition (ITAD) services help businesses manage their IT assets while fostering sustainability and social empowerment by extending the lifecycle of technology and promoting digital literacy.

EPR Partnering:

- Ecoreco's EPR Partnering Service provides a comprehensive solution for Extended Producer Responsibility (EPR) compliance, assisting Producers, Importers, and Brand Owners (PIBOs) in fulfilling their e-waste management obligations.
- As India's leading fully compliant e-waste management company, Ecoreco employs an auditable and evidence-based approach to ensure effective EPR implementation.

Key Features:

1. **Efficient E-Waste Collection and Channelization:** Ecoreco supports PIBOs in collecting and channelizing end-of-life electronic products under EPR. Our comprehensive pan-India network ensures a streamlined process, helping companies meet their recycling targets effectively.
2. **Cost Reduction for Compliance Management:** By leveraging Ecoreco's services, manufacturers can significantly reduce their in-house compliance management costs. Our solutions simplify the e-waste management process, allowing producers to focus on their core business activities.
3. **EPR Certificate Trading:** Ecoreco facilitates the issuance of EPR certificates, which can be traded through the authorized portal of the Central Pollution Control Board. These certificates serve as proof of compliance and commitment to responsible e-waste management.

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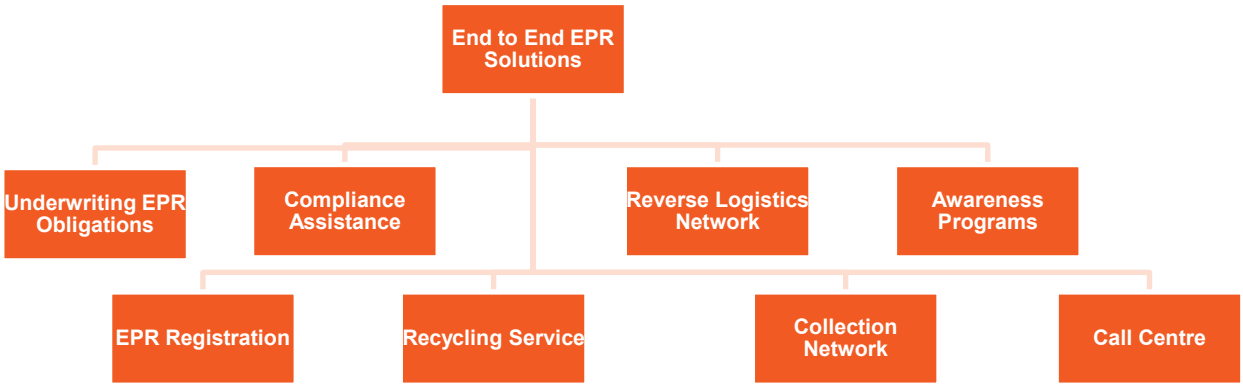
Eco Recycling Ltd

Benefits:

1. **Simplified Compliance:** Ecoreco's services streamline the EPR compliance process, ensuring that PIBOs meet their obligations with ease.
2. **Operational Efficiency:** Our tailored solutions reduce the operational burden on manufacturers, enabling them to concentrate on their primary business functions.
3. **Sustainability Assurance:** Partnering with Ecoreco underscores a company's commitment to environmental stewardship and sustainable practices, contributing to a cleaner and greener future.



Reverse Logistics & E-waste Management Services:

Eco Recycling Ltd (Ecoreco) is a pioneer in e-waste management, focusing on a robust reverse logistics network designed to collect and responsibly dispose of electronic waste across India. Ecoreco supports Original Equipment Manufacturers (OEMs) in fulfilling their Extended Producer Responsibility (EPR) obligations, ensuring environmentally sound e-waste disposal.

Key Services

Nationwide Reverse Logistics Network:

- Ecoreco aims to extend its reverse logistics network to cover every Pin Code in India through door-to-door collection services.
- The company leverages its own fleet of trucks and containers, supplemented by partnerships with top-tier third-party logistics (3PL) providers, ensuring seamless e-waste collection and transportation.
- Ongoing efforts are focused on establishing a three-tier collection infrastructure with local, state, and national-level facilities to meet growing demand and EPR obligations.
- Ecoreco's network ensures that recovered materials are efficiently supplied to end-use industries, promoting a circular economy.

Eco-Bins:

- Eco-Bins provide individuals and small businesses with a hassle-free e-waste disposal option.
- Eco-Bins follow strict recycling standards, ensuring minimal environmental impact and maximum resource recovery.

BookMyJunk:

- BookMyJunk offers on-demand e-waste collection through a user-friendly app, simplifying the disposal process for households and businesses.
- It includes secure data destruction services for sensitive devices and adheres to local, state, and federal e-waste disposal regulations.

