



10<sup>th</sup> June, 2024

<b>Bombay Stock Exchange Limited</b> Department of Corporate Services, Phiroze Jeejee Bhoy Towers, Dalat Street, Mumbai-400001  <b>Scrip Code: 537785</b>	<b>National Stock Exchange of India Limited</b> Listing Department Exchange Plaza,C-1, Block-G, Bandra-Kurla Complex, Mumbai 400051  <b>Symbol: RACE</b>
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**Subject: Annual Report for the F.Y 2023-2024**

**Dear Sir/ Madam,**

Pursuant to Regulation 30 and 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report for the Financial Year 2023-2024 including the Notice of 24th Annual General Meeting of the Company scheduled to be held on Wednesday, July 03rd, 2024 at 12:30 PM to transact the business as set out in the notice.

This is for your reference and record.

**Thanking you,**

**Yours Faithfully  
For Race Eco Chain Limited**

**SHIWATI**  
Digitally signed by  
SHIWATI  
Date: 2024.06.10  
17:17:55 +05'30'

**Shiwati  
Company Secretary & Compliance Officer**

**Enclosure: As above**

**Regd. Office:** Shop No. 37, Shanker Market, New Delhi, Central Delhi-110001  
**Corporate Office Address:** 56/33, Site-4, Sahibabad Industrial Area, Ghaziabad, UP – 201010  
**Email:** [contactus@raceecochain.com](mailto:contactus@raceecochain.com) **CIN:** L37100DL1999PLC102506

# ANNUAL REPORT 2023 - 24



## **RACE ECO CHAIN LTD.**

Organizing the unorganized waste supply chain



## Disclaimer

**In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements that we periodically make, contain forward-looking statements that set out anticipated results based on the company's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. Although we are confident to achieve the above stated forward looking statements will be realized and we believe we have been prudent in our assumptions. The achievement of results is subject to risks and uncertainties in future. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.**

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# Corporate Information

## Board of Directors

Sunil malik	Managing Director
Lalit Malik	Non-Executive Director
Anil Behl	Independent Director
Sanjay Kukreja	Independent Director
Pranav Vasan	Independent Director
Seema Malik	Independent Director

## Statutory Auditors

Garg Arun & Associates.  
Chartered Accountants 4832/24,  
Flat No-106, Ansari Road, Darya  
Ganj, New Delhi-110002

## Internal Auditors

M/s. SSAR & Associates

## Secretarial Auditor

M/s. Hemant Kumar Sajnani & Associates.

## Company Secretary & Compliance officer

Shivati Gandhi

## Registrar & Share Transfer Agent

Skyline Financial Services Private limited  
D-153/A, 1st Floor, Okhla Industrial Area  
Phase-1, New Delhi-110020

## Registered Office

Shop No. 37, Shanker Market, New Delhi, Central Delhi-110001

## Registered Office

City Union Bank, ICICI Bank, HDFC

Recycling And Circular Economy



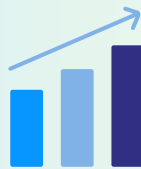
**Organizing the unorganized waste supply chain**



# VISION 2030

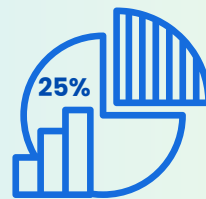
Through our diligent efforts, we aspire to achieve the following outcomes:

## Revenue Growth



40% to 50 % growth in revenues

## Market Share



25% + market share in PET waste market in India

## Sustainable Sourcing



50% procurement from ESG compliant players

## E2E Traceability



Making 50% procurement end to end traceable



## Note from Managing Director

**I am delighted to announce our Annual Report for the fiscal year 2023-24.** This period has been marked by extraordinary accomplishments for our company, as we have achieved key objectives in our mission to convert waste into environmentally responsible products. RACE, signifies a philosophy that transcends simple circularity. Our ultimate goal is to establish a well-structured and organized circular system that encompasses the entire value chain.

RACE Eco Chain Ltd, an environmentally conscious initiative, has pioneered a technology-driven waste management system. In alignment with our vision to optimize the overall efficiency and digitize the existing value chain, our organization has developed the "RACE App". The application will streamline the waste selling process, featuring a transparent price negotiation platform while ensuring effortless pickups and deliveries.

I would also like to announce that in order to make our operations more focused and making capital allocation more efficient, the Board of the company has proposed the demerger of existing business segments of RACE into three entities:



- **Plastic Packaging Waste:** Addressing the growing demand for eco-friendly packaging solutions.



- **Biomass Fuel:** Leveraging renewable energy sources and reducing carbon emissions.



- **Recycled Products:** Creating value from recycled materials.

In our pursuit of sustainable growth, our company has embarked on strategic initiatives that promise substantial improvements in both our revenue and profitability. Pursuing forward integration, our company has acquired, 65% stake in INDIA POLYMERS PVT LTD. The core operations of the company would involve production of washed PET flakes, a pivotal component in fostering environmental sustainability. This strategic move opens up value addition opportunities for RACE.

Further our strategic alliance with India's largest PET waste Recycler "**GANESHA ECOSPHERE LTD.**" have paved way for us to penetrate further into value addition prospects. Owing to this larger alliance, we have tactically decided to disinvest from our earlier venture "Abhay Innovative Recycling" and going forward it will no longer serve as our subsidiary.



**Mr. Sunil Malik**  
**(MD & Chairman RACE)**



Our strategic investment in “**RUDRA ECOVATION LTD.**” (a leading sustainable textile manufacture in India) will further strengthen our organic footprint and growth. Thus, boosting our operational performance.

We’re strategizing to transform our value chain into an ESG-compliant one. Our inaugural Business Responsibility and Sustainability Report (BRSR) of FY 2023 showcased our dedication to ethical and responsible business practices. The current year (FY 2024) BRSR report is also under development. Driven by our commitment towards business sustainability, our company recently had an ESG assessment conducted by CARE Advisory Research and Training Limited, resulting in a score of 58 out of 100. The report details our performance on various ESG parameters. Moving forward, we are committed to enhancing our ESG performance. Moreover, as we move forward, we are contemplating to establish dedicated collection centres keeping ESG adherence as the core.

During the year, we successfully migrated from the SME platform of BSE to the main board of the National Stock Exchange (NSE) and BSE.

Furthering our commitment to operation excellence & sustainability, this year we have attained various certifications: ISO 9001, ISO 14001, ISO 45001, ISO 50001 & SMETA audit underscoring our steadfast dedication to quality, environmental stewardship, and occupational health & safety.

RACE is well-positioned to capitalize on the rising awareness and demand for eco-friendly products. Supportive government policies and regulations further bolster our growth prospects. We remain mindful of competitive challenges, market volatility, and environmental and social considerations.

With increasing recycling mandates, reliance on organised value chain and need for End-to-End traceability will be rising substantially. With our commitment to organize this unorganised sector and ensure E2E traceability, we envision to capitalize on this emerging opportunity.

Our unwavering commitment to operational excellence, quality, and customer satisfaction remains at the forefront. Upholding the highest ethical standards and responsible corporate governance is integral to our journey. **As we forge ahead, we are confident in our ability to sustain momentum and create value for all stakeholders.**

## FY24 Performance Highlights Standalone

**~1,31,028 Metric Tonnes (MT)**

This is the quantum of waste (in tonnes) that we aggregated during FY24. India generates more than 62mn tons of municipal solid waste annually and only 20% is recycled. The problem is huge and hence we have a lot to contribute towards cleaner India!



Operating Revenue

**338.50**

crore



26% YoY

EBIDTA

**5.53**

crore



165% YoY

PAT

**1.57**

crore



20% YoY

Waste Aggregated (MT)

94,459

1,31,028



FY23

FY24

39% Growth

EBIDTA

**1.63%**



86 bps YoY

PAT Margin\*

**0.35%**



9 bps YoY

*\*To reflect upon our core operations, EBITDA margin and PAT margin are computed excluding other income (non-operating income)*

# YEAR AT A GLANCE



**RACE Migrated to  
NSE Main Board**



**zepto**

**Tie-up with Zepto – marking  
end to end traceability**

**Launched RACE App – initiating  
supply chain digitization**



**Social welfare  
initiative – RACE Organized  
free medical camp**

# YEAR AT A GLANCE

ESG grading  
assessment conducted  
by CARE Edge



**SMETA**  
Sedex Members Ethical  
Trade Audit Report  
Version 6.1



SMETA Audited and ISO  
Certification by RACE Eco  
Chain Ltd.



Team Race Eco Chain  
received Times Leading Icons  
2023 Award for Sustainable  
Innovations Organized by  
Times of India group.



# Our Journey so far

## 2024

**PET Tonnage reaches 76,000 MTA**  
**Biomass Tonnage reaches 52,000 MTA**  
**Supply chain digitization – Launched RACE App**

**Audit, Awards & Certifications:**  
**ESG Grading: Score of 58**  
**ISO certified & SMETA Audited**  
**Time Leading Icon Award**

**Organic Growth – Strategic investment in Rudra Ecovation**  
**Inorganic Growth–**  
**Strategic alliance with Ganesh Ecosphere**  
**Investment in India Polymers Pvt Ltd (as our subsidiary)**

## 2023

**PET Tonnage reaches 46,000 MTA**  
**Biomass Tonnage reaches 35,000 MTA**  
**Voluntary filing of SEBI BRSR**  
**Initiated supplier ESG assessment**  
**Race- Zepto Tieup**

## 2022

**Ventured into Biomass segment –**  
**4,000 MT tonnage PET Tonnage**  
**reaches 18,000 MTA**

## 2021

**Initiated PET**  
**aggregation journey –**  
**4,000 MT tonnage**

# OUR PROGRESS TOWARDS ESG JOURNEY ESG Grading

- Race Eco Chain Limited engaged CareEdge Advisory Services to undertake an ESG (Environmental, Social, and Governance) Grading assessment,
- Our company received a score of 58 (out of 100) owing to this assessment.
- This extensive exercise details our performance on various ESG parameters and has resulted in identification of ESG gaps and areas requiring improvement.
- Our company has is formulating strategies and is initiating efforts to address these areas and enhance its scorecard.

## GREEN SCORE



### OUR ESG INITIATIVES

Some of our ongoing initiatives aimed at establishing sustainable business practices are detailed below

Technology for good	<ul style="list-style-type: none"> <li>• Much of the existing supply chain functions with disorganization which results in operational inefficiency.</li> <li>• Our RACE app is designed to address this issue by optimizing the waste selling and delivery process, ultimately enhancing the operational efficiency of our value chain partners.</li> </ul>
Sustainable Sourcing	<ul style="list-style-type: none"> <li>• We are presently categorizing our value chain partners according to their level of engagement with RACE.</li> <li>• Following this categorization, we intend to initiate the independent third-party ESG assessment for the most actively involved segment of our value chain partners.</li> </ul>
Enhancing Governance	<ul style="list-style-type: none"> <li>• Our company has established ESG Committee for decision making on sustainability related issues, implementing &amp; overseeing the business responsibility related policies and progress on our ESG goals.</li> <li>• Furthermore, to strengthen our internal controls, we are in the process of automating &amp; integrating our accounting systems across our identified collection centers. This initiative will not only enhance our operational efficiency but also contribute to a more robust corporate governance framework.</li> </ul>
Governance for Good	<ul style="list-style-type: none"> <li>• Our goal is to bring transparency and accountability to the largely unstructured waste management supply chain by establishing complete traceability for procured PET bottle waste. This initiative aims to enhance governance throughout the supply chain.</li> </ul>

## OUR Broader ESG Goals

Aligned with UNSDGs, some of our ESG goals are detailed as follows:

### Environmental Goals

- Contributing towards Green environment via our operations and awareness campaigns
- Reduction in Scope 1 & Scope 2 emissions
- Efficient Management of premises waste

### Social Goals

- Diversity, Equity & Inclusion
- Comprehensive wellbeing of our value chain partners
- Technology for good
- Sustainable sourcing

### Governance Goals

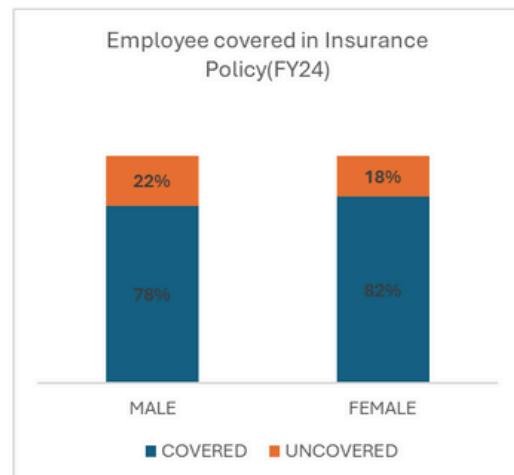
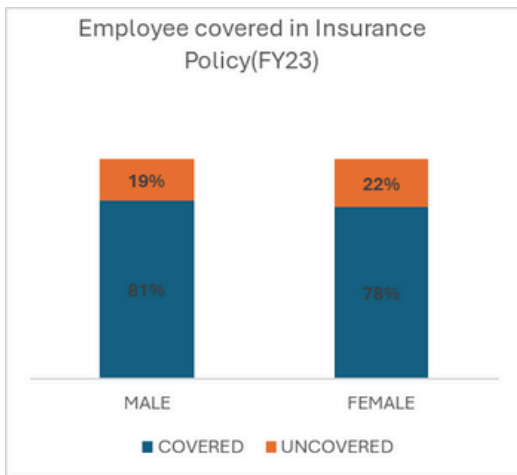
- Board Independence & Diversity
- Promoting business ethics and corporate excellence
- Robust internal control systems
- Minority Shareholder representation

*\*For more details kindly refer our website [raceecochain.com](http://raceecochain.com)*

## Comparative Analysis: ESG Parameters

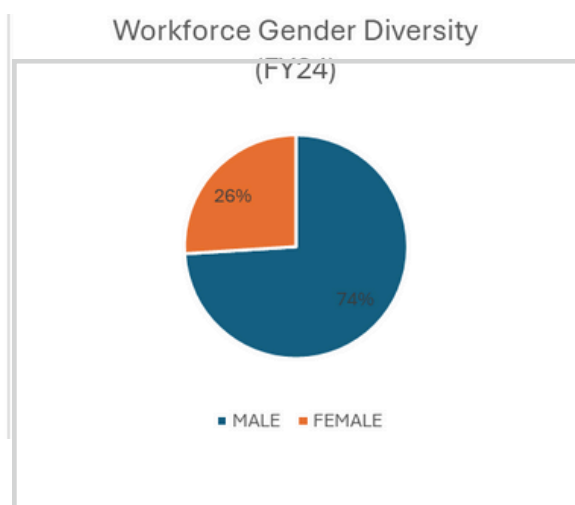
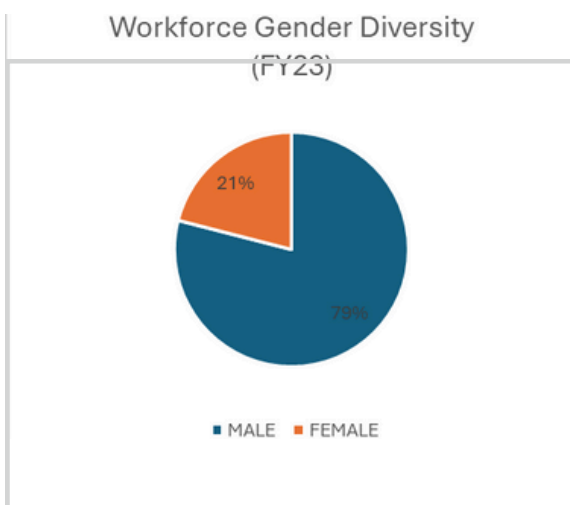
In the last financial year, we embarked on a comprehensive initiative to track and improve our Environmental, Social, and Governance (ESG) metrics. Our last report established baseline data, setting the stage for meaningful progress. Over the past year, we have not only continued to monitor these critical data points but also achieved significant improvements. Key highlights are given for your understanding.

### Employee covered in Insurance Policy



Compared to FY23, there was a slight dip in insured male employees but an increase in insured female employees. Initiatives are in progress to boost insurance accessibility, aiming to considerably reduce the uninsured rate going forward.

### Work Force Diversity

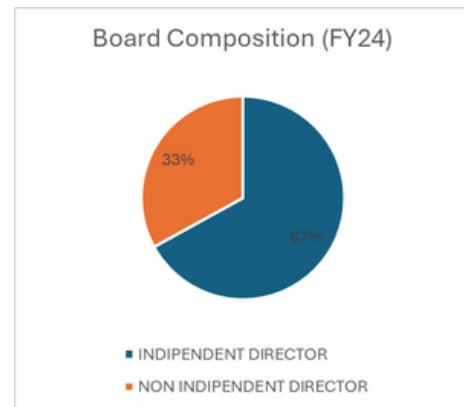
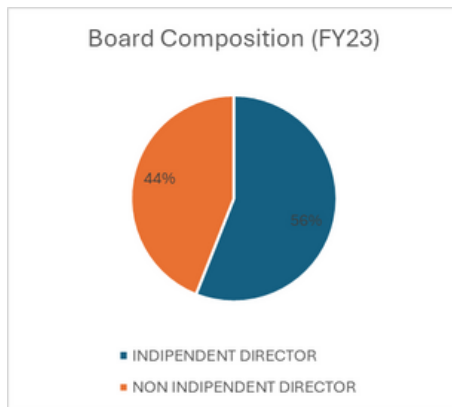


The data exhibits rise in the ratio of female workforce compared to the prior year. We remain committed to enhancing workforce diversity through inclusive hiring practices and promoting equal opportunities across the organization.



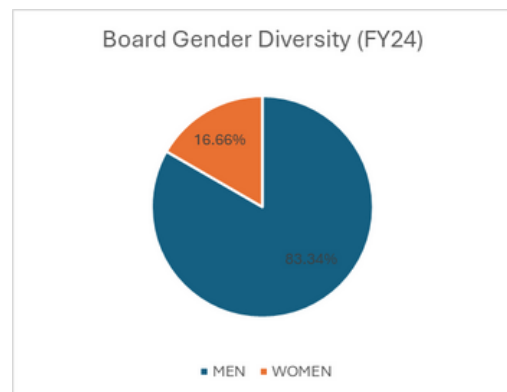
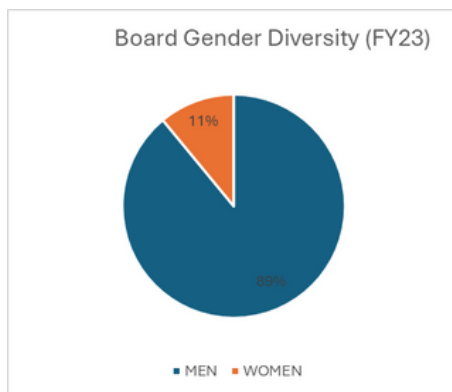
## Comparative Analysis: ESG Parameters

### Board Composition



Underscoring our dedication to corporate governance best practices, our board composition primarily consists of independent directors, fostering an objective oversight and decision-making environment.

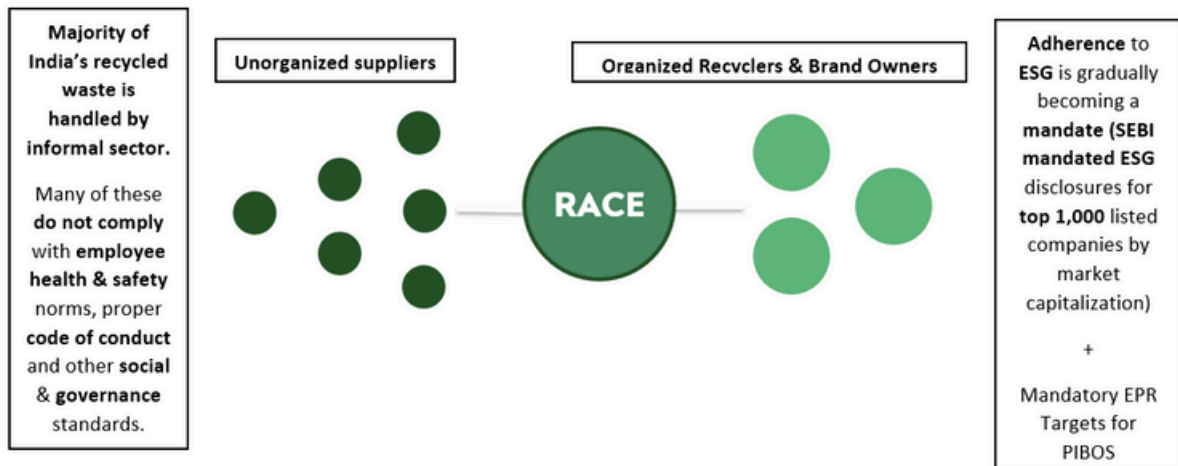
### Board Gender Diversity



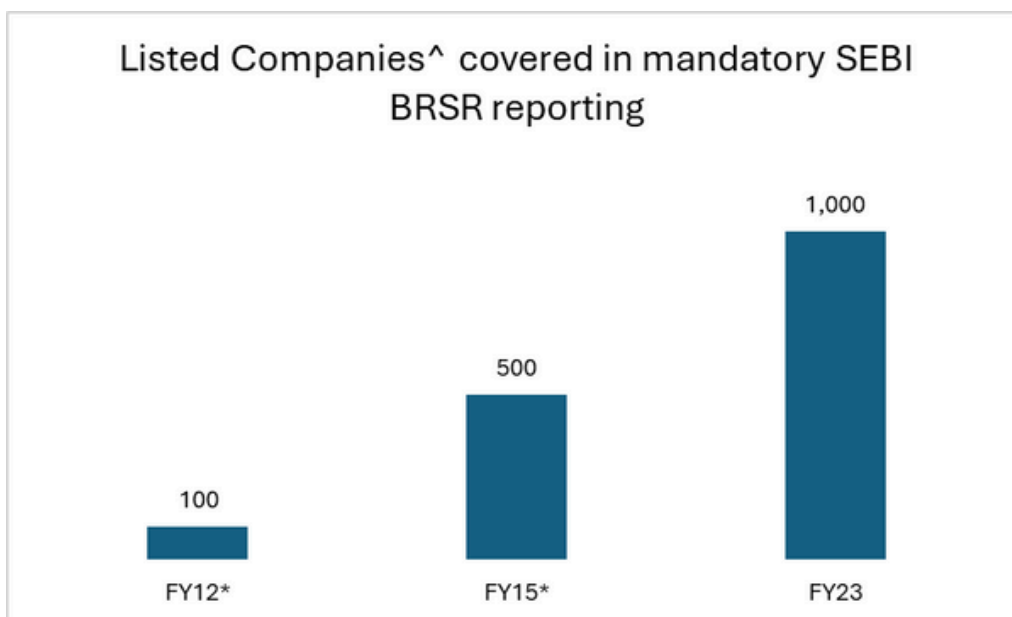
The data reflects increase in the ratio of female board members compared to the previous year. We are committed to further enhancing this percentage by promoting more women to our board in the near future.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BRIDGING THE SUSTAINABILITY GAP: ORGANISING THE UNORGANISED



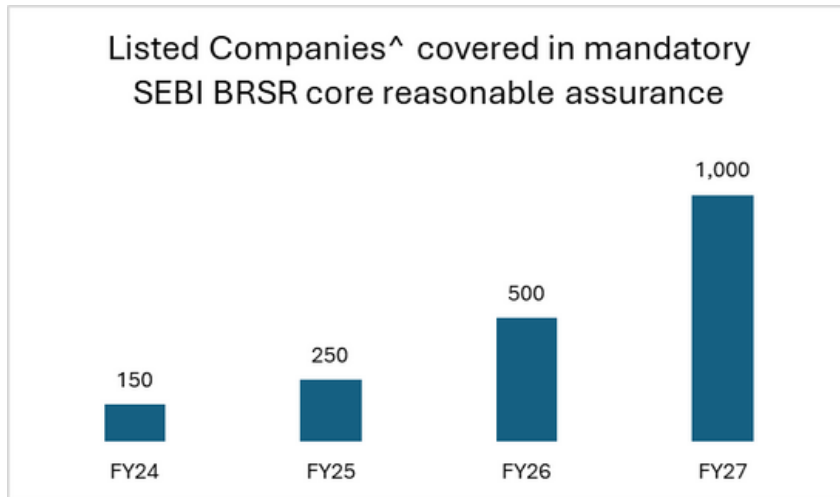
- India is marching fast towards ESG compliance. SEBI focus on sustainable business practices has intensified over the years. With BRSR\* reporting being mandatory for top 100 listed companies in 2012 (by market cap), currently it has expanded to top 1,000 companies.



<sup>^</sup>Top listed companies (by market capitalization)

\*Erstwhile it was BRR reporting now replaced by BRSR

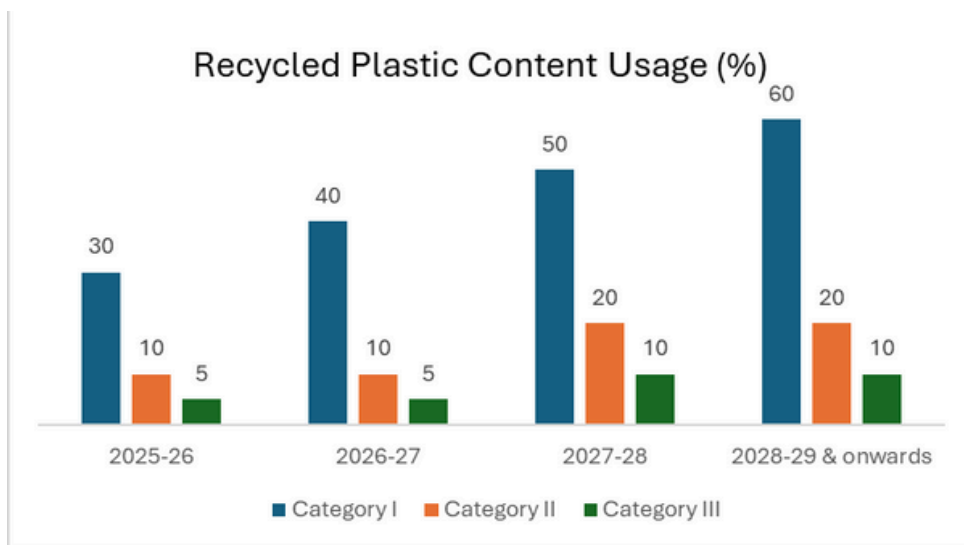
- SEBI has been proactive in its response to the growing needs of investors focus on ESG disclosures made by listed entities. Owing to this, recently SEBI has introduced BRSR core framework. According to this framework, the listed entities should obtain mandatory reasonable assurance on the BRSR Core and disclosures by an independent assurance provider. The mandate is applicable to top 150 listed companies (by market capitalization) for FY24 and will expand to top 1,000 listed companies by FY27.



- Further, the framework also provides that a listed entity should report the parameters as per BRSR Core for their value chain to the extent it is attributable to their business with that value chain partner. The ESG disclosures for the value chain is applicable to the top 250 listed entities (by market capitalization), on a comply-or-explain basis from FY 2024-25. The limited assurance of the value chain’s ESG disclosures shall be applicable on a comply-or-explain basis from FY 2025-26.



- In conclusion, SEBI's introduction of the BRSR framework for core ESG disclosures and assurance is a commendable step. This initiative not only enhances transparency and quality of ESG reporting by listed entities but also extends the scope to their value chain partners. By mandating comprehensive disclosures across the value chain, SEBI demonstrates its proactive approach in addressing investors' growing needs for comprehensive ESG information, thereby promoting sustainable and responsible business practices.
- We at RACE, have always aimed to remain at the forefront to ensure our business and value chain's sustainability. With SEBI's increasing focus towards value chain sustainability coupled with government's implementation of mandatory plastic recycling targets for PIBOs (Producer, Importer, and Brand Owner), eligible entities are not only obligated to meet their mandatory Extended Producer Responsibility (EPR) targets but also ensure the sustainability of their value chain in the future, posing a significant challenge due to the prevalence of unorganized players.



Category I: Rigid plastic packaging; Category II: Flexible plastic packaging;  
 III. Multilayered plastic packaging



- Given these favorable regulations, Our strong ESG-focused mindset, positions us strategically to bridge the existing gap in the waste management sector.

### **With the aim of bridging this sustainability gap:**

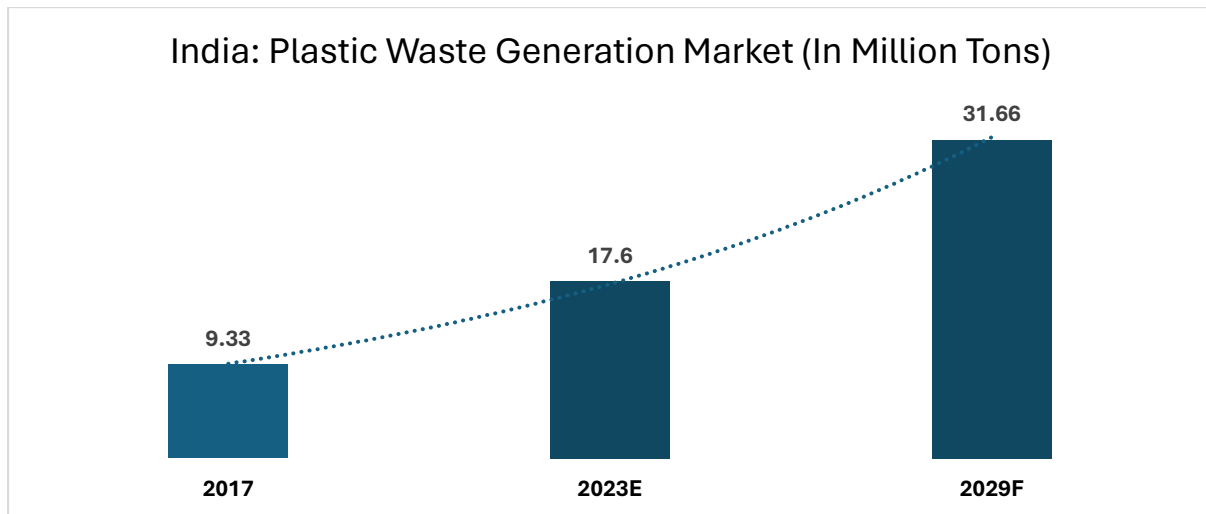
- We have developed **sustainability checks** for our suppliers.
- We have decided to cover our suppliers in the **ESG assessments** to be conducted by an independent third-party entity.
- Also, we are strategizing to set up **dedicated collection centers** that would function in accordance with proper ESG compliances.
- Our strategic alliance with **GANESHA ECOSPHERE LTD.** will pace our progress towards this initiative.

## Industry Outlook

### India Plastic Waste Generation

The expansion of economic activity and industrial output has fueled heightened production and consumption patterns, consequently driving an upswing in plastic waste generation. This trend is particularly pronounced in sectors like manufacturing and retail, where the widespread use of plastic packaging is prevalent. Furthermore, the burgeoning e-commerce industry has catalyzed spike in demand for packaging materials, a significant portion of which comprises plastic. The proliferation of online shopping has emerged as a key contributor to the escalating volumes of plastic waste stemming from packaging utilized for the transportation and delivery of goods. Notably, certain industries, such as healthcare, exhibit a limited availability of viable alternatives or substitutes for plastic materials, owing to the critical role plastic plays in ensuring hygiene and safety standards.

The Indian plastic waste generation market reached 17.60 Million Tons in 2023, growing at a CAGR of 11.16% from 2017–2023. Looking ahead, the market is projected to reach 31.66 Million Tons by 2029, exhibiting a CAGR of 10.28% during 2023–2029, highlighting the need for robust waste management initiatives.



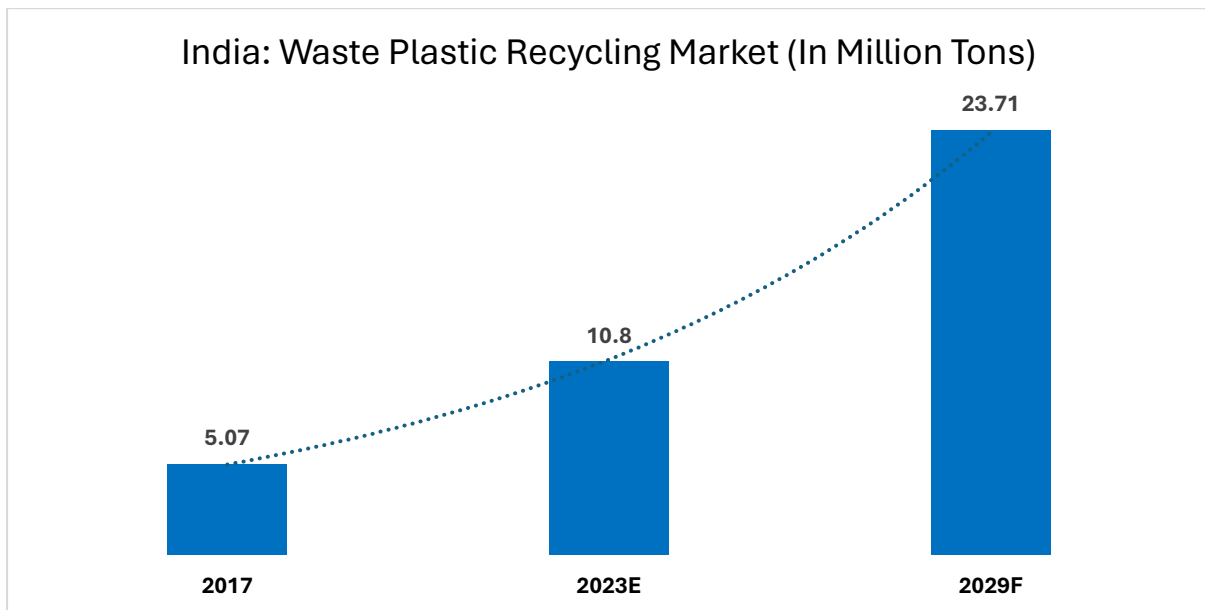
Source: IMARC

### India Waste Plastic Recycling Market

The waste plastic recycling sector in India is witnessing a strong tailwind, fueled by the nation's rising population, accelerating urbanization trends, and heightened awareness surrounding environmental sustainability imperatives. Complementing these demographic and societal drivers, the government's proactive initiatives aimed at bolstering waste management practices, coupled with supportive policy frameworks and strategic investments in recycling infrastructure, are catalyzing the sector's growth trajectory. Concurrently, the escalating demand for recycled materials across diverse industries, underpinned by a concerted emphasis on circular economy principles, is further

propelling the expansion of India's waste plastic recycling domain. This confluence of factors not only addresses pressing environmental concerns but also unlocks economic opportunities, positioning the sector as a strategic growth avenue.

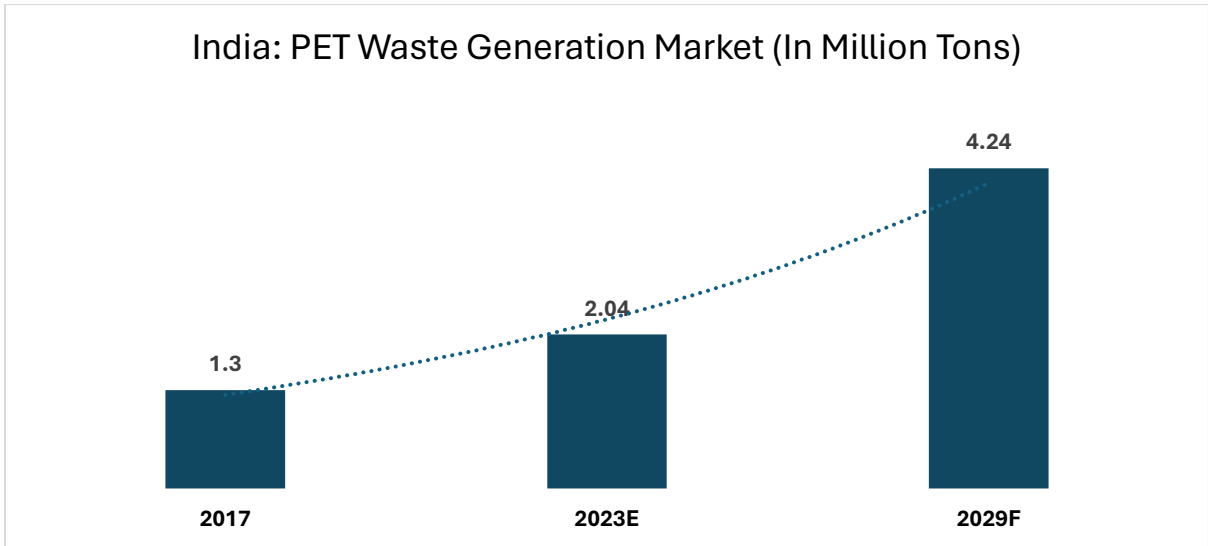
The Indian waste plastic recycling market reached 10.80 Million Tons in 2023, growing at 13.43% CAGR from 2017-2023. It is expected to reach 23.71 Million Tons by 2029, exhibiting a 14.00% CAGR during 2023-2029, propelled by factors like population growth, urbanization, environmental awareness, government initiatives, recycling infrastructure investments, and demand for recycled materials across industries.



Source: IMARC

### India PET Waste generation

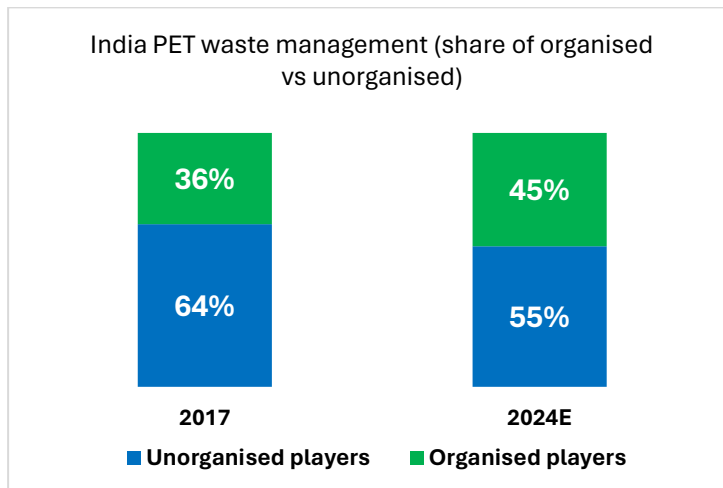
The Indian PET waste generation market reached 2.04 Million Tons in 2023, growing at a CAGR of 7.80% from 2017-2023. Looking ahead, the market is projected to reach 4.24 Million Tons by 2029, exhibiting a CAGR of 12.97% during 2023-2029, highlighting the need for robust waste management initiatives.



Source: IMARC

### India PET Waste Management

Of the total plastic waste generated, around 90% undergoes recycling processing. Notably, the share of waste handled by organized players in this processed waste stream has seen a rise from 36% in 2017 to an estimated 45% in 2024, reflecting a decent improvement over the years. This trend can be attributed to factors such as increasing regulations in the waste management sector, growing emphasis on sustainability and circular economy principles, heightened consumer awareness, and the competitive advantages offered by organized players. Going forward, the dominance of organized players is set to further increase, driven by anticipated regulatory tightening, global sustainability initiatives, and the recognition of waste management as a strategic avenue for environmental mitigation and resource recovery through recycling.

