



HIMACHAL FIBRES LIMITED

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12-12-2023

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400001

Subject: Press Release relating to new line of business and acquisition

HIMFIBP | 514010 | INE723D01021

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Press Release dated 12th December, 2023 being issued by the Company for dissemination to the investors and public.

The same is for your information and record please.

Thanks & Regards,
For HIMACHAL FIBRES LIMITED

(Manoj Kumar)
(Director)
(DIN: 06872575)

PRESS RELEASE

Himachal Fibres Ltd forays into manufacturing of Sustainable & Innovative Products made from recycling of waste plastic packaging material

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Planning to acquire a company to be engaged into rPET bottle to bottle chips business & manufacturing of acoustic panels from rPET

12th December 2023, Ludhiana : Himachal Fibres Limited, a BSE listed Company (HIMFIBP | 514010 | INE723D01021), has today (12th December 2023) decided and approved to foray into new line of business. The details are as under-

A. New business line of manufacturing sustainable & innovative products from recycling of waste plastic packaging material

Himachal Fibres Ltd (**'Company'** or **'HFL'**) has approved to foray into new line of business i.e. manufacturing of Sustainable & Innovative products to be made from 100% recycled waste plastic packaging material, which is significant step towards complete business transformation and future exponential business growth for the Company.

The upcoming new business line will be fully integrated involving activities right from collection of waste plastic packaging material to complete manufacturing of diverse range of sustainable products, all crafted from waste plastic packaging material.

The Company will explore and evaluate various possible options, both organic or inorganic (like acquisition, mergers, etc) to set up the new line of business, which will be profit generating for the Company and will also lead to substantial job creation.

As a forward-thinker, the Company recognizes the importance of minimizing environmental footprint and actively seek ways to integrate eco-friendly practices into business operations. This decision to launch a new line of products using waste plastic packaging material reinforces company's dedication to sustainable business practices. This will not only reduce reliance on virgin materials but also promotes the circular economy by giving new life to existing resources.

Commenting on the above development, **Mr. Akhil Malhotra, Chairman of Himachal Fibres Limited** said -

“There is a growing demand and trend for sustainable products both in India and globally as it reduces carbon footprint, minimizes plastic waste, decreases reliance on virgin materials, conserves valuable resources, and actively supports a circular economy by recycling and reusing waste plastic materials. Also, the quality of products made from waste plastic material are at par with quality of products made from virgin materials. The

regulatory reforms and Governmental focus & initiatives also support and promote the adoption of waste plastic material as against use of virgin materials.

We believe that the aforesaid decision will help the Company in completely transforming itself and in creating the long term value for its stakeholders.”

B. Planning & exploring to acquire 51% stake in Shiva Cottex Private Limited to be engaged in Recycled PET (rPET) bottle to bottle chips business & manufacturing of acoustic panels from rPET

As a first step towards above business transformation, the Board of Directors of Company has decided to explore the option and modalities to acquire 51% stake in Shiva Cottex Private Limited, thereby making it a subsidiary of the Company.

The proposed target company is in process of setting up rPET bottle to bottle chips production line with annual capacity of 7,000 tonnes and manufacturing facility of acoustic panels to be made from rPET with annual capacity of 7,50,000 square meters.

The above rPET bottle to bottle production line and acoustic panels manufacturing facility will start commercial production from Financial Year 2024-2025.

Commenting on the above acquisition of Shiva Cottex Private Limited, **Mr. Akhil Malhotra, Chairman of Himachal Fibres Limited** said -

“Regarding rPET bottle to bottle, he said that there is growing consumption of PET bottles in India and globally. At present, there is an annual consumption of 1.1 million tonnes (approx.) of PET bottles in India, and with Extended Producers’ Responsibility (‘EPR’) Regulations requiring minimum usage of 30% from recycled PET from FY 25 onwards, the demand for rPET bottle chips is going to spurt substantially specially from the brands like Cola Cola, Pepsi, Hindustan Unilever, etc. Further, the production capacity for rPET bottle to bottle chips is very less in India as compared to future demand post implementation of EPR regulations.

Regarding acoustic panels, he said that these panels are used to reduce noise and sound, and can be used on walls, ceilings, etc. in theatres, offices and other places. These panels are innovative products made from 100% rPET with growing demand from consumers.

Therefore, these businesses of rPET bottle to bottle chips and acoustic panels will be very lucrative and game changer for the Company.”

C. Formation of strong Management Team

Company has recently appointed Mr. Akhil Malhotra as Chairman of the company who has vast relevant industry experience in recycling of waste plastic packaging material.

In addition to above, Company will bring other experts also on its board to make the management team more stronger and robust in order to achieve its business transformation goals.

Brief profile of Mr. Akhil Malhotra is as under-

Mr. Akhil Malhotra (aged about 58 Years) has a vast experience of about 40 years across various industries i.e. manufacturing of engineering parts, textile products, and recycling of waste plastic material. He has thorough experience of 15 years in recycling industry, and has been instrumental in setting up and running of integrated plastic waste recycling business in India.

He started his career in the year 1980 by joining his family business of manufacturing textile machinery spare parts, which were mainly import substitutes. After that, he expanded his focus into manufacturing of textile products like yarn, non-woven, knitted fabrics, carpets etc. which he ran very efficiently.

In the year 2008, he was instrumental in bringing high tenacity recycle fibre plant first time in India, set up master batch plant, recycled partially oriented yarn plant, and first integrated bottle to bottle plant by 2012-2013. He also has experience of setting up of acrylic recycling plant. His focus has always remained in creating fully integrated waste plastic recycling operations in order to reduce environmental impact, carbon emissions and produce sustainable products.

As we embark on this new journey with our Company, we believe that Mr. Akhil Malhotra's exceptional career, experience, dedication, and visionary leadership will be key and instrumental in transforming and shaping our Company's new business and future growth.

Safe Harbour Statement/ Disclaimer

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, potential project characteristics, project potential and target dates for project related issues are forward- looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.