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Lamp Recycling Services:

- Eco Recycling Ltd (Ecoreco) has been a leader in lamp recycling since 2009, providing both on-site and off-site services to industries committed to environmental preservation.
- The initiative focuses on the responsible recycling of all types of lighting devices, effectively preventing hazardous substances like mercury from contaminating the environment.
- Ecoreco's lamp recycling services significantly reduce risks to ecosystems and human health by preventing mercury contamination in water, soil, and air.
- By adhering to stringent environmental regulations, Ecoreco promotes the scientific disposal of mercury-laden lamps, contributing to a cleaner and safer environment.

On-site Lamp Recycling:

- Ecoreco introduced India's first mobile lamp recycling facility, providing on-site recycling services directly at clients' premises.
- The mobile "Lamp Recycling on Wheels" was awarded by Muncipalika in 2009 for its innovative approach to waste management.

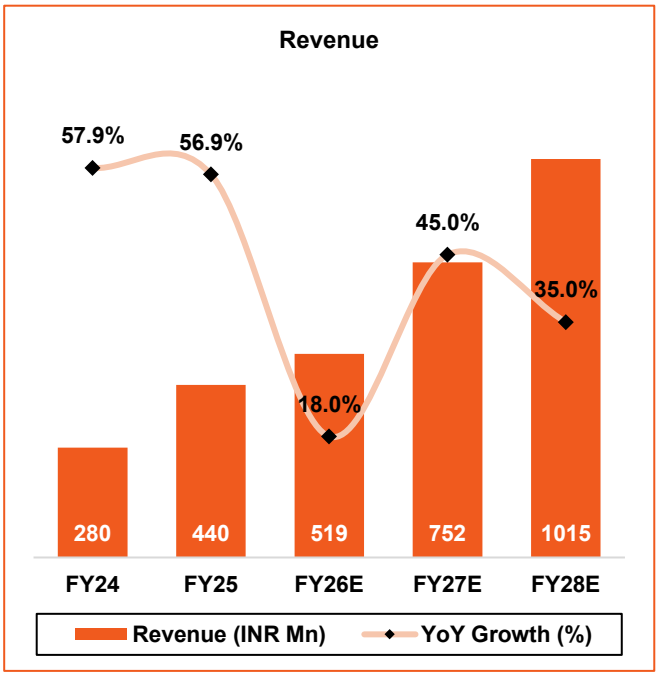
Off-site Lamp Recycling:

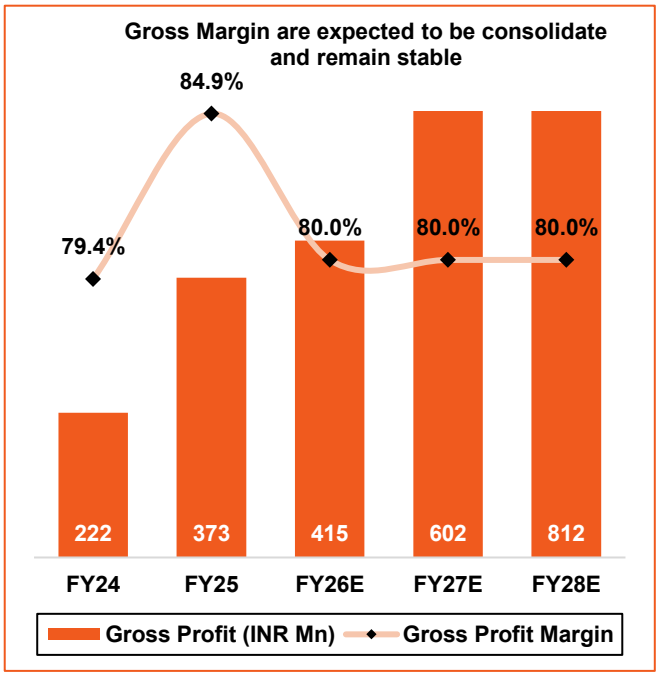
- Off-site recycling caters to industries and organizations committed to sustainable disposal practices. Ecoreco's facility recycles lamps efficiently, ensuring minimal environmental impact.