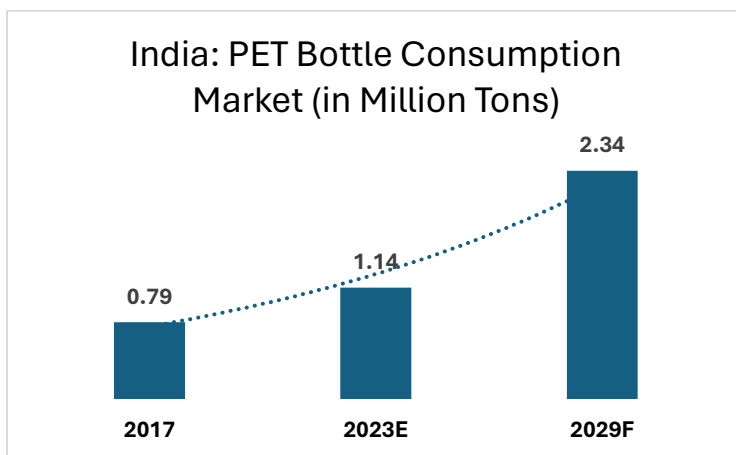


Source: IMARC



### India PET Bottle Consumption Market (in Million Tons)

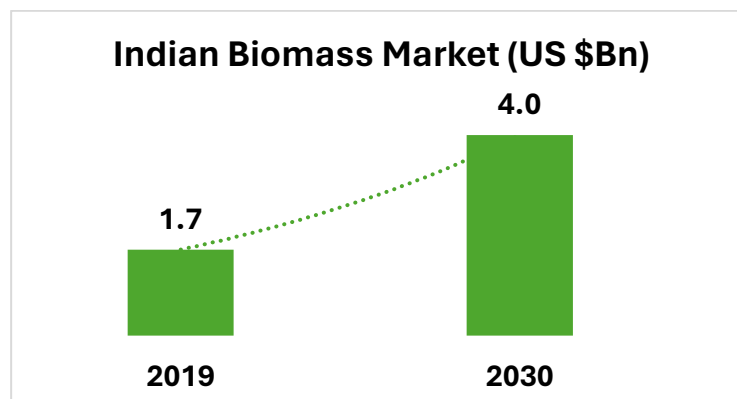
The Indian PET bottle market reached 1.14 Million Tons in 2023 with a CAGR of 6.42% from 2017–2023, driven by rising demand for packaged beverages, the convenience of PET bottles, and their adoption across industries like personal care and pharmaceuticals. Looking ahead, the market is projected to reach 2.34 Million Tons by 2029, growing at a robust 12.69% CAGR during 2023–2029. This accelerated growth can be attributed to factors such as growing middle-class population, changing lifestyles and consumption patterns, growth of retail and e-commerce platforms.



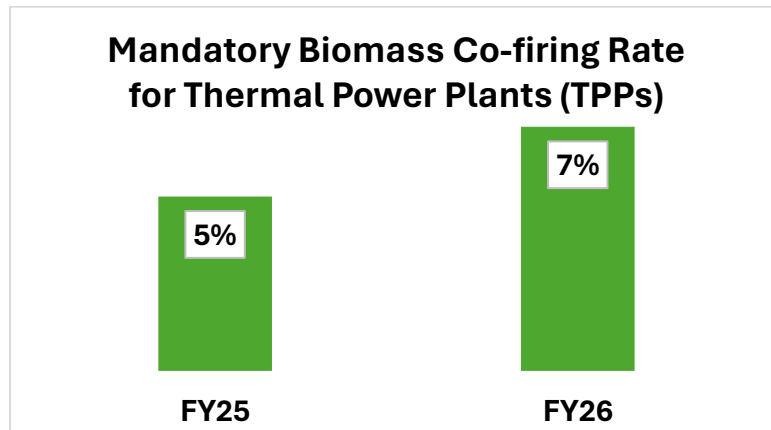
Source: IMARC

### Biomass Industry Outlook

According to research report published by [“Transparency Market research”](#), the Indian biomass industry was valued around US \$ 1.7 Bn in 2019 & is expected to grow @ CAGR of 8% to reach US\$ 4 bn by 2030.



The **Power ministry** recently shared a [revised policy on use of biomass](#). The Ministry of Power issued modification on 16.06.2023 to revise the biomass policy dated 08.10.2021 and now it mandates 5% biomass co-firing in Thermal Power Plants (TPPs) from FY 2024-25. This obligation shall increase to 7% from FY 2025-26.

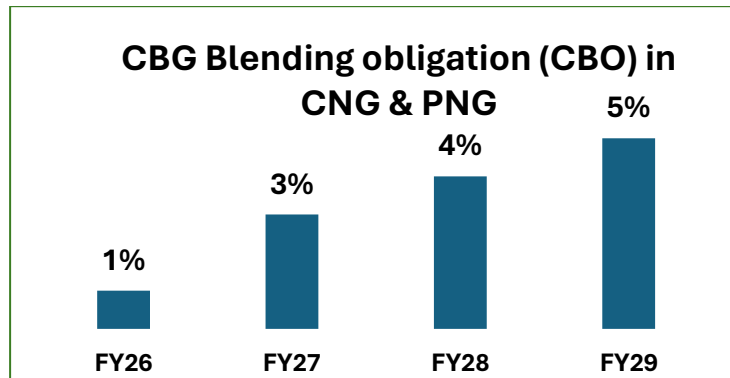


Additionally, Power Ministry has **benchmarked pellets' pricing** to ensure a sustainable biomass ecosystem with the aim to boost farmer participation in biomass, achieve co-firing targets in power plants & reduce crop burning for cleaner air.

The screenshot shows a news article from ETEnergyWorld. The title is "Power ministry sets benchmark prices for biomass pellets to boost sustainable energy in thermal power plants". The sub-headline reads: "The decision aims to streamline the supply chain of biomass pellets and encourage the use of eco-friendly fuel, thereby promoting cleaner energy production." The author is Saurav Anand, updated on Nov 15, 2023 at 09:09 AM IST. The article text begins with "New Delhi: In a significant move towards sustainable energy practices, the government has set the benchmark prices for biomass pellets, to be utilized in thermal power plants across the Western and Northern regions,". There is a small image of power lines and a power plant at sunset.

### Compressed Biogas Blending Obligation (CBO):

Recently, the Indian government announced mandatory blending of Compressed Biogas (CBG) in Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) from 1% in 2025-26 to 4% in 2027-28 to promote biogas consumption. CBG blending obligation (CBO) would be mandated at 5 percent from FY29 onwards. ([Source Link](#))



### Budget 2024 Announcement:

In Budget 2024, Finance minister Nirmala Sitharaman announced that the government would provide financial assistance for procurement of machinery to help in biomass collection. The government has allocated Rs 150 crore for the biomass collection scheme.

1 Feb 2024 **SNB**

**Budget 2024  
Green Energy**

The Government has allocated Rs. 150 Crore for Biomass Collection Scheme

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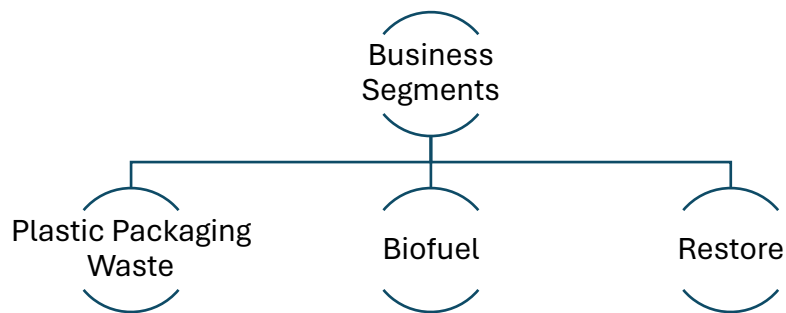
[www.sainirmanbicoal.com](http://www.sainirmanbicoal.com)

Given the presence of these favourable regulations, government's initiative to make biomass ecosystem more sustainable, the outlook for the biomass industry appears optimistic.

## BUSINESS MODEL

Our company specializes in collecting and supplying recyclable waste to recyclers who transform it into valuable products. Additionally, we manufacture recycled products.

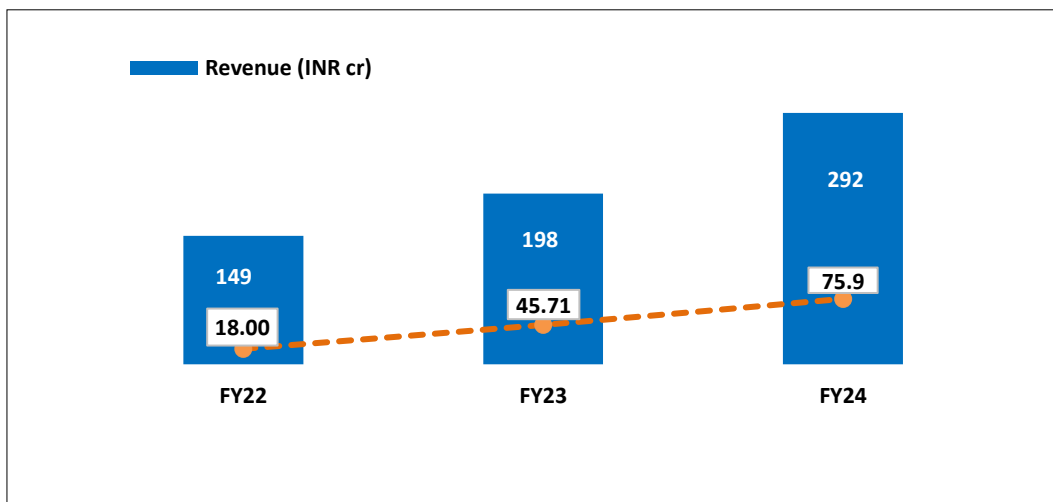
Over the past two years, we have expanded our presence to over 10 states across India, assembling a substantial team of 200+ suppliers. Our business operations are categorized into the following segments:



### PLASTIC PACKAGING WASTE

We are one of the largest plastic waste aggregators in India, with an average monthly capacity of collecting and supplying approximately 6,330 MT of plastic waste. In FY24, we aggregated nearly 75,972 MT of plastic waste, marking a growth of over 66% year-on-year. Revenue from this segment for FY24 reached INR 292 crore, reflecting a year-on-year revenue growth of 47%.

PET bottles are our current focus, but we're exploring to diversify into other plastic waste streams as well. With a favorable regulatory environment for plastic packaging material, we are committed to rapidly scale up to an annual run-rate of 100,000 metric tons of plastic packaging waste aggregation in the coming years.

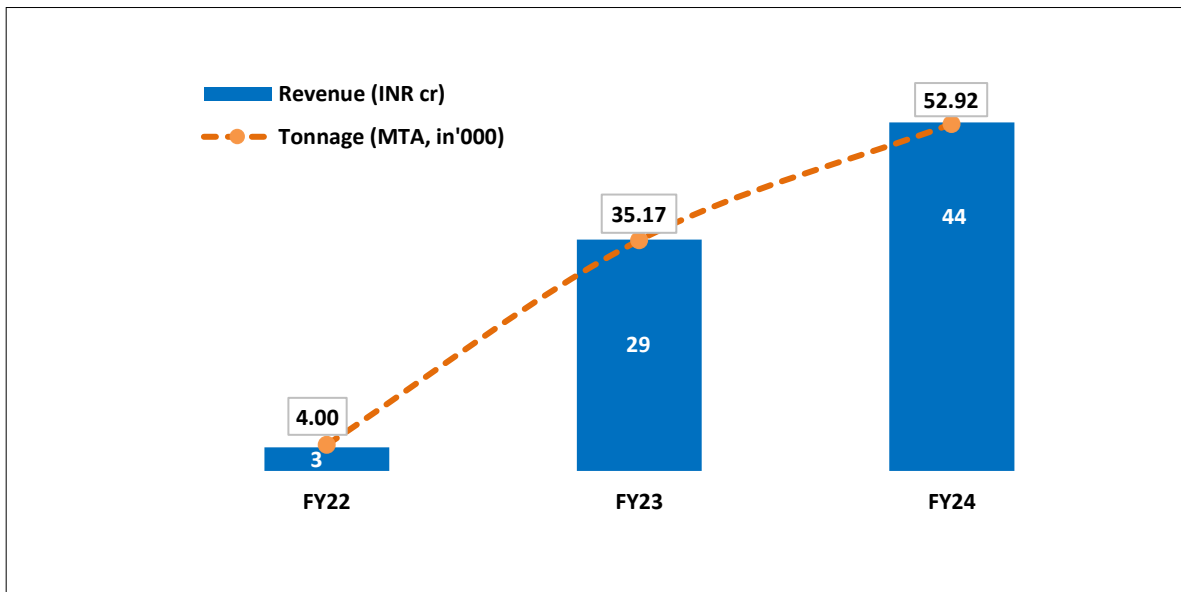


## BIOMASS

Our Company have supplied over 52,000 MT of biomass in FY24 to prominent clients such as Reliance, CEAT, Orient Bell, PepsiCo, Ultratech, etc. Marking a growth of over 50% year-on-year.

This year, our biomass supply generated approximately INR 44 crore in revenue, contributing around 13% to our top line for FY24 with YoY growth of 51%.

We are confident in achieving robust growth in this segment in the coming years with a favorable regulatory environment promoting the use of biomass fuel for co-firing in thermal power plants and blending in compressed natural gas.

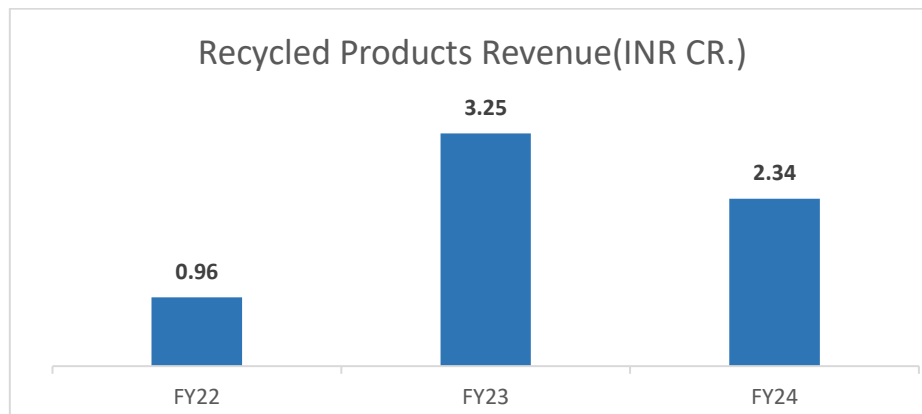


## Our Biofuel Clientele



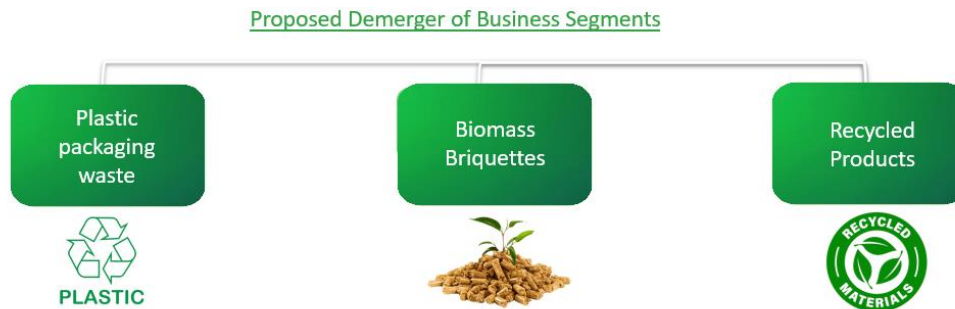
## RECYCLED PRODUCTS

We also manufacture recycled products such as bags, cushions, curtains, and table mats, which we sell under our registered brand “Restore” in India and internationally. Although this division currently represents a modest 1% (appx.) of our total revenue, it showed a slight fall in FY24. Year-over-year, our revenue from this segment has decreased, from INR 3.25 crore in FY23 to INR 2.34 crore in FY24.



## DEMERGER: “The Way Ahead for RACE”

To make operations more focused and making capital allocation more efficient, The Board of the company has proposed the demerger of existing business segments of RACE into three entities and shareholders will receive the stocks of two other listed entities apart from RACE:



### **POTENTIAL BENEFITS**

The proposed demerger is anticipated to unlock value across all three business segments. Key benefits include:

**Unfolding the potential of each segment:** Each of the three businesses will have the opportunity to thrive independently, allowing for more targeted strategies, operational efficiencies, and clearer market positioning. This focused approach is expected to reveal the true potential and value of each segment. By creating separate entities, each business can pursue its specific strategic goals with greater agility. This structure will facilitate more effective decision-making, resource allocation, and responsiveness to market demands and opportunities.

**Capital Allocation Efficiency:** The demerger will enable each entity to allocate capital more efficiently. Tailored investment strategies can be implemented, aligning more closely with the specific growth trajectories and financial needs of each business.

The Board is confident that this strategic demerger will create a robust foundation for future growth and deliver long-term value to our shareholders. We look forward to your support and engagement as we embark on this transformative journey.



## ORGANIC GROWTH

### **Strategic Investment in Rudra Ecovation: Advancing Sustainability and Strengthening Ties**

Our company is pleased to announce its strategic investment in Rudra Ecovation, one of India's premier PET bottle recycler specializing in the production of sustainable textiles. This investment solidifies our partnership with Rudra Ecovation, enabling us to secure long-term exclusivity in supplying waste PET bottles for their operations.

#### **Strategic Initiatives and Benefits**

**Exclusive Supply Chain Partnership:** This investment will ensure a steady and reliable supply of waste PET bottles to Rudra Ecovation. By securing long-term exclusivity, we strengthen our position in the sustainable textiles market and contribute to a circular economy.

**Dedicated Waste Collection Centers:** As part of this strategic tie-up, we are planning to establish dedicated waste collection centers exclusively for Rudra Ecovation. These centers will adhere to strict Environmental, Social, and Governance (ESG) compliances, ensuring responsible waste management practices.

**End-to-End Traceability:** The new collection centers will provide end-to-end traceability, allowing for meticulous tracking of waste PET bottles from collection to recycling. This transparency will enhance our operational efficiency and foster trust among stakeholders.

**Sustainable Business Practices:** By aligning our operations with ESG standards, we are committed to promoting sustainable business practices. These initiatives will not only reduce environmental impact but also support our long-term sustainability goals.

**Supporting sustainable business practices & Circular Economy:** By aligning our operations with ESG standards, we are committed to promoting sustainable business practices. These initiatives will not only reduce environmental impact but also support our goals related to long-term sustainability circular economy by transforming waste into valuable resources.

**Future Alliances and Market Positioning:** Our aim is to forge similar alliances in the future, positioning our company as the preferred choice for recyclers in India. By developing strategic partnerships with leading recyclers, we intend to expand our influence and contribute significantly to the recycling industry.

## INORGANIC GROWTH

Fostering our presence in the waste management segment, we take immense pleasure to highlight our initiatives towards inorganic growth:

### 1) Strategic tie-up with Ganesha Ecosphere

Our company, RACE ECO CHAIN LTD, India's leading PET waste aggregator, has entered into a strategic alliance with GANESHA ECOSPHERE LTD, the largest PET waste recycler in India. Ganesha Ecosphere Limited is making strategic equity investment in our company.

#### **Strategic Initiatives and Expected Benefits**

**Revolutionizing the Waste Management Supply Chain:** This partnership promises to revolutionize India's existing waste management supply chain. By leveraging the combined expertise of two industry leaders, we aim to streamline and organize the end-to-end waste management process, ensuring that the demand from brand owners is met with utmost sustainability.

**Dedicated Collection Centers:** As part of this strategic tie-up, we are also planning to set up dedicated waste collection centers for Ganesha Ecosphere, similar to our initiative with Rudra Ecovation. These centers will operate in accordance with stringent Environmental, Social, and Governance (ESG) compliances, ensuring responsible waste management practices and end-to-end traceability.

**Enhancing Sustainability and Meeting Market Demands:** With the mandatory Extended Producer Responsibility (EPR) targets becoming effective from the current financial year (FY25) and SEBI's stringent ESG-based norms encompassing value chain players, there is a pressing need for organized and sustainable waste management solutions. Our collaboration with Ganesha Ecosphere positions us at the forefront of this transformation, ready to meet these regulatory requirements and market demands efficiently.

**Opportunities for Value Addition:** This strategic alliance presents numerous opportunities for value addition within our company. By integrating our capabilities with those of Ganesha Ecosphere, we can explore new avenues for growth and

innovation, thereby enhancing our competitive edge in the rapidly evolving industry.

**Bridging the Sustainability Gap:** The majority of the supply chain in the waste management sector remains unorganized, leading to a significant sustainability gap. Our partnership aims to address this issue by creating a more organized and sustainable value chain, thereby contributing to a more circular economy.

**Demand-Pull Effect from Brand Owners:** As brand owners rush to partner with organized value chain players to meet their EPR mandates sustainably, our strategic alliance positions us as a preferred partner. This demand-pull effect underscores the importance of our collaboration in providing reliable and sustainable waste management solutions.

**Structural Improvement in Operating Performance:** We believe this strategic alliance will lead to structural improvements in our operating performance. By combining resources and expertise, we can achieve greater efficiency, scalability, and sustainability in our operations, ultimately driving long-term growth and profitability.

## **2) RACING into new venture: India Polymers Pvt. Ltd.**

Pursuing forward integration, our company has acquired 65% stake in India Polymers Pvt. Ltd. The company will operate as our wholly owned subsidiary going forward. Below we present a brief profile about the company.

### **Business Overview**

- India Polymers Pvt. Ltd. is a sustainable recycling company dedicated to delivering eco-conscious waste management solutions. Its core competency lies in the production of washed PET flakes, a pivotal component in fostering environmental sustainability.
- This process involves production of washed PET flakes, serving multitude of industries spanning FMCG, packaging, textiles, and more.
- In its initial phase of expansion i.e., Phase 1, the company is contemplating to set up washing line capacity in the state of Himachal Pradesh.

### **ESG-Centric Commitment**

- From its very inception, India Polymers Pvt. Ltd. will be committed to sustainable business practices firmly anchored in Environmental, Social, and Governance (ESG) principles. The company is devising production strategies that would reduce water

consumption and minimize carbon footprints. These practices would serve as a testament to its steadfast dedication to ESG-driven values.

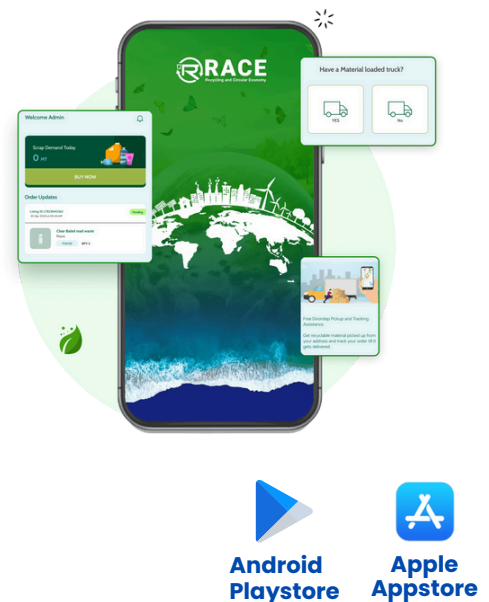
### **Fundamental Outlook**

- India Polymers Pvt. Ltd. is committed to sustainable PET waste recycling. The company will strategically focus on high-quality PET waste and is expected to operate with minimal yield loss and water consumption.
- This resource optimization strategy is a key moat for the company.

Being a forward integration to the existing plastic scrap business of RACE, this strategic investment is expected to bring about substantial improvement in both top and bottom line for RACE going forward.

# Launch of Mobile App: A Milestone in Digital Transformation

During the year, RACE has made significant strides in its digital transformation journey. One of the most noteworthy achievements is the launch of our new mobile application. This app is a testament to our commitment to leveraging cutting-edge technology to enhance operational efficiency, improve transparency, and foster better communication within the company. The application lays foundation towards digitizing the waste management supply chain which will stimulate our ability to organize the unorganized and streamline the waste selling process.



## App Overview

Our newly launched mobile app is designed with user-centric features that cater to the dynamic needs of our recyclers and suppliers. The app's main features include:



**Real-time Data and Insights:** Users can access up-to-date company performance metrics and reports on the go.



**Enhanced Communication Tools:** Secure messaging and notification systems ensure prompt and efficient communication.



**User-friendly Design:** A sleek and intuitive interface makes navigation simple and efficient.



**Integrated Services:** The app brings together various services like customer support, project management, and resource allocation into a single platform.

## Objective and Goals

The primary objectives of launching this mobile app are:



**Tractability:** Traceability features empower users to trace the origins and destinations of the recyclable material, promoting accountability & environmental stewardship throughout the waste management lifecycle.



**Quality Assurance:** Our rigorous quality assurance protocols ensure that every aspect of waste management meets the highest standards, guaranteeing both environmental integrity & user satisfaction.



**Quick and Easy Payments:** Users can quickly settle their waste management bills without any delay after their materials gets delivered to the buyers



**PAN India Network:** Benefit from a consistent supply of recyclable material nationwide, supported by our extensive network of PAN India suppliers and recyclers ensuring reliability and accessibility for all users.

The launch of our new mobile app marks a pivotal step in RACE's digital transformation. It represents our dedication to innovation and our focus on improving efficiency, tracability, and user satisfaction. As we look ahead, we remain committed to evolving our digital offerings to meet the ever-changing needs of our users and employees.

This app is not just a new tool but a strategic asset that will drive RACE forward in our mission to deliver exceptional value. We are excited about the opportunities it brings and look forward to the continued success it will help us achieve.

## SUNSTAR CHARITABLE TRUST- A Social Welfare Initiative by RACE

Sunstar Charitable Trust is an initiative launched by RACE to uplift and enrich the lives of individuals involved in waste management. Through this trust, RACE aims to support the education and nurture the talents of children, enabling them to pursue their dreams and aspirations. The trust provides assistance in extracurricular activities such as sports, music, art, and crafts, ensuring a well-rounded development of the children.

Beyond educational outcomes, the foundation strives to contribute towards building a more equitable and inclusive society. RACE recognizes the importance of investing in education, skill development, and nurturing talent as a means to promote a skilled and educated workforce, reduce poverty, and drive sustainable economic growth.

Through this trust, RACE endeavours to make a lasting impact on society by offering scholarships, internships, and training programs to students, with a particular focus on those from underprivileged backgrounds. Additionally, the trust encompasses a Women Empowerment Program, which assists women in developing essential skills through formal education, vocational training, and on-the-job training, empowering them to earn a livelihood.

RACE is strongly committed to expanding the reach of its Trust, enabling it to benefit society at large and positively impact its entire value chain.



E2E (Educate To Empower)



S3 (Starlight Starship Scholars)



TTPP (Turning Talent to Profession Program)



Empowering Households

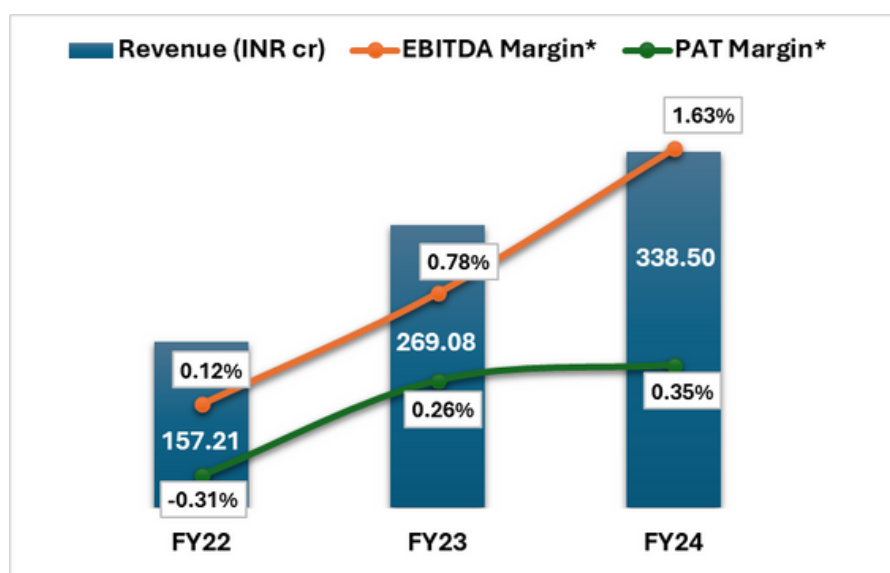


## FINANCIAL STATEMENTS ANALYSIS

The following financials demonstrate our growth trajectory. Inspired by our achievements, we remain confident in our future prospects. We encourage you to review our financial performance and observe how we continue to deliver value to our stakeholders. Presented below is our summarized income statement:

	INR Cr		
PARTICULARS	FY22	FY23	FY24
<b>STANDALONE INCOME STATEMENT</b>			
Revenue from Operations	157.21	269.08	338.50
Operating Costs	157.03	267.00	332.97
<b>Operating Profit (EBITDA)</b>	<b>0.18</b>	<b>2.09</b>	<b>5.53</b>
Other Income	1.62	0.85	0.67
Finance Costs	0.42	0.70	2.84
Depreciation and amortisation	0.33	0.44	0.66
<b>Profit Before Tax (PBT)</b>	<b>1.06</b>	<b>1.79</b>	<b>2.70</b>
Less: Tax expense	0.14	0.48	1.13
<b>Profit After Tax (PAT)</b>	<b>0.92</b>	<b>1.30</b>	<b>1.57</b>

- With the aim of "Organising the unorganised," we began our journey into the waste management sector in FY21.
- Growing at a CAGR of around 30% since last 2 year, our revenue for FY24 stands at INR 338.50 crore as against INR 269.08 crore in FY23.



*\*To reflect upon our core operations, EBITDA margin and PAT margin are computed excluding other income (non-operating income)*

# THE BOARD



**Mr. Sunil Malik**  
(MD & Chairman RACE)



**Mr. Lalit Malik**  
(Non-Executive Director)



**Mr. Anil Kumar Bhel**  
Independent Director



**Mr. Sanjay Kukreja**  
Independent Director



**Mr. Pranav Vasan**  
Independent Director



**Mr. Seema malik**  
Independent Director

- The importance of sustainability within the value chain is gradually becoming mandatory as evidenced by SEBI's recent announcements regarding ESG disclosures for value chain participants. These regulatory developments highlight the growing emphasis on environmental, social, and governance (ESG) considerations across industries.
- Our continued efforts to "organize the unorganized" waste management supply chain and enhance its sustainability are progressively strengthening our market dominance. By creating more organised and sustainable framework, we are effectively positioning ourselves as leaders in this sector.
- As a result of our initiatives, RACE is increasingly becoming the preferred choice for both existing and potential customers and recyclers. Our commitment to sustainability and efficient waste management practices makes us an attractive partner in the industry.
- These initiatives are translating into improved bargaining power, allowing us to secure better yields. Our strategic positioning and enhanced reputation is enabling us to negotiate more favourable terms.
- The positive impact of our efforts is gradually reflecting in our financial performance. We have already seen some tangible improvements, with our EBITDA margin increasing by 150+ basis points since last 2 years. This growth in margins highlights the effectiveness of our strategies and the value we are creating for our stakeholders.

## Key Performance Indicators (KPIs): Driving Comprehensive Business Evaluation

- Key Performance Indicators (KPIs) can be either qualitative, such as brand awareness, or quantitative, such as financial ratios. They serve as vital metrics to assess various aspects of a company's performance.
- These are critical indicators that help a company evaluate its performance in specific business areas. They enable us to identify strengths and weaknesses, facilitating development of action plans for improvement when necessary.
- Our management team is dedicated to:
  - Identifying our most relevant KPIs
  - Understanding the interrelationships among these KPIs
  - Establishing long-term guidance and optimal levels for these metrics
- Comprehensive Business Analysis: This meticulous focus on KPIs allows us to analyze our business decisions comprehensively. By continually monitoring and adjusting our performance metrics, we ensure that our strategies align with our long-term goals.
- KPIs at a Glance: Below is a snapshot of some of our key performance indicators, reflecting our commitment to transparency and continuous improvement:

KPIs/Financial metrics	Guidance/Optimal levels	Levels as on FY24
Total Debt to Equity	0.5	1.22
Interest coverage ratio	5	2
Working capital days	30	36
Incremental districts (annually)*	12-15	5
Logistic cost (% of Sales)**	Reduce by 1 - 2%	10% - 15%
R&D Budget (% Operating Cash Flows)	5-7% p.a.	-

*\*In pursuit of expanding our nationwide reach and market penetration, our objective is to incorporate 12 – 15 districts annually.*

*\*\*Logistic Cost vary from 10-15% depending on the geographic location. We aim to improve on this KPI over long term period of 5 years.*

- A specific KPI may reveal that our performance is not meeting the desired level at a given time. This serves as a critical signal for us to delve deeper into the underlying issues.
- Such insights motivate us to analyze the performance gaps comprehensively, identify root causes, and implement corrective actions. This continuous improvement cycle is integral to enhancing our overall performance.

## Notice

**Notice** is hereby given that the **24th Annual General Meeting** of the Members of the **RACE ECO CHAIN LIMITED** will be held on **Wednesday, 03<sup>rd</sup> July 2024 at 12:30 P.M (IST)** through Video Conferencing (VC)/ other Audio Visual Means (OVAM) to transact the following business:-

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### ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 together with the reports of Board of Directors and Auditors thereon.
2. To re-appoint Mr. Lalit Kumar Malik (DIN 08693650), who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard.

### SPECIAL BUSINESS:-

3. **PREFERENTIAL ALLOTMENT OF UPTO 8,25,000 (EIGHT LAKH TWENTY FIVE THOUSAND ONLY) EQUITY SHARES TO THE PERSONS BELONGING TO PROMOTER AND NON-PROMOTER CATEGORY**

To consider, and, if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 23(1)(b), 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (“**SEBI ICDR Regulations**”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”) the listing agreements entered into by the Company with the BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) (“**Stock Exchanges**”) on which the Equity Shares of the Company having face value of ₹10/- (Ten) each (“**Equity Shares**”) are listed and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the Ministry of Corporate Affairs (“**MCA**”), Securities and Exchange Board of India (“**SEBI**”) and/or any other competent authorities, (hereinafter referred to as “**Applicable Regulatory Authorities**”) from time to time to the extent applicable and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution, consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot up to 8,25,000 (Eight Lakh Twenty Five Thousand) equity shares having face value of ₹10/- (Rupees Ten) each fully paid-up (“**Equity Shares**”) for cash, at an issue price of ₹352/- (Rupees Three Hundred Fifty Two Only) per shares, aggregating upto ₹29,04,00,000/- (Rupees Twenty Nine Crore Four Lakh Only) (“**Total Issue Size**”) each including a premium

of ₹342.00/- (Rupees Three Hundred Forty Two Only) which is not less than the price determined in accordance with Chapter V of SEBI ICDR Regulations, to the proposed allottees for a cash consideration basis (“Preferential Issue”) and on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws to the below-mentioned person belonging to the Promoter and Non-Promoter category in the manner as follows:

S. No.	Name of Proposed Allottees	Category (Promoter/ Non-Promoter)	No of equity shares to be issued
1.	BLP Equity Research Private Limited	Promoter	3,70,000
2.	Ganesha Ecosphere Limited	Non-Promoter	4,55,000

**“RESOLVED FURTHER THAT** in accordance with SEBI ICDR Regulations, the ‘**Relevant Date**’ for determination of the issue price of Equity Shares, shall be, Monday June 03, 2024 being the date 30 (Thirty) days prior to the meeting of members of the Company is to be held to consider the Preferential Issue of equity shares and the issue price determined in accordance with SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form”.

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in SEBI ICDR Regulations”.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as stock exchanges and other appropriate authority may impose at the time of their approval and as agreed to by the Board other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the said equity shares shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said equity shares is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and

to appoint any other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**4. ISSUE OF UPTO 19,70,000 (NINETEEN LAKHS SEVENTY THOUSAND ONLY) WARRANTS CONVERTIBLE INTO EQUITY SHARES TO THE PERSONS BELONGING TO PROMOTER GROUP AND NON-PROMOTER CATEGORY, ON A PREFERENTIAL BASIS**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the **“Act”**), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the provisions of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the **“SEBI ICDR Regulations”**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to date (the **“Listing Regulations”**), and subject to any other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs (**“MCA”**), the Securities and Exchange Board of India (**“SEBI”**), the Reserve Bank of India (**“RBI”**) and/or any other competent authorities (hereinafter referred to as **“Applicable Regulatory Authorities”**) from time to time to the extent applicable and enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority including BSE Limited (**“BSE”**) and National Stock Exchange of India Limited (**“NSE”**) (**“Stock Exchanges”**), RBI and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board of Director (the **“Board”**) of the Company in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time, in one or more tranches, upto 19,70,000 (Nineteen Lakhs Seventy Thousand) convertible warrants (**“Warrants”**), at a price of ₹352/- (Rupees Three Hundred Fifty Two Only) per warrant, aggregating upto ₹69,34,40,000/- (Rupees Sixty Nine Crore Thirty Four Lakhs Forty Thousand Only) (**“Total Issue Size”**), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value ₹10/- (Rupees Ten Only), each at a premium of ₹342/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to persons / entity enlisted below (**“Warrant Holder”/ “Proposed Allottees”**) belonging to promoter group and non-promoter group of the Company on a preferential basis (**“Preferential Issue”**), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws in this respect:

S. No.	Name of Proposed Allottees	Category (Promoter Group/ Non-Promoter)	Maximum number of Convertible Warrants proposed to be allotted
1.	BGP 11 Analytics Private Limited	Promoter Group	2,20,000
2.	India Equity Fund 1	Non - Promoter	1,00,000
3.	Petflakes Poymers India Private Limited	Non - Promoter	4,62,500
4.	Brivan Capital Private Limited	Non - Promoter	50,000
5.	Shubhshree Biofuels Energy Limited	Non – Promoter	15,000
6.	Devbhoomi Commercial Private Limited	Non - Promoter	4,32,500
7.	Sarthak Agarwal	Non – Promoter	25,000
8.	Mohit Sharma	Non - Promoter	10,000
9.	Vimal Sharma	Non - Promoter	50,000
10.	Hemant Sharma	Non - Promoter	25,000
11.	Harsh Sharma	Non - Promoter	50,000
12.	Naveen Sharma	Non - Promoter	25,000
13.	Aditya Pareek	Non - Promoter	30,000
14.	Uma Pareek	Non - Promoter	30,000
15.	Abhishek Pareek	Non - Promoter	15,000
16.	Anil Kumar Behl	Non - Promoter	75,000
17.	ASI Trust	Non – Promoter	50,000
18.	SIA Trust	Non - Promoter	50,000
19.	Prashant Khandelwal	Non - Promoter	10,000
20.	Neetu Khandelwal	Non - Promoter	10,000
21.	Bhagwati Prasad Sultania	Non - Promoter	15,000
22.	Sahil Jain HUF	Non - Promoter	25,000
23.	Vivek Sawhney	Non - Promoter	15,000
24.	Lalit Malik	Non - Promoter	1,00,000
25.	Tanya Kukreja	Non - Promoter	30,000
26.	Rishav Gupta	Non - Promoter	10,000
27.	Sangita Gupta	Non – Promoter	25,000
28.	Rama Nand Gupta	Non – Promoter	15,000

**RESOLVED FURTHER THAT** in accordance with regulation 161 of the SEBI ICDR Regulations, the Relevant Date for the purpose of calculating floor price for the issue of warrant is Monday June 03, 2024, being the date that is 30 (Thirty) days prior to the date of shareholders meeting i.e. Wednesday, July 03, 2024.

**RESOLVED FURTHER THAT** the said Warrants shall be issued and allotted by the Company to the allottees within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- i. The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company. The Warrants may be exercised into Equity Shares as aforesaid by the Warrant holder(s) at any time before the expiry of 18 months from the date of allotment of the Warrants.



- ii. A Warrant subscription price equivalent to 25% (i.e., the upfront amount) of the issue price will be payable at the time of subscription to the Warrants, as prescribed by Regulation 169 of the SEBI ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. A Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Warrant holder(s) at the time of exercising the Warrants.
- iii. The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- iv. The respective Warrant Holders shall make payment of Warrant Subscription Price and Warrant Exercise Price from their own bank account into the designated bank account of the Company and in the case of joint holders, shall be received from the bank account of the person whose name appears first in the application.
- v. In the event the Warrant holder(s) does not exercise the Warrants within 18 months from the date of allotment, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
- vi. The Warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of SEBI ICDR Regulations.
- vii. The Warrants by itself, until exercised and converted into Equity Shares, shall not give to the Warrant Holders thereof any rights with respect to that of an Equity shareholder of the Company.

**RESOLVED FURTHER THAT** the pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company shall also be subject to lock-in as per the provisions of the SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to accept any modification(s) or modify the terms of issue of Warrants, subject to the provisions of the Act and SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the allottees and issue a private placement offer cum application letter in the Form PAS-4 to the allottees inviting to subscribe to the Warrants in accordance with the provisions of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the Warrant holder(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose to give effect to the above resolution, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the above mentioned Preferential offer (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Issue), making applications to Stock Exchanges for obtaining of in-principle approval, filing of requisite documents with the concerned Registrar of Companies ("ROC"), National Securities Depository Limited ("NSDL"), Central Depository Services (India) Limited ("CDSL") and/ or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the

credit of such Warrants / Shares to the respective dematerialized securities account of the Warrant Holders and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the Warrants or Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to Committee of Directors/ any Director(s)/Company Secretary / any Officer(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolution is hereby approved, ratified and confirmed in all respects.”

