Mahindra MSTC Recycling Private Limited
A joint venture between MSTC and Mahindra Accelo

Moving towards a ZERO-pollution nation
With India’s 1st Automotive & Steel recycling facility
Who are we?
India’s leading steel solutions provider

Mahindra group’s 1st business
Established in 1945
Why did we venture into ELV recycling?
Our focus on Sustainability and Circular economy

Mr. Anand Mahindra at various forums addressing on the serious issue of environment and Mahindra Group’s focus on sustainability
Automotive recycling: Market size

<table>
<thead>
<tr>
<th>ELVs</th>
<th>2016</th>
<th>2020</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 wheelers</td>
<td>38.5 mn</td>
<td>58.8 mn</td>
<td>91.6 mn</td>
</tr>
<tr>
<td>Cars, Trucks &amp; Buses, CVs</td>
<td>16.5 mn</td>
<td>22.7 mn</td>
<td>36.4 mn</td>
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</tbody>
</table>
India imports close to 6-7 million tonnes of scrap steel every year due to gap in domestic demand and supply! (Equivalent to ~$2 bn in forex)
Informal recycling operations

Unsafe disposal of hazardous waste | Environmental pollution | No transparency in process & transactions | Poor working conditions
Such processes lead to:

- Unsafe disposal of hazardous waste
- Environmental pollution
- No transparency in process & transactions
- Poor working conditions
What is CERO recycling and what do we do?
INTRODUCING CERO

INDIA’S FIRST ORGANIZED VEHICLE & STEEL RECYCLER

Our objectives

- Zero tolerance towards pollution
- Zero tolerance towards unsafe and unethical practices
- Zero tolerance towards untreated discharge
CERO – 1st GOI Authorized vehicle recycler in India

Licence number : 0001 / 2018

Following International quality norms
CERO - Processing Capabilities

State-of-the-art recycling facility at Greater Noida and Chennai
What are Cero’s expansion plans?
Cero strategy: If the scrappage policy is announced...

We will invest in 25 shredding units across the country

Capabilities
- With a capacity to recycle 2,00,000 cars/month
- Investment of over ₹ 1000 Cr
- Employment generation with multiple shredding facilities

Downstream capabilities (We will be able to provide to the industries)

- 1.3 lakh tonnes of Steel
- 18,000 tonnes of Aluminium
- 2,000 tonnes of Copper
- 10,000 tonnes of Rubber
What do we expect from the scrappage policy?
Need of the hour… Scrappage policy

The industry needs a scrappage policy

✓ Clearly defined
✓ Concrete timelines
✓ Unambiguously specifying permissible age of vehicles
✓ Clear guidelines on setting up and operations of organized recycling centres
✓ Curb on unorganized industry

We need a Scrappage policy which is effective and enforceable ….else this sector will not take off for next 3-4 years…
What is needed to scale up scrapping infrastructure and recycling facilities for material recovery?
Support from Government

• For policy for End-of-Life vehicles
  - A clear policy…
  - 15 year old private vehicles (ELVs) and >10 year old commercial vehicles to be mandatorily scrapped
  - Vehicles crossing the permissible age should not be insured by any insurance company and PUC certificate should not be issued to such vehicle
  - Thorough check on such vehicles plying on the road should be carried out with heavy penalty for operating End-of-life vehicles
  - Centralized de-registration / information sharing platform for ELVs and non-ELVs should be accessible to authorized scrapping facilities (Vahan database)
  - Standard policy should be adopted across all states so that there is no ambiguity in policy implementation in different states
Support from Government

• For formalizing the recycling sector
  • Vehicle recyclers to be authorized only after thorough check on their processes and norms followed and frequent yearly audit should be carried out
  • Any Authorized centers should adhere to the following guidelines:
    • Have adequate land space (at least 1.5 to 2 acre)
    • Have adequate machinery such as de-pollution, dismantling equipment etc. for scrapping ELVs to follow all environmental and legal norms
    • Have appropriate containers for storage of batteries, vehicle fluids, filters etc.
  • ELVs should be scrapped at ‘Government authorized recycling facilities’ only
  • Only ‘Authorized recyclers’ should be allowed to participate in auctions for ELVs
  • Only authorized recyclers should be able to provide ‘Certificate of Destruction’ (COD) to vehicle owners
Support from Government

• Incentivizing the public to go for scrapping their old vehicles
  • Various incentive schemes can be implemented to encourage scrapping of ELVs
  • Incentives on new vehicle buying by means of
    • GST waiver upto 50% on new vehicle upon production of COD (provided by authorized recycler only)
    • Waiving off New vehicle registration charge / Discounting road tax
    • Interest rebate on loan taken against new vehicles
    • Financial subsidies on purchase of Electric vehicles upon production of COD

Support from OEMs

• Incentivizing people to buy new vehicles in exchange for scrapping old vehicles
  • Financial incentive upon producing COD of their old vehicle
  • Additional incentive for new EV in exchange of scrapping old vehicles
Benefits to the Country

Availability of high quality steel scrap for domestic melting companies

Promotion of domestic production of scrap under Aatma Nirbhar Bharat & Make in India

Increased income from collection of tax on new vehicles

Reduction in steel scrap imports thereby preserving the precious forex reserves (Upto $ 2.5 bn)

Employment generation in with multiple automotive scrapping facilities

Saving of natural resources. Recycling 1 tonne of steel saves 1600 kg iron ore, 600 kg coal, 53 kg Limestone, 287 litres Oil etc.
How are we Integrating the unorganized industry?
Conference with traders of Mayapuri & Jama Masjid in Delhi

We met the traders to understand their aspirations and requirements to integrate them in a formal sector.
Sabka saath sabka vikas

Creating a marketplace to integrate sellers from the unorganized industry
• Sellers from unorganized industry will be able to sell / buy spare parts on this marketplace
• Increased reach for them as they will have access to buyers from other geographies

Sellers from unorganised market (e.g. Mayapuri)
Authorized Sellers

Pre-owned spares will be listed on the portal

Cero Generated Spare Parts

Cero e-commerce portal for spares

• Cero will provide logistics support
• Cero will help in training & planning

Buyers will place order online

Garages

Individual customers
Thank you