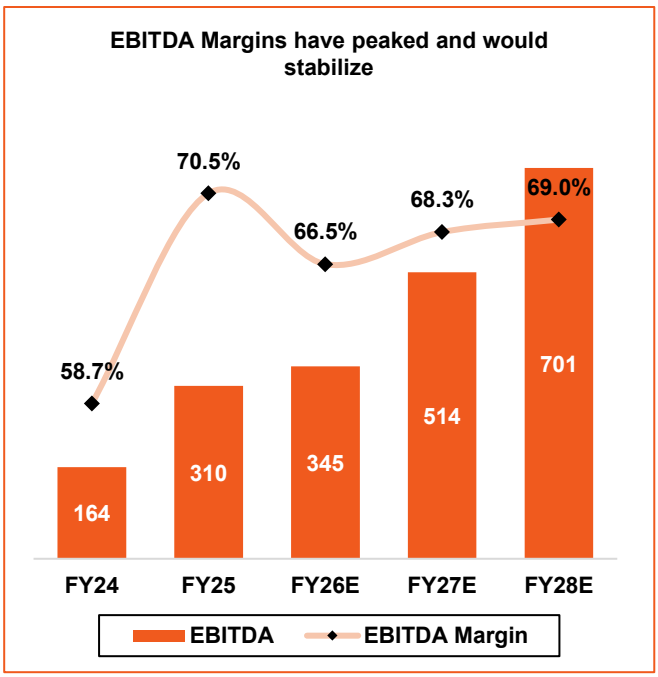
Lamp Recycling Benefits:

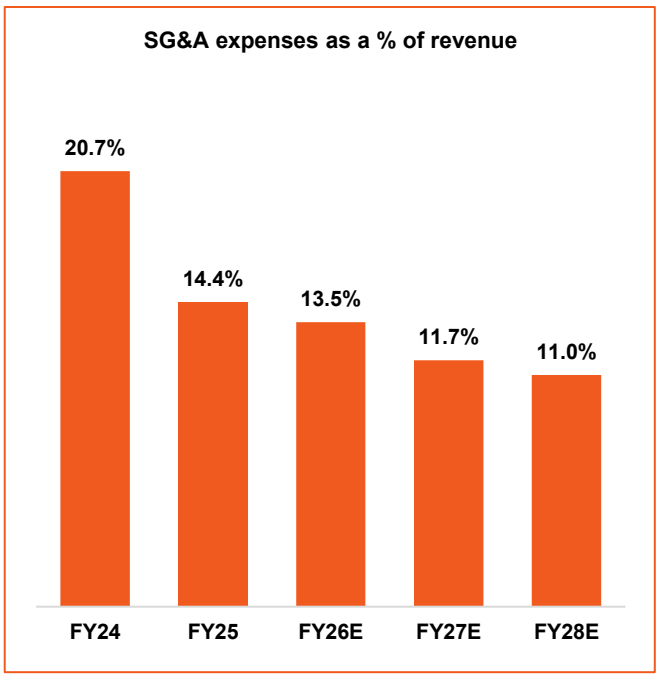
- Hassle-Free Disposal: Businesses and consumers can easily recycle all types of lamps, including broken lamps, with both on-site and off-site options.
- Comprehensive Documentation: Ecoreco provides fully auditable and documented recycling processes, allowing clients to integrate responsible recycling into their Corporate Social Responsibility (CSR) initiatives.
- Suitable for All Lamp Types: The service covers all lighting devices, from fluorescent tube lights (FTLs) to compact fluorescent lamps (CFLs), with an emphasis on preventing mercury pollution.

Eco Recycling Ltd









Source: Company, DevenChoksey Research

Eco Recycling Ltd

Key Management Personnel

Mr. Brijkishor Kishangopal Soni – Chairman & Managing Director

Mr. B.K. Soni, Chairman & Managing Director of Eco Recycling Ltd, is the visionary leader behind the company's success, establishing it as India's top e-waste management firm with a nationwide presence. His strategic growth initiatives include exploring new opportunities like a franchisee-led retail model. A pioneer in the industry since 2005, Mr. Soni's expertise is sought by industry leaders and policymakers. He is a qualified Cost Accountant, a member of various industry associations, and served on the Maharashtra Pollution Control Board's Expert Group on E-waste Management, reflecting his commitment to sustainable practices and making India a global leader in e-waste management.

Mr. B. K. Soni brings over two decades of experience in the e-waste management industry and is actively involved in the day-to-day operations of the company. He possesses deep expertise across legal, administrative, and managerial domains. Notably, his ability to seamlessly integrate community engagement with business strategy has been a key driver of success in the highly complex e-waste sector.

Mr. Shashank Soni - Chief Financial Officer

Mr. Shashank Soni, Executive Director at Eco Recycling Ltd, brings over a decade of experience in the e-waste management industry. He holds an MBA from Cardiff University, UK, and has significant international exposure. At Ecoreco, he leads the development of a pan-India marketing and sales strategy, while also overseeing factory operations and commercial negotiations. His strong expertise in project execution, planning, finance, and business development—combined with a passion for technology and operational excellence—positions him as a key driver in the company's transformation into an integrated, pan-India e-waste management platform.