#### **5. TO APPROVE THE DISINVESTMENT IN MATERIAL SUBSIDIARY OF THE COMPANY**

**To consider, and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:-**

**RESOLVED THAT** pursuant to provisions of Section 180(1)(a) of Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013, the Rules thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the Memorandum and Articles of Association of the Company, the provisions of the Regulation 24(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and further subject to the necessary approvals, consents, permissions and sanctions, if any, of any relevant statutory, regulatory or government authorities, Company’s lenders (if any), and/or other institutions or bodies and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company, the consent of the members of the Company be and is hereby granted for sale, transfer, or otherwise dispose of, the whole the Company’s investment in the Equity Shares constituting 99.32% (approx.) of the Equity Share Capital of its Material Subsidiary company, **M/s. Abhay Innovative Recycling Limited**, equally in the favour of Mr. Raj kumar Modani and Mr. Sanjay Modani, for an aggregate consideration of INR 3,77,48,000/- (Three Crore Seventy Seven Lac Forty Eight Thousand Only) approximately on such terms and conditions as the Board of Director and/or the Managing Director, may, in its absolute discretion, deem fit and appropriate in the best interests of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Managing Director be and is hereby authorized to do or cause to be done all such acts, deeds and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental thereto, from time to time for giving effect to the above resolution, including finalizing, varying and settling the terms and conditions of the proposed divestment; to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company; to negotiate and finalize the Share Purchase Agreement and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants as may be required) and to execute, deliver and perform such agreements, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, and lenders; to suitably inform and apply to all the concerned authorities, to settle any questions, difficulty or doubt that may arise in this regard, and to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution.

**6. RE-APPOINTMENT OF MR. SANJAY KUKREJA (DIN:08506956) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE YEARS**

To consider, and, if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:-

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 (“the Act”), read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the Members be and is hereby accorded for the re-appointment of Mr. Sanjay Kukreja (DIN:08506956) who was appointed as an Independent Director of the Company on 20<sup>th</sup> July, 2019, and who holds office up to five years., has submitted a declaration confirming that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from 20th July, 2024 till 19th July, 2029, be and is hereby approved.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Mr. Sanjay kukreja (DIN: 08506956) shall be entitled to receive the remuneration/sitting fees/commission as permitted to be received in the capacity of Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.

**By Order of the Board of Director  
Race Eco Chain Limited**

**Sd/-**

**Sunil Kumar Malik  
Managing Director  
DIN: 00143453**

**Block-E, 118, Greater Kailash  
Masjid Moth New Delhi-110048**

**Date: 05<sup>th</sup> June, 2024**

**Place: Sahibabad**





## Notes:-

1. The Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and December 28, 2022, (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company shall be held through VC/OAVM. The deemed venue for the 24th AGM shall be the Registered Office of the Company.
2. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. Authorized representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority letter, etc. authorizing them to attend the AGM, by e-mail to [cs@raceecochain.com](mailto:cs@raceecochain.com).
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special business is annexed to this Notice.
5. Notice of the **24th Annual General Meeting** and the Annual Report for 2024 will also be available on the Company’s website [www.raceecochain.com](http://www.raceecochain.com) for their download. For any communication, the shareholders may also send requests to the Company’s investor email id: [cs@raceecochain.com](mailto:cs@raceecochain.com) on or before 28<sup>th</sup> June, 2024.  
Members are requested to intimate changes in their address immediately to **M/s Skyline Financial Services Private Limited**, the Company's Registrar and Share Transfer Agents, at their office D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi-110020.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 27th June, 2024 to Wednesday, 03<sup>rd</sup> July, 2024** (both days inclusive) for the purpose of the Annual General Meeting.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as VC/OAVM voting on the date of the AGM will be provided by NSDL.

9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE and NSE Limited at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
11. Members, who are wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (SH-13) of Companies Act, 2013 to the Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
12. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self-attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
13. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **the cut-off date (Record date) Wednesday 26<sup>th</sup> June, 2024.**

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected</li> </ol>

	<p>to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speed” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
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The remote e-voting period begins on Sunday, 30<sup>th</sup> June, 2024 (9:00 am) and ends on Tuesday 02<sup>nd</sup> July, 2024 (5:00 pm). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members as on the record date (cut-off date) i.e. Wednesday 26<sup>th</sup> June, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday 26<sup>th</sup> June, 2024.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:-

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system**

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:-

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below :-

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*****

5. Password details for shareholders other than Individual shareholders are given below:
  - a.) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b.) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c.) How to retrieve your ‘initial password’?
    1. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    2. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.



6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:-**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e- Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines:-**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [amitsaxenacs@yahoo.com](mailto:amitsaxenacs@yahoo.com) Please mention the e-mail ID of <Scrutinizer>with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five

unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@racecochain.com](mailto:cs@racecochain.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@racecochain.com](mailto:cs@racecochain.com)

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting

via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [cs@raceecochain.com](mailto:cs@raceecochain.com) till 28th June, 2024.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. **Mr. Amit Saxena, Proprietor of M/s. Amit Saxena & Associates**, Practicing Company Secretary and has been appointed as the Scrutinizer to scrutinize the e-voting process in affair and transparent manner.
9. The Scrutinizer shall immediately after the conclusion of voting at the meeting, count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses, who are not in the employment of the Company. The Scrutinizer(s) shall submit a consolidated Scrutinizers' Report of the votes cast in favour or against, if any, not later than 48 (forty eight) hours of conclusion of the meeting to the Chairman or a person authorized by him in writing, who shall countersign the same. The Chairman or any other person authorized by him in writing, shall declare the results of the voting forthwith.
10. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.raceecochain.com](http://www.raceecochain.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and NSE of India Limited.

**Details of Director seeking re-appointment Disclosures, as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, are as under:**

<b>Name of Director, DIN &amp; Category</b>	Mr. Sanjay Kukreja (DIN: 08506956) as a Non-Executive, Independent Director
<b>Date of First appointment on the board</b>	20th July, 2019
<b>Date of re-appointment and term of re-appointment</b>	Re-appointment as Non-Executive, Independent Director for a second term of 5 (five) years effective from 20th July, 2024 till 19th July, 2029, subject to the approval of the members
<b>Brief Profile &amp; Qualification</b>	Mr. Sanjay Kukreja is associated with our Company since July, 2019 as Independent Director. He is Graduate in Commerce from Delhi University.
<b>Disclosure of Relationship with Directors</b>	Mr. Sanjay Kukreja is not related to any Director
<b>Shareholding</b>	Through its HUF 37500 Shares
<b>Sitting Fees</b>	25000 Per Meeting
<b>Resignation from Listed Entities in past three years</b>	No
<b>Names of listed entities in which the director holds directorships, indicating the category of directorship</b>	Capfin India Limited

**By Order of the Board of Director  
Race Eco Chain Limited**

**Date: 05<sup>th</sup> June, 2024  
Place: Sahibabad**

**Sd/-  
Sunil Kumar Malik  
Managing Director  
DIN: 00143453  
Block-E, 118, Greater Kailash  
Masjid Moth New Delhi-110048**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 03**

**PREFERENTIAL ALLOTMENT OF UPTO 8,25,000 (EIGHT LAKH TWENTY FIVE THOUSAND ONLY) EQUITY SHARES TO THE PERSONS BELONGING TO PROMOTER AND NON-PROMOTER CATEGORY**

In accordance with section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the “Act”), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the SEBI ICDR Regulations and the Listing Regulations, as amended from time to time, subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority approval of shareholders of the Company by way of special resolution is required to issue equity shares by way of private placement on a preferential basis to the proposed allottees.

The information required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations, and other relevant details in respect of the proposed Preferential Issue of Equity Shares are as under:

**a) Particulars of the Preferential Issue including date of passing of Board resolution**

The Board of Directors of the Company, in its meeting held on Wednesday, June 05, 2024 subject to the approval of the members of the Company and such other necessary approvals as may be required, approved the proposal for raising funds by way of issuance and allotment of upto 8,25,000 (Eight Lakh Twenty Five Thousand) equity shares having face value of ₹10/- (Rupees Ten) per Equity Share, at a price of ₹352/- (Rupees Three Hundred Fifty Two Only) Equity Share including a premium of ₹342.00/- (Rupees Three Hundred Forty Two Only) per Equity Share, aggregating upto ₹29,04,00,000/- (Rupees Twenty Nine Crore Four Lakh Only) on preferential basis to the proposed allottees as mentioned in the resolution no. 3.

**b) Kinds of securities offered and the price at which security is being offered, and the total/ maximum number of securities to be issued**

The Board of Directors in its meeting held on June 05, 2024 had approved the issue of equity shares and accordingly proposes to issue and allot in aggregate up-to 8,25,000 (Eight Lakh Twenty Five Thousand) Equity Shares of the face value of ₹10/- (Rupees Ten) each (“the Equity Shares”) at a price of ₹352/- (Rupees Three Hundred Fifty Two Only) Equity Share including a premium of ₹342.00/- (Rupees Three Forty Two Only) per Equity Share, aggregating upto ₹29,04,00,000/- (Rupees Twenty Nine Crore Four Lakh Only) (being not less than the price calculated in terms of ICDR Regulations) to Promoter/Promoter Group and Non-Promoter Investors on a preferential basis.

**c) Purpose/Object of the preferential issue**

The Company proposes to raise funds through issue of equity shares on preferential basis:

1. Repayment of existing Loans and interest thereon.
2. Meet funding requirements for Business Expansion
3. Meet working capital requirements to strengthen financial position
4. General corporate purposes.

**d) Maximum number of securities to be issued and price at which securities being offered**

It is proposed to issue and allot in aggregate up to 8,25,000 fully paid-up equity shares having face value of ₹10/- (Rupees Ten) each to the proposed allottees on preferential basis.

The price for the allotment of shares to be issued is based on the minimum price determined accordance with Chapter V of SEBI ICDR Regulations is fixed at ₹351.70/- (Rupees Three Hundred Fifty One and Seventy paise only).

**e) Basis on which the price has been arrived at along with report of the registered valuer**

The Equity Shares of the Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (together referred to as the “Stock Exchanges”). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations. Further, in terms of Regulation 166A of SEBI (ICDR) Regulations, the said preferential issue, will not result in allotment of more than five per cent of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, hence valuation report from an independent registered valuer for determining the price is not applicable.

In terms of the applicable provisions of the Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity shares to be issued shall be a price, being higher of the following:

- i. Average of 90 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date is ₹340.24/- (Rupees Three Hundred Forty and Twenty Four paise only); or
- ii. Average of 10 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date is ₹351.70/- (Rupees Three Hundred Fifty One and Seventy paise only).

The Board has fixed the floor price as ₹352.00/- per equity share and the said price fixed by the Board is highest of the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

**f) Relevant Date**

The relevant date as per the Regulation 161 of SEBI ICDR Regulations, for determination of minimum price for the issuance of equity shares of the Company is Monday June 03, 2024 i.e. the date 30 (Thirty days prior to the date of proposed EGM which is scheduled to be held on Wednesday, July 03, 2024 to consider and approve the proposed Preferential Issue.

**g) The class or classes of persons to whom the allotment is proposed to be made**

The allotment is proposed to be made to the proposed allottees as mentioned at point no. (h) below.

**h) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issues that may be held by them and change in control, if any, in the issuer consequent to the preferential issues**

Sr. No.	Name of the Proposed Allottees	Category	Ultimate Beneficial Owner	Pre- Issue Shareholding		Number of equity share to be issued	Post- Issue Shareholding #	
				No. of Shares	% of holding g*		No. of Shares	% of holding **
1.	BLP Equity Research Private Limited	Promoter	Dinesh Pareekh	23,40,100	14.24%	3,70,000	27,10,100	14.10%
2.	Ganesha Ecosphere Limited	Non Promoter	Not Applicable ##	Nil	Nil	4,55,000	4,55,000	2.37%

\*These percentages have been calculated on the basis of pre-preferential share capital of the Company i.e. ₹16,43,22,000 (Sixteen Crore Forty Three Lakh Twenty Two Thousand) divided into 1,64,32,200 (One Crore Sixty Four Lakhs Thirty Two Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.

\*\*These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e. ₹19,22,72,000 (Nineteen Crore Twenty Two Lakhs Seventy Two Thousand) divided into 1,92,27,200 (One Crore Ninety Two Lakh Twenty Seven Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.

# The post issue shareholding percentage has arrived after considering all the preferential allotments of equity shares proposed to be made on fully diluted basis. The post issue paid-up capital of the Company is subject to alterations on account of conversion of actual number of Warrants into Equity Shares. Consequently, the post-issue shareholding percentage mentioned above may stand altered.

## As Ganesha Ecosphere Limited is Listed Company.

**i) Intention of the promoters/ directors/ or key managerial personnel to subscribe to the offer**

Except as following, none of the promoters, directors or key management personnel of the issuer intent to subscribe to the offer.

Sr. No.	Name of the Proposed Allottees	Promoter/ Director/ KMP	Maximum Number of Equity Shares proposed to be Allotted
1	BLP Equity Research Private Limited	Promoter	3,70,000

**j) Time frame within which the Preferential Issue shall be completed**

As required under the SEBI ICDR Regulations, the preferential issue/allotment of Warrants shall be completed within a period of 15 days of passing the special resolution or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any Regulatory Authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.

**k) Shareholding pattern pre and post preferential issue would be as follows**

Sr. No.	Category	Pre Issue Shareholding		Post Issue Shareholding	
		No. of equity shares held	% of Shares *	No. of equity shares held	% of Shares* *
<b>A</b>	<b>Promoter &amp; Promoter Group Shareholding</b>				
(a)	Indian Promoter	74,04,100	45.06%	79,94,100	41.58%
(b)	Foreign Promoter	-	-	-	-
	<b>Sub Total (A)</b>	<b>74,04,100</b>	<b>45.06%</b>	<b>79,94,100</b>	<b>41.58%</b>
<b>B</b>	<b>Public Shareholding</b>				
(a)	<b>Institutional Investor</b>				
(i)	Foreign Portfolio Investors	13,633	0.08%	13,633	0.07%
(ii)	Alternate Investment Funds	-	-	1,00,000	0.52%
(b)	<b>Non-Institutions</b>				
(i)	1. Individual Shareholders holding Nominal Share Capital Up to 2 Lacs	23,44,057	14.27%	24,06,682	12.52%

(ii)	2. Individual Shareholders holding Nominal Share Capital Above 2 Lacs	35,08,360	21.35%	40,35,735	20.99%
(iii)	Bodies Corporate	26,39,211	16.06%	40,54,211	21.09%
(iv)	Non-Resident Indians	51,471	0.31%	51,471	0.27%
(v)	Resident Indian HUF	4,38,282	2.67%	4,38,282	2.28%
(vi)	Trusts	20,000	0.12%	1,20,000	0.62%
(vii)	Firm	13,086	0.08%	13,086	0.07%
	<b>Sub Total (B)</b>	<b>90,28,100</b>	<b>54.94%</b>	<b>1,12,33,100</b>	<b>58.42%</b>
	<b>Total Shareholding</b>	<b>16,4,32,200</b>	<b>100.00%</b>	<b>1,92,27,200</b>	<b>100.00%</b>

*\*These percentages have been calculated on the basis of pre-preferential share capital of the Company i.e. ₹16,43,22,000 (Sixteen Crore Forty Three Lakh Twenty Two Thousand) divided into 1,64,32,200 (One Crore Sixty Four Lakhs Thirty Two Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.*

*\*\*These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e. ₹19,22,72,000 (Nineteen Crore Twenty Two Lakhs Seventy Two Thousand) divided into 1,92,27,200 (One Crore Ninety Two Lakh Twenty Seven Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.*

**l) Change in Control, if any, in the Company consequent to the preferential issue**

There will not be any change in the composition of the Board, the existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment. However, there will be corresponding changes in the shareholdings of the Promoter & Promoter Group consequent to preferential allotment.

**m) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price**

During the year the Company has not made any allotments on preferential basis till date.

**n) Principal terms of assets charged as securities**

Not applicable.

**o) Material terms of raising such securities**

The Equity Shares being issued shall be pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.

**p) Lock-In Period & Transferability**

The Equity Shares shall be locked-in for such minimum period as specified under regulation 167 of the SEBI ICDR Regulations.

Further the entire pre-preferential allotment shareholding of the allottees if any shall be locked-in from the relevant date up to a period of 90 (Ninety) trading days from the date of trading approval.

**q) The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter**

Existing promoter will continue as promoter of the Company and pursuant to this allotment the proposed allottees other than promoter shall be covered under the head on non – promoter/public under shareholding pattern of the Company.



**r) The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue**

Sr. No.	Name of proposed allottees	Percentage of post preferential issue*
1.	BLP Equity Research Private Limited	14.10%
2.	Ganeshha Ecosphere Limited	2.37%

*\*These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e. ₹19,22,72,000 (Nineteen Crore Twenty Two Lakhs Seventy Two Thousand) divided into 1,92,27,200 (One Crore Ninety Two Lakh Twenty Seven Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.*

**s) Amount which the company intends to raise by way of such securities**

Aggregating up to ₹29,04,00,000/- (Rupees Twenty Nine Crore Four Lakh Only)

**t) Certificate of Practicing Company Secretary**

The certificate from Practicing Company Secretaries, certifying that the preferential issue of warrants is being made in accordance with requirements of Chapter V of SEBI ICDR Regulations has been obtained considering the said preferential issue. The copy of said certificate may be accessed on the Company's website <https://raceecochain.com/>.

**u) Other Disclosures/ Undertaking**

- i. The Company, its Promoters and its Directors are not categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India and have not been categorized as a fraudulent borrower. Consequently, the disclosures required under Regulation 163(1) (i) of the SEBI ICDR Regulations is not applicable.
- ii. None of its directors or promoters are fugitive economic offenders as defined under the SEBI ICDR Regulations.
- iii. The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories.
- iv. The Company has obtained the Permanent Account Numbers (PAN) of the proposed allottees, except those allottees which may be exempt from specifying PAN for transacting in the securities market by SEBI before an application seeking in-principle approval is made by the Company to the stock exchange(s) where its equity shares are listed;
- v. The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the general meeting seeking shareholders' approval by way of special resolution;
- vi. The Company is in compliance with the conditions for continuous listing.
- vii. Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price in terms of Regulation 163(1)(g) and Regulation 163(1)(h) of SEBI ICDR Regulations.
- viii. None of the allottees have sold or transferred any Equity Shares during the 90 trading days preceding the relevant date.

- ix. The Equity Shares held by the proposed allottees in the Company are in dematerialized form only.
- x. None of the allottees have previously subscribed to any warrants of the Company during the last one year.
- xi. The Company has complied with the applicable provisions of the Companies Act, 2013. The provisions of Section 62 of the Companies Act, 2013 (as amended from time to time) and the SEBI ICDR Regulations provide, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing members of the Company for subscription unless the members decide otherwise through a Special Resolution.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolution as set out in Item No. 1 as Special Resolution for your approval.

**None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 3 of the accompanying Notice, except to the extent of their shareholding, if any in the Company.**

Documents referred to in the notice/ explanatory statement will be available for inspection by the Members of the Company as per applicable law.

#### **Item No. 04**

#### **ISSUE OF UPTO 19,70,000 (NINETEEN LAKHS SEVENTY THOUSAND ONLY) WARRANTS CONVERTIBLE INTO EQUITY SHARES TO THE PERSONS BELONGING TO PROMOTER GROUP AND NON-PROMOTER CATEGORY, ON A PREFERENTIAL BASIS**

In accordance with section 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 (the “Act”), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in accordance with the SEBI ICDR Regulations and the Listing Regulations, as amended from time to time, subject to the requisite approvals, consents and permissions as may be necessary or required from regulatory or other appropriate authority approval of shareholders of the Company by way of special resolution is required to issue Convertible Warrants into Equity Shares by way of private placement on a preferential basis to the proposed allottees.

The information required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 of Companies Act, 2013 and Chapter V of the SEBI ICDR Regulations, and other relevant details in respect of the proposed Preferential Issue of Convertible Warrants into Equity Shares are as under:

**a) Particulars of the Preferential Issue including date of passing of Board resolution:**

The Board at their meeting held on Wednesday, June 05, 2024 have, subject to the approval of the Members of the Company and such other approvals as may be required, approved to issue and allot in one or more tranches, upto 19,70,000 (Nineteen Lakhs Seventy Thousand) convertible warrants (“Warrants”), at a price of ₹352/- (Rupees Three Hundred Fifty Two Only) per warrant, aggregating upto ₹69,34,40,000/- (Rupees Sixty Nine Crore Thirty Four Lakhs Forty Thousand Only) (“**Total Issue Size**”), with a right to the warrant holders to apply for and be allotted 1 (One) fully paid-up equity share of the Company of face value ₹10/- (Rupees Ten Only), each at a premium of ₹342/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of Warrants, to

persons / entity enlisted below (“**Warrant Holder**”/ “**Proposed Allottees**”) belonging to promoter group and non-promoter group of the Company on a preferential basis (“**Preferential Issue**”), for consideration payable through electronic means/ banking channels and in such manner and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the terms of this Preferential Issue, provisions of SEBI ICDR Regulations, or other applicable laws as mentioned in the resolution no. 4.

**b) Kinds of securities offered and the price at which security is being offered, and the total/ maximum number of securities to be issued:**

The Company proposes to offer, issue and allot, in one or more tranches, upto 19,70,000 (Nineteen Lakhs Seventy Thousand) convertible warrants into equity shares (“Warrants”), at a price of ₹352/- (Rupees Three Hundred Fifty Two Only) per warrant, aggregating upto ₹69,34,40,000/- (Rupees Sixty Nine Crore Thirty Four Lakhs Forty Thousand Only) (“**Total Issue Size**”) by way of a Preferential Issue.

**c) Purpose/Object of the preferential issue:**

The Company proposes to raise funds through issue of equity shares on preferential basis:

1. Repayment of existing Loans and interest thereon.
2. Meet funding requirements for Business Expansion
3. Meet working capital requirements to strengthen financial position
4. General corporate purposes.

**d) Maximum number of securities to be issued and price at which securities being offered:**

The Company proposes to offer, issue and allot, in one or more tranches, upto 19,70,000 (Nineteen Lakhs Seventy Thousand) convertible warrants into equity shares (“Warrants”), at a price of ₹352/- (Rupees Three Hundred Fifty Two Only) per warrant, aggregating upto ₹69,34,40,000/- (Rupees Sixty Nine Crore Thirty Four Lakhs Forty Thousand Only) (“**Total Issue Size**”) by way of a Preferential Issue.

The price for the allotment of shares to be issued is based on the minimum price determined accordance with Chapter V of SEBI ICDR Regulations is fixed at ₹351.70/- (Rupees Three Hundred Fifty One and Seventy paise only) per Convertible Warrant.

**e) Basis on which the price has been arrived at along with report of the registered valuer**

The Equity Shares of the Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (together referred to as the “Stock Exchanges”). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations. Further, in terms of Regulation 166A of SEBI (ICDR) Regulations, the said preferential issue, will not result in allotment of more than five per cent of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, hence valuation report from an independent registered valuer for determining the price is not applicable.

In terms of the applicable provisions of the Chapter V of SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, the minimum price for the preferential issue of each equity shares to be issued shall be a price, being higher of the following:

- i. Average of 90 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date is ₹340.24/- (Rupees Three Hundred Forty and Twenty Four paise only); or
- ii. Average of 10 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date is ₹351.70/- (Rupees Three Hundred Fifty One and Seventy paise only).

The Board has fixed the floor price as ₹352.00/- per equity share and the said price fixed by the Board is highest of the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

**f) Relevant Date:**

The relevant date as per the Regulation 161 of SEBI ICDR Regulations, for determination of minimum price for the issuance of equity shares of the Company is Monday June 03, 2024 i.e. the date 30 (Thirty days prior to the date of proposed EGM which is scheduled to be held on Wednesday, July 03, 2024 to consider and approve the proposed Preferential Issue.

**g) The class or classes of persons to whom the allotment is proposed to be made:**

The allotment is proposed to be made to the proposed allottees as mentioned at point no. (h) below.

**h) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issues that may be held by them and change in control, if any, in the issuer consequent to the preferential issues:**

Sr. No.	Name of the Proposed Allottees	Category	Ultimate Beneficial Owner	Pre- Issue Shareholding#		Number of Warrants to be issued	Post-Issue Shareholding #	
				No. of Shares	% of holding*		No. of Shares	% of holding**
1.	BGP 11 Analytics Private Limited	Promoter Group	Dinesh Pareekh	Nil	Nil	2,20,000	2,20,000	1.14%
2.	India Equity Fund 1	Non Promoter	Jatin Chonani as authorized Signatory of Vistra ITCL India Ltd., being the trustee of Sarcap Investment Trust (SEBI Registered Alternate Investment Fund Category III), India Equity Fund being the first scheme of the Trust.	Nil	Nil	1,00,000	1,00,000	0.52%
3.	Petflakes Poymers India Private Limited	Non Promoter	Puneet Bhawaker and Piyanshu Sharma	Nil	Nil	4,62,500	4,62,500	2.41%

4.	Brivan Capital Private Limited	Non Promoter	Aditya Gupta and Kunal Jindal	Nil	Nil	50,000	50,000	0.26%
5.	Shubhshree Biofuels Energy Limited	Non Promoter	Upasana S Dattani, Anurag Agarwal, Aastha Agarwal and Sagar Agrawal	Nil	Nil	15,000	15,000	0.08%
6.	Devbhoomi Commercial Private Limited	Non Promoter	Gobind Kumar Agarwal and Gopal Agarwal	26,000	0.16%	4,32,500	4,58,500	2.38%
7.	Sarthak Agarwal	Non Promoter	Not Applicable	4,000	0.02%	25,000	29,000	0.15%
8.	Mohit Sharma	Non Promoter	Not Applicable	Nil	Nil	10,000	10,000	0.05%
9.	Vimal Sharma	Non Promoter	Not Applicable	Nil	Nil	50,000	50,000	0.26%
10.	Hemant Sharma	Non Promoter	Not Applicable	Nil	Nil	25,000	25,000	0.13%
11.	Harsh Sharma	Non Promoter	Not Applicable	Nil	Nil	50,000	50,000	0.26%
12.	Naveen Sharma	Non Promoter	Not Applicable	Nil	Nil	25,000	25,000	0.13%
13.	Aditya Pareek	Non Promoter	Not Applicable	9,625	0.06 %	30,000	39,625	0.21%
14.	Uma Pareek	Non Promoter	Not Applicable	11,250	0.07 %	30,000	41,250	0.21%
15.	Abhishek Pareek	Non Promoter	Not Applicable	Nil	Nil	15,000	15,000	0.08%
16.	Anil Kumar Behl	Non Promoter	Not Applicable	42,500	0.26%	75,000	1,17,500	0.61%
17.	ASI Trust	Non Promoter	Atul Saluja	Nil	Nil	50,000	50,000	0.26%
18.	SIA Trust	Non Promoter	Snigdha Saluja	Nil	Nil	50,000	50,000	0.26%
19.	Prashant Khandelwal	Non Promoter	Not Applicable	Nil	Nil	10,000	10,000	0.05%
20.	Neetu Khandelwal	Non Promoter	Not Applicable	Nil	Nil	10,000	10,000	0.05%
21.	Bhagwati Prasad Sultania	Non Promoter	Not Applicable	Nil	Nil	15,000	15,000	0.08%
22.	Sahil Jain HUF	Non Promoter	Sahil Jain	Nil	Nil	25,000	25,000	0.13%
23.	Vivek Sawhney	Non Promoter	Not Applicable	Nil	Nil	15,000	15,000	0.08%
24.	Lalit Malik	Non Promoter	Not Applicable	1,28,126	0.78%	1,00,000	2,28,126	1.19%
25.	Tanya Kukreja	Non Promoter	Not Applicable	Nil	Nil	30,000	30,000	0.16%
26.	Rishav Gupta	Non Promoter	Not Applicable	Nil	Nil	10,000	10,000	0.05%

27.	Sangita Gupta	Non Promoter	Not Applicable	Nil	Nil	25,000	25,000	0.13%
28.	Rama Nand Gupta	Non Promoter	Not Applicable	12,500	0.08%	15,000	27,500	0.14%

*\*These percentages have been calculated on the basis of pre-preferential share capital of the Company i.e. ₹16,43,22,000 (Sixteen Crore Forty Three Lakh Twenty Two Thousand) divided into 1,64,32,200 (One Crore Sixty Four Lakhs Thirty Two Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.*

*\*\*These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e. ₹19,22,72,000 (Nineteen Crore Twenty Two Lakhs Seventy Two Thousand) divided into 1,92,27,200 (One Crore Ninety Two Lakh Twenty Seven Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.*

*# The post issue shareholding percentage has arrived after considering all the preferential allotments of equity shares proposed to be made on fully diluted basis. The post issue paid-up capital of the Company is subject to alterations on account of conversion of actual number of Warrants into Equity Shares. Consequently, the post-issue shareholding percentage mentioned above may stand altered.*

**Note:** The post holding may vary depending upon any other corporate action in between.

As a result of the proposed preferential issue of Warrants and upon conversion of the such Warrants, there will be no change in the control or management of the Company. However, there will be corresponding changes in the shareholdings of the promoter & promoter group and public shareholding consequent to preferential allotment.

**i) Intention of the promoters/ directors/ or key managerial personnel to subscribe to the offer:**

Except as following, none of the promoters, directors or key management personnel of the issuer intent to subscribe to the offer.

Sr. No.	Name of the Proposed Allottees	Promoter/ Director/ KMP	Maximum Number of Warrants proposed to be allotted
1	BGP 11 Analytics Private Limited	Promoter Group	2,20,000
2	Anil Kumar Behl	Director	75,000
3	Lalit Malik	Director	1,00,000

**j) Time frame within which the Preferential Issue shall be completed:**

As required under the SEBI ICDR Regulations, the preferential issue/allotment of Warrants shall be completed within a period of 15 days of passing the special resolution or such extended time, as may be approved by the Regulatory Authorities, from the date of approval of the members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any Regulatory Authority, the allotment shall be completed within a period of 15 days from the date of receipt of such approval.

**k) Shareholding pattern pre and post preferential issue would be as follows:**

Sr. No.	Category	Pre Issue Shareholding		Post Issue Shareholding	
		No. of equity shares held	% of Shares *	No. of equity shares held	% of Shares* *
<b>A</b>	<b>Promoter &amp; Promoter Group Shareholding</b>				
(a)	Indian Promoter	74,04,100	45.06%	79,94,100	41.58%
(b)	Foreign Promoter	-	-	-	-
	<b>Sub Total (A)</b>	<b>74,04,100</b>	<b>45.06%</b>	<b>79,94,100</b>	<b>41.58%</b>
<b>B</b>	<b>Public Shareholding</b>				
(a)	<b>Institutional Investor</b>				
(i)	Foreign Portfolio Investors	13,633	0.08%	13,633	0.07%
(ii)	Alternate Investment Funds	-	-	1,00,000	0.52%
(b)	<b>Non-Institutions</b>				
(i)	1. Individual Shareholders holding Nominal Share Capital Up to 2 Lacs	23,44,057	14.27%	24,06,682	12.52%
(ii)	2. Individual Shareholders holding Nominal Share Capital Above 2 Lacs	35,08,360	21.35%	40,35,735	20.99%
(iii)	Bodies Corporate	26,39,211	16.06%	40,54,211	21.09%
(iv)	Non-Resident Indians	51,471	0.31%	51,471	0.27%
(v)	Resident Indian HUF	4,38,282	2.67%	4,38,282	2.28%
(vi)	Trusts	20,000	0.12%	1,20,000	0.62%
(vii)	Firm	13,086	0.08%	13,086	0.07%
	<b>Sub Total (B)</b>	<b>90,28,100</b>	<b>54.94%</b>	<b>1,11,58,100</b>	<b>58.03%</b>
	<b>Total Shareholding</b>	<b>16,4,32,200</b>	<b>100.00%</b>	<b>1,92,27,200</b>	<b>100.00%</b>

\*These percentages have been calculated on the basis of pre-preferential share capital of the Company i.e. ₹16,43,22,000 (Sixteen Crore Forty Three Lakh Twenty Two Thousand) divided into 1,64,32,200 (One Crore Sixty Four Lakhs Thirty Two Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.

\*\*These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e. ₹19,22,72,000 (Nineteen Crore Twenty Two Lakhs Seventy Two Thousand) divided into 1,92,27,200 (One Crore Ninety Two Lakh Twenty Seven Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.

**l) Change in Control, if any, in the Company consequent to the preferential issue:**

There will not be any change in the composition of the Board, the existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment. However, there will be corresponding changes in the shareholdings of the Promoter & Promoter Group consequent to preferential allotment.

**m) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

During the year the Company has not made any allotments on preferential basis till date

**n) Principal terms of assets charged as securities:**

Not applicable.

**o) Material terms of raising such securities:**

The Equity Shares being issued shall be pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.

**p) Lock-In Period & Transferability:**

The Warrants and the equity shares to be allotted pursuant to the exercise of the Warrants issued on Preferential Issue shall be subject to 'lock-in' for such period(s), as may be applicable to each of the investor(s), in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

Further the entire pre-preferential allotment shareholding of the allottees if any shall be locked-in from the relevant date up to a period of 90 (Ninety) trading days from the date of allotment of such securities.

**q) The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter:**

Existing promoter will continue as promoter of the Company and pursuant to this allotment the proposed allottees other than promoter shall be covered under the head on non – promoter/public under shareholding pattern of the Company.

**r) The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:**

S. No.	Name of Proposed Allottees	Percentage of post preferential issue *
1.	BGP 11 Analytics Private Limited	1.14%
2.	India Equity Fund 1	0.52%
3.	Petflakes Poymers India Private Limited	2.40%
4.	Brivan Capital Private Limited	0.26%
5.	Shubhshree Biofuels Energy Limited	0.08%
6.	Devbhoomi Commercial Private Limited	2.38%
7.	Sarthak Agarwal	0.15%
8.	Mohit Sharma	0.05%
9.	Vimal Sharma	0.26%
10.	Hemant Sharma	0.13%
11.	Harsh Sharma	0.26%
12.	Naveen Sharma	0.13%
13.	Aditya Pareek	0.21%
14.	Uma Pareek	0.21%
15.	Abhishek Pareek	0.08%
16.	Anil Kumar Behl	0.61%
17.	ASI Trust	0.26%
18.	SIA Trust	0.26%
19.	Prashant Khandelwal	0.05%
20.	Neetu Khandelwal	0.05%
21.	Bhagwati Prasad Sultania	0.08%
22.	Sahil Jain HUF	0.13%
23.	Vivek Sawhney	0.08%
24.	Lalit Malik	1.19%
25.	Tanya Kukreja	0.16%
26.	Rishav Gupta	0.05%
27.	Sangita Gupta	0.13%
28.	Rama Nand Gupta	0.14%



*\*These percentages have been calculated on the basis of post-preferential share capital of the Company on fully diluted basis i.e. ₹19,22,72,000 (Nineteen Crore Twenty Two Lakhs Seventy Two Thousand) divided into 1,92,27,200 (One Crore Ninety Two Lakh Twenty Seven Thousand Two Hundred) Equity Shares of ₹10/- (Rupees Ten Only) each.*

**s) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not applicable. Since, the allotment of Warrants and the equity shares pursuant to the exercise of the Warrants is made for consideration payable in cash.

**t) Amount which the company intends to raise by way of such securities:**

Aggregating up to ₹69,34,40,000/- (Rupees Sixty Nine Crore Thirty Four Lakhs Forty Thousand Only).

**u) Certificate of Practicing Company Secretary:**

The certificate from Practicing Company Secretaries, certifying that the preferential issue of warrants is being made in accordance with requirements of Chapter V of SEBI ICDR Regulations has been obtained considering the said preferential issue. The copy of said certificate may be accessed on the Company's website <https://raceecochain.com/>.

**v) Other disclosures/Undertaking:**

- i. The Company, its Promoters and its Directors are not categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India and have not been categorized as a fraudulent borrower. Consequently, the disclosures required under Regulation 163(1) (i) of the SEBI ICDR Regulations is not applicable.
- ii. None of its directors or promoters are fugitive economic offenders as defined under the SEBI ICDR Regulations.
- iii. The Company does not have any outstanding dues to SEBI, Stock Exchanges or the depositories.
- iv. The Company has obtained the Permanent Account Numbers (PAN) of the proposed allottees, except those allottees which may be exempt from specifying PAN for transacting in the securities market by SEBI before an application seeking in-principle approval is made by the Company to the stock exchange(s) where its equity shares are listed;
- v. The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the general meeting seeking shareholders' approval by way of special resolution;
- vi. The Company is in compliance with the conditions for continuous listing.
- vii. Since the Equity Shares have been listed on the recognized stock exchanges for a period of more than 90 trading days prior to the Relevant Date, the Company is not required to re-compute the price in terms of Regulation 163(1)(g) and Regulation 163(1)(h) of SEBI ICDR Regulations.
- viii. None of the allottees have sold or transferred any Equity Shares during the 90 trading days preceding the relevant date.
- ix. The Equity Shares held by the proposed allottees in the Company are in dematerialized form only.

- x. None of the allottees have previously subscribed to any warrants of the Company during the last one year.
- xi. The Company has complied with the applicable provisions of the Companies Act, 2013. The provisions of Section 62 of the Companies Act, 2013 (as amended from time to time) and the SEBI ICDR Regulations provide, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares are required to be first offered to the existing members of the Company for subscription unless the members decide otherwise through a Special Resolution.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors recommends the passing of the resolution as set out in Item No. 4 as Special Resolution for your approval.

**None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the accompanying notice, except Mr. Anil Kumar Behl and Mr. Lalit Malik, Directors of the Company mentioned in point no. i above or to the extent of their shareholding, if any in the Company.**

Documents referred to in the notice/ explanatory statement will be available for inspection by the Members of the Company as per applicable law.

#### **Item No. 5**

#### **TO APPROVE THE DISINVESTMENT IN THE SHARES OF ABHAY INNOVATIVE RECYCLING LIMITED, MATERIAL SUBSIDIARY OF THE COMPANY**

Race Eco Chain Limited holds 3,77,4800 shares in Abhay Innovative Recycling Limited, Material Subsidiary of the Company constituting 99.32% (approx.) of the Equity Share capital of Abhay Innovative Recycling Limited. Mr. Raj Kumar Modani and Mr. Sanjay Modani, had expressed their interest to acquire the stake held by our Company in the Abhay Innovative Recycling Limited by themselves in equal proportion. The Board of Directors of the Company after strategically evaluating the offer proposed by them has proposed to divest the investment in Abhay Innovative Recycling Limited to secure the best interests of the Company and its stakeholders.

The overall consideration amount has been determined at INR 3,77,48,000/- ( Rupees Three Crore Seventy Seven Lacs forty Eight thousand Only) for sale/disposal of 3,77,4800 (Three Lacs Seventy Seven thousand forty Eight hundred) Equity Shares aggregating to 99.32% of the Equity Share Capital in its Subsidiary company, in Abhay Innovative Recycling Limited. The sale proceeds resulting out of this transaction will be significantly beneficial and will enable the Company to have adequate liquidity for robust growth in operations.

In view of the same, the Board of Directors subject to the approval of members of the Company by a special resolution and other applicable laws and subject to such other approvals, consents, permissions and sanctions as may be necessary, approved to sell, transfer, convey, assign or otherwise dispose of, the whole of the Company's investment in equity shares of its Material Subsidiary company Abhay Innovative Recycling Limited to Mr. Raj Kumar Modani and Mr. Sanjay Modani on the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, deeds, sale deed, agreement for sale and such other deeds documents and writings, deeds of conveyances and irrevocable powers of attorney etc. and such other documents in the best interest of the Company.

Members of the Company are further requested to note that Section 180 (1)(a) of the Companies Act, 2013 and as per Regulation 24(5) of SEBI (LODR) Regulations, 2015 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution.

The Board is of the opinion that the aforementioned proposal is in the best interest of the Company and hence, the Board recommends passing of the special resolution for the approval of the members of the Company.

**None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item No. 5**

### **Item No. 6**

#### **RE-APPOINTMENT OF MR. SANJAY KUKREJA (DIN: 08506956) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE YEARS**

Mr. Sanjay Kukreja was appointed as an Independent Director at the Board Meeting held on 20th July, 2019, for a period of 5 years. He is eligible for re-appointment for a second term of 5 years, starting from 20th July, 2024 till 19th July, 2029. On the basis of the performance evaluation of Mr. Sanjay Kukreja and considering the significant contributions made by her during her tenure as an Independent Director, as well as the belief that her continued association would be beneficial to the Company, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee (NRC), recommended the re-appointment of Mr. Sanjay Kukreja as a Non-Executive Independent Director of the Company for a second term of five years, from 20th July, 2024 till 19th July, 2029, subject to the approval of the Members.