Details of Chairman and Directors of the Company

Name	Designation
Mr. Brijkishor Kishangopal Soni	MD & Chairman
Mrs. Aruna Soni	Executive Director
Mr. Shashank Soni	Executive Director
Mr. Sandip Chatterjee	Independent Director
Mr. Yeshwant Sontakke	Independent Director
Mr. Giriraj Bhattar	Independent Director

Source: Company, DevenChoksey Research

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Eco Recycling Ltd

Investment Rationale

Capacity-led operating leverage coupled with global credibility supports long-term growth visibility

Eco Recycling Ltd. has undertaken a strategic expansion of its recycling infrastructure, augmenting its total installed capacity from 7,200 MTPA to 31,200 MTPA through the commissioning of a new 18,000 MTPA facility in FY24. Notably, this expansion has been fully funded via internal accruals, reflecting the company's conservative capital structure and healthy cash generation profile. The enhanced processing capacity positions the company to efficiently handle rising volumes of regulated e-waste and realize greater value through deeper material recovery, especially in premium categories such as IT and telecom hardware.

Simultaneously, the company's membership in **TERRA (The Electronics Reuse & Recycling Alliance)** enhances its strategic positioning by aligning it with global best practices in sustainability, security, and responsible recycling. This affiliation bolsters Eco Recycling Ltd.'s brand equity among compliance-focused institutional clients and opens access to international collaboration opportunities, knowledge exchange, and technology adoption.

Together, the ongoing capacity enhancement and international network credibility improve operating leverage, fortify competitive differentiation, and provide the backbone for scaling both volume and value-accretive services. These efforts are expected to materially support revenue growth and margin expansion in a sector increasingly driven by regulatory enforcement and ESG-aligned procurement preferences.

Margin Expansion Underpinned by Scale, Premium Mix, and Cost Discipline

Eco Recycling Ltd. demonstrated a strong improvement in operating performance, with gross margin expanding from 66.3% in FY23 to 84.9% in FY25, and EBITDA margin rising significantly from 22.1% to 70.5% over the same period. This margin expansion was supported by robust revenue growth, consistent raw material and employee costs, and a decline in other expenses.

A key structural driver was the increase in processing capacity from 7,200 MTPA to 31,200 MTPA (4.3x), enabling better fixed-cost absorption and scale-led efficiencies.

Moreover, an increasing share of high-margin services such as secure data destruction, IT asset disposition, and EPR credit monetization contributed to improved realizations. The stability in COGS was underpinned by favorable sourcing arrangements with MNCs, who supply material at nominal rates due to Eco Recycling's compliance and infrastructure strength, and a growing share of EPR revenue, which involves minimal raw material input, thereby lowering the raw material intensity of the business model.

Twin Tailwind in E-Waste Accentuating the Force of Growth for Eco-Rec

Eco Recycling Limited has exhibited strong growth, driven by its advanced recycling capabilities and increasing demand for sustainable waste management solutions. Over FY22-FY25, the company has achieved a **57.4% CAGR** in revenue, largely supported by the sale of recycled products. Eco Recycling effectively recovers valuable materials from e-waste—such as metals, plastics, and glass—which are then sold to intermediaries like smelters and refiners for further processing. These refined materials are eventually supplied to electronics manufacturers. The growing need for environmentally responsible practices is a key driver for recycling and regulating e-waste management. India currently has a per capita consumption of **2.5 kg** for Electrical and Electronic Equipment (EEE), which is significantly lower than the global average of **8-10 kg**. In 2023, India produced **3.2 Mn metric tons** of e-waste, valued at **USD 3.2 Bn**, with a realizable value of **USD 1 per kg**. This e-waste volume is expected to grow at a **25.0% CAGR** over the next decade, driven by the country's focus on adopting circular economy principles, which are essential for managing e-waste effectively.

Furthermore, the introduction of **EPR fees** has emerged as a significant growth driver for Eco Recycling, making manufacturers accountable for the entire lifecycle of their products. This regulatory framework has amplified the demand for efficient recycling solutions, particularly in the e-waste management sector, benefiting organized recyclers like Eco Recycling. The EPR partnering industry is experiencing robust annual growth rates of **20.0-25.0%**, positioning the company to capitalize on the increasing volume of e-waste and heightened consumer awareness of environmental issues. The EPR framework encourages manufacturers to collaborate with organized recyclers, increasing the volume of e-waste collected and enhancing Eco Recycling's operational scale and profitability. As a result, the company is poised to strengthen its position as a leader in sustainable recycling solutions, driven by favorable regulatory tailwinds and growing environmental awareness.

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Eco Recycling Ltd

Enhancing Reverse Logistics for Greater Efficiency

Improving reverse logistics processes is critical to optimizing the collection and handling of e-waste, a key factor in Eco Recycling's operational success. By enhancing the efficiency of its collection systems, the company ensures a steady supply of materials for processing, while simultaneously reducing costs and increasing throughput. These operational improvements are expected to bolster profitability, enabling Eco Recycling to remain competitive and capitalize on new opportunities in the e-waste management sector. A streamlined reverse logistics framework will further reinforce the company's position as a leader in sustainable waste management solutions.

Properly Positioned to Command Increased Market Share

Recent policy initiatives from the **Central Pollution Control Board (CPCB)** are poised to significantly enhance Eco Recycling's market position by standardizing pricing for various e-waste products, thus creating a more predictable and stable revenue stream for organized recyclers.

These regulations, which impose stricter compliance requirements on unorganized players, encourage a shift toward the organized sector, positioning Eco Recycling to capture market share from non-compliant entities. The Indian government's **INR 150,000 Mn** commitment to environmentally friendly practices, including recycling initiatives, further supports the company's growth by fostering a favorable environment for compliant and sustainable businesses.

As a result, Eco Recycling is strategically aligned with both regulatory and financial support systems, enabling it to expand its market presence while contributing to environmental sustainability. By capitalizing on these supportive policies, the company is well-positioned to command increased market share in a rapidly evolving industry.

Advancing in E-Waste Management with Efficient Battery Element Recovery

Eco Recycling's partnership with the **Centre for Materials for Electronics Technology (C-MET),** under the Ministry of Electronics and Information Technology (MeitY), marks a strategic advancement in its e-waste management capabilities, particularly in the efficient recovery of lithium-ion battery elements.

This collaboration enables the company to recover valuable metals such as cobalt, nickel, and manganese, shifting from the practice of exporting black mass for recovery to enhancing its in-house technological capabilities. By focusing on domestic recovery, Eco Recycling supports environmental sustainability through resource retention and reduces reliance on metal exports, aligning with India's broader goal of self-reliance.

The global lithium-ion battery recycling market, valued at USD 3.8 Bn in 2023, is projected to grow to USD 23.2 Bn by 2032E, driven by increased electric vehicle adoption and rising environmental concerns, presenting a CAGR of 22.8%. Eco Recycling's entry into this expanding market diversifies its revenue streams and positions the company at the forefront of a highly profitable segment, reinforcing its leadership in sustainable e-waste management and efficient battery disposal solutions.

Visionary Leadership and Strategic Growth

Eco Recycling is led by Mr. B.K. Soni, the Chairman & Managing Director, whose visionary leadership has been the driving force behind the company's success. Under his guidance, Eco Recycling has emerged as India's leading e-waste management company with a nationwide footprint. Mr. Soni's strategic initiatives, such as exploring a franchisee-led retail model, are positioning the company for future expansion. With over 18 years of experience in the sector, Mr. Soni is regarded as a pioneer in e-waste management, and his expertise is sought after by both industry leaders and policymakers. His contributions have strengthened Eco Recycling's mission to make India a global leader in sustainable e-waste management.

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Eco Recycling Ltd

SWOT Analysis

Strengths:

Established Leader with Scalable Compliance-Driven Model in E-Waste Management

- Eco Recycling Ltd., as an early entrant in India's e-waste management industry, has established itself as a leading formal-sector player with a well-integrated operational framework. With over two decades of domain expertise and a diversified service portfolio, the company has positioned itself as a credible compliance partner for enterprises navigating India's evolving environmental regulatory landscape.
- Its offerings span the full spectrum of recycling and waste management services, catering to corporates, government bodies, and consumers. Ecoreco's continued investment in innovation—through adoption of advanced recycling technologies and customer-centric platforms—enhances its ability to scale operations and maintain relevance in a dynamic industry environment.

Premium positioning anchored in compliance-centric segments

- Eco Recycling Ltd. strategically targets IT and telecommunications sectors, which generate complex e-waste and face heightened regulatory scrutiny. These industries often prioritize reliability and compliance, creating a willingness to pay premium rates for trusted partners.
- Leveraging its reputation for safe and environmentally responsible practices, Eco Recycling Ltd. is able to command higher service premiums. Its adherence to local and global standards ensures risk mitigation for clients, reinforcing its value proposition as a compliance-first waste management partner in tightly regulated sectors

Integrated service platform enhances client retention

- Eco Recycling Ltd. offers a comprehensive suite of e-waste management services, covering collection, reverse logistics, material recovery, data destruction, and compliant disposal. Its offerings include EPR compliance, IT asset disposition, and specialized recycling for lamps and batteries.
- As one of the few organized players in India with mobile recycling units, the company provides on-site solutions that streamline regulatory compliance. This integrated model strengthens client stickiness and supports recurring, long-term engagements with large corporates.