Mr. Sanjay Kukreja abstained from discussion and voting on the matter concerning her appointment during the meetings of NRC as well as the Board of Directors. Mr. Sanjay Kukreja has provided a declaration to the Board, stating that he continues to meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 ('the Act') and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). He also affirmed that he is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority, and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given her consent for such re-appointment.

In the opinion of the Board, Mr. Sanjay Kukreja is a person of integrity, possesses the relevant expertise/experience, and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director, and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Sanjay Kukreja has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. Furthermore, a declaration has been received from Mr. Sanjay Kukreja that he has not been debarred from holding the office of a Director by virtue of any order passed by SEBI or any other such authority. Mr. Sanjay Kukreja has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Considering her experience, the Board deems it desirable and in the interest of the Company to continue Mr. Sanjay Kukreja on the Board, and accordingly recommends the re-appointment of Mr. Sanjay Kukreja as an Independent Director for a second term of 5 years, as proposed in **Resolution no. 6** for approval by the Members as a Special Resolution.



**Except Mr. Sanjay Kukreja none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item No. 6**

**By Order of the Board of Director  
Race Eco Chain Limited**

**Date: 05<sup>th</sup> June, 2024  
Place: Sahibabad**

**Sd/-  
Sunil Kumar Malik  
Managing Director  
DIN: 00143453  
Block-E, 118, Greater Kailash  
Masjid Moth New Delhi-110048**

## Board's Report

To  
The Members  
Race Eco Chain Limited

Your Directors are pleased to present their **24th Board Report** on the business and operations of your Company together with the Audited Accounts for the year ended **31<sup>st</sup> March, 2024**.

The Financial performance of the Company for year ended **31<sup>st</sup> March 2024** is summarized below: -

### Financial Highlights:-

(Rs. In Lakhs)

<u>Particulars</u>	<b>2023-24 Standalone</b>	<b>2022-23 Standalone</b>	<b>2023-24 Consolidated</b>	<b>2022-23 Consolidated</b>
Income from operations	33849.88	26908.49	34,748.13	26,908.49
Other Income	67.39	84.68	69.87	84.68
<b>Total Income</b>	<b>33917.27</b>	<b>26993.17</b>	<b>34,818.00</b>	<b>26,993.17</b>
Less: Expenditure	33647.17	26814.31	34,545.10	26,814.31
Profit/(Loss) before Interest, Depreciation & Tax	270.10	178.86	272.90	178.86
Less: Interest & Depreciation	-	-	-	-
<b>Profit &amp; Loss Before Tax</b>	<b>270.10</b>	<b>178.86</b>	<b>272.90</b>	<b>178.86</b>
Less: Tax Expense	84.26	53.53	91.23	53.53
Add: Deferred Tax	29.12	-5.15	26.97	-5.15
<b>Profit for the Year</b>	<b>156.72</b>	<b>130.48</b>	<b>154.70</b>	<b>130.48</b>

### Company Performance Overview

During the year under review, total income was Rs. 33917.27 Lacs as compared to Rs. 26993.17 Lacs in 2023. Net Sales for the current financial year were Rs. 33849.88 Lacs as compared to Rs. 26908.49 Lacs in 2023. Profit after tax (PAT) stood at Rs. 156.72 Lacs as Compared to Rs. 130.48 Lacs in 2023.

### Reserve & Surplus

During the Financial year 2023-2024 Rs 156.72 Lacs amount to carry or transfer to Reserve & Surplus Account under Companies Act, 2013.

### Dividend

In view of the requirement of the profits for strengthening of the company, your directors have decided to plough back the profit into the business hence no dividend could be recommended for the year under review.

### Share Capital

The paid-up Equity Share Capital as on March 31, 2024 was Rs.164322000. During the year under review the company has not issued any shares or any convertible instruments.

### **Subsidiary Company/Associate/Joint Venture**

As on 31<sup>st</sup> March, 2024 the Company had 2 Indian Subsidiary named as M/s. Abhay Innovative Recycling Limited and M/s. India Polymers Private Limited. The Company had no Associate and Joint Venture Companies during the year ended on March 31, 2024.

A statement containing salient features of the Financial Statements of the subsidiaries in the prescribed format in Form AOC-1 as required under first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is included in this Report as **“Annexure 1”** and forms an integral part of this Report.

In terms of the provisions of Section 136 of the Companies Act, 2013 read with the SEBI Listing Regulations, the Audited Financial Statements of the subsidiaries are placed on website of the Company. These financial statements are also available for inspection by any member at the Registered Office of the Company. Any member desirous of obtaining a copy of the same may write to the Company.

The Company’s Policy for determining Material Subsidiaries is disclosed on the Company’s website. As on March 31, 2024, the Company had one material subsidiary named as M/s. Abhay Innovative Recycling Limited.

### **Investor Complaints and Compliance**

During the year review NO case was registered on SCORES Portal of SEBI from any investor of the Company and same was resolved by the Compliance Officer of the Company.

### **Directors and Key Managerial Personal**

During the year under review and as on the date of this report, following are the Directors and KMPs. along with the changes among them: -

**The Details of Directors and KMP are as Follows: -**

<b>Name of the Person</b>	<b>Designation</b>
Mr. Sunil Kumar Malik	Managing Director
Mr. Lalit Malik	Non-Executive Director
Mr. Anil Kumar Bhel	Independent Director
Mr. Sanjay Kukreja	Independent Director
Mr. Pranav Vasan	Independent Director
Mrs. Seema Malik	Independent Director appointed on 30 <sup>th</sup> June, 2023
Mr. Rama Nand Gupta	Executive-Director resigned on 05 <sup>th</sup> June, 2024
Mr. Raj Kumar Modani	Executive-Director resigned on 28 <sup>th</sup> May, 2024
Mrs. Nisha Jain	Independent Director Resigned on 09 <sup>th</sup> June,2023
Mr. Piyanshu Sharma	Additional Director & CFO appointed on 12 <sup>th</sup> August, 2023 and resigned from the directorship on 21 <sup>st</sup> December, 2023
Mrs. Mamta Gupta	Independent Director appointed 29 <sup>th</sup> June, 2023 and resigned on 21 <sup>st</sup> December, 2023
Mr. Anshu Agarwal	Chief Financial Officer Resigned on 12 <sup>th</sup> August, 2023
Mrs. Shiwati	Company Secretary & Compliance officer

In accordance with the provisions of Companies Act, 2013 Mr. Lalit Kumar Malik (DIN 08693650), Director retires by rotation and being eligible offers himself for re-appointment.

### **Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d). that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **Declaration from Independent Directors**

All Independent directors have given declaration that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to not passing of Independent Directors Exam.

### **Committees**

As on date of this Report, The Board has three Committees which are applicable upon company:-

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee

### **Audit Committee**

The company is having an audit committee comprising of the following Members which reconstitute as follows:

<b>Name</b>	<b>Status</b>	<b>Category</b>
Anil Bhel	Chairman	Non-Executive & Independent
Sanjay Kukreja	Member	Non-Executive & Independent
Rama Nand Gupta	Member	Executive Director (Resigned on 05 <sup>th</sup> June, 2024)
Pranav Vasani	Member	Non-Executive & Independent (Appointed in Committee on 05 <sup>th</sup> June, 2024)

### **Nomination and Remuneration Committee**

The company is having a Nomination and Remuneration Committee comprising of the following Members which reconstitute as follows:

<b>Name</b>	<b>Status</b>	<b>Category</b>
Sanjay Kukreja	Chairman	Non-Executive & Independent
Anil Bhel	Member	Non-Executive & Independent
Pranav Vasan	Member	Non-Executive & Independent

### **Stakeholders' Relationship Committee**

The company is having a Stakeholders Relationship Committee comprising of the following Members which reconstitute as follows:

<b>Name</b>	<b>Status</b>	<b>Category</b>
Pranav Vasan	Chairman	Non-Executive & Independent
Anil Bhel	Member	Non-Executive & Independent
Sanjay Kukreja	Member	Non-Executive & Independent

As per Regulation 21 of SEBI (LODR), Regulations, 2015, the Board needs not to constitute Risk Management Committee, wherein majority of the members of Risk and Management Committee should consists of Members of Boards. This regulation is applicable only to top 1000 listed entities, determined on the basis of market capitalization, as at the end of the preceding financial year. Since your Company is not amongst top 1000 listed entities, still your Company has constituted a Risk Management Committee for Good Corporate Governance.

### **Risk Management Committee**

The company is having a Stakeholders Relationship Committee comprising of the following Members which reconstitute as follows:

<b>Name</b>	<b>Status</b>	<b>Category</b>
Pranav Vasan	Chairman	Non-Executive & Independent
Anil Bhel	Member	Non-Executive & Independent
Sanjay Kukreja	Member	Non-Executive & Independent

### **CSR Committee**

As per Section 135 of the Companies Act, 2013, the Board needs not to constitute CSR Committee. Since your Company is not eligible to form the CSR Committee but voluntarily we are adopting the constitution of a Risk Management Committee for Good Corporate Governance.

<b>Name</b>	<b>Status</b>	<b>Category</b>
Anil Bhel	Chairman	Non-Executive & Independent
Sanjay Kukreja	Member	Non-Executive & Independent
Seema Malik	Member	Non-Executive & Independent

In line with the provisions of the Act and SEBI (LODR), the Company has devised and implemented a vigil mechanism, in the form of "Whistle Blower Policy". As per the Policy, the Company has an internal committee comprising of the Chairman of the Audit Committee and the Compliance Officer of the Company to address the functioning of the vigil mechanism as mandated by the Act and assist the Audit Committee thereunder.



### **Board Meetings**

During the year 8 Board Meetings and one Independent Directors Meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 were adhered to while considering the time gap between two meetings.

During the year under review, the Independent Director met on 13<sup>th</sup> February, 2024.

### **Compliance with Secretarial Standards**

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), issued by the Institute of Company Secretaries of India.

### **Related Party Transactions**

During the year under review, all transactions entered into with Related Parties were approved/ ratified by the Audit Committee and wherever required, were also approved by the Board of Directors of the Company. Omnibus approval from the Audit Committee was obtained for transactions of repetitive nature. During the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy.

Further, all related party transactions undertaken during the year were at arms' length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable. The related party transactions entered by the Company are disclosed under Note No. 32 of the Notes to the Standalone Financial Statements for the year ended March 31, 2024

### **Auditors**

#### **Statutory Auditors**

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s. Garg Arun & Associates Chartered Accountants (Firm Registration No. 08180N), were appointed as the Company's Statutory Auditors by the shareholders at their 21st AGM held on September 30, 2021, for a period of five years (i.e) till the conclusion of the 26<sup>th</sup> Annual General Meeting.

The reports of Statutory Auditors on Financial Statements for the financial year 2023-24 forms part of the Annual Report. There are no qualifications, reservations, adverse remarks, disclaimer or emphasis of matter in the Auditors' Reports.

#### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **M/s. Hemant Kumar Sajani & Associates., (CP No: 14214, FCS: 7348)**, Company Secretaries to undertake the secretarial audit of the company.

The Secretarial Auditor Report for the financial year 2023-24 forms part of the Annual Report as **Annexure-2**

There are following qualifications, reservations, adverse remarks, disclaimer or emphasis of matter in the Reports but there are some clarification that the Company provided to the Secretarial Auditor and the same is incorporated in below:

**Secretarial Auditor Observation:**

The listed entity has acquired 37,50,000 Equity shares of Abhay Innovative Recycling Limited i.e. subsidiary of listed entity, on 14/07/2023, which is not intimated to the stock exchange within the specified timeframe. The company has made delayed disclosure to the stock exchange on 05/08/2023.

**The Management Clarification:**

The above mention delayed submission was not intentional but rather a human error. There was no intention to mislead the Stock Exchanges or our valuable stakeholders. Once the error was discovered, the company made every effort to rectify the situation and delayed disclosure was addressed. Measures have been put in place to prevent such lapses from occurring in the future.

**Secretarial Auditor Observation:**

The listed entity has submitted statement of Grievance redressal mechanism for the quarter ended September, 2023 after the due date due to a technical glitch on BSE Portal, However it has been submitted on NSE portal within the specified time limit, in pursuance of which, SEBI has imposed fine of Rs.2360 (including GST) for non- compliance of Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. However, the listed entity has paid the amount of the fine imposed by the SEBI non- compliance of Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**The Management Clarification:**

On October 11th, the Compliance Officer submitted the Grievance Redressal Mechanism statement on both the BSE and NSE portals. However, a technical glitch occurred during the submission process on the BSE portal, causing the screen to suddenly disappear upon clicking the submit button. It was presumed that the submission was successful. Subsequently, the statement was successfully submitted on the NSE portal on the same date. We want to emphasize that since the submission was made on the NSE portal, there was no deliberate omission of uploading it on the BSE portal. There was no intention to mislead the stock exchanges or our valuable stakeholders in this matter.

**Internal Auditors**

**M/s. SSAR & Associates**, Chartered Accountants performs the duties of Internal Auditors of the Company and their report is reviewed by the audit committee Quarterly basis.

**Reporting of Frauds**

There was no instance of frauds during the year under review, which required the Statutory Auditors to report to the Audit Committee and/ or Board under Section 143(12) of the Act and Rules framed thereunder.

**Listing**

The Equity Shares of the Company are presently listed at BSE Limited and National Stock Exchange of India Limited and the listing fee, for the year 2024-25, for both the Stock Exchanges is paid.

The Company has received the In-Principle Approval for Migration from SME Platform of BSE to the Main Board Platform of Bombay Stock Exchange Limited on April 10, 2023 and simultaneously from the Main Board Platform of National Stock Exchange of India Limited on April 28, 2023.

The Final approval for dealings in the Equity Shares on the Exchange was received from BSE Limited and NSE Limited on Tuesday 09th May, 2023.

### **Board Evaluation**

Pursuant to the provisions of companies Act, 2013 and (Listing Obligation and Disclosure Requirement) Regulation 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

### **Business Risk Management**

Risk management is an ongoing process and embedded in the operating framework of the Company. Risk Management & Strategic Planning Committee of the Board has been entrusted for timely identification, evaluation and mitigation of all types of internal and external risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks etc.

The Committee is responsible for formulating and reviewing the risk management plan/ policy and ensuring its effectiveness across the organization. The Audit Committee of the Board has an additional oversight in the risk management systems prevailing in the Company. There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se those are generally dealt in regular course of business and have to be taken care of, are fluctuations in foreign exchange rates and prices of raw material as well as finished products. The Risk Management Policy has been uploaded on the Company's website.

### **Policy on Directors' Appointment and Remuneration**

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### **Material changes and commitments, if any, affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the report.**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2023-2024 and the date of this Report. Further, there was no change in the nature of business of the Company.

### **Significant and Material Orders Passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **Information Technology and Communications**

During the financial year 2023-2024, apart from upgrading the existing software applications with enhanced/ added features to meet the current and emerging business needs, certain new application systems were implemented. Regular Updation of Systems and procedures is undertaken from time to time to provide checks and alerts for avoiding fraud arising out of misrepresentation given by borrower/s while availing loans.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

Pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended, the relevant information is given below:

#### **Conservation of Energy**

The Company's operations are not power intensive. Nevertheless, your Company is taking every steps to conserve and minimize the use of energy wherever possible such as using energy efficient computer terminals, purchasing energy efficient equipment etc.

### **Research and Development**

The Company has no formal research and development department but the Company is continuously making efforts to strengthen research and development activities to improve quality and reduce cost.

### **Technology Import and Absorption**

The Company has imported no technology. Indigenous technology available is continuously upgraded to improve overall performance.

### **Foreign Exchange Earnings and Out Go**

Particulars	(In Lacs)	
	2023-2024	2022-2023
Foreign Exchange Outgo	--	--
Foreign Exchange Earnings	37.28	68.87

### **Extracts of Annual Return**

In accordance with the provisions of Section 134 (3)(a) of the Companies Act, 2013, the Annual Return, as required under Section 92 of the Act for the financial year 2023-24, is available on the Company's website at [www.raceecochain.com](http://www.raceecochain.com)

### **Corporate Governance**

According to the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditors confirming compliance forms an integral part of this Report. The Report on Corporate Governance by Auditor is forming part of Annual Report as an **Annexure-3**

### **Management Discussion and Analysis Report**

Pursuant to the Regulation 34 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Management Discussion and Analysis is a forming part of this Annual Report above.

### **Public Deposit**

Your Company has not accepted any deposits from the public during the year under review.

### **Corporate Social Responsibility**

The Board of Directors of the Company hereby confirms that the provisions of Section 135(1) of the Companies Act, 2013 is not applicable to our Company.

### **Bonus Issue**

The Company has not allotted a bonus issue of Shares during the year.

### **Auditors' Report**

The Auditors' observations are self-explanatory and hence do not call for any further clarification under section 134(5) of the Companies Act, 2013.

### **Earnings per Share (EPS)**

The Earnings per Share (EPS) is Rs. 0.95 as on March 31, 2024 as against Rs. 0.79 as on March 31, 2023.

### **Regulatory Guidelines/Amendments**

The Company has also been following directions, guidelines, circulars issued by RBI, SEBI, BSE, MCA, from time to time pertaining to listed companies.

### **Codes and Standards Fair Practice Code**

The Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with customers and on the organization's policies vis-à-vis client protection.

### **Internal Control System and their Adequacy**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. Even through this non-production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

### **Vigil Mechanism / Whistle Blower Policy**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. The Vigil Mechanism / Whistle Blower Policy will be posted on company website

### **Particulars of Loans, Guarantees and Investments**

The particulars of loans, guarantees and investments is given by the Company under Section 186 of the Companies Act, 2013 and other detailed are mentioned in Notes to Accounts of the Financial Statements.

### **Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

Your Corporation is committed to prevention of sexual harassment of women at workplace and takes prompt action in the event of reporting of such incidents. In this regard, internal complaints committees have been constituted to deal with sexual harassment complaints, if any and conduct enquires. There were no complaints received of sexual harassment during the financial year 2023-2024.

During the year under review our company gave the POSH Training to the employees and the certificate of training is available on the website of the Company.

### **Code of Conduct**

Company has adopted Code of Conduct for its Board Members and Senior Management personnel. The code of conduct has also been posted on the official website of the Company. The declaration by the Managing Director of the Company regarding compliance with the Code of Conduct for Board Members and Senior Management is annexed with the Corporate Governance Report.

### **Code for Prevention of Insider Trading Practices**

Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. The code is applicable to all directors, senior employees and their dependents. The said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time. The code for prevention of Insider trading has also been posted on the official website of the Company.

### **Nomination and Remuneration Policy**

The Company has implemented an Appointment and Remuneration Policy pursuant to the provisions of Section 178 of the Act and Regulation 19 read with Schedule II, Part D of the Listing Regulations. Salient features of the Policy and other details have been disclosed in the Corporate Governance Report, attached to this Report.

### **Particulars of Employees**

Disclosure with respect to the remuneration of Directors and Employees as required under Section 197 (12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed as **Annexure-4** which forms part of this Report.

### **Note of Appreciation**

The Directors place on record their appreciation for co-operation and support extended by the Government, RBI, Banks, SEBI, Shareholders, Bankers to issue, RTA and customers for their continued support extended to the company at all times. The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

**By Order of the Board of Directors  
Race Eco Chain Limited**

**Date: June 5th, 2024  
Place: Sahibabad**

**Sd/-  
Sunil Kumar Malik  
Managing Director**

**Sd/-  
Pranav Vasan  
Director**

**Form AOC-1**

**(Pursuant to first proviso to sub section (3) of Section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries/ associate companies/  
joint ventures

**Part-A Subsidiaries**

**Figures (In Lac)**

S. No	Name of the Subsidiary	Abhay Innovative Recycling Limited	India Polymers Private Limited
1	The date since when subsidiary was acquired and Percentage	Acquired on 14 <sup>th</sup> July, 2023 99.32% Stake	Invest on 12 <sup>th</sup> February, 2024 65% Stake
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year Ending on 31 <sup>st</sup> March, 2024	Year Ending on 31 <sup>st</sup> March, 2024
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4	Share Capital	380.00	1.0
5	Reserves and Surplus (Other equity)	-1.45	-0.58
6	Total Assets	1323.77	25.20
7	Total Liabilities	945.22	24.78
8	Turnover	900.73	0
9	Profit (loss) before taxation	3.37	-0.58
10	Provision for taxation	6.97	0
11	Profit (loss) after taxation	-1.45	-0.58

**Part "B": Associates and Joint Ventures Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate companies and Joint Ventures**

NA

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

**To,  
The Members,  
Race Eco Chain Limited  
Shop No. 37, Shanker  
Market, Connaught Place,  
New Delhi-110001**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RACE ECO CHAIN LIMITED (here in after referred to as the “company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**Opinion**

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2024 and made available to me, according to the provisions of:-

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing. (Not Applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable to the Company during the Audit Period)
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the following:

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that, during the period under audit and review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except;

Please refer 'Annexure A' Discrepancies found during our audit attached to this report.

I further report that, there were no events / actions in pursuance of:

- a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, requiring compliance thereof by the Company during the financial year.

I further report that, based on the information provided and the representation made by the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable laws.

I further report that;

1. The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, except in one instance where we found that during the period under review the National Stock Exchange (NSE) has raised one query regarding non maintainability of the proper composition of Board of Directors for some days as per the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015. However, the Company has clarified to the NSE that it was due to unforeseen issues within the family of the proposed appointee director and the Company has complied the same on a later date.

3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent within prescribed limit, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company, in my opinion, there are adequate systems and processes in the Company which commensurate with the size and operations of the company to monitor and ensure compliance with the provisions of applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.:-

- A. During the period under review the listed entity has acquired 37,50,000 Equity shares of Abhay Innovative Recycling Limited, pursuant to which it has become unlisted material subsidiary of the listed entity.
- B. During the period under review the listed entity has also acquired 65000 shares of India Polymers Private Limited, pursuant to which it has become subsidiary company of the listed entity.

**For Hemant Kumar Sajnani & Associates**  
**Company Secretaries**

Sd/-

**CS Hemant Kumar Sajnani**  
**Proprietor**  
**M. No. F-7348**  
**CP. No. 14214**  
**PR code: 997/2020**

**Date: 05-06-2024**  
**Place: Kanpur**  
**UDIN: F007348F000534743**

***Note- This report is to be read with our letter of even date which is annexed as 'Annexure- A' and 'Annexure- B' forms an integral part of this report.***

**DISCREPANCIES FOUND DURING THE AUDIT**

1. The listed entity has acquired 37,50,000 Equity shares of Abhay Innovative Recycling Limited i.e. subsidiary of listed entity, on 14/07/2023, which is not intimated to the stock exchange within the specified timeframe. The company has made delayed disclosure to the stock exchange on 05/08/2023.

However, the management responded that the company has made every effort to make good this delayed disclosure and also assured that such lapses would not occur in future.

2. The listed entity has submitted statement of Grievance redressal mechanism for the quarter ended September, 2023 after the due date due to a technical glitch on BSE Portal, However it has been submitted on NSE portal within the specified time limit, in pursuance of which, SEBI has imposed fine of Rs.2360 (including GST) for non- compliance of Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

However, the listed entity has paid the amount of the fine imposed by the SEBI non- compliance of Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**For Hemant Kumar Sajnani & Associates**  
**Company Secretaries**

**Sd/-**

**CS Hemant Kumar Sajnani**  
**Proprietor**  
**M. No. F-7348**  
**CP. No. 14214**  
**PR code: 997/2020**

**Date: 05-06-2024**

**Place: Kanpur**

**UDIN: F007348F000534743**

To,  
**The Members**  
**RACE ECO CHAIN LIMITED**  
**(CIN: L37100DL1999PLC102506)**  
**Regd. Office: Shop No. 37, Shanker Market,**  
**Connaught Place, Central Delhi,**  
**New Delhi, Delhi, India, 110001**

My report of even date is to be read along with this letter.

Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices i followed provide a reasonable basis for my opinion.

I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

**For Hemant Kumar Sajnani & Associates**  
**Company Secretaries**

**Sd/-**  
**CS Hemant Kumar Sajnani**  
**Proprietor**  
**M. No. F-7348**  
**CP. No. 14214**  
**PR code: 997/2020**

**Date: 05-06-2024**  
**Place: Kanpur**  
**UDIN: F007348F000534743**

## **Corporate Governance Report**

### **Corporate Governance**

The Directors present the Company's Report on code of Corporate Governance for the Year end March 31, 2024 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Company's Philosophy**

As a responsible corporate citizen **RACE ECO** is committed to maintain the highest standards of good Corporate Governance in all areas of its operation. Our Team are committed towards the protection of the interest of the Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through–

1. Infusion of best expertise in the Board Members;
2. Consistent monitoring and improvement of the human and physical resources;
3. Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

### **Composition of Board**

The Board has 8 members out of which 4 are Non-Executive Independent Directors including a Woman Director with 1 Executive Chairman and Managing Director, another 2 are Executive Director and 1 are Non-Executive Director. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

The maximum tenure of Independent Directors is up to 5 consecutive years from the date of their appointment. The date of appointment and tenure of the existing Independent Directors are given below:-

<b>Name of Independent Director</b>	<b>Date of Appointment on Current position</b>	<b>Date of Completion of Tenure</b>
Anil Kumar Behl	31-08-2022	30-08-2027
Sanjay Kukreja	20-07-2019	19-07-2024
Seema Malik	30-06-2023	29-06-2028
Pranav Vasan	30-06-2023	29-06-2028

### **Key Functions of Board**

- Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation & corporate performance and overseeing major capital expenditures, acquisitions and divestments;
- Monitoring effectiveness of the Company's governance, policies & practices and making changes as needed;
- Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning;

- Aligning Key Managerial Personnel and Board remuneration with the long term interests of the Company and its shareholders;
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;
- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;
- Ensuring integrity of the Company’s accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the laws & regulations and relevant standards in force;
- Overseeing the process of disclosure and communications;
- Monitoring and reviewing Board’s Evaluation framework.

### **Meeting of Board of Directors**

During the financial year under review, the Board met 8 times i.e. on 29<sup>th</sup> April, 2023 29<sup>th</sup> May, 2023, 30<sup>th</sup> June, 2023, 12<sup>th</sup> August, 2023, 29<sup>th</sup> September, 2023, 06<sup>th</sup> November, 2023, 12<sup>th</sup> February, 2024 and 18<sup>th</sup> March, 2024.

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the provisions of the Companies Act, 2013, Secretarial Standard-1 and Listing Regulations.

An annual calendar of meetings is prepared well in advance and shared with the Directors in the beginning of the year to enable them to plan their attendance at the meetings. Directors are expected to attend Board and Committee Meetings, spend the necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

Agenda papers are sent to the Directors, well in advance, before the meetings. Draft Minutes of the Board and Committee meetings are circulated to the Directors for their comments thereon and, thereafter, noted by the Board/respective Committee in its next Meeting.

Composition of the Board of Directors as on March 31, 2024 and attendance at the Board Meetings held during the Financial Year ended March 31, 2024 and at the last Annual General Meeting ('AGM') are given in table below:-

S.No	Name of Director	Category	Board Meeting Attended	AGM Attended
1.	Sunil Kumar Malik	MD & Chairman	8	Yes
2.	Rama Nand Gupta	Director	8	Yes
3.	Sanjay Kukreja	Independent Director	8	Yes
4.	Anil Kumar Behl	Independent Director	8	Yes
5.	Pranav Vasani	Independent Director	8	Yes
6.	Seema Malik Appointed on 30-06-2024	Independent Director	5	No
7	Nisha Jain Resigned on 09 <sup>th</sup> June, 2024	Independent Director	2	Not Eligible
8	Raj Kumar Modani	Director	6	Yes
9	Lalit Malik	Non-Executive Director	1	Yes

10	Piyanshu Sharma (Appointed on 12 <sup>th</sup> August, 2023 and Resigned on 21 <sup>st</sup> December, 2023)	Executive Director	2	Yes
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**Relationship between directors**

Except Mr. Lalit Malik brother of Sunil Kumar Malik None of the Directors are related to each.

**Information given to the Board**

The Board and Committees thereof have complete access to all relevant information. Such information is submitted either as part of the agenda papers of the meetings in advance or by way of presentations and discussion material during the meetings. Such information, inter-alia, includes the following:

Annual operating plans, budgets and any updates;

Capital budgets and any updates;

Annual and Quarterly results of the Company and its operating divisions or business segments;

Minutes of the meetings of the Audit Committee and other Committees of the Board of Directors;

Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary

Show cause, demand, prosecution notices and penalty notices, which are materially important;

Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;

Material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;

Issue which involves possible public or product liability claims of substantial nature;

Details of any joint venture or collaboration agreement;

Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;

Significant labour problems and their proposed solutions including any significant development in Human Resources/ Industrial Relations front;

Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;

Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material;

Minutes of Board Meetings of unlisted subsidiary company(s);

Statement of significant transactions or arrangements made by unlisted subsidiary companies;

Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc;

Quarterly statement showing status of investor’s complaints;

Compliance Report pertaining to applicable laws and steps taken to rectify instance of non-compliance, if any; Quarterly Compliance Report on Corporate Governances.

### **Board Process**

The Company sends documents relating to Board and Committee meetings, including agenda papers and supplementary documents, to the Directors at least 7 days before the meetings.

Important decisions taken at the Board/ Committee meetings are promptly communicated to the concerned departments/ divisions. Action Taken Report (ATR) on the decisions of the previous meeting(s) is placed at the next meeting of the Board/ Committee.

The Company has complied with the Secretarial Standard-1 on Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.

### **Independent Directors Meeting**

Independent Directors met on 13<sup>th</sup> February, 2024, without the attendance of Non-Independent Directors and members of the management of the Company. The Independent Directors, inter alia evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, also reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; for the Financial Year ended March 31, 2024. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **Familiarization Programme for Independent Directors**

In Compliance with the Regulation 25 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, Legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors.

### **Committees of the Board**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference. The Committees operate as empowered agents of the Board as per their terms of reference that set forth the purposes, goals and responsibilities. Committee members are appointed by the Board with the consent of individual Directors. The Committees meet as often as required or as statutorily required. Committees that are constituted voluntarily for effective governance of the affairs of the Company may also include Company executives.

### **Applicable Committees are:**

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

### **Voluntarily Adopted Committees are:**

- Risk Management Committee
- CSR Committee

### **Audit Committee**

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee through regular interaction with external and internal auditors and review of financial statements ensures that the interests of stakeholders are properly protected



### **Terms of Reference:**

Audit Committee are formulated in accordance with the regulatory requirements Mandated by the Act and Listing Regulations which, inter alia, includes the following:-

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
5. Recommending the appointment, remuneration, terms of appointment and scope of Statutory Auditor of the Company and approval for payment towards any other service;
6. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
7. Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
8. Reviewing, approving or subsequently modifying transactions of the Company with related parties; and
9. Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment(s) or modification(s) from time to time) at least once in a financial year and verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively.

### **Meeting, Quorum and Attendance**

Audit Committee meets at least four times in a year with a gap of not more than 120 days between two consecutive meetings. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher with at least two Independent Directors.

During the financial year under review 2023-24 the Committee Members met 6 times i.e. on 29<sup>th</sup> April, 2023, 29<sup>th</sup> May, 2023, 30<sup>th</sup> June, 2023, 10<sup>th</sup> August, 2023, 06<sup>th</sup> November, 2023, and 12<sup>th</sup> February, 2024.

<b>S.No</b>	<b>Name of Director</b>	<b>Meeting Held</b>	<b>Meeting Attended</b>
1.	<b>Anil Kumar Behl</b>	6	6
2.	<b>Sanjay Kukreja</b>	6	6
3.	<b>Rama Nand Gupta</b>	6	6

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee, constituted under Section 178 of the Act and Regulation 19 with Part D of Schedule II to the SEBI Listing Regulations, 2015

### **Terms of Reference:**

The terms of reference that define its authority, responsibility and reporting functions which, inter alia, include the following:-

1. Formulate a criterion for determining qualifications, positive attributes and independence of a director;

2. Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Specify methodology for effective evaluation of performance of Board/committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
7. Recommend to the Board all remuneration, in whatever form, payable to Senior Management;
8. Play the role of Compensation Committee and to act as an administrator to any of the Employees' Stock Option Schemes (as may be notified from time to time); and
9. Undertake any other matters as the Board may decide from time to time.

#### **Meeting, Quorum and Attendance**

The Committee meets at least once in a year. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher with at least 1 Independent Directors.

During the financial year under review 2023-2024 the Committee Members met 3 times i.e. on 30<sup>th</sup> June, 2023, 10<sup>th</sup> August, 2023 and 29<sup>th</sup> September, 2023

S.No	Name of Director	Meeting Held	Meeting Attended
1.	Sanjay Kukreja	3	3
2.	Anil Kumar Behl	3	3
3.	Pranav Vasan	3	3

#### **Stakeholders Relationship Committee**

The Stakeholders' Relationship Committee oversees various activities that lead to improve and effective shareholder services like review of adherence to the service standards adopted for shareholder services, measures taken for reducing the timelines for inter alia, redressal of shareholder and investor grievances, transfer/ transmission of shares, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the SEBI Listing Regulations, 2015. Additionally, the Board has authorised the Company Secretary to exercise the powers of approving transfer/ transmission of shares. Normally, transfers/ transmissions are approved once in a fortnight.

#### **Terms of Reference:**

The terms of reference that define its authority, responsibility and reporting functions which, inter alia, include the following:-

1. To resolve the grievances of the security holders' complaints like non-transfer of securities, non-receipt of annual report, non-receipt of dividends/interest, issue of new /duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. To deal with all matters relating to issue of duplicate share certificate, transmission of securities etc.
5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/warrants/ annual reports/statutory notice by the shareholders of the Company; and
6. The Committee shall perform all such other functions as may be prescribed under The Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and/or any other law for the time being in force, including any statutory amendments, modifications made there under.

### **Meeting, Quorum and Attendance**

The Committee meets at least once in a year. The quorum for the meeting is either two members or one third of the members of the Committee.

During the financial year under review 2023-2024 the Committee Members met 1 times i.e. on 13<sup>th</sup> February, 2024

<b>S.No</b>	<b>Name of Director</b>	<b>Meeting Held</b>	<b>Meeting Attended</b>
1.	Pranav Vasan	1	1
2.	Sanjay Kukreja	1	1
3.	Anil Kumar Behl	1	1

During the FY 2023-24, No Complaint received from the Investor. Hence No complaint was pending as on March 31, 2024

During the FY 2023-24, The Company had 4144 shareholders as on March 31, 2024.

### **Compliance Officer**

Ms. Shiwati, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of SEBI Listing Regulations, 2015 and she was appointed on November 12, 2020 as Company Secretary and Compliance Officer of the Company.

### **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

## **Remuneration of Directors**

### **(A) Remuneration to Executive Directors**

Remuneration paid to Chairman and Managing Director during financial year 2023-24 is Rs. 24.00 Lac p.a

Remuneration paid to CFO Mr. Anshu Agarwal who resigned on 12<sup>th</sup> August, 2024 during financial year 2023-24 is Rs. 3.90 Lac p.a

Remuneration paid to Executive Director Mr. Rama-Nand Executive during financial year 2023-24 is Rs. 4.95 Lac from the date of the appointment.

### **(B) Remuneration to Non-Executive Directors**

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/Committee meetings. The Board of the Directors approved the Sitting fees for the Independent directors as Rs. 25000 per Meeting.

### **General Body Meetings:**

The details of date, time and location of annual general meetings held in the last three years are as under:-

Year	Date of AGM	Day	Time	Venue
2022-23	25.09.2023	Monday	12:30 PM	Unit No-203, Plaza-P3, Central Square, Bara Hindu Rao, Delhi-110006
2021-22	30.09.2022	Friday	01.30 P.M	Unit No-203, Plaza-P3, Central Square, Bara Hindu Rao, Delhi-110006
2020-21	30.09.2021	Thursday	01.30 P.M	Unit No-203, Plaza-P3, Central Square, Bara Hindu Rao, Delhi-110006

No. of Special resolutions passed during the last three AGM's: -

AGM	No. of Special Resolution
2022-23	5
2021-22	1
2020-21	1

### **Subsidiary Company**

There are two subsidiary company M/s. Abhay Innovative Recycling Limited and Ms. India Polymers Private Limited.

### **Proceeds from Public issue, Rights issue, Preferential issue**

During the period there is no any further issue of equity share capital.

### **Codes and Policies**

#### **Code of Conduct for Directors and Senior Management**

The Company has formulated and implemented a Code of Conduct for all Board members and Senior Management Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration signed to this effect by Mr. Sunil Kumar Malik, Managing Director and Mr. Piyanshu Sharma, CFO is enclosed as **Annexure-(P)**

**The Board of the Directors and Compliance Officer is responsible for setting forth policies and codes on behalf of the Company and they have Formulate the following Polices and its available on the website of the company:-**

- Policy for Determining the Material Subsidiary
- Policy for Dealing with Related Party Transactions
- Code of Conduct for Insider Trading
- Code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information
- Whistle Blower Policy

**Disclosures**

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of Race Eco Chain Limited ('the Company'). We believe that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance.

- (a) The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year. The disclosure of related party transactions as required by the Accounting Standard (AS) 18 on 'Related Party Disclosers' issued by the Institute of Chartered Accountants of India (ICAI). All the transaction covered under related party transaction were fair, transparent and at arm's length.
- (b) The Company has complied with various rules and regulations prescribed by the Stock Exchange, SEBI or any other statutory authority relating to the capital markets and no penalties or strictures have been imposed by them on the Company during last three years.
- (c) Detailed notes on risk management are included in the Management Discussion Analysis section.
- (d) During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or preferential issue.
- (e) During the year, no complaint was filed, disposed and pending in relation to Sexual Harassment of Woman at Work place (Prevention, Prohibition and Redressal) Act, 2013.

**General Shareholders' Information**

<b>Date &amp; Time</b>	<b>03<sup>rd</sup> July, 2024 12:30 PM</b>
<b>Deemed Venue</b>	<b>56/33, Site-4, Sahibabad Industrial Area, Ghaziabad, UP – 201010</b>
<b>Financial Year</b>	<b>2023-2024</b>
<b>Date of Book Closure</b>	<b>Thursday, 27<sup>th</sup> June, 2024 to Wednesday, 03<sup>rd</sup> July, 2024</b>
<b>Dividend Payment Date</b>	<b>N.A</b>
<b>Listing on Stock Exchange</b>	<p><b>The Equity Shares of the Company was listed at BSE Limited and NSE Limited as on 31<sup>st</sup> March, 2024 but during the year under review the Company applied for the Migration on the Main Board of the BSE and NSE.</b></p> <p><b>The Company has received the In-Principle Approval for Migration from SME Platform of BSE to the Main Board Platform of Bombay Stock Exchange Limited on April 10, 2023 and simultaneously from the Main Board Platform of National Stock Exchange of India Limited on April 28, 2023.</b></p> <p><b>The Final approval for dealings in the Equity Shares on the Exchange was received from BSE Limited and NSE Limited w.e.f. Tuesday 09th May, 2023.</b></p>

<b>Scrip Code/Symbol</b>	<b>537785/RACE</b>
<b>NSDL/CDSL-ISIN</b>	<b>INE084Q01012</b>
<b>CIN Number</b>	<b>L17101DL1999PLC102506</b>
<b>RTA</b>	<b>Skyline Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area Phase-1, New Delhi-110020.</b>

**Market Price Data:**

The Month High and Low Prices during the year 2023-2024 at Bombay Stock Exchange are as follows:-

Month	High	Low
April 2023	216.00	175.00
May 2023	263.00	218.25
June 2023	307.80	230.25
July 2023	299.75	247.30
Aug 2023	289.20	237.70
Sep 2023	289.40	252.00
Oct 2023	277.00	230.85
Nov 2023	351.00	255.45
Dec 2023	406.00	343.00
Jan 2024	399.70	348.00
Feb 2024	379.15	335.55
Mar 2024	381.00	320.05

**Share Holding Pattern of the Company as on 31.03.2024**

Category	No. of Shares	% (Percentage)
Promoters	7360100	44.79%
Public	6139361	37.36%
Body Corporate	2438875	14.84%
Other (HUF, Firms, Trust)	493864	3.01%
<b>Total</b>	<b>16432200</b>	<b>100%</b>

**Distribution of Shareholding as on 31.03.2024**

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	3482	84.03	2506880.00	1.53%
5001 To 10,000	181	4.37	1340850.00	0.82%
10001 To 20,000	140	3.38	2000730.00	1.22%
20001 To 30,000	49	1.18	1232730.00	0.75%
30001 To 40,000	38	0.92	1358230.00	0.83%
40001 To 50,000	44	1.06	2126110.00	1.29%
50001 To 1,00,000	99	2.39	8717430.00	5.31%
1,00,000 and Above	111	2.68	145039040.00	88.27%
<b>Total</b>	<b>4144</b>	<b>100.00</b>	<b>164322000</b>	<b>100.00</b>

### **Share Transfer System**

Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities & Exchange Board of India (SEBI). Big Share Services Private Limited handles both Demat and Physical Shares Transfers. Currently in our Company all shareholdings are in demat format. As on 31<sup>st</sup> March, 2024, a total of 16432200 Equity shares are in dematerialized form representing 100% of total issued, subscribed and paid - up share capital of the Company. The Equity Shares of the Company are regularly traded on BSE Limited.