Weaknesses:

Limited Diversification Beyond IT and Telecom

Eco Recycling Ltd.'s stronghold in the IT and telecommunications segment constrains its addressable market. By primarily focusing on these segments, the company misses out on high-potential verticals such as industrial and consumer electronics, where e-waste volumes are rising rapidly. This limited scope inhibits revenue diversification and leaves the business vulnerable to sector-specific downturns. Broadening its focus to adjacent categories could open up new avenues for growth and improve the resilience of its revenue profile.

Inventory-heavy business model impacts financial agility

- Eco Recycling Ltd. operates a working capital-intensive model that requires holding large volumes of e-waste inventory, incurring substantial costs related to warehousing and material degradation. In a price-volatile industry, these holding costs put pressure on margins and limit operational leverage.
- The working capital tied up in inventory also reduces the firm's ability to deploy capital toward growth initiatives or respond nimbly to market shifts. Efficient inventory turnover will be key to maintaining financial flexibility and improving return metrics.

Facility and Operation Concentration

- The company's operations are currently centered in Mumbai, restricting its exposure to a wider client base across India. This regional limitation creates a competitive vulnerability, particularly if rival players from other geographies offer faster turnaround or more cost-efficient services.
- With India's regulatory and producer-driven e-waste collection targets expanding, a pan-India footprint would enable Eco Recycling Ltd. to secure larger contracts and improve utilization of its recycling infrastructure.

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Eco Recycling Ltd

Opportunities

Green capital allocation catalyzes growth tailwinds for compliant recyclers

- The Government of India has earmarked INR 150,000 Mn to accelerate environmental sustainability through programs encompassing green energy, circular economy, and waste management infrastructure, as outlined in the Union Budget FY25. Additionally, targeted allocations under the PLI 2.0 scheme for IT hardware and electronics manufacturing are expected to significantly expand the electronics value chain, resulting in a larger downstream e-waste base.
- This funding is expected to catalyze large-scale sustainability programs and public-private partnerships, creating a conducive environment for organized players like Eco Recycling Ltd. to scale operations. Enhanced regulatory clarity and targeted financial support could improve formal sector competitiveness, support innovation in processing technologies, and drive long-term growth through greater integration into the national circular economy agenda.

Terra Membership

- Eco Recycling Ltd.'s membership in the TERRA (The Electronics Reuse & Recycling Alliance) network strategically positions the company within a global ecosystem of sustainability and recycling experts.
- Global affiliations enhance operational leverage and service capabilities, positioning us for premium enterprise and international mandates. This strategic advantage, driven by demand for compliant and ethical disposal, strengthens market differentiation and future revenue streams amidst tightening regulatory frameworks.
- It also reinforces the company's ESG positioning, which can enhance credibility with environmentally conscious clients and investors. For institutional investors, such strategic alignment with global sustainability standards may serve as a differentiator in a sector marked by rising regulatory scrutiny and stakeholder activism.

Regulatory Opportunities and EPR Exchange Platform

- The 2024 amendment to the Hazardous and Other Wastes Rules marks a pivotal regulatory shift, supporting the formalization of India's e-waste sector. This development favors organized players such as Eco Recycling Ltd., which stand to benefit from enhanced compliance enforcement and a more level competitive playing field.
- The Central Pollution Control Board's new EPR certificate exchange platform allows Eco Recycling Ltd. to earn money from its recycling by selling EPR credits. Clear pricing for these credits helps the company secure long-term partnerships with producers, ensuring predictable revenue and aligning their growth with environmental goals.

Strategic Partnership with C-MET for Li-ion Battery Recycling

- Eco Recycling Ltd.'s collaboration with C-MET under the MeitY initiative introduces advanced technology for the efficient recovery of valuable elements like cobalt, nickel, and manganese from Li-ion batteries. This partnership minimizes the need to export black mass for recovery, thereby enhancing domestic resource retention and promoting self-reliance. The initiative supports sustainable recycling practices that significantly lower the environmental impact of battery disposal.

Threats

Technological Disruptions

- Rapid advancements in technology may outpace Eco Recycling Ltd.'s ability to adapt, posing a risk to its operational efficiency. New recycling methods or innovative products could render existing processes obsolete, leading to increased operational costs. The company may be compelled to invest significantly in upgrades to maintain competitiveness in the evolving recycling landscape.

Informal sector dominance by small and micro unorganized companies

- The e-waste management industry in India remains heavily fragmented, with approximately 80–90% of market share controlled by informal and unorganized players.
- These entities typically operate with minimal regulatory oversight and significantly lower cost structures, enabling them to offer more aggressive pricing—often at the expense of compliance with environmental, health, and safety standards.
- This dynamic places organized players such as Eco Recycling Ltd. at a structural disadvantage, compressing their pricing power and challenging their ability to scale margins in a competitive environment

Regulatory Enforcement and Execution Gaps

- Despite comprehensive e-waste management regulations in India, implementation remains inconsistent across states. Weak enforcement allows non-compliant informal players to thrive, creating an uneven playing field.
- This undermines pricing discipline and erodes competitive advantage for compliant recyclers, curbing the ability of firms like Eco Recycling Ltd. to capture full value from regulatory tailwinds

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Eco Recycling Ltd

Key Risks:

Sector Concentration Risk – IT & Communication Dependence

- Eco Recycling's heavy reliance on the IT and communication sectors exposes it to cyclical volatility, demand fluctuations, and sector-specific downturns. This narrow concentration restricts diversification opportunities, limiting the company's ability to pivot into adjacent industries or scale new service offerings.
- In a rapidly evolving market, shocks such as economic slowdowns, disruptive technologies, or changing consumer preferences could significantly impact revenue streams and operational stability. Strategic diversification into high-potential verticals like industrial and consumer electronics is critical to reduce concentration risk.

Regulatory & Licensing Vulnerabilities

- Operating in a tightly regulated domain, Eco Recycling faces persistent challenges in navigating complex compliance and licensing frameworks. Stricter environmental regulations often require costly facility and process upgrades, raising operational expenses and creating execution risks.
- Non-compliance could lead to severe legal penalties, reputational damage, or even operational shutdowns. Moreover, the company's business model is closely tied to CPCB and EPR (Extended Producer Responsibility) mandates. Any delay in implementation or unfavorable revisions in credit pricing, timelines, or category definitions could materially impact volumes, margin visibility, and EPR credit monetization, creating near-term downside risks.

Intensifying Competition from New Entrants & Informal Sector

- The competitive environment is under pressure from both technology-driven new entrants and unorganized players that dominate nearly 80–90% of the market. These players often leverage low overheads and aggressive pricing, eroding Eco Recycling's market share and pricing power.
- To remain competitive, the company must continuously innovate, enhance its value proposition, and align strategies with evolving market trends. Proactive monitoring of competitor behavior and differentiation through compliance, scale, and service quality will be key to sustaining its leadership position.

Environmental Compliance Pressures

- Stringent environmental standards place Eco Recycling under continuous pressure to maintain full compliance while managing operational efficiency. Failure to meet these benchmarks could result in substantial penalties, reputational damage, or operational disruptions.
- At the same time, increasing public scrutiny and customer preference for sustainable practices make regulatory adherence integral to preserving trust and long-term brand value. Balancing compliance obligations with cost efficiency requires a proactive and forward-looking approach to remain competitive in an increasingly eco-conscious marketplace.

Dependence on EPR Credit Monetization

- A significant portion of Eco Recycling's profitability hinges on EPR credit realization. Earnings visibility is therefore vulnerable to weaker price discovery, reduced liquidity in the credit market, or delays in producer compliance.
- Even with steady operational throughput, volatility in EPR credit dynamics could directly impact EBITDA, underscoring the need to diversify earnings streams and reduce overdependence on this single driver of profitability.

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Eco Recycling Ltd

Outlook and Valuation

Eco Recycling Ltd. has demonstrated significant growth over the past few years, driven by rising demand for sustainable recycling solutions and strategic investments in expanding its recycling capacity. Revenues have grown from INR 177 Mn in FY23 to INR 440 in FY25, reflecting an impressive CAGR of 57.4%. This growth is expected to continue, supported by the company's recent capacity expansion of 18,000 MTPA, funded through internal accruals, along with further plans to scale operations.

The company's EBITDA margins have improved significantly, rising from 22.1% in FY23 to 70.5% in FY25, driven by operational efficiencies, economies of scale, and successful cost-cutting measures, including negotiating favorable supplier terms. These robust margins, combined with the company's growing recycling capacity, position Eco Recycling for sustained profitability.

While we project a strong revenue CAGR of 30.8% over FY25-FY27E, supported by increased utilization of expanded capacity and favorable regulatory developments—such as the amendments to the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2024, however, EBITDA margins are expected to stabilize around 68%.