### **Certification of Non-Disqualification of Directors from Company Secretary in Practice**

Pursuant to Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **M/s. Hemant Sajani & Co., Company Secretary in Practice**, has issued a certificate as required under the Listing regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure-(Q)**

### **Compliance Certificate from the Practicing Company Secretary on Corporate Governance**

The Company has obtained a Certificate from **M/s. Hemant Sajani., Company Secretary** in Practice confirming compliance of conditions of Corporate Governance as stipulated in Schedule V (E) of the SEBI Listing Regulations, 2015. The Certificate is attached as **Annexure-(R)**

### **MD/CFO Certification**

In compliance with Regulation 17(8) read with Schedule II (B) of the SEBI Listing Regulations 2015, a declaration by **Managing Director and CFO** is enclosed as **Annexure-(S)** which, inter-alia, certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

**Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:** NIL

#### **Registered Office**

Race Eco Chain Limited  
R/o. Shop No. 37, Shanker Market,  
New Delhi -110001  
Email: [cs@raceecochain.com](mailto:cs@raceecochain.com),  
Website: [www.raceecochain.com](http://www.raceecochain.com)

#### **Corporate office**

56/33 Site-IV, Industrial Area Sahibabad,  
Ghaziabad Uttar Pradesh-201010

**By Order of the Board of Director  
Race Eco Chain Limited**

**Sd/-  
Sunil Kumar Malik  
Chairman**

**Date: 05<sup>th</sup> June, 2024  
Place: Sahibabad**

**Annexure (P)**

**TO WHOMSOEVER IT MAY CONCERN**

This is to confirm that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2024.

**Date: 28<sup>th</sup> May, 2024**  
**Place: Sahibabad**

**By Order of the Board of Director**  
**Race Eco Chain Limited**  
**Sd/-**  
**Sunil Kumar Malik**  
**Chairman**

**Annexure (Q)**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To,**  
**The Members,**  
**RACE ECO CHAIN LIMITED**  
**SHOP NO. 37, SHANKER MARKET,**  
**CONNAUGHT PLACE, CENTRAL DELHI,**  
**NEW DELHI, DELHI, INDIA, 110001**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. RACE ECO CHAIN LIMITED** having Registered Office: Shop No. 37, Shanker Market, Connaught Place, Central Delhi, New Delhi, Delhi, India, 110001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company, our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: KANPUR**  
**Date: 05-06-2024**

**FOR HEMANT KUMAR SAJNANI & ASSOCIATES**  
**Company Secretaries**

**Sd-**  
**(HEMANT KUMAR SAJNANI)**  
**Proprietor**  
**FCS-7348**  
**C.P. No.: 14214**  
**PR code: 997/2020**  
**UDIN - F007348F000534303**



**COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE**

**To,  
The Members,  
Race Eco Chain Limited  
(Earlier known as Anisha Impex Limited)  
Unit No.203, Plaza- P 3,  
Central Square, Bara Hindu Rao, Delhi-110006**

We have examined the compliance of conditions of Corporate Governance by RACE ECO CHAIN LIMITED (CIN- L37100DL1999PLC102506) for the year ended 31st March 2024, as stipulated in SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ("Listing Regulations").

The Compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable except the following:

During the period under review the National Stock Exchange (NSE) has raised one query regarding non maintainability of the proper composition of Board of Directors for some days as per the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015. However, the Company has clarified to the NSE that it was due to unforeseen issues within the family of the proposed appointee director and the Company has complied the same on a later date.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR HEMANT KUMAR SAJNANI & ASSOCIATES  
Company Secretaries**

**Place: KANPUR  
Date: 05/06/2024**

**Sd-  
(HEMANT KUMAR SAJNANI)  
Proprietor  
FCS-7348  
C.P. No.: 14214  
PR code: 997/2020  
UDIN – F007348F000534479**

**CERTIFICATE OF MD/CFO**

**(Pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

=====

**This is to certify that:-**

- (a). We have reviewed financial statements and the cash flow statement for the year 2023-24 and that to the best of our knowledge and belief:-
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b). There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, wherever applicable, to the auditors and the Audit committee:-
- significant changes, if any, in internal control over financial reporting during the year;
  - significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**By Order of the Board of Director  
Race Eco Chain Limited**

**Date: May 28th, 2024  
Place: Sahibabad**

**Sd/-  
Sunil Kumar Malik  
Managing Director**

**Sd/-  
Piyanshu Sharma  
CFO**

**PARTICULARS OF EMPLOYEES**

Information relating to remuneration of Directors / Key Managerial Personnel as required Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:-

The company has 3 Executive Director, remuneration paid under ceiling limit of Companies Act, 2013. Further, 25000 Per Meeting is the sitting fee has been paid to Independent directors during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:-

**Amt: In Lac**

<b>Name of Director/KMP and Designation</b>	<b>Remuneration of Director/KMP for financial year 2023-2024</b>	<b>Remuneration of Director/KMP for financial year 2023-2022</b>	<b>Ratio of remuneration of each Director /to median remuneration of employees</b>
Sunil Kumar Malik Managing Director	24.00	14.00	NIL
Rama Nand Gupta	4.95	5.25	NIL
Anshu Agarwal Chief Financial Officer (Resigned on 12 <sup>th</sup> August, 2023)	3.90	9.36	NIL
Shiwati Company Secretary	6.73	4.70	NIL
Piyanshu Sharma (CFO Appointed on 12 <sup>th</sup> August, 2023)	3.26	0	NIL

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company.

Total number of employees of the Company as on **March 31, 2024** was 45

**By Order of the Board of Director  
Race Eco Chain Limited**

**Date: 05<sup>th</sup> June, 2024  
Place: Sahibabad**

**Sd/-  
Sunil Kumar Malik  
Managing Director**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**  
**[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members  
ABHAY INNOVATIVE RECYCLING LIMITED  
(CIN: U37003UP2023PLC181773)  
Regd. Office: 56/33 Site-Iv, Sahibabad, I.E. Sahibabad,  
Ghaziabad, Uttar Pradesh, India, 201010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ABHAY INNOVATIVE RECYCLING LIMITED (here in after referred to as the “company”). The Company is an unlisted public company and material subsidiary of a listed entity i.e. Race Eco Chain Limited. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**OPINION**

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2024 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing. (Not Applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable to the Company)

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company)
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable to the Company)
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the following:

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Since the Company is unlisted material subsidiary of listed entity, So this regulation is applicable to such extent).

I report that, during the period under audit and review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except the discrepancies found during our audit which is annexed to this report as '**Annexure A**'.

I further report that, there were no events / actions in pursuance of:

- a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company)
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company) and
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, requiring compliance thereof by the Company during the financial year. (Not Applicable to the Company)

I further report that, based on the information provided and the representation made by the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable laws.

**I further report that;**

1. The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, except the following:-  
As per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has failed to appoint one independent director of its listed holding company on its board, since the Company has become unlisted material subsidiary of M/s Race Eco Chain Limited (CIN- L37100DL1999PLC102506) during the period under review.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent within prescribed limit, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company, in my opinion, there are adequate systems and processes in the Company which commensurate with the size and operations of the company to monitor and ensure compliance with the provisions of applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.:-

- A. During the period under review the Authorised Share Capital of the Company is increased from Rs. 15,00,000 (Rupees Fifteen Lakh only) divided into 1,50,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10 ( Rupees Ten only) each to Rs. 12,50,00,000 (Rupees Twelve Crore Fifty Lakh only) divided into 1,25,00,000 (One Crore Twenty Five Lakh) Equity Shares of Rs. 10 (Rupees Ten only) each.
- B. During the period under review the Company has raised funds through issue and allotment of 37,50,000 Equity shares of Rs. 10 each to M/s Race Eco Chain Limited (CIN-L37100DL1999PLC102506) by way of right issue, pursuant to which the Company has become subsidiary of listed entity i.e. M/s Race Eco Chain Limited.

**For Hemant Kumar Sajnani & Associates**  
**Company Secretaries**

**Sd/-**

**CS Hemant Kumar Sajnani**  
**Proprietor**  
**M. No. F-7348**  
**CP. No. 14214**  
**PR code: 997/2020**

**Date: 07-06-2024**  
**Place: Kanpur**  
**UDIN: F007348F000546304**

***Note- This report is to be read with our letter of even date which is annexed as 'Annexure- A' and 'Annexure- B' forms an integral part of this report.***

**DISCREPANCIES FOUND DURING THE AUDIT**

1. During the period under review, since the Company has become unlisted material subsidiary of M/s Race Eco Chain Limited (CIN- L37100DL1999PLC102506) which is listed entity, it is required to appoint at least one independent director of the listed entity on its board as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

However, the company has not yet appointed an independent director of M/s Race Eco Chain Limited on its board.

2. During the period under review we found that the Company has failed to obtain ISIN which is required to be taken as per the Notification issued by the Ministry of Corporate affairs dated 10th September, 2018. Therefore, the Company has not filed Form PAS-6 with the Registrar of Companies.

**For Hemant Kumar Sajnani & Associates**  
**Company Secretaries**

**Sd/-**

**CS Hemant Kumar Sajnani**

**Proprietor**

**M. No. F-7348**

**CP. No. 14214**

**PR code: 997/2020**

**Date: 07-06-2024**

**Place: Kanpur**

**UDIN: F007348F000546304**

To,  
**The Members**  
**ABHAY INNOVATIVE RECYCLING LIMITED**  
**(CIN: U37003UP2023PLC181773)**  
**Regd. Office: 56/33 Site-Iv, Sahibabad, I.E. Sahibabad,**  
**Ghaziabad, Uttar Pradesh, India, 201010**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

**For Hemant Kumar Sajnani & Associates**  
**Company Secretaries**

**Sd-**  
**CS Hemant Kumar Sajnani**  
**Proprietor**  
**M. No. F-7348**  
**CP. No. 14214**  
**PR code: 997/2020**

**Date: 07-06-2024**  
**Place: Kanpur**  
**UDIN: F007348F000546304**



# GARG ARUN & ASSOCIATES

## CHARTERED ACCOUNTANTS

Flat No.106, 4832/24, Ansari Road,  
Daryaganj, New Delhi-110002  
Phone: 011-23283955



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### INDEPENDENT AUDITOR'S REPORT

To the members of RACE ECO CHAIN LIMITED

Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of **RACE ECO CHAIN LIMITED**, which comprise the balance sheet as at **31<sup>st</sup> March 2024**, and the statement of Profit & Loss, and statement of cash flows for the year ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial Statements give the information required by the Act in the manner of so required and give a true and fair view in conformity with the accounting principles accepted in India, of the state of affairs of the company as at March 31st, 2024, and its Profit and cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code Of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matter are those matter that, in our professional judgment, were of most signification in our audit of the financial statements of the current period. These matters were addressed in the context of our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Key Audit Matters</u>	<u>How the matter was addressed in our audit</u>
<p>1. The Company has various related party transactions which include sale, purchase of goods /services, loans taken and loans provide to the related parties. We identified the accuracy and completeness of disclosure of related party transactions set out in respective</p>	<p>Our audit procedures in relation to the disclosure of related party transactions included the following:</p> <ul style="list-style-type: none"><li>➤ We obtained an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management</li></ul>

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<p>notes to the Ind AS financial statements as a key audit matter due to:</p> <ul style="list-style-type: none"><li>➤ The significance of transactions with related parties during the year ended March 31, 2024.</li><li>➤ Related party transactions are subject to the compliance requirement under the companies Act, 2013 and SEBI (LODR) 2015.</li></ul> <p>2. Acquisition of Abhay Innovative Recycling private limited and India polymers private limited during the Financial Year 2023-24.</p>	<p>ensures all transactions and balances with related parties have been disclosed in the Ind AS financial statement.</p> <ul style="list-style-type: none"><li>➤ Read minutes of meeting of the board of directors and Audit committee and assessed whether approvals have been obtained by the management, as required by Companies Act 2013 and LODR.</li><li>➤ We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arm-length by management, on a sample basis, as part of our evaluation of the disclosure.</li><li>➤ We assessed management evaluation of compliance with provision of section-177 and Section-188 of the Companies Act, 2013 and SEBI (LODR), 2015.</li><li>➤ We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li></ul> <ul style="list-style-type: none"><li>➤ We have compared the accounting treatment specified in the scheme formulated by the Company along with one specified in Ind As 103.</li><li>➤ We have critically evaluated the key assumptions, purchase price allocation adjustments and identification and valuation of Net Assets acquired.</li><li>➤ We have assessed the Competence and objectivity of the experts engaged by the Company.</li><li>➤ We have assessed the adequacy of the Company's disclosures in respect of the acquisition in accordance with the requirements of Ind As 103.</li></ul>
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**Other Information – Other than the Standalone Financial Statements and Auditors Report Thereon**

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The Company's Board of Directors is responsible for other information. The other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Chairman's Statement, Shareholder's Information and Corporate Governance Report, but does not include the standalone financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report, Chairman's Statement and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our Opinion on the Standalone financial statements does not cover the other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for Financial Statements**

The Company's Board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application appropriate accounting policies ;making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and management is responsible for assessing the Company's ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's reports. However future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable , related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

# GARG ARUN & ASSOCIATES

## CHARTERED ACCOUNTANTS

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### Report on other Legal and Regulatory Requirements

1. As required by The Companies (Auditors Report) order 2020, the order issued by Central government of India in terms of sub section (11) of section 143 of the Act, we give in the “**Annexure-A**”, a statement the matters specified in paragraph 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The company does not have any branch which has not been audited by us.
  - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f) In our opinion, there is no financial transaction, which would have adverse effect on the financing of the company.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of the Section 197(16) of the Act, as amended:

In our opinion and according to the information & explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
  - h) On the basis of written representations received from the directors as on 31 March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
  - i) With respect to the adequacy of the internal financial controls over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in ‘**Annexure-B**’ to this report; and,
  - j) With respect to the other matters included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us :

# **GARG ARUN & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

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- I. The Company has pending litigation with Income Tax Authorities and the possible impact of which has been disclosed in financial statements.
- II. The company does not have any long-term contracts including derivative contracts which require provision under any law or accounting Standard for material foreseeable losses.
- III. There was no amount which was required to be transferred to the Investor Education and Protection Fund.
- IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (b) above, contain any material misstatement.
- V. The company has not proposed or declared or paid any dividend during the year.
- VI. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirement for record retention is not

**GARG ARUN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Flat No.106, 4832/24, Ansari Road,  
Daryaganj, New Delhi-110002  
Phone: 011-23283955

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applicable for the financial year ended March 31, 2024.

**FOR M/S GARG ARUN AND ASSOCIATES**  
**Chartered Accountants**  
**FRN: 08180N**

**Place:- Delhi**  
**Date:-28<sup>th</sup> May, 2024**  
**UDIN-24090564BKELSD4356**

**Sd/-**

**CA RAMAN KUMAR GARG**  
**(PARTNER )**



# **GARG ARUN & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

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### **Annexure-A to the Independent Auditor's Report of Even Date on the Financial Statements of RACE** **ECO CHAIN LIMITED**

**A statement as required on the matter specified in the paragraph 3 & 4 of The Companies (Auditors Report) Order 2020, the order issued by Central government of India in terms of sub section (11) of section 143 of the Act,**

- (i)** In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a)** (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b)** All the assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company & the nature of its assets. According to the information and explanation given to us, no discrepancies were noticed on such verification.
  - (c)** According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the company as at the balance sheet date.
  - (d)** The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year.
  - (e)** No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)** (a) The inventory of the company has been physically verified by the management. No material discrepancies were noticed physical verification.
- (b) The company has not been sanctioned working capital limits in excess of Rupees 5 crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii)** The Company has made investment in, companies, firm, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

# **GARG ARUN & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

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- (a) The company has provided loan during the year but not stood guarantee or provided securities to any other entity, in this regards we report as under:
- (A) The Company has not granted any loans or advances and guarantees to subsidiary, Joint venture or associates.
- (B) The Aggregate amount of loan advanced during the year was Rs. 1292.55/- lacs and the balance outstanding at the year end was Rs. 853.99 lacs.
- (b) In our option, the investment made and the terms and condition of grant of loans during the year are, prima facie, not prejudicial to the company's interest.
- (c) In respect of loans granted by the Company, the loans granted are in the nature of demand loan and the repayments of principal amounts and receipts of interest are generally been regular as demanded by the company.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has granted loan which are repayable on demand or without specifying any terms or period of repayment during the year, the aggregate amount of loan was Rs. 853.99 lacs, which is the 100% of the total loans granted and are granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- (iv) According to the Information & explanation given to us and based on the audit procedure conducted by us, we are of the opinion that company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans.
- (v) The company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the company.
- (vi) The Central Government has not prescribed the maintenance of cost records u/s 148 of the Act, in respect of business activities carried out by the company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

## GARG ARUN & ASSOCIATES CHARTERED ACCOUNTANTS

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- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees State Insurance, Income Tax, Sales-Tax, Goods and Service Tax, duty of customs, Duty of Excise, Value Added Tax, Cess & any other statutory dues applicable to it & there are no undisputed dues outstanding as on **31.03.2024** for a period of more than six months from the date they became payable.
- (b) According to the information & explanations given to us and based on the audit procedure conducted by us, we are of the opinion that there were no statutory dues referred to in sub clause (a) above which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has taken loans from its related parties and there is no default in repayment of loan or in the payment of interest thereon.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year by pledging securities held in their subsidiary, associates or joint ventures.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

## **GARG ARUN & ASSOCIATES** **CHARTERED ACCOUNTANTS**

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- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) In our opinion and as per the information and explanation provided to us, the company has not received any whistle blower complaint during the year.
- (xii) The company is not a Nidhi Company; hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information & explanation given to us, the company is in compliance with section 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards and section 177 is not applicable to the company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the Immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our

# **GARG ARUN & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

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examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion the provision of section 135 of the Companies Act, 2013 relating to corporate social responsibility are not applicable as such the reporting under clause 3 (xx) of the order is not applicable.

**FOR M/s GARG ARUN AND ASSOCIATES**  
**Chartered Accountants**  
**FRN: 08180N**

**Place:- Delhi**

**Date:-28<sup>th</sup> May, 2024**

**UDIN-24090564BKELSD4356**

**CA RAMAN KUMAR GARG**

**(PARTNER)**

**M. NO. 090564**

### **Annexure-B**

#### **To the Independent Auditor's Report of Even Date on the Financial Statements of RACE ECO CHAIN LIMITED**

**Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")**

**To The Members of RACE ECO CHAIN LIMITED**

We have audited the internal financial controls over financial reporting of **RACE ECO CHAIN LIMITED** as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls.**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial

# GARG ARUN & ASSOCIATES

## CHARTERED ACCOUNTANTS

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controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

# **GARG ARUN & ASSOCIATES**

## **CHARTERED ACCOUNTANTS**

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Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

The company has used an accounting software for maintaining its books of account however management is unable to rely on automated controls related to financial reporting in the accounting software and consequently we are unable to comment on audit trail requirements of the said software as envisaged under Rule 11(g).”

However, it should be noted that mere non-availability of audit trail does not necessarily imply failure or material weakness in the operating effectiveness of internal financial controls over financial reporting.

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR M/s GARG ARUN AND ASSOCIATES**  
**Chartered Accountants**  
**FRN: 08180N**

**Place:- Delhi**  
**Date:- 28<sup>th</sup> May, 2024**

**CA RAMAN KUMAR GARG**  
**(PARTNER)**  
**M. NO. 090564**

**UDIN-24090564BKELSD4356**

**RACE ECO CHAIN LIMITED**

**Shop No:- 37, Shanker Market New Delhi 110001**

**CIN NO. L37100DL1999PLC102506**

**Balance Sheet as at 31st March 2024**

			(Rs. In Lacs)
Particulars	Note No.	As at 31st Mar 2024	As at 31st March, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2(a)	276.04	286.73
(b) Capital work-in-progress		-	-
(c) Investment Properties		-	-
(d) Goodwill		-	-
(e) Other intangible assets	2(b)	3.31	3.82
(f) Intangible assets under development		-	-
(g) Biological Assets other than Bearer Plants		-	-
(h) Financial assets		-	
(i) Investments	3	519.61	0.10
(ii) Trade Receivables		-	-
(iii) Loans and Advances		-	-
(iv) Other financial assets	4(a)	26.91	11.90
(i) Deferred tax assets (net)	5	-	24.99
(j) Other non-current assets			
<b>Sub-total - Non-Current Assets</b>		<b>825.86</b>	<b>327.54</b>
<b>Current assets</b>			
(a) Inventories	7	83.05	61.52
(b) Financial assets		-	
(i) Investments			
(ii) Trade receivables	8	5,322.28	3,664.81
(iii) Cash and cash equivalents	9	40.34	309.74



(iv) Bank Balance Other than Cash and cash equivalents		-	
(v) Loans and Advances	10	853.99	342.75
(vi) Other financial assets	4(b)	35.17	17.47
(c) Current Tax assets (net)	11	61.25	58.30
(d) Other current assets	6	105.44	135.87
Branch accounts			
<b>Sub-total - Current Assets</b>		<b>6,501.53</b>	<b>4,590.45</b>
<b>TOTAL - ASSETS</b>		<b>7,327.39</b>	<b>4,917.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	1,643.22	1,643.22
(b) Other equity	13	579.65	413.76
<b>Sub-total - Shareholders' funds</b>		<b>2,222.87</b>	<b>2,056.98</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Long Term Borrowings	14(a)	-	19.71
(ii) Lease Liabilities			
(iii) Trade Payables		-	-
(iv) Other financial liabilities other than (i) and (ii) above			
(b) Provisions	16(a)	9.82	15.37
(c) Deferred tax liabilities (net)	5	4.12	-
(d) Other non-current liabilities			
<b>Sub-total - Non-current liabilities</b>		<b>13.94</b>	<b>35.08</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Short Term Borrowings	14(b)	3,683.88	1,531.27
(ii) Lease Liabilities			

(iii) Trade Payables:-			
(A) Total Outstanding dues of Micro and Small Enterprises; and	15		443.23
(B) Total Outstanding dues other than Micro and Small Enterprises	15	1,286.93	728.56
(iii) Other financial liabilities other than (i) and (ii) above			
(b) Other current liabilities	17	32.25	51.19
(c) Provisions	16(b)	87.52	71.68
(d) Other tax liabilities (net)			-
<b>Sub-total - Current liabilities</b>		<b>5,090.58</b>	<b>2,825.93</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>7,327.39</b>	<b>4,917.99</b>
Significant Accounting Policies	1		
Notes to accounts forming Part of Financial Statements	2-55		

AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 08180N

RAMAN KUMAR GARG (PARTNER)  
M.NO.090564  
PLACE: DELHI  
DATED: 28/05/2024  
UDIN-24090564BKELSF5143

RAMA NAND GUPTA  
EXECUTIVE DIRECTOR  
DIN 03397154

SUNIL KUMAR MALIK  
MANAGING DIRECTOR  
DIN 00143453

PIYANSHU SHARMA  
CFO

SHIWATI  
COMPANY SECRETARY

**RACE ECO CHAIN LIMITED**  
**UNIT NO. 203, PLAZA-P-3, CENTRAL SQUARE BARA HINDU RAO, DELHI-110006**  
**CIN NO. L37100DL1999PLC102506**

**Statement of Profit and Loss Account for the on 31 March 2024**

Particulars	Note No.	(Rs. In Lacs, except EPS)	
		April 2023-Mar 2024	April 2022-Mar 2023
<b>1. Total Income [sum of (a) to (b)]</b>		<b>33,917.27</b>	<b>26,993.17</b>
(a) Revenue from Operations	18	33,849.88	26,908.49
(b) Other Income	19	67.39	84.68
<b>2. Total Expenses [sum of (a) to (f)]</b>		<b>33,647.17</b>	<b>26,814.31</b>
<b>Cost of Materials Consumed</b>			
a) Purchase of Stock-in-Trade	20	32,607.54	25,988.69
b) Cost of Raw Materials Consumed	21	22.89	103.44
c) Changes In Inventories of Finished Goods, Work-in-progress and Stock in Trade.	22	13.79	10.82
d) Other Manufacturing expense	23	237.00	183.29
e) Employee benefits expense	24	224.88	248.33
f) Finance Costs	25	283.81	70.29
g) Depreciation and amortisation expense	2	66.26	44.34
h) Other expenses	26	191.00	186.75
<b>3. Profit from ordinary activities before exceptional items (1-2)</b>		<b>270.10</b>	<b>178.86</b>
4. Exceptional Items - net credit / (charge)			-
<b>5. Profit from Ordinary Activities Before Tax (3-4)</b>		<b>270.10</b>	<b>178.86</b>
6. Tax expense			
a. Current Tax	33(a)	84.26	53.53
b. (Excess)/provision for tax related to earlier years			
c. Deferred Tax	33(d)	29.12	5.15
<b>7. Net Profit from Continuing Operations [5-(6a.+6b.+6c.)]</b>		<b>156.72</b>	<b>130.48</b>

8. Profit / (Loss) from Discontinued Operations (after tax)			-
<b>9. Net Profit for the period (7+8)</b>		<b>156.72</b>	<b>130.48</b>
10. Other Comprehensive Income			
(a) (i) Items that will not be re-classified to Profit or Loss			
- Components of defined benefit costs	33(b)	12.25	0.22
(ii) Income Tax relating to those items	33(d)	3.08	0.06
(b) (i) Items that will be re-classified to Profit or Loss			
- Net Gain on Fair Value of Current Investments			
(ii) Income Tax relating to those items			
<b>Total Other Comprehensive Income (a+b)</b>		<b>9.17</b>	<b>0.16</b>
<b>11. Total Comprehensive Income/Loss for the period (net of tax) (9+10)</b>		<b>165.89</b>	<b>130.32</b>
<b>12. Paid up Equity Share Capital (face value Re. 10 per share)</b>		1,643.22	1,643.22
<b>13. Earnings Per Share (EPS) (of Re. 10/- each) (not annualised):</b>			
(a) Basic EPS - Rs.		0.95	0.79
(b) Diluted EPS - Rs.		0.95	0.79
See accompanying notes to financial statements			

AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 08180N

RAMAN KUMAR GARG (PARTNER)  
M.NO.090564  
PLACE: DELHI  
DATED: 28/05/2024  
UDIN-24090564BKELSF5143

RAMA NAND GUPTA  
EXECUTIVE DIRECTOR  
DIN 03397154

SUNIL KUMAR MALIK  
MANAGING DIRECTOR  
DIN 00143453

PIYANSHU SHARMA  
CFO

SHIWATI  
COMPANY SECRETARY

**RACE ECO CHAIN LIMITED**  
**Shop No:- 37, Shanker Market New Delhi 110001**  
**Cash Flow Statement as at 31st March 2024**

Particulars	(Rs. In Lacs)			
	As at 31st March, 2024		As at 31st March, 2023	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		270.10		178.86
<b><u>Adjustments for:</u></b>		311.36		119.16
Depreciation and amortisation	66.26		44.34	
(Profit) / loss on sale / write off of assets	-		-0.12	
Finance costs	283.81		70.29	
Interest income	-	38.71	0.47	
Profit on Investment			0.00	
Provision for Tax			-1.20	
Provision for Gratuity			5.38	
Rental Income			0.00	
Operating profit / (loss) before working capital changes		581.46		298.02
<b><u>Changes in working capital:</u></b>				
<b><u>Adjustments for (increase) / decrease in operating assets:</u></b>				
Trade receivables	-	1,657.47	-	1,651.53
Current Tax Assets	-	2.95		-27.69
Other current assets		30.43		-52.32
Inventories	-	21.53		-32.15
<b><u>Adjustments for increase / (decrease) in operating liabilities:</u></b>				
Trade payables		115.13	61.47	420.98
Other current liabilities	-	18.94		-99.48
Lease Liabilities				-22.64
Short-term provisions	-	5.55		
Long-term provisions	-	29.17		
		-	1,008.59	-1,458.73
Cash flow from extraordinary items				
Cash generated from operations		-	1,008.59	-1,458.73
Net income tax (paid) / refunds				0.00
<b>Net cash flow from / (used in) operating activities (A)</b>		-	<b>1,008.59</b>	<b>-1,458.73</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on property, plant & equipments, including capital advances		-	1,109.89	664.72

Proceeds from sale of property, plant & equipments			1.25	
Purchase of Property, Plant & Equipment	- 85.14		-72.00	
Addition in Intangible Assets				
Purchase of other investments	- 519.51			
Sale of Investments				
Other financial assets (Non-Current)	- 15.01		53.83	
Other non-current assets				
Rental Income				
Interest received	38.71		-0.47	
Net gain / (loss) on sale of investments				
Changes in Loans & Advances	- 511.25		694.82	
Other financial assets (Current)	- 17.71		-12.70	
Cash flow from extraordinary items				
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>- 1,109.89</b>		<b>664.72</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares		1,849.08		994.13
Proceeds/ (Repayment) from long-term borrowings	- 19.71		19.71	
Proceeds from short-term borrowing	2,152.60		1,044.70	
Lease Liabilities assumed			0.00	
Finance cost	- 283.81		-70.29	
Cash flow from extraordinary items				
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>1,849.08</b>		<b>994.13</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>- 269.40</b>		<b>200.11</b>
Cash and cash equivalents at the beginning of the year		309.74		109.62
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
<b>Cash and cash equivalents at the end of the year</b>		<b>40.34</b>		<b>309.74</b>
		<b>- 269.40</b>		
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Closing Cash and cash equivalents as per Balance Sheet				
(a) Cash on hand		15.43		9.60
(b) Balances with banks				
(i) In current accounts		24.91		300.14
(ii) In EEFC accounts				
(iii) In Fixed deposit accounts				
(c) Interest accrued on deposits				

(d) Current investments considered as part of cash & cash equivalents				
		<b>40.34</b>		<b>309.74</b>
See accompanying notes forming part of the financial statements				

AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 08180N

RAMAN KUMAR GARG (PARTNER)  
M.NO.090564  
PLACE: DELHI  
DATED: 28/05/2024  
UDIN-24090564BKELSF5143

RAMA NAND GUPTA  
EXECUTIVE DIRECTOR  
DIN 03397154

SUNIL KUMAR MALIK  
MANAGING DIRECTOR  
DIN 00143453

PIYANSHU SHARMA  
CFO

SHIWATI  
COMPANY SECRETARY

**RACE ECO CHAIN LIMITED**  
**UNIT NO. 203, PLAZA-P-3, CENTRAL SQUARE BARA HINDU RAO, DELHI-110006**  
**CIN NO. L37100DL1999PLC102506**

**Standalone statement of changes in equity for the year ended March 31, 2024**

<b>A. Equity share capital</b>						<b>(Rs. in Lakh)</b>
<b>As at April 1, 2022</b>						<b>1,643.22</b>
Changes in equity share capital during the year						-
<b>As at March 31, 2023</b>						<b>1,643.22</b>
Changes in equity share capital during the year						-
<b>As at March 31, 2024</b>						<b>1,643.22</b>
<b>B. Other equity</b>						<b>(Rs. in Lakh)</b>
	<b>Reserves and surplus</b>					
Particulars	Capital Redemption Reserve	Capital reserve	Securities premium	General reserve	Retained Earnings	Total
<b>Balance as at April 1, 2022</b>					<b>283.44</b>	<b>283.44</b>
Profit for the year	-	-	-	-	<b>130.48</b>	<b>130.48</b>
Other comprehensive income for the year	-	-	-	-	<b>-0.16</b>	<b>-0.16</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>413.76</b>	<b>413.76</b>
Dividend paid	-	-	-	-	-	<b>0</b>
Other	-	-	-	-	-	<b>0</b>
<b>Balance as at March 31, 2023</b>	-	-	-	-	<b>413.76</b>	<b>413.76</b>
Profit for the year	-	-	-	-	<b>156.72</b>	<b>156.72</b>
Other comprehensive income for the year	-	-	-	-	<b>9.17</b>	<b>9.17</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>579.65</b>	<b>579.65</b>
Dividend paid	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	-	-	-	-	<b>579.65</b>	<b>579.65</b>
The accompanying notes are an integral part of the financial statements.						



AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 08180N

RAMAN KUMAR GARG (PARTNER)  
M.NO.090564  
PLACE: DELHI  
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SHIWATI  
COMPANY SECRETARY

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31st MARCH, 2024**

**NOTE Significant accounting policies**

**1**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Corporate Information**

RACE ECO CHAIN LIMITED ('the Company'), was incorporated on November 22, 1999 as a Company under the Companies Act, 1956 ('the Act'). The Company has registered office at .UNIT NO.203, PLAZA- P 3, CENTRAL SQUARE BARA HINDU RAO, DELHI -110006 India. The Company is listed on the BSE Limited and National Stock Exchange of India Limited (Recognised Stock Exchanges in India). The Company is engaged in the business of

**1.1 Basis of preparation**

**(i) Compliance with Ind AS**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements up to and including the year ended 31 March 2021 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as "Indian GAAP" or "Previous GAAP") These financial statements for the year ended 31 March 2022 are the first financial statements of the Company under Ind AS. Refer note 26 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Amount in the Financial Statements are presented in Rs. Lakhs, unless otherwise Stated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00.

The financial statements have been prepared on historical cost basis, except for the certain financial assets and financial liabilities measured at fair value (refer accounting policy regarding financial instruments). All assets and liabilities have been classified as current and non-current according to company's operating cycle other criteria.

**(ii) Use of estimates and judgments**

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods.

(iii) **Revenue Recognition**

Revenue other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an Asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognises as revenue the amount of the service rendered (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Fixed Price maintenance revenue is recognised reliably on a straight line basis when services are performed through or indefinite number of repetitive acts over a specified period.

(iv) **Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income from a financial asset is recognized using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) **Other Income**

Other Income have been recognized on accrual basis in the Financial Statements, except when there is uncertainty of collection.

**1.2 Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

### **1.3 Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### **1.4 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **(i) Financial Assets**

##### **(a) Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **(b) Subsequent Measurement:**

###### **Debt instruments at amortized cost**

a) 'Financial Asset' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

c) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

###### **(c) Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

##### **(d) De-recognition**

The company derecognizes a financial asset when the contractual right to the cash flow from the financial asset ends or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

**(e) Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

ii) **Financial liabilities**

**(a) Initial recognition and measurement**

All Financial liabilities are recognized initially at fair value and fees of recurring nature are directly recognized in profit or loss as finance cost. The company's financial liabilities include trade and other payables.

**(b) Subsequent Measurement:**

Financial Liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

**(c) De-recognition**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expired or it transfers the financial liability and the transfer qualifies for de-recognition under Ind AS 109.

**1.5 Tangible Property, Plant & Equipment (PPE):**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

(i) **Recognition:**

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:  
It is probable that future economic benefits associated with the item will flow to the entity; and  
The cost of the item can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(ii) **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

The Residual value and useful life is reviewed annually and any deviation is accounted for as a change in estimate.

Estimated useful lives of items of Property, Plant and Equipments are as follows:-

Assets	Useful life
Furniture and Fixtures	10 years
Computers	3 years
Vehicles	8 years
Building	60 years
Motor Bike	10 years
Office Equipments	5 years
Electrical Equipments	10 years
Plant & Machinery	15 years
Leasehold Improvements	Over the primary lease period or useful life. Whichever is less

The estimated useful lives and residual values of the Property Plant and Equipment are reviewed at the end of each financial year.

Property Plant and Equipment, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.

Depreciation on the Property Plant and Equipment added/disposed off/discarded during the year is provided from/upto the date when added/disposed off/discarded.

Gains or losses arising from the retirement or disposal of Property Plant and Equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

## 1.6 Intangible Assets

### (i) Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the five years commencing from the month in which the asset is first put to use. The Company provides pro-rata amortization from the day the asset is put to use.

<b>Assets</b>	<b>Useful life</b>
Software & Mobile Application	5 years

(ii) **Derecognition:**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

**1.7 Employee benefits**

(i) **Short-term obligations**

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) **Post-employment obligations**

Post-employment benefit plans are classified into defined benefit plans and defined contribution plans as under:-

(iii) **Defined contribution plan:**

Contribution made to the recognised provident fund, employees state insurance scheme etc. which are defined contribution plans, is charged to the Statement of Profit and Loss in the period in which they occur.

(iv) **Defined benefits plan:**

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on separation/retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

**1.8 Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cashflows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

### **1.9 Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain and the related asset is recognized.

### **1.10. Earnings per share**

#### **(i) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

#### **(ii) Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

### **1.11 Inventories**

Raw Material & Traded Goods are valued at lower of cost and net realizable value. However, material & other items held for use in the trading are not written down below cost of the finished products in which they will be incorporated if they are expected to be sold at or above cost.

WIP & finished goods are valued at lower of cost & net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.



### **1.12 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **1.13 Cash and cash equivalents**

Cash amounts represent cash on hand and demand deposits. Cash equivalents are primarily short-term highly liquid investments with an original maturity of 90 days or less and which are subject to an insignificant risk of change in value.