With installed capacity rising from 7,200 MTPA to 31,200 MTPA (4.3x) and strong traction in monetizing EPR credits, the company is well-positioned to scale volumes and improve realizations. Strategic collaborations such as with C-MET for battery element recovery and TERRA membership enhance credibility and diversify growth avenues. A low-leverage balance sheet, internal accrual-led expansion, and improving reverse logistics further bolster operating leverage and margin visibility.

Furthermore, we forecast a revenue/EBITDA/PAT CAGR of 30.8%/28.8%/26.9% over FY25-FY27E. We value Eco Recycling Ltd at a PE multiple of 37.0x FY27E EPS of INR 19.5 and arrive at a target price of INR 720 per share, implying an upside potential of 16.1% from the CMP. **Accordingly, we have a "BUY" rating on the stock.**

Relative Valuation

Company	CMP	MCAP	Revenue CAGR	EBITDA CAGR	EBITDA Margin (%)	EV/EBITDA		P/E		ROE (%)
	INR	In Mn.	FY25-27E (%)	FY25-27E (%)	FY25	FY25	TTM	FY25	TTM	FY25
Eco Recycling	606	11,624	30.8%	28.8%	70.5%	42.0x	37.5x	55.4x	51.4x	30.4%
Listed Domestic Peer										
Namo eWaste Mang.	173	4,068	60.1%	84.9%	9.0%	25.5x	28.8x	41.6x	48.1x	13.6%

Source: Company, Factset, DevenChoksey Research

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Eco Recycling Ltd

Financials:

Exhibit 1: Profit & Loss Statement

(in INR Mn)	FY25	FY26E	FY27E	FY28E
Revenue from Operations	440	519	752	1,015
COGS	66	104	150	203
Gross Profit	**373**	**415**	**602**	**812**
Employee benefits expense	39	43	53	66
Other expenses	25	27	35	46
EBITDA	**310**	**345**	**514**	**701**
Finance Cost	6	7	6	6
Depreciation	10	19	24	29
Other Income	23	26	19	25
PBT	**317**	**345**	**502**	**691**
Exceptional Items	0	0	0	0
PBT	**317**	**345**	**502**	**691**
Tax Expenses	83	86	126	173
PAT	**234**	**258**	**377**	**518**
EPS	**12.1**	**13.4**	**19.5**	**26.9**

Exhibit 2: Balance Sheet

Particulars	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
PPE	587	666	748	831
Investments	37	37	37	37
Other Non-Current Assets	50	56	77	102
Total Non-Current Assets	**673**	**759**	**862**	**969**
Current Assets				
Inventories	119	128	164	194
Trade receivables	76	71	103	139
Cash and cash equivalent	29	162	384	742
Other Current Assets	208	229	291	360
Total Current Assets	**432**	**590**	**942**	**1,435**
Total Assets	**1,106**	**1,349**	**1,804**	**2,404**
Equity				
Equity share capital	193	193	193	193
Reserves	686	945	1,321	1,840
Minority Interest	17	17	17	17
Total Equity	**896**	**1,154**	**1,531**	**2,049**
Non-Current Liabilities				
Financial Liabilities	27	27	27	27
Lease Liability	36	36	36	36
Other Non-Current Liabilities	11	11	11	11
Total Non-Current Liabilities	**74**	**74**	**74**	**74**
Current Liabilities				
Lease Liabilities	9	11	18	26
Trade Payables	13	13	19	20
Other Current Liabilities	114	97	163	235
Total Current Liabilities	**135**	**121**	**199**	**281**
Total Equity and Liabilities	**1,106**	**1,349**	**1,804**	**2,404**

Exhibit 3: Cash Flow Statement

Particulars	FY24	FY25	FY26E	FY27E
CFO	168.9	244.1	347.3	492.7
CFI	-140.5	-106.1	-126.2	-136.8
CFF	-14.4	-4.7	0.1	2.4
Net Inc/Dec	**14**	**133.3**	**221.2**	**358.3**
Cash Beg	15.2	29.2	162.5	383.7
Cash at the end	**29.2**	**162.5**	**383.7**	**742**

Exhibit 4: Key Ratios

Key Ratios	FY24	FY25	FY26E	FY27E
EBITDA Margin	70.5%	66.5%	68.3%	69.0%
PAT Margin	53.2%	49.8%	50.1%	51.0%
ROE	30.4%	25.6%	28.4%	29.2%
ROCE	34.9%	29.6%	34.6%	36.0%
EV/EBITDA	42.0x	34.5x	22.7x	16.1x
P/Ex	55.4x	46.3x	31.8x	23.1x

Source: Company, DevenChoksey Research

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Eco Recycling Ltd

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