**RACE ECO CHAIN LIMITED**
**AS PER COMPANIES ACT, 2013**
**NOTE-02 (a) PROPERTY, PLANT & EQUIPEMENT**
**(Rs. in Lacs)**

Particulars	Rate	Gross Block			Accumulated Depreciation			Net Block			
		Balance as on 01/04/2023	Additions	Deductions/Adjustments	Balance as at 31/03/2024	Upto 31/03/2023	Additions	Deductions/Adjustments	Balance as at 31/03/2024	W.D.V. as on 31.03.2024	W.D.V. as on 31.03.2023
<b>PLANT &amp; MACHINERY</b>											
PLANT & MACHINERY	14.88%	54.84	0.91	-	55.74	24.85	4.62	-	29.47	26.28	29.99
					-				-		
<b>VEHICLES</b>											
Car Fortuner	31.23%	27.09	-	-	27.09	27.09	-	-	27.09	(0.00)	(0.00)
Activa Scooter	31.38%	0.88	-	-	0.88	0.55	0.10	-	0.65	0.23	0.33
Grand Vitara Car	31.23%	23.34	-	-	23.34	1.40	6.97	-	8.37	14.97	21.94
Maruti Eco	31.23%	6.46	-	-	6.46	1.75	1.59	-	3.34	3.13	4.72
Hiro Honda	31.38%	-	0.98	-	0.98	-	0.12	-	0.12	0.86	-
Creta Car	31.23%	-	17.64	-	17.64	-	1.35	-	1.35	16.29	-
Innova Car	31.23%	-	24.43	-	24.43	-	4.75	-	4.75	19.68	-
Kia Seltos	31.23%	-	23.05	-	23.05	-	0.99	-	0.99	22.06	-
									-		
<b>FACTORY LAND &amp; BUILDING</b>											
FACTORY LAND-56/33	9.50%	4.57	-	-	4.57	0.43	0.24	-	0.67	3.90	4.14
FACTORY LAND- A16/2		-	-	-	-				-	-	
FACTORY BUILDING-56/33	9.50%	192.43	-	-	192.43	38.33	25.58	-	63.91	128.52	154.10
FACTORY BUILDING- A-16/2	9.50%	39.28	-	-	39.28	39.28	-	-	39.28	0.00	0.00
Elevator	45.07%	11.15	-	-	11.15	10.64	-	-	10.64	0.50	0.50
Electricity Service Line	9.50%	2.66	-	-	2.66	0.78	0.49	-	1.27	1.39	1.88
GENERATOR	45.07%	19.64	-	-	19.64	15.46	0.94	-	16.40	3.24	4.18
COMPUTER	63.16%	22.26	0.48	-	22.74	19.32	0.30	-	19.62	3.12	2.94
FURNITURE & FIXTURES	76.83%	28.76	1.89	-	30.65	18.15	3.69	-	21.84	8.80	10.60
Office Equipments	45.07%	46.39	6.13	-	52.52	23.00	12.15	-	35.15	17.37	23.39
Right to Use		29.94	-	-	29.94	3.39	-	26.54	29.93	0.00	26.54
Electric Equipment	25.89%	1.53	6.10	-	7.63	0.06	1.87	-	1.93	5.70	1.47
<b>TOTAL</b>		<b>511.23</b>	<b>81.61</b>		<b>592.83</b>	<b>224.49</b>	<b>65.75</b>		<b>316.78</b>	<b>276.05</b>	<b>286.73</b>
<b>Capital Work In Progress</b>						-			-	-	-
<b>NOTE-02 (b) OTHER INTANGIBLE ASSETS</b>											
<b>INTANGIBLE ASSETS</b>											
SOFTWARE AND MOBILE APPLICATIONS		9.51	-	-	9.51	5.69	0.51	-	6.20	3.31	3.82
									<b>NET BLOCK</b>	<b>279.35</b>	<b>290.55</b>
									<b>DEPRECIATION</b>	<b>66.26</b>	

**Details of Depreciation as per IT ACT for F.Y.2023-24**

Particulars	Rate	Opening	Less Than 180 Days	More Than 180 Days	Total	Sales	Sales Less Than 180 days	Balance	Depreciation (Short Gain)	WDV Closing
PLANT AND MACHINARY	15%	25,30,902.00	0.00	0.00	25,30,902.00	0.00	0.00	25,30,902.00	3,79,635.00	21,51,267.00
PLANT AND MACHINARY	15%	80,93,078.00	0.00	90,500.00	81,83,578.00	0.00	0.00	81,83,578.00	12,20,750.00	69,62,828.00
Computer	40%	3,18,757.00	17,558.00	0.00	3,36,315.00	0.00	0.00	3,36,315.00	1,34,526.00	2,01,789.00
Building Residential	10%	90,62,284.00	0.00	0.00	90,62,284.00	0.00	0.00	90,62,284.00	9,06,228.00	81,56,056.00
Furniture and Fitting including electric Fitting	10%	18,41,998.00	77,000.00	1,11,980.00	20,30,978.00	0.00	0.00	20,30,978.00	1,97,499.00	18,33,479.00
Software	15%	4,29,893.00	0.00	0.00	4,29,893.00	0.00	0.00	4,29,893.00	64,484.00	3,65,409.00
VEHCILE	15%	27,08,452.00	25,40,712.00	40,89,464.00	93,38,628.00	0.00	0.00	93,38,628.00	10,94,085.00	82,44,543.00
ELECTRIC EQUIPMENT	15%	1,41,525.00	0.00	6,10,100.00	7,51,625.00	0.00	0.00	7,51,625.00	66,987.00	6,84,638.00
OFFICE EQUIPMENT	15%	16,43,799.00	4,82,122.00	1,61,076.00	22,86,997.00	0.00	0.00	22,86,997.00	3,30,969.00	19,56,028.00
<b>Total</b>		<b>2,67,70,688.00</b>	<b>31,17,392.00</b>	<b>50,63,120.00</b>	<b>3,49,51,200.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,49,51,200.00</b>	<b>43,95,163.00</b>	<b>3,05,56,037.00</b>





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED on 31ST March, 2024**

<b>NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED on 31ST March, 2024</b>			
<b>Note4</b>	<b>Other Financial Assets</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b><u>(a) Non-Current</u></b>		
	<b><u>Deposits with Banks</u></b>		
	FDR pledged with Bank as margin for Bank Guarantee/OD*	16.15	1.08
	<b><u>At Amortised Cost</u></b>		
	<b><u>Unsecured, Considered Good</u></b>		
	<b><u>Deposits</u></b>	-	
	Security Deposit	10.76	10.82
	<b>Total (A)</b>	<b>26.91</b>	<b>11.90</b>
	<b><u>(b) Current</u></b>		
	<b><u>At Amortised Cost</u></b>		
	<b><u>Unsecured, Considered Good</u></b>		
	<b><u>Deposits</u></b>		
	<b><u>(a) Security Deposit</u></b>		
	Security Deposit for Rent	34.12	17.47
	Security With Varun Beverages	1.06	-
	<b>Total (B)</b>	<b>35.17</b>	<b>17.47</b>
	<b>Total (A+B)</b>	<b>62.08</b>	<b>29.37</b>
	* The Fixed deposit as other non-current financial assets includes deposit with remaining maturity above 12 months.		
	* Security Deposits for rent given are measured at Amortized Cost		

<b>Note 5</b>	<b>Deferred Tax Assets (Net)</b>	<b>(Rs. in Lacs)</b>	
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	Opening Balance	24.99	19.78
	Add: Current Year Deferred Tax Asset / (Liability)	- 29.12	5.21
	<b>Net Deferred Tax Assets / (Liabilities)</b>	- <b>4.12</b>	<b>24.99</b>
<b>Note 6</b>	<b>Other Non Financial Assets</b>	<b>(Rs. in Lacs)</b>	
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<u>Current</u>		
	<b>Unsecured, Considered Good</b>		
	<b>Advance</b>		
	Advance to Suppliers	75.63	38.54
	Advance to employees	4.46	3.33
	Prepaid Expenses	1.09	1.63
	Advance to Abhay Innovative Recycling Limited	0.15	
	Duty Draw back Receivable	0.25	-
	Rodtep Receivable	0.46	0.97
	Duties & Taxes	23.41	91.39
	<b>Total (b)</b>	<b>105.44</b>	<b>135.87</b>
	<b>TOTAL [(a)+(b)]</b>	<b>105.44</b>	<b>135.87</b>
<b>Note 7</b>	<b>Inventories</b>	<b>(Rs. in Lacs)</b>	
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Inventories :</b>		
	<b>a) Raw</b>		

	Fabric	71.51	21.88
	<b>Total</b>	<b>71.51</b>	<b>21.88</b>
	<b>b) Work In</b>		
	Progress Sub		
	<b>Total</b>		-
	<b>c) Finished</b>		
	Bags	-	14.32
	Puma Products	11.54	14.53
	<b>Total</b>	<b>11.54</b>	<b>28.85</b>
	<b>d) Stock-in-Trade</b>		
	Waste Scrap	-	10.80
	<b>Total</b>	-	<b>10.80</b>
	<b>Total Inventories</b>	<b>83.05</b>	<b>61.52</b>
<b>Note 8</b>	<b>Trade Receivables</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	Trade Receivables- From Related Parties	-	0.21
	Trade Receivables-From Others	5,322.28	3,664.60
	<b>TOTAL</b>	<b>5,322.28</b>	<b>3,664.81</b>
	Less : Impairment allowance		
	<b>Total Trade Receivables (net of Impairment)</b>	<b>5,322.28</b>	<b>3,664.81</b>
	<b>a.) Ageing Schedule - Trade receivable</b>		
	-		(Rs. in Lacs)



	PARTICULARS	As at 31st March 2024	As at 31st March, 2023
	<b>Undisputed - Considered Good</b>		
	- Less than 6 Months	4,978.61	3,544.37
	- 6 Months- 1 year	252.83	38.04
	- 1-2 years	90.84	73.63
	- 2-3 Years	-	8.77
	- More than 3 Years	-	-
	<b>Undisputed Trade Receivables-which have significant increase in credit risk</b>	-	-
	<b>Undisputed Trade Receivables-Credit impaired</b>	-	-
	<b>Disputed - Considerd good</b>	-	-
	<b>Disputed Trade Receivables-which have significant increase in credit risk</b>	-	-
	<b>Disputed Trade Receivables-Credit impaired</b>	-	-
	<b>Total</b>	<b>5,322.28</b>	<b>3,664.81</b>
<b>Note 9</b>	<b>Cash &amp; Cash Equivalentents</b>		(Rs. in Lacs)
	PARTICULARS	As at 31st March 2024	As at 31st March, 2023
	Cash in Hand	15.43	9.60
	Balance with Banks in Current Accounts ^	24.91	300.14
		<b>40.34</b>	<b>309.74</b>
	The Fixed deposit with Banks as cash & cash equivalent are the deposit with original maturity upto 3 months.		
<b>Note 10</b>	<b>Short Term Loans and Advances</b>		(Rs. in Lacs)
	PARTICULARS	As at 31st March 2024	As at 31st March, 2023
	<b>Short - Term Loans and Advances:</b>		

	<b><u>At Amortised Cost</u></b>		
	<b>Unsecured , Considered Good</b>		
	Inter Corporate Loan	853.99	342.75
		<b>853.99</b>	<b>342.75</b>
<b>Note 11</b>	<b>Current Tax Assets (net)</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Advance Income Tax/TDS/TCS (net of provision)</b>		
	TDS Receivables	61.25	58.30
	<b>TOTAL</b>	<b>61.25</b>	<b>58.30</b>
<b>Note 12</b>	<b>Equity Share Capital</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Authorised Share Capital</b>		
	2,50,00,000 Shares (Previous year 2,50,00,000) of Rs. 10 each	2,500.00	2,500.00
		<b>2,500.00</b>	<b>2,500.00</b>
	<b>Issued, Subscribed &amp; Paid-up Share Capital</b>		
	1,64,32,200 Shares (Previous year 16432200.) of Rs. 10 each	1,643.22	1,643.22
	<b>TOTAL</b>	<b>1,643.22</b>	<b>1,643.22</b>
	<b><u>Terms/Rights attached to Equity Shares</u></b>		
	The Company has only one class of equity shares each having a par value of Rs. 10 per share. All these shares have same rights & preferences with respect to payment of dividend, repayment of capital and voting.		
	<b>Reconciliation of number of equities share outstanding at the beginning and at the end of the period</b>		
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Number of shares outstanding as at the beginning of the period</b>	164.32	164.32

	Add : Shares allotted		-
	<b>Number of shares outstanding as at the end of the period</b>	<b>164.32</b>	<b>164.32</b>
<b>Share held in the company by each shareholder holding more than 5%</b>			
	<b>Name of Shareholders</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	A) Sangeeta Pareekh	43.20	43.20
	B) BLP Equity Research Private Ltd	23.40	23.40
	C) Puja Malik	9.85	9.85
<b>Details of Promoters holding end of the Year</b>			
	<b>Name of Shareholders</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	A) Sangeeta Pareekh	43.20	43.20
	B) BLP Equity Research Private Ltd	23.40	23.40
	C) Dinesh Pareekh	7.00	7.00
<b>Note 13</b>	<b>Other Equity</b>		
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>I) Reserves &amp; Surplus</b>		
	<b>a. Retained Earnings</b>		
	Balance at the beginning of the period	390.48	260.00
	Add: Profit/Loss for the period	156.72	130.48
	Less: Bonus Share Issue	-	-
		-	-
	Balance at the end of the period	<b>547.20</b>	<b>390.48</b>
	<b>TOTAL (I)</b>	<b>547.20</b>	<b>390.48</b>
	<b>II) Other Comprehensive Income</b>		
	Balance at the beginning of the period	23.28	23.44
	Add: Transfer during the year	9.17	-
			0.16

	Balance at the end of the period	<b>32.45</b>	<b>23.28</b>
	<b>TOTAL (II)</b>	<b>32.45</b>	<b>23.28</b>
	<b>TOTAL OTHER EQUITY (I+II+III)</b>	<b>579.65</b>	<b>413.76</b>
	<b><u>Nature &amp; Purpose of Reserves:</u></b>		
	<b>Retained Earnings:</b> Retained earnings represents surplus / accumulated earning of the company and are available for distribution to shareholders		
	<b>Other Comprehensive Income:</b> This represents the cumulative gains and losses arising on the fair valuation of equity instruments measured at fair value through other comprehensive income. and present value of Defined benefit obligation.		
<b>Note 14</b>	<b>Borrowings</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
<b>(a)</b>	<b>Long Term Borrowings</b>		
	<b><u>Carried at Amortized Cost</u></b>		
	<b>Secured Loans</b>		
	<b>Term Loans from Banks/Financial Institution</b>		
	<b>ICICI Bank Ltd</b>	-	
	(Secured Against Hypothecation of Car)		3.05
	<b>HDFC CAR LOAN -GRAND VITARA</b>	-	16.66
	(Secured Against Hypothecation of Car)		
	<b>Total (I)</b>	-	<b>19.71</b>
<b>(b)</b>	<b>Short Term Borrowings</b>		
	<b><u>Carried at Amortized Cost</u></b>		
	<b>Secured Loans</b>		
		-	

	<b>ICICI Bank - OD against Property</b>	648.14	-
	( Mortgage against Plot No. 56/33,Near Atlas Factory, Site-4 ,Ghaziabad,Sahibabad UP India 201010)		-
			-
	<b>Current Maturity of Long Term Debts.</b>	-	7.65
	<b>Unsecured Loans</b>		-
	<b><u>Related Parties</u></b>		-
	Loan From Director	3.10	39.23
	<b><u>Intercorporate Loan</u></b>		-
	Share India Capital Pvt Ltd (ROI 12% p.a.)	243.14	
	Swagatam Trading and Services Limited	-	15.61
	BGP 11 ANALYTICS Pvt.Ltd.(ROI 9% p.a)	213.00	
	Anmol Financial Services Ltd (ROI 12%p.a.)	202.71	0.36
	Devbhoomi Commercial Pvt Ltd.(ROI 9% p.a)	54.66	50.55
	Share India Fincap Pvt Ltd USL	-	69.63
	SVP Housing Limited (ROI 9% p.a)	335.91	310.68
	Securocrop Securities India Private Limited (ROI 7% p.a)	957.94	702.42
	M/s S G Finserve Ltd. (ROI 12.5% p.a.)	662.89	-
	BLP Equity Research Pvt. Ltd. (ROI 9%p.a.)	362.36	335.14
	<b>Total (II)</b>	<b>3,683.88</b>	<b>1,531.26</b>
	<b>Total (I+II)</b>	<b>3,683.88</b>	<b>1,550.98</b>
	The company has not defaulted in the repayment of Borrowings and interest thereon for the year ended of March 31, 2024		

<b>Note 15</b>	<b>Trade Payables</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>Current</b>		
	Total outstanding dues of micro, small and medium enterprises (A)		443.23
			-
	Total outstanding dues of creditor other than micro, small and medium enterprises (B)	1,286.93	728.56
		<b>1,286.93</b>	<b>1,171.79</b>
	<b>TOTAL [(a)+(b)]</b>	<b>1,286.93</b>	<b>1,171.79</b>
	<b>Ageing Schedule - Current Trade payable</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>i) MSME</b>		
	Less than 1 year	-	443.23
	1-2 years		-
	2-3 years		-
	More than 3 years		-
	<b>ii) Others</b>		-
	Less than 1 year	1,211.73	712.15
	1-2 years	70.40	16.30
	2-3 years	4.79	-
	More than 3 years		-
	<b>iii).Disputed dues – MSME</b>		-

	iv) Disputed dues - Others		-
	<b>Total</b>	<b>1,286.93</b>	<b>1,171.69</b>
<b>Note 16</b>	<b>Provisions</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>(a) Non-Current</b>		
	<b>Provision for Employee Benefits</b>		
	Gratuity	9.82	15.37
	<b>TOTAL</b>	<b>9.82</b>	<b>15.37</b>
	<b>(b) Current</b>		-
	<b>Provision for Employee Benefits</b>		-
	Gratuity	0.18	0.78
	<b>Other Provisions</b>	-	-
	Provision for Current Tax	87.35	70.90
	<b>TOTAL</b>	<b>87.52</b>	<b>71.68</b>
<b>Note 17</b>	<b>Other Current Liabilities</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Expenses Payable	9.53	26.74
	Advance Received from Customers	11.93	10.76
	Bonus Payable	-	4.01
	Duties & Taxes Payable	7.75	7.35
	Interest Accrued But not due to Bank.	-	0.03

	Provision for Debit Note	-	2.30
	Salary Payable	3.05	-
	<b>TOTAL</b>	<b>32.25</b>	<b>51.19</b>
<b>Note 18</b>	<b>Revenue from Operations</b>		<b>(Rs. in Lacs)</b>
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Manufacturing Sale		
	Sale of Recycled Products	233.68	309.14
	Trading Sale		
	Sale of Waste Material	29,185.67	23,649.52
	Sale of Biomass Products	4,430.54	2,933.74
	Jobwork		
	Sale of Recycled Products	-	16.09
	<b>TOTAL</b>	<b>33,849.88</b>	<b>26,908.49</b>
		#####	
<b>Note 19</b>	<b>Other Income</b>		<b>(Rs. in Lacs)</b>
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Interest on FDR	2.14	54.92
	Profit on Insurance Claim of Car	-	25.67
	Profit on Sale of Assets	-	0.12
	Interest Income	38.71	-
	Foreign Exchange Fluctuation	-	1.05
	Rebate & Discount	0.19	0.06
	Creditors Written Off	24.00	1.10
	Short & Excess	0.00	0.04
	Handling Charges	0.98	-
	Duty Draw Back Income	0.90	2.04
	Freight Outward Charges	-	0.16
	Rodtep Incentive	0.46	-
	<b>TOTAL</b>	<b>67.39</b>	<b>84.68</b>
<b>Note 20</b>	<b>Purchase of Stock-in-Trade</b>		<b>(Rs. in Lacs)</b>



	PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
	Misc. Old Economy Products	-	7.39
	Waste Material	28,166.94	23,187.32
	Biomass Products	4,368.17	2,793.98
	Recyclable Products	72.43	-
	<b>TOTAL</b>	<b>32,607.54</b>	<b>25,988.69</b>
<b>Note 21</b>	<b>Cost of Raw Material Consumed</b>		<b>(Rs. in Lacs)</b>
	PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
	Opening Stock of Raw Material		
	Fabric	36.19	14.86
	Add:-	-	
	Fabric	58.21	124.77
		94.40	139.64
	Less:-		
	Closing Stock		
	Fabric	71.51	36.19
	<b>TOTAL</b>	<b>22.89</b>	<b>103.44</b>
<b>Note 22</b>	<b>Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade:</b>		<b>(Rs. in Lacs)</b>
	PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
	Finished Goods	-	
	Finished Goods at the beginning of the year	-	-
	Less: Finished Goods at the end of the year	-	-
	Puma Products	-	
	Sub - Total (A)	-	-
	Work-in-Progress at the End of the Year	-	
	Less: Work-in-Progress at the End of the Year	-	-
	Sub - Total (B)	-	-
		-	
	Stock-in-Trade	-	
	Stock at the Beginning of the Year	25.33	14.51
	Less: Stock at the End of the Year	11.54	-
	Puma Products	-	25.33

	Sub - Total (C)	13.79	- 10.82
	(Increase) / Decrease in Inventories (A+B+C)	13.79	- 10.82
<b>Note 23</b>	<b>Other Manufacturing Expenses</b>		<b>(Rs. in Lacs)</b>
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Freight & Cartage	175.83	132.00
	Job Work Charges	46.62	51.30
	Other Manufacturing Exp.	14.55	-
		237.00	183.29
<b>Note 24</b>	<b>Employee Benefits Expense</b>		<b>(Rs. in Lacs)</b>
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Directors Remuneration	28.95	28.61
	Salaries & Wages	175.65	181.64
	Gratuity	6.10	5.38
	Bonus	4.25	4.01
	Contribution to Provident Fund	1.17	1.46
	Contribution Towards ESI	0.68	1.38
	Administration Expenses on PF & ESI	0.08	0.11
	Incentive to Staff	0.02	19.11
	Staff Welfare Exp.	5.51	6.64
	ESOP	1.56	-
	Overtime Expense	0.91	-
	<b>TOTAL</b>	<b>224.88</b>	<b>248.33</b>
<b>Note 25</b>	<b>Finance Cost</b>		<b>(Rs. in Lacs)</b>
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Bank Charges	1.81	0.73
	Bank Interest	-	-
	Car Loan Interest	1.04	0.35
	Interest on Loan	266.29	69.15
	Loan Processing Charges	14.67	0.06

	<b>TOTAL</b>	<b>283.81</b>	<b>70.29</b>
<b>Note 26</b>	<b>Other Expenses</b>		<b>(Rs. in Lacs)</b>
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>(B) ADMINISTRATIVE EXPENSES</b>		
	Annual Listing Fees	-	3.29
	Annual Maintenance Charges	0.67	0.20
	Bad Debt	19.35	7.90
	BSE Processing Fees	4.10	16.42
	Business Promotion Exp.	5.34	4.64
	CDSL Charges	-	0.72
	Certification Charges	-	2.21
	Clearing & Forwarding Exp.	0.92	-
	Cloud Charges	-	1.02
	Commission	6.52	1.42
	Conference Charges	-	0.25
	Consultancy Charges	-	0.24
	Conveyance Expenses	1.00	10.63
	Electricity & Generator Charges	30.31	16.44
	Fabric Exp.	-	0.08
	Festival Exp.	7.25	4.87
	Foreign Exchange Fluctuation Exp.	0.55	0.16
	Fuel Exp.	-	9.85
	Govt Tax	-	0.04
	GST on Shares	-	0.01
	Housekeeping Exp.	-	0.64
	Insurance Exp.	3.23	4.03
	Internet Exp.	-	0.33
	Late Fee GST	1.23	-
	Learning & Development Exp.	-	0.18
	Legal & Professional Charges	-	0.05
	Loss on Disposal of ROU & Lib.	3.91	
	Loss on Sale of RODTEP E-Scrip	-	1.20
	Misc Exp.	0.76	-
	Miscellaneous Exp.	-	1.37
	Municipal Taxes	0.79	-
	NSDL Charges	-	0.55
	Office Exp.	3.32	2.21
	Other Exp.	0.20	0.23
	Overtime Exp.	-	1.36
	Packing Material	-	8.35
	Penalties & Interest	0.40	0.46
	Postage & Courier exp.	0.26	2.64
	Printing & Stationery Exp.	2.71	3.74
	Production Exp.	-	2.94

	Professional Charges	51.47	11.04
	Director Sitting Fees	7.25	-
	Rebate & Discount	-	0.08
	Rent Exp.	3.20	6.90
	Repair and Maintenance	4.17	5.49
	ROC Fees	1.07	0.06
	Round off	-	0.01
	Sampling Exp.	-	3.54
	SEBI Charges on Shares	-	0.23
	Security Expenses	0.98	1.13
	Server Rent	0.51	0.49
	Setup fee for Event	-	0.10
	Showroom Expenses	-	0.41
	Software Exp.	1.27	0.22
	Interest on Tds	0.08	-
	Statutory Audit	4.00	4.00
	Telephone Exp.	1.24	1.20
	Testing Exp.	0.18	0.43
	Marine insurance Exp.	0.96	-
	Tour & Travelling Exp.	19.59	40.72
	Website Maintainance Charges	1.15	0.02
	Debtors Written off	0.08	-
	Statutory Expense	0.98	-
	<b>Total( B)</b>	<b>191.00</b>	<b>186.75</b>

<b>RACE ECO CHAIN LIMITED</b>			
<b>NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024</b>			
<b>Note 27</b>	<b>Remuneration to auditors (exclusive of taxes)</b>		
			(Rs. in Lacs)
	<b>Particulars</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
	<b>Payment To Auditors:</b>		
	<b>Statutory Auditor:</b>		
	Statutory Audit & Limited Reviews	2.50	2.50
	<b>Total</b>	<b>2.50</b>	<b>2.50</b>
<b>Note 28</b>	<b>Earnings per equity share</b>		

		(Rs. in Lacs, except EPS)	
	Particulars	As at 31st March 2024	As at 31st March 2023
	<b>Net profit attributable to equity shareholders [A]</b>	<b>156.72</b>	<b>130.48</b>
	Weighted average number of equity shares issued (face value of Rs. 10 each) (Numbers in Lacs)	164.32	164.32
	<b>Total Weighted average number of equity shares [B] (face value of Rs. 10 each) (Numbers in Lacs)</b>	164.32	164.32
	<b>Basic earnings per share [A/B] (in Rs.)</b>	<b>0.95</b>	<b>0.79</b>
	<b>Net Profit attributable to equity shareholders [C]</b>	<b>156.72</b>	<b>130.48</b>
	Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
	<b>Net profit attributable to equity shareholders for calculation of diluted EPS [C-D]</b>	<b>156.72</b>	<b>130.48</b>
	Weighted average of equity shares issued (face value of Rs 10 each) (Numbers in Lacs) [E]	164.32	164.32
	Weighted number of additional equity shares outstanding for diluted EPS (Numbers in Lacs) [F]	-	-
	Weighted number of equity shares outstanding for diluted EPS (Numbers in Lacs) [E+F]	164.32	164.32
	<b>Diluted earnings per share [C-D/E+F] (in Rs.)</b>	<b>0.95</b>	<b>0.79</b>
<b>Note 29</b>	<b><u>Foreign currency transactions</u></b>		
	<b>(i) Income in foreign currency (On accrual basis)</b>		
			(Rs. in Lacs)
	Particulars	As at 31st March 2024	As at 31st March 2023
	Export of Goods	37.28	68.87
	<b>Total</b>	<b>37.28</b>	<b>68.87</b>

<b>Note 30</b>	<b><u>Unhedged foreign currency exposure</u></b>		
<b>a)</b>	<b>Payables- Nil</b>		

b) Receivables				(Rs. in Lacs)
Particulars	Currency	As at 31st March 2024		As at 31st March 2023
		(Rs. in Lacs)		(Rs. in Lacs)
BE Home Europe	USD	0.85		-
BE Home Inc	USD	0.86		-
Nature Planet Aps	USD	8.60		-

<b>Note 31</b>	<b>Employee benefits</b>
Disclosure pursuant to Ind AS -19 "Employee benefits" is given as below:	
<b>Defined Benefit Plan – Gratuity</b>	
The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.	
Such plan exposes the Company to actuarial risks such as: Interest rate risk, Liquidity Risk, Salary Escalation Risk, demographic risk and Regulatory Risk.	
Interest Rate Risk	The plan exposes the Company to the risk of falling interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Liquidity Risk	This is the risk that the Company may not be able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of

	increase in salary used to determine the present value of obligation will have bearing on the plan's liability.
Regulatory Risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000 etc.).

(i) The following tables set out the funded status of the gratuity benefit Scheme and the amounts recognized in the Company's financial statements :

Particulars			(Rs. in Lacs)
	For the period ending		
	March 31, 2024	March 31, 2023	
<b>Change in benefit obligations</b>			
Benefit obligations at the beginning	16.15	10.55	
Current Service Cost	4.89	4.62	
Past Service Cost	-	-	
Interest on defined benefit obligation	1.22	0.76	
Actuarial loss / (gain)	-	0.22	
Benefit Paid	-	-	
<b>Closing Defined Benefit Obligation (A)</b>	<b>10.00</b>	<b>16.15</b>	
Translation/ Forex impact (B )	-	-	
<b>Payable gratuity benefit (A-B)</b>	<b>10.00</b>	<b>16.15</b>	
Current Provision (Refer note 17)	-	-	

	Non-Current Provision (Refer note 17)		10.00	16.15
(ii)	<b>Amount recognised in the Statement of Profit and Loss</b>			
	<b>Particulars</b>	<b>For the period ending</b>		
		<b>March 31, 2024</b>	<b>March 31, 2023</b>	
	Current Service Cost		4.89	4.62
	Past Service Cost			-
	Interest on net defined benefit obligations		1.22	0.76
	Net Actuarial (Gain) / Loss recognised in the period			-
	<b>Total Included in "Employee Benefit Expense"</b>		<b>6.10</b>	<b>5.38</b>
(iii)	<b>Amount recognised in the Other Comprehensive Income</b>			
	<b>Particulars</b>	<b>For the period ending</b>		
		<b>March 31, 2024</b>	<b>March 31, 2023</b>	
	Actuarial (gains) / losses			
	- change in demographic assumptions			
	- change in financial assumptions		0.33	- 0.52
	- experience variance (i.e. Actual experience vs assumptions)		- 12.58	0.74
	<b>Components of defined benefit costs recognised in other comprehensive income</b>		<b>- 12.25</b>	<b>0.22</b>
(iv)	<b>Principle actuarial assumption</b>			
	<b>Assumptions</b>	<b>For the period ending</b>		
		<b>March 31, 2024</b>	<b>March 31, 2023</b>	
	Discount Rate (per annum)		7.20%	7.51%
	Salary escalation (per annum)		5.00%	5.00%
	Mortality rate		100% of IALM 2012-14	100% of IALM 2012-14
	The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.			



The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(v) **Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

				(Rs. in Lacs)
<b>Particulars</b>			<b>March 31st 2024</b>	<b>March 31st 2023</b>
Defined Benefit Obligation (Base)			10.00	16.15
				(Rs. in Lacs)
<b>Particulars</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
Discount Rate (- / + 1%)	11.18	8.99	17.92	14.62
(% change compared to base due to sensitivity)	11.80%	-10.10%	11.00%	-9.50%
Salary Growth Rate (- / + 1%)	8.96	11.20	14.57	17.94
(% change compared to base due to sensitivity)	-10.40%	12.00%	-9.80%	11.10%
Attrition Rate (- / + 50% of attrition rates)	9.98	9.85	15.78	16.31
(% change compared to base due to sensitivity)	-0.20%	-1.50%	-2.30%	1.00%
Mortality Rate (- / + 10% of mortality rates)	9.99	10.01	16.13	16.16
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%
<b>(vi) Maturity Profile of Defined Benefit Obligation</b>				
Weighted average duration (based on discounted cashflows)		<b>11 Years</b>		
<b>Expected cash flows over the next (valued on undiscounted basis):</b>		<b>Rs. in Lacs</b>		

1 year		0.18		
2 to 5 Years		2.24		
6 to 10 Years		6.08		
More than 10 Years		17.84		

**Note 32 Related Party Transactions (as per INDAS 24)**

The names of the related parties and nature of the relationship where control exists are disclosed irrespective of whether or not there have been transactions between the related parties during the year. For Others, the names and the nature of relationship is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

**(i) Names of related parties and nature of relationship**

Category of related parties	Name of Related Parties
<b>Associates</b>	
<b>Promoters &amp; Key Management Personnel</b>	Sunil Kumar Malik
	Nisha jain
	Anil Kumar Bhel
	Rama Nand Gupta
	Pranav Vasan
	Dinesh Pareekh
	Sangeeta Pareekh
	BLP Equity Research Pvt Ltd
	Sanjay Kukreja
	Lalit Malik
	Raj Kumar Modani
	Shiwati Gandhi
	Piyanshu Sharma
<b>Relatives of Directors and Key Management Personnel</b>	
<b>Entities in which the Key Management Personnel and their relatives identified above having control/significant influence</b>	1) Vista Furnishing Ltd.
	2) Gin Spin Pvt Ltd
	3) Securocrop Securities India Pvt Ltd
	4) BLP Equity Research Pvt Ltd

	5) Gem Enviro Management Pvt Ltd
	6) Kalyan Capitals Limited

**(ii) Transactions with Related Parties**

The Transactions have been summarized in the below table; and as the company has voluminous transactions during the period, thus, details have been provided in table (iii) for transactions having value more than Rs. 1 Lac only (Material Transactions).

The following transactions were carried out with related parties in the ordinary course of business:

					(Rs. in Lacs)
Nature of Transaction	2023-24		2022-23		
	Transaction	Balance	Transaction	Balance	
<b><u>Key Management Personnel</u></b>	-		-		
<b><u>Remuneration &amp; Incentives</u></b>	-		-		
(a) Mr. Sunil Kumar Malik	24.00		14.00		
(b) Mr. Anshu Agarwal (CFO)	3.90		9.36		
(c) Mr. Ramanand Gupta	4.95		5.25		
(d) Ms. Shiwati Gandhi (CS)	6.73		4.70		
(e) Piyanshu Sharma (CFO)	3.26				
<b><u>Loan Taken</u></b>	-		-		
Mr. Sunil Kumar Malik	7.38	3.10	232.80	14.23	
Mr. Dinesh Pareekh	400.00	200.00	25.00	25.00	
<b><u>Loan Taken From Intercorporate</u></b>					
Securocrop Securities India Private Limited	200.00	853.00	303.00	702.42	
BLP Equity Research Pvt Ltd	-	325.00	375.00	335.14	

BGP 11 ANALYTICS PVT LTD	400.00	200.00		
<b><u>Loan Repaid</u></b>			-	
Mr. Sunil Kumar Malik	18.51	3.10	220.67	14.23
Mr. Dinesh Pareekh	225.00	-		
<b><u>Loan Repaid to Intercorporate</u></b>				
BLP Equity Research Pvt Ltd	-	325.00	43.00	335.14
BGP 11 ANALYTICS PVT LTD	200.00	0.00		
<b><u>Interest paid</u></b>				
BLP Equity Research Pvt Ltd	27.22	37.36	11.26	3.14
Securocrop Securities India Private Limited	55.52	104.94	39.25	49.42
BGP 11 ANALYTICS PVT LTD	13.00	13.00		
<b><u>Loan Given</u></b>	-			
Vista Furnishing Pvt Ltd	75.00	-	130.00	209.24
Kalyan Capitals Limited	1,292.55	807.62	915.85	111.53
<b><u>Loan Receive</u></b>				
Vista Furnishing Pvt Ltd	264.00	-	321.00	209.24
Kalyan Capitals Limited	592.78	807.62	1,023.00	111.53
<b><u>Interest receive</u></b>				
Vista Furnishing Pvt Ltd	3.22	-	22.49	20.24
Kalyan Capitals Limited	27.44	22.60	14.87	3.67
<b><u>Purchase Made</u></b>				
Vista Furnishing Pvt Ltd	2.27		25.81	25.98
Gem Enviro Management Private Limited	-	-	-	0.11
<b><u>Sale Made</u></b>				
Vista Furnishing Pvt Ltd	6.42	-	-	0.21

Kalyan Capitals Limited	0.39	-	-	0.21
Briquettes Vista Furnishing Pvt. Ltd.	9.65	-		

**Note 33** Income Taxes

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised when it is considered recoverable and Therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

a.)	<b>Income Tax Expense recognised in Statement of Profit and loss for the period:</b>			
			<b>(Rs. In Lacs)</b>	
	<b>Particulars</b>		<b>For the period ended</b>	
			<b>31st March, 2024</b>	<b>31st March, 2023</b>
	<b>Current Tax:</b>			
	- Relating to Current year		84.26	53.53
	- Relating to Preceding year		-	-
	<b>Deferred Tax:</b>			
	- Relating to Current year		29.12	5.15

		-	-
<b>Total</b>		<b>113.38</b>	<b>48.38</b>
<b>b.) Income tax expense/(benefit) recognised directly in other comprehensive income for the period:</b>			
		(Rs. In Lacs)	
		For the period ended	
<b>Particulars</b>		<b>31st March, 2024</b>	<b>31st March, 2023</b>
<b>Income tax expense/(benefit) recognised in other comprehensive income</b>			
- Relating to Tax effect on actuarial (gain)/ loss on defined benefit obligations		12.25	-
- Related to Tax effect on net gain/(loss) on fair value of current investment			
<b>Total</b>		<b>12.25</b>	<b>-</b>
<b>c.) Reconciliation of tax expense and the accounting profit multiplied by tax rate for the period</b>			
		(Rs. In Lacs)	
		For the period ended	
<b>Particulars</b>		<b>31st March, 2024</b>	<b>31st March, 2023</b>
<b>Accounting Profit/(loss) Before Tax</b>		<b>270.10</b>	<b>178.86</b>
Enacted tax rate		31.20	29.93
<b>Computed tax expense</b>		<b>84.26</b>	<b>53.53</b>
Tax effect of:			
Non-deductible expenses/Allowable income for tax purpose			-
Deductible expenses /Disallowable income for tax purpose			-
Deductions on income		-	-
Income taxed at lower rate		-	-
Income tax/(benefit) relating to previous years		-	-

	Deferred tax liability/(asset) charged during the year		-	-
	<b>Total Tax expense charged</b>		<b>84.26</b>	<b>53.53</b>
	<b>Effective tax rate</b>		<b>31.20%</b>	<b>29.93%</b>
	<b>The movement in deferred tax assets/ (liabilities) during the year:</b>			
				(Rs. In Lacs)
d.)	<b>Deferred tax assets/(liabilities)</b>	<b>in OCI</b>	<b>in Profit &amp; Loss</b>	<b>Total</b>
	<b>Balance as at 1st April, 2022</b>	-	<b>11.10</b>	<b>11.10</b>
	Expense allowed in the year of payment (Gratuity)	0.06	-	0.06
	Difference between book and tax depreciation	-	5.15	5.15
	Differences as per ICDS	-	-	-
	Other	-	-	-
	<b>Balance as at 31st March, 2023</b>	<b>0.06</b>	<b>16.25</b>	<b>16.31</b>
	Expense allowed in the year of payment (Gratuity)	3.08	-	3.08
	Difference between book and tax depreciation	-	29.12	29.12
	Asset on Lease and Lease Liability	-	-	-
	Differences as per ICDS	-	-	-
	Other	-	-	-
	Adjustment due to prior period items	-	-	-
	<b>Balance as at 31st March, 2024</b>	<b>3.14</b>	<b>12.87</b>	<b>9.72</b>

<b>Note 34 Fair value measurement</b>			
The Management assessed that the cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short- term maturities of these instruments.			
The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale			
The fair value of the financial assets such as Unquoted Equity investments is taken at cost as unobservable inputs for fair value is unidentifiable in market.			
The Significant observable inputs used in the fair value measurement categorised within level 1 of the fair value hierarchy as at 31 March 2024 & 31 March 2023 are as shown below.			
	<b>Description</b>	<b>Valuation technique</b>	<b>Significant observable inputs</b>
			<b>Significant observable inputs</b>

	1. FVTOCI assets in Quoted Equity Investments	Market approach techniques	Market prices of issuing company	Market prices of issuing company
	2. FVTOCI assets in Unquoted Equity Investments	Market approach techniques	Book Value/Net Asset Value of Issuing co.	Book Value/Net Asset Value of Issuing co.
	3. Derivative financial instruments	MTM Approaches		

**Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

**Level 1** — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** — Inputs are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Company's assets & liabilities.

**Quantitative disclosure of fair values measurement hierarchy for assets as at 31st March 2024:**

Description	Date of Valuation	Fair value measurement using	
		Quoted Prices in active markets (Level 1)	Significant observable inputs (Level 2)
<b>Assets Measured at Fair value through other comprehensive income:</b>			
Investments Equity Shares	31/03/2024	-	-

**Assets Measured at Fair value through Profit & Loss Account:**

**Quantitative disclosure of fair values measurement hierarchy for assets as at 31st March 2024:**

Description	Date of Valuation	Fair value measurement using	
		Quoted Prices in active markets (Level 1)	Significant observable inputs (Level 2)
<b>Assets Measured at Fair value through other comprehensive income:</b>			



				-	-
	<b>Assets Measured at Fair value through Profit &amp; Loss Account:</b>				
<b>Note 35</b>	<b>Financial risk management</b>				
	<p>Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.</p>				
	<b>Market Risk</b>				
	<p>Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.</p>				
	<b>Foreign currency risk</b>				
	<p>Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.</p>				
	<p>The company's exposure to foreign currency risk at the end of reporting period is shown in note no 37</p>				
	<b>Interest rate risk</b>				
	<p>The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest-bearing investments because of fluctuations in the interest rates.</p>				
	<p>The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets.</p>				
	<b>Market price risks</b>				
	<p>The Company is exposed to market price risk, which arises from FVTPL and FVOCI investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.</p>				
	<b>Liquidity risk</b>				

	Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.				
	Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.				
	The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.				
	The table below summarises the maturity profile of the Company's financial liabilities based on the <b>contractual undiscounted payments</b> .				
					<b>in Lacs)</b>
	<b>Particulars</b>	<b>On Demand / less than 3 months</b>	<b>Payable within 3 to 12 months</b>	<b>Payable more than 1 year and less than 5 year</b>	<b>Payable more than 5 year</b>
	<b>Year ended 31st March 2024</b>				
	Payables				
	(I) Trade payables		1,074.85	-	-
	(II) Other payables		32.25	-	-
	Borrowings (Other than debt securities)		2,725.93	-	957.94
	<b>Year ended 31st March 2023</b>				
	Payables				
	(I) Trade payables		1,171.79		
	(II) Other payables		51.19		
	Borrowings (Other than debt securities)		39.23	15.61	702.42
	<b>Credit risk</b>				
	Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.				
	The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, term deposits, trade receivables and security deposits.				

	Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.				
<b>NOTE : 36</b>	<b>Contingent liabilities</b>		<b>(Rs. in Lacs)</b>		
	<b>There is a Contingent Liability of Fdr pledged with bank as gaurantee</b>				
		<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>		
	Claims against the company pending appellate / judicial decisions not acknowledged as debts in respect of Income Tax	Nil	Nil		
<b>NOTE : 37</b>	<b>Commitments</b>				
		<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>		
	Estimated amount of contracts remaining to be executed on capital account.		Nil		
<b>NOTE : 38</b>	<b>Title deeds of immovable property not held in the name of the company.</b>				
	The Company holds title deeds of all the immovable property (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) in the name of the company.				
<b>NOTE : 39</b>	<b>Details of Loan &amp; Advances in the nature of loan granted to Promoters, Directors, Key Management Personnel &amp; the related parties (as defined under Company Act 2013)</b>				
	(a) Repayable on demand or				
	(b) Without specifying any term or period of repayment				
	The company has not granted loans or advances in the nature of loans to the director, promoters, Key managerial personnel and their relatives.				
		<b>Current Period</b>		<b>Previous Period</b>	
	<b>Type of Borrowed</b>	<b>Amount of O/s</b>	<b>% of Total</b>	<b>Amount of O/s</b>	<b>% of Total</b>
	Promoters				
	Directors				

	Key Management Persons				
	Relative Parties				

NOTE : Ratio analysis 40							
No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reasons of Variance
	Current Ratio	Current Assets	Current Liabilities	28	1.62	-21.38	
	Debt Equity ratio	Total Debt	Shareholders Equity	24	0.93	140.86	During the Year there is an infusion of Short term borrowings in the Company
	Debt Service Coverage ratio	Earnings Available for Debt Service (Net profit before Taxes+Non Cash operating Expenses Depreciation and Auxillary+ Interest+ other Adjustments like loss on sale of Fixed Assets etc)	Debt Service (Interest+Lease Payments+Principal Repayments)	2.19	4.18	-47.67	The Infusion of Short term borrowings resulted in the increase in the Finance cost of the Company.
	Return on Equity	Net Profit after tax- Preferred Dividend (If Any)	Equity	10%	8%	19.22	
	Inventory Turnover Ratio	Cost of Goods Sold or Sales	Average Inventory	99.45	93.06	6.86	
	Trade Receivable Turnover Ratio	Net Credit Sale	Average Accounts receivable	1.72	2.50	-31.05	During the year the collections from the Debtors is less

							than the Previous Year)
	Trade Payable Turnover Ratio	Net Credit Purchase	Average Trade Payable	7.61	6.76	12.53	
	Net Capital Turnover Ratio	Net Sales	Average Working Capital	24.61	19.07	29.04	During the year the operating Revenue increased as Compared to the Previous year)
	Net Profit ratio	Net Profit	Net Sales	0.00	0.00	-4.52	
	Return on Capital Employed	Earnings before Interest & Taxes	Capital Employed ( Tangible Net Worth+ Total Debt+DTL)	0.25	0.14	77.99	During the year the net profit of the Company Increased
	Return on investment	Net Return on Investment	Cost of Investment	NIL	NIL	NIL	

<b>NOTE : 41</b>	<b>Capital work in progress ageing &amp; overdue or has exceeded to its original plan</b>						
	Compnay does not have any capital work in progress						
<b>NOTE : 42</b>	<b>Intangible assets under development</b>						
	Compnay does not have any intangible assets under development.						
<b>NOTE : 43</b>	<b>Details of Benami Property held</b>						
	No proceedings have been initiated or pending against the company for holding any benami property under the benami transactions (Prohibition) Act, 1988 and the rules made thereunder.						
<b>NOTE : 44</b>	<b>Wilful defaulter</b>						

	The company has not made any default in the repayment of any borrowing, as such the declaration as wilful defaulter is not applicable.		
<b>NOTE :45</b>	<b>Relationship with stuck of the company</b>		
	The company did not have any transaction with companies struck off under section 248 of the companies act 2013 or section 560 of the companies act, 1956 as such no declaration is required to be furnished.		
<b>NOTE :46</b>	<b>Registration of Charge/Satisfaction</b>		
	There is no charge or satisfaction of charges which is pending for registration beyond the statutory period.		
<b>NOTE : 47</b>	<b>Compliance with number of layer of completion</b>		
	The company have two subsidiary company as such there is no non compliance with the number of layers prescribed under clause (87) section 2 of the Act read with companies (Restriction on number of layers) Rules, 2017.		
<b>NOTE : 48</b>	<b>Compliance with approved scheme (s) of arrangements</b>		
	No scheme of arrangements was required u/s 230 to 237 of the companies Act, 2013 during the year, as such disclosure is not required.		
<b>NOTE : 49</b>	<b>Utilisation of borrowed fund &amp; Share Premium</b>		
	a) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kinds of funds) to any other person or entities including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;		
	b) The company has not received any fund from any person or entities including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;		
<b>NOTE : 50</b>	<b>Undisclosed Income</b>		
	The company has neither surrendered nor disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.		
<b>NOTE : 51</b>	<b>Corporate Social Responsibility (CSR)</b>		
	Not Applicable		

<b>NOTE : 52</b>	<b>Cryptocurrency or Virtual Currency</b>			
	The company has neither traded nor invested in cryptocurrency or virtual currency as such no disclosure is required.			
<b>NOTE : 53</b>	<b>DISCLOSURE REQUIREMENTS UNDER MSMED ACT, 2006</b>			
	The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:			
	<b>PARTICULARS</b>	<b>31.03.2024</b>	<b>31.03.2023</b>	
	- Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end			
	- Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end			
	- Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year			
	- Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year			
	- Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year			
	- Interest due and payable towards suppliers registered under MSMED Act, for payments already made			
	- Further interest remaining due and payable for earlier years			

<b>NOTE : 54</b>	Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification / disclosure.
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AS PER OUR REPORT OF EVEN DATE ANNEXED  
 FOR GARG ARUN & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FRN : 08180N

FOR RACE ECO CHAIN LIMITED

RAMAN KUMAR GARG  
 (PARTNER)  
 M.NO.090564  
 PLACE : DELHI  
 DATED :

RAMA NAND GUPTA  
 EXECUTIVE DIRECTOR  
 DIN 03397154

SUNIL KUMAR MALIK  
 MANAGING DIRECTOR  
 DIN 00143453

PIYANSHU SHARMA  
 CFO

SHIWATI  
 COMPANY SECRETARY

**NOTE:55**

**Segment**

**Disclosures**

Operating segments are defined as components of an enterprise for which discrete financial information so available that is evaluated regularly by Chief Operating decision -maker (CODM), in deciding how to allocate resources and assessing performance.

The Company has considered business segment as reportable segment for disclosure. The products and services included in each of the reported business segments are as follows:

SEGMENT	ACTIVITIES
Misc. Old Economy Products Recycle Division Restore Division Biomass Division IT Division Unallocated	Sale of Fabric and Other Textile Products All types Waste Plastic, Pipes & Paper Home furnishing, Bags & Garments Sale of BRIQUETTES Development of IT enabled applications for business growth Not allocable to any other segments

in Lacs

1	Year ended March 31, 2024	Year ended March 31, 2024
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Segment Revenue	External	Internal Segments	Total	External	Internal Segments	Total
Recycle Division	-	-	-	23,642.13	-	23,642.13
Restore Division	-	-	-	325.23	-	325.23
Biomass Division	-	-	-	2,941.13	-	2,941.13
IT Division	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,967.36</b>	<b>-</b>	<b>23,967.36</b>
Eliminations	-	-	-	-	-	-
<b>Revenue from Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,967.36</b>	<b>-</b>	<b>23,967.36</b>
<b>2 Segment Results(PBT)</b>	<b>Year ended March 31, 2023</b>			<b>Year ended March 31, 2022</b>		
Recycle Division			89.47			89.47
Restore Division			24.74			24.74
Biomass Division			103.20			103.20
IT Division						
Unallocated			31.74			31.74
<b>Total</b>			<b>249.15</b>			<b>249.15</b>
Eliminations			-			-
<b>Consolidated Total</b>			<b>249.15</b>			<b>249.15</b>
Unallocated (expense) net unallocated income						
<b>Profit before Interest and Taxation</b>			<b>249.15</b>			<b>249.15</b>
Finance Costs			70.29			70.29
<b>Profit Before Tax</b>			<b>178.86</b>			<b>178.86</b>
Tax Expense			48.38			48.38
<b>Profit After Tax from Continuing Operations</b>			<b>130.48</b>			<b>130.48</b>
<b>Loss for the period from Discontinued Operations</b>			<b>(0.16)</b>			<b>(0.16)</b>
<b>Profit for the period after Tax</b>			<b>130.32</b>			<b>130.32</b>

### 3 Other Informations

in Lacs

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	<b>Segment Assets</b>			
Recycle Division		3,713.50		3,713.50
Restore Division		320.31		320.31
Biomass				
Division		384.21		384.21
IT Division				
Unallocated		499.98		499.98
less :				
Intersegment				
Eliminations		-		-
		<b>4,917.99</b>		<b>4,917.99</b>
Add:Unallocabl				
e Assets		-		-
<b>Total Assets</b>		<b>(A) 4,917.99</b>		<b>4,917.99</b>
<b>Segment</b>				
<b>Liabilities</b>				
Recycle Division		1,051.26		1,051.26
Restore Division		34.56		34.56
Biomass				
Division		137.17		137.17
IT Division				
Unallocated		1,638.02		1,638.02
less :				
Intersegment				
Eliminations				
Add:				
Unallocable				
Liabilities				
<b>Total Liabilities</b>		<b>(B) 2,861.01</b>		<b>2,861.01</b>
<b>Net Capital</b>				
<b>Employed</b>		<b>(A-B) 2,056.98</b>		<b>2,056.98</b>

in Lacs

Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	Capital Expenditure	Non-Cash Expenditure other than depreciation	Depreciation & Amortization	Capital Expenditure	Non-Cash Expenditure other than depreciation	Depreciation & Amortization
Recycle Division			8.40			8.40
Restore Division			33.81			33.81
Biomass						
Division			2.13			2.13

IT Division Unallocated						
<b>Segment Total</b>	-	-	<b>44.34</b>	-	-	<b>44.34</b>

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
RACE ECO CHAIN LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of **RACE ECO CHAIN LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") and its Associates, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date

### **Basis for Opinion**

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that

are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the sub- paragraphs (a) of the other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Key Audit Matters**

Key audit matters (“KAM”) are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<b>(a) Related Party Transactions</b>	
<p>1. The Company has various related party transactions which include sale, purchase of goods /services, loans taken and loans provide to the related parties.</p> <p>We identified the accuracy and completeness of disclosure of related party transactions set out in respective notes to the Ind AS financial statements as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>➤ The significance of transactions with related parties during the year ended March 31, 2024.</li> <li>➤ Related party transactions are subject to the compliance requirement under the companies Act, 2013 and SEBI (LODR) 2015.</li> </ul>	<p>Our audit procedures in relation to the disclosure of related party transactions included the following:</p> <ul style="list-style-type: none"> <li>➤ We obtained an understanding of the Company’s policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Ind AS financial statement.</li> <li>➤ Read minutes of meeting of the board of directors and Audit committee and assessed whether approvals have been obtained by the management, as required by Companies Act 2013 and LODR.</li> <li>➤ We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arm-length by management, on a sample basis, as part of our evaluation of the disclosure.</li> <li>➤ We assessed management evaluation of compliance with provision of section-177 and Section-188 of the Companies Act, 2013 and SEBI (LODR), 2015.</li> </ul>

1. Acquisition of Abhay Innovative Recycling private limited and India polymers private limited during the Financial Year 2023-24.

- We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
- We have compared the accounting treatment specified in the scheme formulated by the Company along with one specified in Ind As 110.
- We have critically evaluated the key assumptions, purchase price allocation adjustments and identification and valuation of Net Assets acquired.
- We have assessed the Competence and objectivity of the experts engaged by the Company.
- We have assessed the adequacy of the Company's disclosures in respect of the acquisition in accordance with the requirements of Ind As 110.

**Information other than the Consolidated Financial Statements and Auditors Report Thereon**

The Holding Company's Board of Directors is responsible for other information. The other Information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Chairman's Statement and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. The Board's Report including Annexure to Board's Report, Chairman's Statement and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

Our Opinion on the consolidated financial statements does not cover the other Information and we do not express any form of assurance/conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other

information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for



our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

(a) The consolidated financial results include the audited financial results of 2(Two) subsidiaries, whose financial results and financial information reflect Group's share of total assets of Rs. 378.97 lacs as at 31<sup>st</sup> March, 2024 and Group's share of total revenue of Rs. 897.92 lacs for period from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 and Group's share of total net profit/(loss) after tax of (Rs. 2.02) lacs for period from 01<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024 and Group's share of cash flows (net) of Rs. 43.50 lacs for the year ended on that date, as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on the financial statements of these entities have been furnished to us and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 197(16) of the Act, we report that the Holding Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors of the Holding Company and subsidiary companies Incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Holding Company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has pending litigation with Income Tax Authorities and the possible impact of which has been disclosed in financial statements.
    - ii. The Group does not have any long-term contracts, but has made requisite provision for derivative contracts under the applicable law or accounting standards for any foreseeable losses, if any.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate company incorporated in India.

**iv.** (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that

the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

**v.** a. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b. The interim dividend declared and paid by the Holding Company and one subsidiary during the year and until the date of this report is in compliance with Section 123 of the Act.

c. As stated in Note 24(e) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the

members at the ensuing Annual General

Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi.** Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirement for record retention is not applicable for the financial year ended March 31, 2024.

- 3.** With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries and associates included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**FOR M/s GARG ARUN AND ASSOCIATES**  
**Chartered Accountants**  
**FRN: 08180N**

**Place: New Delhi**  
**Date: 28<sup>th</sup> May, 2024**

**CA. RAMAN KUMAR GARG**  
**(PARTNER)**  
**M. No. 090564**  
**UDIN: 24090564BKELSE9108**

**Annexure 1- to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of RACE ECO CHAIN LIMITED**

**List of entities included in the Consolidated Financial Statement**

**Subsidiaries:**

Abhay Innovative Recycling Private Limited  
India Polymers Private limited

**Annexure-A to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of RACE ECO CHAIN LIMITED**

**Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")**

To The Members of  
**RACE ECO CHAIN LIMITED**

In conjunction with our audit of the Consolidated Financial Statements of **RACE ECO CHAIN LIMITED** ('the Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") and its associates, as at and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of Holding Company and its subsidiaries, its associates, which are companies covered under the Act, as at that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements of the Holding Company, its subsidiary companies, and its associate company as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of

internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company, and its associates as aforesaid.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Holding Company, its subsidiary companies and its associate company have, in all material aspects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR M/s GARG ARUN AND ASSOCIATES**  
**Chartered Accountants**  
**FRN: 08180N**

**Place: New Delhi**  
**Date: 28<sup>th</sup> May, 2024**

**CA. RAMAN KUMAR GARG**  
**(PARTNER)**  
**M. No. 090564**  
**UDIN: 24090564BKELSE9108**

**RACE ECO CHAIN LIMITED**

**UNIT NO.203, PLAZA- P 3, CENTRAL SQUARE BARA HINDU RAO, DELHI -110006**

**CIN NO. L37100DL1999PLC102506**

**Consolidated Balance Sheet as at 31st March 2024**

-

(Rs. In Lacs)			
Particulars	Note No.	As at 31st Mar 2024	As at 31st Mar, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2(a)	818.61	286.73
(b) Capital work-in-progress	2(d)	262.53	-
(c) Investment Properties		-	-
(d) Goodwill		-	-
(e) Other intangible assets	2(b)	3.31	3.82
(f) Intangible assets under development		-	-
(g) Biological Assets other than Bearer Plants		-	-
(h) Financial assets		-	-
(i) Investments	3	141.48	0.10
(ii) Trade Receivables		-	-
(iii) Loans and Advances		-	-
(iv) Other financial assets	4(a)	35.71	11.90
(i) Deferred tax assets (net)	5	-	24.99
(j) Other non-current assets			-



<b>Sub-total - Non-Current Assets</b>			<b>1,261.63</b>	<b>327.54</b>
<b>Current assets</b>				
(a) Inventories	7		96.36	61.52
(b) Financial assets			-	
(i) Investments			-	
(ii) Trade receivables	8		5,510.51	3,664.81
(iii) Cash and cash equivalents	9		43.50	309.74
(iv) Bank Balance Other than Cash and cash equivalents			-	
(v) Loans and Advances	10		1,120.41	342.75
(vi) Other financial assets	4(b)		35.17	17.47
(c) Current Tax assets (net)	11		61.43	58.30
(d) Other current assets	6		167.08	135.87
Branch accounts				
<b>Sub-total - Current Assets</b>			<b>7,034.47</b>	<b>4,590.45</b>
<b>TOTAL - ASSETS</b>			<b>8,296.09</b>	<b>4,917.99</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	12		1,643.22	1,643.22
(b) Other equity	13		577.84	413.76
(c) Non Controlling Interest			2.66	
<b>Sub-total - Shareholders' funds</b>			<b>2,223.72</b>	<b>2,056.98</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Long Term Borrowings	14(a)		-	19.71

(ii) Lease Liabilities	15(a)		524.43	-
(iii) Trade Payables			-	-
(iv) Other financial liabilities other than (i) and (ii) above			-	-
(b) Provisions	17(a)		9.82	15.37
(c) Deferred tax liabilities (net)	5		1.98	-
(d) Other non-current liabilities			-	-
<b>Sub-total - Non-current liabilities</b>			<b>536.22</b>	<b>35.08</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Short Term Borrowings	14(b)		3,708.19	1,531.27
(ii) Lease Liabilities	15(b)		19.08	
(iii) Trade Payables:-			-	-
(A) Total Outstanding dues of Micro and Small Enterprises; and	16			443.23
(B) Total Outstanding dues other than Micro and Small Enterprises	16		1,676.40	728.56
(iii) Other financial liabilities other than (i) and (ii) above			-	-
(b) Other current liabilities	18		37.98	51.19
(c) Provisions	17(b)		94.50	71.68
(d) Other tax liabilities (net)				-
<b>Sub-total - Current liabilities</b>			<b>5,536.15</b>	<b>2,825.93</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>			<b>8,296.09</b>	<b>4,917.99</b>
Significant Accounting Policies	1			
Notes to accounts forming Part of Financial Statements	2-58			



AS PER OUR REPORT OF EVEN DATE ANNEXD  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 08180N

RAMAN KUMAR GARG  
(PARTNER)  
M.NO.090564  
PLACE : DELHI  
DATE :

RAMA NANDN GUPTA  
EXECUTIVE DIRECTOR  
DIN 03397154

PIYANSHU  
CFO

FOR RACE ECO CHAIN LIMITED

SUNIL KUMAR MALIK  
MANAGING DIRECTOR  
DIN 00143453

SHIWATI  
COMPANY SECRETARY

**RACE ECO CHAIN LIMITED**  
**Shop No:- 37, Shanker Market New Delhi 110001**  
**CIN NO. L37100DL1999PLC102506**

**Consolidated Profit and Loss Account for the on 31 March 2024**

Particulars	Note No.	April 2023- Mar 2024	April 2022- Mar 2023
<b>1. Total Income [sum of (a) to (b)]</b>		<b>34,818.00</b>	<b>26,993.17</b>
(a) Revenue from Operations	19	34,748.13	26,908.49
(b) Other Income	20	69.87	84.68
<b>2. Total Expenses [sum of (a) to (f)]</b>		<b>34,545.10</b>	<b>26,814.31</b>
<b>Cost of Materials Consumed</b>			
a) Purchase of Stock-in-Trade	21	33,465.94	25,988.69
b) Cost of Raw Materials Consumed	22	22.89	103.44
c) Changes In Inventories of Finished Goods, Work-in-progress and Stock in Trade.	23	0.48	10.82
d) Other Manufacturing expense	24	237.00	183.29
e) Employee benefits expense	25	224.88	248.33
f) Finance Costs	26	293.51	70.29
g) Depreciation and amortisation expense	2	80.17	44.34
h) Other expenses	27	220.22	186.75
<b>3. Profit from ordinary activities before exceptional items (1-2)</b>		<b>272.90</b>	<b>178.86</b>
4. Exceptional Items - net credit / (charge)			-
<b>5. Profit from Ordinary Activities Before Tax (3-4)</b>		<b>272.90</b>	<b>178.86</b>
6. Tax expense			
a. Current Tax	35(a)	91.23	53.53
b. (Excess)/provison for tax related to earlier years			-
c. Deferred Tax	35(d)	26.97	5.15

<b>7. Net Profit from Continuing Operations [5-(6a.+6b.+6c.)]</b>		<b>154.70</b>	<b>130.48</b>
8. Profit / (Loss) from Discontinued Operations (after tax)			-
<b>9. Net Profit for the period (7+8)</b>		<b>154.70</b>	<b>130.48</b>
10. Other Comprehensive Income			
(a) (i) Items that will not be re-classified to Profit or Loss			-
- Components of defined benefit costs	35(b)	12.25	0.22
(ii) Income Tax relating to those items	35(d)	3.08	0.06
(b) (i) Items that will be re-classified to Profit or Loss			
- Net Gain on Fair Value of Current Investments			
(ii) Income Tax relating to those items			
<b>Total Other Comprehensive Income (a+b)</b>		<b>9.17</b>	<b>0.16</b>
<b>11. Total Comprehensive Income/Loss for the period (net of tax) (9+10)</b>		<b>163.87</b>	<b>130.32</b>
<b>Total profit or loss, attributable to:</b>			
- Owners of company		<b>154.91</b>	
- Non-controlling interests		-	<b>0.21</b>
<b>Other Comprehensive income/(loss) for the year attributable to:</b>			
- Owners of company		<b>9.17</b>	
- Non-controlling interests		-	
<b>Total Comprehensive income for the year attributable to:</b>			
- Owners of company		<b>164.08</b>	
- Non-controlling interests		-	<b>0.21</b>
<b>12. Paid up Equity Share Capital (face value Re. 10 per share)</b>		<b>1,643.22</b>	<b>1,643.22</b>

<b>13. Earnings Per Share (EPS) (of Re. 10/- each) (not annualised):</b>			
(a) Basic EPS - Rs.		0.94	0.79
(b) Diluted EPS - Rs.		0.94	0.79
See accompanying notes to financial statements			

**AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 08180N**

**FOR RACE ECO CHAIN LIMITED**

AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 08180N

RAMAN KUMAR GARG (PARTNER)  
M.NO.090564  
DIRECTOR  
PLACE: DELHI  
DATED: 28/05/2024  
UDIN-24090564BKELSG2754

RAMA NAND GUPTA  
EXECUTIVE DIRECTOR  
  
DIN 03397154

SUNIL KUMAR MALIK  
MANAGING  
  
DIN 00143453

PIYANSHU SHARMA  
CFO

SHIWATI  
COMPANY SECRETARY

**RACE ECO CHAIN LIMITED**  
**Shop No:- 37, Shanker Market New Delhi 110001**  
**CONSOLIDATED CASH FLOW STATEMENT AS ON 31/03/2024**

Particulars	As at 31st March, 2024		As at 31st March, 2023	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		<b>272.90</b>		178.86
<b><u>Adjustments for:</u></b>	-	<b>332.49</b>		119.16
Depreciation and amortisation				
	80.17		44.34	
(Profit) / loss on sale / write off of assets				-
	-		0.12	
Finance costs				
	293.51		70.29	
Interest income				
	-		0.47	
Profit on Investment	41.19			
				-
Provision for Tax				-
			1.20	
Provision for Gratuity				
			5.38	
Rental Income				
				-
Operating profit / (loss) before working capital changes		<b>605.40</b>		<b>298.02</b>
<b><u>Changes in working capital:</u></b>				
	-	-		
<b><i>Adjustments for (increase) / decrease in operating assets:</i></b>				
Trade receivables				
	-	-		-
	1,845.70	<b>1,914.88</b>	1,943.45	2,055.61
Current Tax Assets				
	-			-
	3.13		27.69	
Other current assets				
	-			-
	31.21		52.32	

Inventories	-		-	
	34.84		32.15	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Trade payables	504.60	<b>456.67</b>	420.98	298.86
Other current liabilities	-		-	
	13.22		99.48	
Short-term provisions	-		-	
	5.55		22.64	
Long-term provisions	-			
	29.17			
		-		
		<b>852.82</b>		
Cash flow from extraordinary items				
Cash generated from operations		-		-
		852.82		1,458.73
Net income tax (paid) / refunds				
<b>Net cash flow from / (used in) operating activities (A)</b>		-		-
		<b>852.82</b>		<b>1,458.73</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on property, plant & equipments, including capital advances		-		
		1,820.63		664.72
Proceeds from sale of property, plant & equipments				
Purchase of Property, Plant & Equipment	-			
	347.67		1.25	
Increase in Rou Asset	-		-	
	556.47		72.00	
Purchase of investments				
Acquisition of Subsidiary	-			
	141.16			
Sale of Investments				
Other financial assets (Non-Current)	-			
	23.81		53.83	
Other non-current assets				
Rental Income				
Interest received			-	
	41.19		0.47	
Net gain / (loss) on sale of investments				
Changes in Loans & Advances	-			
	777.67		694.82	
Other financial assets (Current)	-		-	
	17.71		12.70	
Change in NCI				
	2.66			



<b>Net cash flow from / (used in) investing activities (B)</b>		-	
		<b>1,820.63</b>	<b>664.72</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of equity shares		<b>2,407.21</b>	<b>994.13</b>
Proceeds/ (Repayment) from long-term borrowings	-		
	19.71		19.71
Proceeds from short-term borrowing			
	2,176.92		1,044.70
Lease Liabilities assumed			
	543.51		-
Finance cost			
	-		-
	293.51		70.29
Cash flow from extraordinary items			
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>2,407.21</b>	<b>994.13</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		-	
		266.24	200.11
Cash and cash equivalents at the beginning of the year		309.74	109.62
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents			
<b>Cash and cash equivalents at the end of the year</b>		<b>43.50</b>	<b>309.74</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Closing Cash and cash equivalents as per Balance Sheet			
(a) Cash on hand			
		15.43	9.60
(b) Balances with banks			
(i) In current accounts		27.57	300.14
(ii) In EEFC accounts			
(iii) In Fixed deposit accounts		0.50	
(c) Interest accrued on deposits			
(d) Current investments considered as part of cash & cash equivalents			
		<b>43.50</b>	<b>309.74</b>
See accompanying notes forming part of the financial statements			



AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 08180N

RAMAN KUMAR GARG (PARTNER)  
M.NO.090564  
DIRECTOR  
PLACE: DELHI  
DATED: 28/05/2024  
UDIN-24090564BKELSG2754

RAMA NAND GUPTA  
EXECUTIVE DIRECTOR  
  
DIN 03397154

SUNIL KUMAR MALIK  
MANAGING  
  
DIN 00143453

PIYANSHU SHARMA  
CFO

SHIWATI  
COMPANY SECRETARY

**RACE ECO CHAIN LIMITED**  
**Shop No:- 37, Shanker Market New Delhi 110001**  
**CIN NO. L37100DL1999PLC102506**

**Consolidated statement of changes in equity for the year ended March 31, 2024**

<b>A. Equity share capital</b>						<b>(Rs. in Lakh)</b>
<b>As at April 1, 2022</b>						1,643.22
Changes in equity share capital during the year						-
<b>As at March 31, 2023</b>						1,643.22
Changes in equity share capital during the year						-
<b>As at March 31, 2024</b>						1,643.22
<b>B. Other equity</b>						<b>(Rs. in Lakh)</b>
Particulars	Reserves and surplus				Non Controlling Interest	Total
	Capital redemption reserve	Securities premium	General reserve	Retained Earnings		
<b>Balance as at April 1, 2022</b>				283.44	-	283.44
Profit for the year	-	-	-	130.48	-	130.48
Other comprehensive income for the year	-	-	-	-0.16	-	-0.16
<b>Total comprehensive income for the year</b>	-	-	-	413.76	-	413.76
Dividend paid	-	-	-	-	-	0.00
Other	-	-	-	-	-	0.00
<b>Balance as at March 31, 2023</b>	-	-	-	413.76	0.00	413.76
Non Controlling Interest	-	-	-	-	2.87	2.87
Profit for the year	-	-	-	154.91	-0.21	154.70
Other comprehensive income for the year	-	-	-	9.17	0.00	9.17
<b>Total comprehensive income for the year</b>	-	-	-	577.84	2.66	580.50
Dividend paid	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	-	-	-	577.84	2.66	580.50

The accompanying notes are an integral part of the financial statements.

AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR GARG ARUN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 08180N

RAMAN KUMAR GARG (PARTNER)  
M.NO.090564  
DIRECTOR

RAMA NAND GUPTA  
EXECUTIVE DIRECTOR

SUNIL KUMAR MALIK  
MANAGING



PLACE: DELHI  
DATED: 28/05/2024  
UDIN-24090564BKELSG2754

DIN 03397154

DIN 00143453

PIYANSHU SHARMA  
CFO

SHIWATI  
COMPANY SECRETARY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31st MARCH, 2024**

**NOTE 1 :**

**Corporate Information**

RACE ECO CHAIN LIMITED ('the Company'), was incorporated on November 22, 1999 as a Company under the Companies Act, 1956 ('the Act'). The Company has registered office at .UNIT NO.203, PLAZA- P 3, CENTRAL SQUARE BARA HINDU RAO, DELHI -110006 India. The Company is listed on the BSE Limited and National Stock Exchange of India Limited (Recognised Stock Exchanges in India).To carry on the business, whether within or outside India, of consulting, advising , collection, segregation ,transportation, trading, processing, composting, recycling, treatment disposal and management of all types of waste (whether solid, liquid or gaseous substances) and including municipal solid waste, electronic waste (e-waste), construction and demolition debris, bio-medical waste,hazardous waste, sewage, waste water etc undertake use, sale, marketing and/or distribution of all products and by-products that are generated in the process of treatment or disposal of waste and waste products.

**NOTE 2 :**

**Significant accounting policies**

The principal accounting policies applied in the preparation of these Consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1**

**Basis of preparation**

**(i)**

**Compliance with Ind AS**

These consolidated financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented in these Consolidated financial statements.

The Consolidated Financial Statements have been prepared using the significant accounting policies and measurement basis summarized as below. These accounting policies have been applied consistently over all the periods presented in these Consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

The Consolidated Financial Statements are presented in Indian Rupees which is also the functional currency of the Company.

Amount in the Consolidated Financial Statements are presented in Rs. Lacs, unless otherwise Stated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00.

(ii) **Historical cost convention**

The Consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the Consolidated financial statements have been prepared on historical cost basis, except for the following:

- Certain Financial instruments are measured at fair value (refer accounting policy regarding Financial Instruments);
- Derivative Financial Instruments; and
- Defined benefit plans – plan assets measured at fair value

(iii) **Preparation of Consolidated financial statements**

The Holding Company is covered in the definition of Company Other than Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

As per the format prescribed under Division II of Schedule III to the Companies Act, 2013 (amended vide Notification dated 24 March 2021), the Group presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. The effect of the amendments on its financial statements has been evaluated and complied with the same.

(iv) **Use of estimates and judgments**

The preparation of Consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Group becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods.

**2.2 Classification of Assets and Liabilities**

Schedule III to the Act, requires assets and liabilities to be classified as either Current or Non-current

(a) An asset shall be classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within twelve months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

- (b) All assets other than current assets shall be classified as non-current.
- (c) A liability shall be classified as current when it satisfies any of the following criteria:
  - (i) it is expected to be settled in the Company's normal operating cycle;
  - (ii) it is held primarily for the purpose of being traded;
  - (iii) it is due to be settled within twelve months after the reporting date; or
  - (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- (d) All liabilities other than current liabilities shall be classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities

### **2.3 Principles of consolidation**

The consolidated financial statements have been prepared on the following basis :-

#### **(i) Subsidiaries**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries; subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are deconsolidated from the date that control ceases.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, expenses and cash flows. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest on the basis of the respective ownership interest and such balance is

attributed even if this results in controlling interest is having a deficit balance.

#### **- Equity method**

Under equity method of accounting, the investments are initially recorded at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit and loss, and the Group's share of other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. Goodwill relating to associate is included in the carrying value of the investments and is not tested for impairment separately.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognised as 'Share of profit/(loss) in Associates' in the consolidated statement of profit and loss. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **- Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group and therefore do not have any impact on goodwill. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.



## 2.4 Business Combinations

The Group applies the acquisition method to account for business combinations. Acquisition related costs are recognised in consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the fair value of consideration over the identifiable net asset acquired is recorded as goodwill, and if the consideration is lower, the gain is recognised directly in equity as capital reserve. In case, business acquisition is classified as bargain purchase, the aforementioned gain is recognised in the other comprehensive income and accumulated in equity as capital reserve. The Group recognises any non-controlling interest in the acquired entity at fair value.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date and no adjustments are permitted after one year except to correct an error.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the statement of profit and loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

## 2.5 Revenue Recognition

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when

services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Group applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
  - Identification of the separate performance obligations in the contract;
  - Determination of transaction price;
  - Allocation of transaction price to the separate performance obligations;
- and
- Recognition of revenue when (or as) each performance obligation is satisfied.

Fixed Price maintenance revenue is recognised reliably on a straight line basis when services are performed through or indefinite number of repetitive acts over a specified period.

(i) **Interest income**

Interest income on financial asset at amortized cost is recognized on a time proportion basis.

(ii) **Other Income**

Other Income have been recognized on accrual basis in the Financial Statements, except when there is uncertainty of collection.

**2.6 Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) **Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**(ii) Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**2.7 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

**Measurement and recognition of leases as a Lessee**

The Group has adopted Ind AS 116 “Leases” using the cumulative catch-up approach. Group has recognized Right-of-use assets as at 1st April, 2023 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Group has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

Subsequently, Right-of-use asset are measured at cost less accumulated depreciation and impairment losses, if any. The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Lease Liability and Right-of-Use Asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in Statement of profit and loss on a straight-line basis over the lease term.

#### **Measurement and recognition of leases as a Lessor**

As a lessor the Group identifies leases as operating and finance lease. A lease is classified as a finance lease if the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

For Finance leases- amounts due from lessees are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The Group does not have any leases under finance lease. For Operating leases - Rental income is recognised on a straight-line basis over the term of the relevant lease.

### **2.8 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **2.9 Financial instruments**

#### **Initial recognition and measurement of Financial Asset & Liabilities:**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

The Group has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The Group has applied Ind AS 109 and classifies its financial liabilities in the following measurement categories:

- Fair value through profit or loss (FVTPL), and
- Amortised cost.

At initial recognition, Financial assets and financial liabilities are measured at fair value. If the Group measures a financial asset or financial liability not at its fair value through profit or loss (FVTPL), then, the transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions is added or reduced. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortised cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred till the timing of recognition of deferred profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement. When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

**Fair value of financial instruments:**

Some of the Group's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

**(A) Financial assets**

**(i) Subsequent measurement**

**1 Financial assets carried at amortised cost**

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

**2 Financial assets carried at Fair value through other comprehensive income (FVOCI)**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI) except interest / dividend income which is recognised in profit and loss. Amounts recorded in OCI are subsequently transferred to the statement of profit and loss in case of debt instruments. However, in case of equity instruments, the Group may, irrevocably elects to measure the investments in equity instruments either at FVOCI or FVTPL and makes such election on an instrument-by-instrument basis. If Group opts to measure the equity instrument at FVOCI, such fair value movements will be directly transferred to OCI.

**3 Financial assets carried at Fair value through Profit and Loss**

Financial assets, which do not meet the criteria for categorisation as at amortised cost or as FVOCI or either designated, are measured at FVTPL. Subsequent changes in fair value are recognised in profit or loss. The company recognises the derivative financial asset being the Advance premium paid on the option and Future's MTM profit at FVTPL.

**(ii) Impairment**

The Group applies the Ind AS 109 simplified approach to measure expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

The Group recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVTPL: ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
  - Financials assets with significant increase in credit risk – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
  - Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.
- Financial assets are written off / fully provided for when there is no realistic prospect of recovering a financial assets in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) **Derecognition**

A financial asset is derecognised only when :

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset and either (a) Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has transferred substantially all risks and rewards, the Group derecognise the asset and, when it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

(B) **Financial liabilities**

(i) **Subsequent measurement**

**Financial liabilities carried at amortised cost**

Financial liabilities at amortised cost primarily represented by borrowings, and trade payables are initially recognized at fair value, and subsequently carried at amortized cost.

**Financial liabilities at Fair value through Profit and Loss**

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss. The company recognises the derivative financial liability being Future's MTM loss at FVTPL.

(ii) **Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

**2.10 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**2.11 Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Group provides pro-rata depreciation from the date of installation / asset is ready for use till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease. The Residual value and useful life is reviewed annually and any deviation is accounted for as a change in estimate.

Estimated useful lives of items of Property, Plant and Equipments are as follows:-	
<b>Assets</b>	<b>Useful life</b>
Furniture and Fixtures	10 years
Computers	3 years
Vehicles	8 years
Building	60 years
Motor Bike	10 years



Office Equipment	5 years
Electrical equipment	10 years
Plant & Machinery	15 years
Leasehold Improvements	Over the primary lease period or useful life. Whichever is less

**Derecognition:**

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

**2.12 Intangible assets**

**Measurement at recognition:**

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any. Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development. The Group amortizes intangible assets over its useful life commencing from the month in which the asset is first put to use. The Group provides pro-rata amortization from the day the asset is put to use.

**Derecognition:**

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

### **2.13 Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cashflows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

### **2.14 Provisions and contingencies:**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain and the related asset is recognized.

### **2.15 Employee benefits**

#### **(i) Short-term obligations**

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Group recognises the costs of bonus payments when it has a

present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

#### **(ii) Post-employment obligations**

Post-employment benefit plans are classified into defined benefit plans and defined contribution plans as under:-

##### **Defined contribution plan:**

Contribution made to the recognised provident fund, employees state insurance scheme etc. which are defined contribution plans, is charged to the Statement of Profit and Loss in the period in which they occur.

##### **Defined benefits plan:**

The Group has unfunded gratuity as defined benefit plan where the amount that an employee will receive on separation/retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

#### **2.16 Earnings per share**

##### **a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

##### **b) Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

#### **2.17 Inventories**

Raw Material & Traded Goods are valued at lower of cost and net realizable value. However, material & other items held for use in the trading are not written down below cost of the finished products in which they will be incorporated if they are expected to be sold at or above cost.

WIP & finished goods are valued at lower of cost & net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

## **2.18 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.19 Foreign currency translation**

### **(i) Functional and presentation currency**

Items included in consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

### **(ii) Translation and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

## **2.24 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Group.

The power to assess the financial performance and position of the Group and make strategic decisions is vested in the managing director who has been identified as the Chief Operating Decision Maker.

The primary business of the Group comprises of "Share Broking / Trading Business", "Insurance Business", "Merchant Banking Business", "NBFC Business" and "Technology Services Business". The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Share Broking / Trading Business includes Broking services to clients, research and advisory services, financial product distribution, depository services, the profit/gains earned by trading activity and investments in Securities/commodities. Insurance Business includes business of providing Life Insurance & General Insurance to Individual and groups. NBFC Business includes business of providing vehicle, Mirco-finance and SME loans. Technology Services Business consists of software development/IT support services.

## **2.25 Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated financial statements. Otherwise,

events after the balance sheet date of material size or nature are only disclosed.

**Note 3 Non- Current Investments**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED on 31ST March, 2024	Subsidiary /Others	Shares/Units		Quoted / Unquoted	Amount as at	
		31/03/2024	31/03/2023		31/03/2024	31/03/2023
		Number	Number		in Lacs	in Lacs
<b>(I) Investment at FVTOCI</b>						
Enviro Ecoplast Private Limited	Others	1000	1000	Unquoted	10,000.00	10,000.00
Prime Industries Limited Warrant	Others	435000		Unquoted	1,41,37,500.00	-
<b>Total</b>		<b>436000</b>	<b>1000</b>		<b>1,41,47,500.00</b>	<b>10,000.00</b>
<b><u>Location wise breakup of Investments</u></b>						
Investment in India		436000	1000		1,41,47,500.00	10,000.00
<b>Total</b>		<b>436000</b>	<b>1000</b>		<b>1,41,47,500.00</b>	<b>10,000.00</b>
Less: Allowance for impairment loss					-	-
<b>Total (net)</b>		<b>436000</b>	<b>1000</b>		<b>1,41,47,500.00</b>	<b>10,000.00</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED on 31ST March, 2024

Note 4	Other Financial Assets	(Rs. in Lacs)	
	PARTICULARS	As at 31st March 2024	As at 31st March, 2023
	<b><u>(a) Non-Current</u></b>		
	<b><u>Deposits with Banks</u></b>		
	FDR pledged with Bank as margin for Bank Guarantee/OD*	16.15	1.08
		-	
	<b><u>At Amortised Cost</u></b>	-	
	<b>Unsecured, Considered Good</b>	-	
	<b><u>Deposits</u></b>	-	
	Security Deposit	19.56	10.82
	<b>Total (A)</b>	<b>35.71</b>	<b>11.90</b>
	<b><u>(b) Current</u></b>		
	<b><u>At Amortised Cost</u></b>		
	<b>Unsecured, Considered Good</b>	-	
	<b><u>Deposits</u></b>	-	-
	<b><u>(a) Security Deposit</u></b>	-	
	Security Deposit for Rent **	34.12	17.47
	Security With Varun Beverages	1.06	
	<b>Total (B)</b>	<b>35.17</b>	<b>17.47</b>
	<b>Total (A+B)</b>	<b>70.88</b>	<b>29.37</b>
	* The Fixed deposit as other non-current financial assets includes deposit with remaining maturity above 12 months.		
	* Security Deposits for rent given are measured at Amortized Cost		

Note 5	Deferred Tax Assets (Net)	(Rs. in Lacs)	
	PARTICULARS	As at 31st March 2024	As at 31st March, 2023
	Opening Balance	24.99	19.78
	Add: Current Year Deferred Tax Asset / (Liability) [Refer Note 41]	- 26.97	5.21
	<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>- 1.98</b>	<b>24.99</b>

Note 6	Other Non Financial Assets	(Rs. in Lacs)	
	PARTICULARS	As at 31st March 2024	As at 31st March, 2023
	<b>Current</b>		
	<b>Unsecured, Considered Good</b>		
	<b>Advance</b>		
	GST Input	37.44	-
	Advance to Suppliers	75.63	38.54
	Advance to employees	4.46	3.33
	Prepaid Expenses	1.09	1.63
	Advance to Abhay	0.15	-
	Duty Draw back Receivable	0.25	-
	Rodtep Receivable	0.46	0.97
	Duties & Taxes	23.41	91.39
	Advance for Land	24.20	
	<b>Total (b)</b>	<b>167.08</b>	<b>135.87</b>
	<b>TOTAL [(a)+(b)]</b>	<b>167.08</b>	<b>135.87</b>



<b>Note 7</b>	<b>Inventories</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Inventories :</b>		
	<b>a) Raw</b>		
	Fabric	71.51	21.88
	<b>Total</b>	<b>71.51</b>	<b>21.88</b>
	<b>b) Work In</b>		
	Progress Sub		
	<b>Total</b>		-
	<b>c) Finished</b>		
	Bags	-	14.32
	Puma Products	11.54	14.53
	Pet Washflakes	13.31	
	<b>Total</b>	<b>24.85</b>	<b>28.85</b>
	<b>d) Stock-in-Trade</b>		
	Waste Scrap	-	10.80
	<b>Total</b>	-	<b>10.80</b>
	<b>Total Inventories</b>	<b>96.36</b>	<b>61.52</b>

<b>Note 8</b>	<b>Trade Receivables</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	Trade Receivables- From Related Parties	-	0.21
	Trade Receivables-From Others	5,510.51	3,664.60
	<b>TOTAL</b>	<b>5,510.51</b>	<b>3,664.81</b>
	Less : Impairment allowance		
	<b>Total Trade Receivables (net of Impairment)</b>	<b>5,510.51</b>	<b>3,664.81</b>
	<b>a.) Ageing Schedule - Trade receivable</b>		
	-		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Undisputed - Considered Good</b>		
	- Less than 6 Months	4,978.61	3,544.37
	- 6 Months- 1 year	252.83	38.04
	- 1-2 years	90.84	73.63
	- 2-3 Years	-	8.77
	- More than 3 Years	-	-
	<b>Undisputed Trade Receivables-which have significant increase in credit risk</b>	-	-
	<b>Undisputed Trade Receivables-Credit impaired</b>	-	-
	<b>Disputed - Considerd good</b>	-	-
	<b>Disputed Trade Receivables-which have significant increase in credit risk</b>	-	-
	<b>Disputed Trade Receivables-Credit impaired</b>	-	-
	<b>Total</b>	<b>5,322.28</b>	<b>3,664.81</b>
<b>Note 9</b>	<b>Cash &amp; Cash Equivalent</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>

	Cash in Hand	15.43	9.60
	Balance with Banks in Current Accounts ^	27.57	300.14
	Balance with Banks in fixed deposits	0.50	-
		<b>43.50</b>	<b>309.74</b>

<b>Note 10</b>	<b>Short Term Loans and Advances</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Short - Term Loans and Advances:</b>		
	<b><u>At Amortised Cost</u></b>		
	<b>Unsecured , Considered Good</b>		
	Inter Corporate Loan	853.99	342.75
	Advance Paid to Supplier	266.42	
		<b>1,120.41</b>	<b>342.75</b>

<b>Note 11</b>	<b>Current Tax Assets (net)</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>Advance Income Tax/TDS/TCS (net of provision)</b>		
	TDS Receivables	61.43	58.30
	<b>TOTAL</b>	<b>61.43</b>	<b>58.30</b>

<b>Note 12</b>	<b>Equity Share Capital</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>

	<b>Authorised Share Capital</b>		
	2,50,00,000 Shares (Previous year 2,50,00,000) of Rs. 10 each	2,500.00	2,500.00
		<b>2,500.00</b>	<b>2,500.00</b>
	<b>Issued, Subscribed &amp; Paid-up Share Capital</b>		
	1,64,32,200 Shares (Previous year 16432200.) of Rs. 10 each	1,643.22	1,643.22
	<b>TOTAL</b>	<b>1,643.22</b>	<b>1,643.22</b>

<b>Note 13</b>	<b>Other Equity</b>		
	<b>PARTICULARS</b>	<b>As at 31st March 2024</b>	<b>As at 31st March, 2023</b>
	<b>I) Reserves &amp; Surplus</b>		
	<b>a. Retained Earnings</b>		
	Balance at the beginning of the period	390.48	260.00
	Add: Profit/Loss for the period	154.91	130.48
	Less: Bonus Share Issue	-	-
		-	-
	Balance at the end of the period	<b>545.39</b>	<b>390.48</b>
	<b>TOTAL (I)</b>	<b>545.39</b>	<b>390.48</b>
	<b>II) Other Comprehensive Income</b>		
	Balance at the beginning of the period	23.28	23.44
	Add: Transfer during the year	9.17	- 0.16
	Balance at the end of the period	<b>32.45</b>	<b>23.28</b>
	<b>TOTAL (II)</b>	<b>32.45</b>	<b>23.28</b>
	<b>TOTAL OTHER EQUITY (I+II+III)</b>	<b>577.84</b>	<b>413.76</b>
<b>Note 14</b>	<b>Borrowings</b>		(Rs. in Lacs)

	PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
<b>(a)</b>	<b>Long Term Borrowings</b>		
	<u>Carried at Amortized Cost</u>		
	<u>Secured Loans</u>		
	<b>Term Loans from Banks/Financial Institution</b>		
	<b>ICICI Bank Ltd</b>		
	(Secured Against Hypothecation of Car)	-	3.05
	<b>HDFC CAR LOAN -GRAND VITARA</b>		
	(Secured Against Hypothecation of Car)	-	16.66
	<b>Total (I)</b>	-	<b>19.71</b>
<b>(b)</b>	<b>Short Term Borrowings</b>		
	<u>Carried at Amortized Cost</u>		
	<u>Secured Loans</u>		
		-	
	<b>ICICI Bank - OD against Property</b>	648.14	-
	( Mortgage against Plot No. 56/33,Near Atlas Factory , Site-4 ,Ghaziabad,Sahibabad UP India 201010)		-
			-
	<b>Current Maturity of Long Term Debts.</b>	-	7.65
	<b>Unsecured Loans</b>		-
	<u>Related Parties</u>		-
	Loan From Director	3.10	39.23
	<u>Intercorporate Loan</u>		-
	Share India Capital Pvt Ltd (ROI 12% p.a.)	243.14	

	Swagatam Trading and Services Limited	-	15.61
	BGP 11 ANALYTICS Pvt.Ltd.(ROI 9% p.a)	213.00	
	Anmol Financial Services Ltd (ROI 12%p.a.)	202.71	0.36
	Devbhoomi Commercial Pvt Ltd.(ROI 9% p.a)	54.66	50.55
	Share India Fincap Pvt Ltd USL	-	69.63
	SVP Housing Limited (ROI 9% p.a)	335.91	310.68
	Securocrop Securities India Private Limited (ROI 7% p.a)	957.94	702.42
	M/s S G Finserve Ltd. (ROI 12.5% p.a.)	662.89	
	RESPONSE FABRICS (INDIA) PRIVATE LIMITED-1	-	
	BLP Equity Research Pvt. Ltd. (ROI 9%p.a.)	362.36	335.14
	Kalyan Capitals Limited (ROI @12.5%p.a.)	24.31	
	<b>Total (II)</b>	<b>3,708.19</b>	<b>1,531.26</b>
	<b>Total (I+II)</b>	<b>3,708.19</b>	<b>1,550.98</b>
	The company has not defaulted in the repayment of Borrowings and interest thereon for the year ended of March 31, 2024		

<b>Note 15</b>	<b>Lease Liabilities</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b><u>Carried at Amortized Cost</u></b>		
	<b><u>(a) Non-Current</u></b>		
	-		
	Lease Obligation	<b>524.43</b>	-
	<b>TOTAL (a)</b>	<b>524.43</b>	-
	<b><u>Carried at Amortized Cost</u></b>		
	<b><u>(a) Current</u></b>		
	-		
	Lease Obligation	<b>19.08</b>	-

	<b>TOTAL (b)</b>	<b>19.08</b>	-
	<b>TOTAL [(a)+(b)]</b>	<b>543.51</b>	-

Note 16	Trade Payables		(Rs. in Lacs)
	PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
	<b><u>Current</u></b>		
	Total outstanding dues of micro, small and medium enterprises (A)		443.23
			-
	Total outstanding dues of creditor other than micro, small and medium enterprises (B)	1,676.40	728.56
		<b>1,676.40</b>	<b>1,171.79</b>
	<b><u>Ageing Schedule - Current Trade payable</u></b>		(Rs. in Lacs)
	PARTICULARS	As at 31st March, 2024	As at 31st March, 2023
	<b>i) MSME</b>		
	Less than 1 year	-	443.23
	1-2 years		-
	2-3 years		-
	More than 3 years		-
	<b>ii) Others</b>		-
	Less than 1 year	1,211.73	712.15

	1-2 years	70.40	16.30
	2-3 years	4.79	-
	More than 3 years		-
	<b>iii).Disputed dues – MSME</b>		-
	<b>iv) Disputed dues - Others</b>		-
	<b>Total</b>	<b>1,286.93</b>	<b>1,171.69</b>

<b>Note 17</b>	<b>Provisions</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b><u>Non-Current</u></b>		
	<b>Provision for Employee Benefits</b>		
	Gratuity	9.82	15.37
	<b>TOTAL</b>	<b>9.82</b>	<b>15.37</b>
	<b><u>Current</u></b>		-
	<b>Provision for Employee Benefits</b>		-
	Gratuity	0.18	0.78
	<b>Other Provisions</b>	-	-
	Provision for Current Tax	94.33	70.90
	<b>TOTAL</b>	<b>94.50</b>	<b>71.68</b>



<b>Note 18</b>	<b>Other Current Liabilities</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Expenses Payable	15.25	26.74
	Advance Received from Customers	11.93	10.76
	Bonus Payable	-	4.01
	Duties & Taxes Payable	7.75	7.35
	Interest Acurred But not due to Bank.	-	0.03
	Provision for Debit Note	-	2.30
	Salary Payable	3.05	-
	<b>TOTAL</b>	<b>37.98</b>	<b>51.19</b>

<b>Note 19</b>	<b>Revenue from Operations</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>Manufacturing Sale</b>		
	Sale of Recycled Products	233.68	309.14
		-	
		-	
	<b>Trading Sale</b>		
	Sale of Waste Material	29,185.67	23,649.52
	Sale of Biomass Products	4,430.54	2,933.74
	Sale of Misc. Old Economy Products	-	-
	Sale of Pet Washflakes	898.25	
		-	
	<b>Jobwork</b>		
		-	

	Sale of Recycled Products	-	16.09
		-	
	<b>TOTAL</b>	<b>34,748.13</b>	<b>26,908.49</b>

<b>Note 20</b>	<b>Other Income</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Interest on FDR	2.14	54.92
	Profit on Insurance Claim of Car	-	25.67
	Profit on Sale of Assets	-	0.12
	Interest Income	41.19	-
	Foreign Exchange Fluctuation	-	0.47
	Rebate & Discount	0.19	1.05
	Creditors Written Off	0.00	0.06
	Short & Excess	24.00	1.10
	Handeling Charges	0.00	0.04
	Handeling Charges	0.98	-
	Duty Draw Back Income	0.90	2.04
	Freight Outward Charges	-	0.16
	Rodtep Incentive	0.46	-
	<b>TOTAL</b>	<b>69.87</b>	<b>84.68</b>

<b>Note 21</b>	<b>Purchase of Stock-in-Trade</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Pet Washflakes	858.40	
	Misc. Old Economy Products	-	7.39

	Waste Material	28,166.94	23,187.32
	Biomass Products	4,368.17	2,793.98
	Recyclable Products	72.43	
	<b>TOTAL</b>	<b>33,465.94</b>	<b>25,988.69</b>

<b>Note 22</b>	<b>Cost of Raw Material Consumed</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Opening Stock of Raw Material	-	
	Fabric	36.19	14.86
	<b>Add:-</b>	-	
	Fabric	58.21	124.77
		<b>94.40</b>	<b>139.64</b>
	<b>Less:-</b>	-	
	Closing Stock	-	
	Fabric	71.51	36.19
		-	
	<b>TOTAL</b>	<b>22.89</b>	<b>103.44</b>

<b>Note 23</b>	<b>Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade:</b>		
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>Finished Goods</b>	-	
	Finished Goods at the beginning of the year	-	-
	Less: Finished Goods at the end of the year	-	-
	Puma Products	-	

		-	
	<b>Sub - Total (A)</b>	-	-
		-	
	<b>Work-in-Progress at the End of the Year</b>	-	
	Less: Work-in-Progress at the End of the Year	-	-
	<b>Sub - Total (B)</b>	-	-
		-	
	<b>Stock-in-Trade</b>	-	
	<b>Stock at the Beginning of the Year</b>	25.33	14.51
	Less: Stock at the End of the Year	11.54	-
	Puma Products	-	25.33
	Petwashflakes	13.31	
	<b>Sub - Total (C)</b>	<b>0.48</b>	<b>-</b> <b>10.82</b>
		-	
	<b>(Increase) / Decrease in Inventories (A+B+C)</b>	<b>0.48</b>	<b>-</b> <b>10.82</b>

<b>Note 24</b>	<b>Other Manufacturing Expenses</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Freight & Cartage	175.83	132.00
	Job Work Charges	46.62	51.30
	Other Manufacturing Exp.	14.55	-
		<b>237.00</b>	<b>183.29</b>

<b>Note 25</b>	<b>Employee Benefits Expense</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Directors Remuneration	28.95	28.61
	Salaries & Wages	175.65	181.64
	Gratuity	6.10	5.38
	Bonus	4.25	4.01
	Contribution to Provident Fund	1.17	1.46
	Contribution Towards ESI	0.68	1.38
	Administration Expenses on PF & ESI	0.08	0.11
	Incentive to Staff	0.02	19.11
	Staff Welfare Exp.	5.51	6.64
	ESOP	1.56	
	Overtime Expense	0.91	
	<b>TOTAL</b>	<b>224.88</b>	<b>248.33</b>

<b>Note 26</b>	<b>Finance Cost</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	Bank Charges	1.81	0.73
	Bank Interest	-	-
	Car Loan Interest	1.04	0.35
	Interest on Loan	266.29	69.15
	Loan Processing Charges	14.67	0.06

	Interest on Lease Liability	9.57	
	Interest Paid	0.13	
	<b>TOTAL</b>	<b>293.51</b>	<b>70.29</b>

<b>Note 27</b>	<b>Other Expenses</b>		(Rs. in Lacs)
	<b>PARTICULARS</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>(B) ADMINISTRATIVE EXPENSES</b>		
	Annual Listing Fees	-	3.29
	Annual Maintenance Charges	0.67	0.20
	Bad Debt	19.35	7.90
	BSE Processing Fees	4.10	16.42
	Business Promotion Expenses	5.34	4.64
	CDSL Charges	-	0.72
	Certification Charges	-	0.08
	Certification Charges	-	2.13
	Clearing & Forwarding Exp	0.92	
	Cloud Charges	-	1.02
	Commission	6.52	1.42
	Conference Charges	-	0.25
	Consultancy Charges	-	0.24
	Conveyance Expenses	1.00	10.63
	Electricity & Generator Charges	30.31	16.44
	Fabric Expenses	-	0.08
	Festival Expenses	7.25	4.87

	Foreign Exchange Fluculation Exp	0.55	0.16
	Fuel Exp.	-	9.85
	Govt Tax	-	0.04
	GST on Shares	-	0.01
	Housekeeping Expenses	-	0.64
	Insurance Exp.	3.23	4.03
	Internet Expense	-	0.33
	Late Fee GST	1.23	-
	Learning & Development Exp.	-	0.18
	Legal & Professional Charges	1.22	0.05
	Loss on Disposal of ROU & Lib.	3.91	
	Loss on Sale of RODTEP E-Scrip	-	1.20
	Misc Exp	1.27	-
	Miscellaneous Exp	-	1.37
	Municipal Taxes	0.79	-
	NSDL Charges	-	0.55
	Office Expenses	3.32	2.21
	Other Expenses	0.20	0.23
	Overtime Expenses	-	1.36
	Packing Material	-	8.35
	Penalties & Interest	0.40	0.46
	Postage & Courier exp	0.26	2.64
	Printing & Stationery	2.71	3.74
	Production Expenses	-	2.94

	Professional Charges	51.47	11.04
	Directors Sitting Fees	7.25	11.04
	Rebate & Discount	-	0.08
	Rent Exp.	3.51	6.90
	Repair and Maintainence	4.17	5.49
	ROC Fees	1.08	0.06
	Round off	-	0.01
	Sampling Expenses	-	3.54
	SEBI Charges on Shares	-	0.23
	Security Expesnes	0.98	1.13
	Server Rent	-	0.49
	Setup fee for Event	-	0.10
	Showroom Expenses	-	0.41
	Software Exp.	-	0.22
	Interest on Tds	0.08	-
	Statutory Audit	5.20	4.00
	Telephone Expenses	1.24	1.20
	Testing Exp.	0.18	0.43
	Marine insurance expense	0.96	-
	Tour & Travelling Exp.	19.59	40.72
	Website Maintainance Charges	0.61	0.02
	Debtors Written off	0.08	-
	Statutory Expense	0.98	-
	IT Divison expense	2.93	-



	Freight and Carrier Expense	11.74	
	Preliminary Expenses	10.67	
	Stamp Duty Exp	2.05	
	Transportation charges	0.90	
	<b>Total( B)</b>	<b>220.22</b>	<b>197.79</b>

RACE ECO CHAIN LIMITED

AS PER COMPANIES ACT, 2013

(Rs. in Lacs)

Particulars	Rate	Gross Block				Accumulated Depreciation				Net Block	
		Balance as on 01/04/2023	Additions	Deductions/Adjustments	Balance as at 31/03/2024	Upto 31/03/2023	Additions	Deductions/Adjustments	Balance as at 31/03/2024	W.D.V. as on 31.03.2024	W.D.V. as on 31.03.2023
<b>NOTE-02 (a) PROPERTY, PLANT &amp; EQUIPEMENT</b>											
<b>PLANT &amp; MACHINERY</b>											
PLANT & MACHINERY	14.88%	54.84	0.91	-	55.74	24.85	-	4.62	29.47	26.28	29.99
<b>VEHICLES</b>											
Car Fortuner	31.23%	27.09	-	-	27.09	27.09	-	-	27.09	(0.00)	(0.00)
Activa Scooter	31.38%	0.88	-	-	0.88	0.55	0.10	0.65	0.23	0.23	0.33
Grand Vitara Car	31.23%	23.34	-	-	23.34	1.40	6.97	8.37	14.97	14.97	21.94
Maruti Eco	31.23%	6.46	-	-	6.46	1.75	1.59	3.34	3.13	3.13	4.72
Hiro Honda	31.38%	-	0.98	-	0.98	-	0.12	0.12	0.86	-	-
Creta Car	31.23%	-	17.64	-	17.64	-	1.35	1.35	16.29	-	-
Innova Car	31.23%	-	24.43	-	24.43	-	4.75	4.75	19.68	-	-
Kia Seltos	31.23%	-	23.05	-	23.05	-	0.99	0.99	22.06	-	-
<b>FACTORY LAND &amp; BUILDING</b>											
FACTORY LAND-56/33	9.50%	4.57	-	-	4.57	0.43	0.24	0.67	3.90	4.14	-
FACTORY LAND- A16/2	-	-	-	-	-	-	-	-	-	-	-
FACTORY BUILDING-56/33	9.50%	192.43	-	-	192.43	38.33	25.58	63.91	128.52	154.10	-
FACTORY BUILDING- A-16/2	9.50%	39.28	-	-	39.28	39.28	-	39.28	0.00	0.00	-
Elevator	45.07%	11.15	-	-	11.15	10.64	-	10.64	0.50	0.50	-
Electricity Service Line	9.50%	2.66	-	-	2.66	0.78	0.49	1.27	1.39	1.88	-
GENERATOR	45.07%	19.64	-	-	19.64	15.46	0.94	16.40	3.24	4.18	-
COMPUTER	63.16%	22.26	0.48	-	22.74	19.32	0.30	19.62	3.12	2.94	-
FURNITURE & FIXTURES	76.83%	28.76	1.89	-	30.65	18.15	3.69	21.84	8.80	10.60	-
Office Equipments	45.07%	46.39	6.13	-	52.52	23.00	12.15	35.15	17.37	23.39	-
Right to Use	-	29.94	-	-	29.94	3.39	-	29.93	0.00	26.54	-
Electric Equipment	25.89%	1.53	6.10	-	7.63	0.06	1.87	1.93	5.70	1.47	-
<b>TOTAL</b>		<b>511.23</b>	<b>81.61</b>	-	<b>592.83</b>	<b>224.49</b>	<b>65.75</b>	<b>316.78</b>	<b>276.05</b>	<b>286.73</b>	-
<b>NOTE-02 (b) OTHER INTANGIBLE ASSETS</b>											
<b>INTANGIBLE ASSETS</b>											
SOFTWARE AND MOBILE APPLICATIONS		9.51	-	-	9.51	5.69	0.51	6.20	3.31	3.82	-
<b>NOTE-02 (c ) Right to use Asset</b>											
Leasehold Building		-	556.46	-	556.46	-	13.91	13.91	542.55	-	-
<b>NOTE-02 (d ) Capital Work in progress</b>											
Capital Work In Progress		-	262.53	-	262.53	-	-	-	262.53	-	-
<b>TOTAL</b>		<b>520.74</b>	<b>900.60</b>	-	<b>1,421.33</b>	<b>230.19</b>	<b>80.17</b>	<b>336.90</b>	<b>1,084.44</b>	<b>290.55</b>	-

**RACE ECO CHAIN LIMITED**

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024**

<b>Note 28</b>	<b>Remuneration to auditors (exclusive of taxes)</b>		
			(Rs. in Lacs)
	<b>Particulars</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
	<b>Payment To Auditors:</b>		
	<b>Statutory Auditor:</b>	-	
	Statutory Audit & Limited Reviews	5.20	2.50
	<b>Internal Auditor:</b>	-	
	Internal Audit Fees		
	<b>Total</b>	<b>5.20</b>	<b>2.50</b>

<b>Note 29</b>	<b>Earnings per equity share</b>		
			(Rs. in Lacs, except EPS)
	<b>Particulars</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
	<b>Net profit attributable to equity shareholders [A]</b>	<b>154.70</b>	<b>130.48</b>
	Weighted average number of equity shares issued (face value of Rs. 10 each) (Numbers in Lacs)	164.32	164.32
	<b>Total Weighted average number of equity shares [B] (face value of Rs. 10 each) (Numbers in Lacs)</b>	<b>164.32</b>	<b>164.32</b>
	<b>Basic earnings per share [A/B] (in Rs.)</b>	<b>0.94</b>	<b>0.79</b>
	<b>Net Profit attributable to equity shareholders [C]</b>	<b>154.70</b>	<b>130.48</b>
	Less : Impact on net profit due to exercise of diluted potential equity shares [D]	-	-
	<b>Net profit attributable to equity shareholders for calculation of diluted EPS [C-D]</b>	<b>154.70</b>	<b>130.48</b>
	Weighted average of equity shares issued (face value of Rs 10 each) (Numbers in Lacs) [E]	164.32	164.32
	Weighted number of additional equity shares outstanding for diluted EPS (Numbers in Lacs) [F]		-
	Weighted number of equity shares outstanding for diluted EPS (Numbers in Lacs) [E+F]	164.32	164.32
	<b>Diluted earnings per share [C-D/E+F] (in Rs.)</b>	<b>0.94</b>	<b>0.79</b>

Note 30	<b>Foreign currency transactions</b>		
	<b>Income in foreign currency (On accrual basis)</b>		
	<b>Particulars</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
	Export of Goods	37.28	68.87
	<b>Total</b>	<b>37.28</b>	<b>68.87</b>

Note 31	<b>Unhedged foreign currency exposure</b>				
a)	Payables- Nil				
b)	Receivables				
	<b>Particulars</b>	<b>Currency</b>	<b>Currency</b>	<b>As at 31st March 2024</b>	<b>As at 31st March 2023</b>
				<b>(Rs. in Lacs)</b>	<b>(Rs. in Lacs)</b>
	BE Home Europe	USD	USD	0.85	-
	BE Home Inc	USD	USD	0.86	-
	Nature Planet Aps	USD	USD	8.60	-

(ii)	Amount recognised in the Statement of Profit and Loss				
			For the period ending		
Particulars			March 31, 2024	March 31, 2023	
	Current Service Cost		4.89	4.62	
	Past Service Cost			-	
	Interest on net defined benefit obligations		1.22	0.76	
	Net Actuarial (Gain) / Loss recognised in the period			-	
	<b>Total Included in "Employee Benefit Expense"</b>		<b>6.10</b>	<b>5.38</b>	
(iii)	Amount recognised in the Other Comprehensive Income				
			For the period ending		
Particulars			March 31, 2024	March 31, 2023	
	Actuarial (gains) / losses				
	- change in demographic assumptions			-	
	- change in financial assumptions		0.33	0.52	
	- experience variance (i.e. Actual experience vs assumptions)		-	12.58	0.74
	<b>Components of defined benefit costs recognised in other comprehensive income</b>		<b>-</b>	<b>12.25</b>	<b>0.22</b>
(iv)	Principle actuarial assumption				
	<b>Assumptions</b>		<b>March 31, 2024</b>	<b>March 31, 2023</b>	
	Discount Rate (per annum)		7.20%	7.51%	
	Salary escalation (per annum)		5.00%	5.00%	
	Mortality rate		100% of IALM 2012-14	100% of IALM 2012-14	
	The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.				
	The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.				

<b>(v)</b>	<b>Sensitivity Analysis</b>				
	Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:				
			(Rs. in Lacs)		
	<b>Particulars</b>	<b>March 31st 2024</b>	<b>March 31st 2023</b>		
	Defined Benefit Obligation (Base)	10.00	16.15		
					<b>(Rs. in Lacs)</b>
	<b>Particulars</b>	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
		<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
	Discount Rate (- / + 1%)	11.18	8.99	17.92	14.62
	(% change compared to base due to sensitivity)	11.80%	-10.10%	11.00%	-9.50%
	Salary Growth Rate (- / + 1%)	8.96	11.20	14.57	17.94
	(% change compared to base due to sensitivity)	-10.40%	12.00%	-9.80%	11.10%
	Attrition Rate (- / + 50% of attrition rates)	9.98	9.85	15.78	16.31
	(% change compared to base due to sensitivity)	-0.20%	-1.50%	-2.30%	1.00%
	Mortality Rate (- / + 10% of mortality rates)	9.99	10.01	16.13	16.16
	(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%
<b>(vi)</b>	<b>Maturity Profile of Defined Benefit Obligation</b>				
	Weighted average duration (based on discounted cashflows)		<b>11 Years</b>		
	<b>Expected cash flows over the next (valued on undiscounted basis):</b>		<b>Rs. in Lacs</b>		
	1 year		0.18		
	2 to 5 Years		2.24		
	6 to 10 Years		6.08		
	More than 10 Years		17.84		

**Note**

**32 Employee benefits**

Disclosure pursuant to Ind AS -19 “Employee benefits” is given as below:

**Defined Benefit Plan – Gratuity**

The Group offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee’s compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees.

Such plan exposes the Group to actuarial risks such as: Interest rate risk, Liquidity Risk, Salary Escalation Risk, demographic risk and Regulatory Risk.

Interest Rate Risk	The plan exposes the Group to the risk of falling interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Liquidity Risk	This is the risk that the Group may not be able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Demographic risk	The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
Salary Escalation Risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have bearing on the plan's liability.
Regulatory Risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000 etc.).

- (i) **The following tables set out the funded status of the gratuity benefit Scheme and the amounts recognized in the Company's financial statements :**

(Rs. in  
Lacs)

Particulars	For the period ending	
	March 31, 2024	March 31, 2023
<b>Change in benefit obligations</b>		
Benefit obligations at the beginning	16.15	10.55
Current Service Cost	4.89	4.62
Past Service Cost	-	-
Interest on defined benefit obligation	1.22	0.76
Actuarial loss / (gain)	-12.25	0.22
Benefit Paid	-	-
<b>Closing Defined Benefit Obligation (A)</b>	<b>10.00</b>	<b>16.15</b>
Translation/ Forex impact (B )	-	-
<b>Payable gratuity benefit (A-B)</b>	<b>10.00</b>	<b>16.15</b>
Current Provision (Refer note 17)	-	-
Non-Current Provision (Refer note 17)	10.00	16.15

(ii) **Amount recognised in the Statement of Profit and Loss**

Particulars	For the period ending	
	March 31, 2024	March 31, 2023
Current Service Cost	4.89	4.62
Past Service Cost		-
Interest on net defined benefit obligations	1.22	0.76
Net Actuarial (Gain) / Loss recognised in the period		-
<b>Total Included in "Employee Benefit Expense"</b>	<b>6.10</b>	<b>5.38</b>

(iii) **Amount recognised in the Other Comprehensive Income**



Particulars	For the period ending	
	March 31, 2024	March 31, 2023
Actuarial (gains) / losses		
- change in demographic assumptions		-
- change in financial assumptions	0.33	0.52
- experience variance (i.e. Actual experience vs assumptions)	-	0.74
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>12.25</b>	<b>0.22</b>

**(iv) Principle actuarial assumption**

Assumptions	March 31, 2024	March 31, 2023
Discount Rate (per annum)	7.20%	7.51%
Salary escalation (per annum)	5.00%	5.00%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

**(v) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rs. in Lacs)

Particulars	March 31st 2024	March 31st 2023
Defined Benefit Obligation (Base)	10.00	16.15

(Rs. in Lacs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	11.18 11.80%	8.99 -10.10%	17.92 11.00%	14.62 -9.50%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	8.96 -10.40%	11.20 12.00%	14.57 -9.80%	17.94 11.10%
Attrition Rate (- / + 50% of attrition rates)	9.98	9.85	15.78	16.31

(% change compared to base due to sensitivity)	-0.20%	-1.50%	-2.30%	1.00%
Mortality Rate (- / + 10% of mortality rates)	9.99	10.01	16.13	16.16
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

**(vi) Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cashflows)	<b>11 Years</b>
<b>Expected cash flows over the next (valued on undiscounted basis):</b>	<b>Rs. in Lacs</b>
1 year	0.18
2 to 5 Years	2.24
6 to 10 Years	6.08
More than 10 Years	17.84

**Note**

**33 Related Party Transactions (as per INDAS 24)**

The names of the related parties and nature of the relationship where control exists are disclosed irrespective of whether or not there have been transactions between the related parties during the year. For Others, the names and the nature of relationship is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

**(i) Names of related parties and nature of relationship**

Category of related parties	Name of Related Parties
<b>Associates</b>	
<b>Promoters &amp; Key Management Personnel</b>	SUNIL KUMAR MALIK
	NISHA JAIN
	ANIL KUMAR BEHL
	RAMA NAND GUPTA
	PRANAV VASAN
	DINESH PAREEKH
	SANGEETA PAREEKH
	ANSHU AGARWAL
	SANJAY KUKREJA
	LALIT MALIK
	RAJ KUMAR MODANI
	PIYANSHU SHARMA
	PUNEET BHAWAKER
	SHIV KUMAR PAREEK
	RAKESH KUMAR
	SANJEEV SINGH
	SANJAY MODANI
	SANDHYA KOHLI

	SHIWATI GANDHI
<b>Relatives of Directors and Key Management Personnel</b>	
<b>Entities in which the Key Management Personnel and their relatives identified above having control/significant influence</b>	1) Vista Furnishing Ltd. 7) BLP Equity Research Pvt Ltd 8) Kalyan Capitals Limited

**(ii) Transactions with Related Parties**

The Transactions have been summarized in the below table; and as the company has voluminous transactions during the period, thus, details have been provided in table (iii) for transactions having value more than Rs. 1 Lac only (Material Transactions).

The following transactions were carried out with related parties in the ordinary course of business:

Nature of Transaction	2023-24		2022-23	
	Transaction	Balance	Transaction	Balance
<b>Key Management Personnel</b>	-		-	
<b>Remuneration &amp; Incentives</b>	-		-	
(a) Mr. Sunil Kumar Malik	24.00		14.00	
(b) Mr. Anshu Agarwal	3.90		9.36	
(c) Mr. Ramanand Gupta	4.95		5.25	
(d) Ms. Shiwati	6.73		4.70	
(e) Piyanshu Sharma	3.26			
<b>Loan Taken</b>	-		-	
Mr. Sunil Kumar Malik	7.38	3.10	232.80	14.23
Mr. Dinesh Pareekh	400.00	200.00	25.00	14.00
<b>Loan Taken From Intercorporate</b>				
Securocrop Securities India Private Limited	200.00	853.00	303.00	702.42
BLP Equity Research Pvt Ltd	-	335.14	375.00	335.14
BGP 11 ANALYTICS PVT LTD	400.00	200.00		
<b>Loan Repaid</b>			-	
Mr. Sunil Kumar Malik	18.51	3.10	220.67	-
Mr. Dinesh Pareekh	225.00	-		

<b><u>Loan Repaid to Intercorporate</u></b>				
BLP Equity Research Pvt Ltd	-	325.00	43.00	-
BGP 11 ANALYTICS PVT LTD	200.00	0.00		
<b><u>Interest paid</u></b>				
BLP Equity Research Pvt Ltd	27.22	37.36	11.26	3.14
Securocrop Securities India Private Limited	55.52	104.94	39.25	49.42
BGP 11 ANALYTICS PVT LTD	13.00	13.00		
<b><u>Loan Given</u></b>	-			
Vista Furnishing Pvt Ltd	75.00	-	130.00	209.24
Akashdeep Metal Industries Limited	1,292.55	807.62	915.85	111.53
<b><u>Loan Receive</u></b>				
Vista Furnishing Pvt Ltd	264.00	-	321.00	209.24
Akashdeep Metal Industries Limited	592.78	807.62	1,023.00	111.53
<b><u>Interest receive</u></b>				
Vista Furnishing Pvt Ltd	3.22	-	22.49	20.24
Akashdeep Metal Industries Limited	27.44	22.60	14.87	3.67
<b><u>Purchase Made</u></b>				
Vista Furnishing Pvt Ltd	2.27		25.81	25.98
Gem Enviro Management Private Limited	-	-	-	0.11
<b><u>Sale Made</u></b>				
Vista Furnishing Pvt Ltd	6.42	-	-	0.21
Akashdeep Metal Industries Limited	0.39	-	-	0.21
Briquettes Vista Furnishing Pvt. Ltd.	9.65	-		

**Note 34**      **Income Taxes**

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised when it is considered recoverable and Therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

a.)	Income Tax Expense recognised in Statement of Profit and loss for the period:		
		(Rs. In Lacs)	
		For the period ended	
	Particulars	31st March, 2024	31st March, 2023
	<b>Current Tax:</b>		
	- Relating to Current year	91.23	53.53
	- Relating to Preceding year	-	-
	<b>Deferred Tax:</b>		
	- Relating to Current year	26.97	-
		-	-
	<b>Total</b>	<b>118.20</b>	<b>48.38</b>

b.)	Income tax expense/(benefit) recognised directly in other comprehensive income for the period:		
		(Rs. In Lacs)	
		For the period ended	
	Particulars		

		31st March, 2024	31st March, 2023
	<b>Income tax expense/(benefit) recognised in other comprehensive income</b>		
	- Relating to Tax effect on actuarial (gain)/ loss on defined benefit obligations	12.25	- 0.22
	- Related to Tax effect on net gain/(loss) on fair value of current investment		
	<b>Total</b>	<b>118.20</b>	<b>48.38</b>

c.) Reconciliation of tax expense and the accounting profit multiplied by tax rate for the period			
			(Rs. In Lacs)
Particulars	For the period ended		
	31st March, 2024	31st March, 2023	
<b>Accounting Profit/(loss) Before Tax</b>	<b>272.90</b>		<b>178.86</b>
Enacted tax rate	<b>0.28</b>		29.93
<b>Computed tax expense</b>	75.87		<b>53.53</b>
Tax effect of:			
Non-deductible expenses/Allowable income for tax purpose	- 17.35		-
Deductible expenses /Disallowable income for tax purpose	21.35		-
Deductions on income			-
Income considered under separate head	11.36		
Income taxed at lower rate			-
Income tax/(benefit) relating to previous years			-
Deferred tax liability/(asset) charged during the year			-
<b>Total Tax expense charged</b>	91.23		<b>53.53</b>
<b>Effective tax rate</b>	33.43		<b>29.93%</b>

d.) The movement in deferred tax assets/ (liabilities) during the year:

			(Rs. In Lacs)
Deferred tax assets/(liabilities)	in OCI	in Profit & Loss	Total
Balance as at 1st April, 2022	-	11.10	
Expense allowed in the year of payment (Gratuity)	0.06	-	
Difference between book and tax depreciation	-	5.15	-
Differences as per ICDS	-	-	-
Other	-	-	-
Balance as at 31st March, 2023	124.66	53.83	-
Expense allowed in the year of payment (Gratuity)	3.08	-	-
Difference between book and tax depreciation	-	-	11.10
Asset on Lease and Lease Liability	-	-	-
Differences as per ICDS	-	-	-
Other	-	-	-
Adjustment due to prior period items	-	-	-
Balance as at 31st March, 2024	0.06	16.25	178.49
	-	-	3.08

Note 35	Fair value measurement				
	<u>Note 28 Fair values</u>	-	-	-	
	The Management assessed that the cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short- term maturities of these instruments.				
	The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale				
	The fair value of the financial assets such as Unquoted Equity investments is taken at cost as unobservable inputs for fair value is unidentifiable in market.				
	The Significant observable inputs used in the fair value measurement categorised within level 1 of the fair value hierarchy as at 31 March 2024 & 31 March 2023 are as shown below.				

	<u>Description</u>	<u>Valuation technique</u>	<u>Significant observable inputs</u>	<u>Significant observable inputs</u>	
	1. FVTOCI assets in Quoted Equity Investments	Market approach techniques	Market prices of issuing company	Market prices of issuing company	
	2. FVTOCI assets in Unquoted Equity Investments	Market approach techniques	Book Value/Net Asset Value of Issuing co.	Book Value/Net Asset Value of Issuing co.	
	3. Derivative financial instruments	MTM Approaches	NA	NA	
	<b>Note 29 Fair value hierarchy:</b>				-
	The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:				
	Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.				
	Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).				
	Level 3 — Inputs are not based on observable market data (unobservable inputs).				
	The following table provides the fair value measurement hierarchy of the Company's assets & liabilities.				
	<b>Quantitative disclosure of fair values measurement hierarchy for assets as at 31st March 2024:</b>				
					(Rs. In Lacs)
	Description	Date of Valuation	Fair value measurement using		
			Quoted Prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	<b>Assets Measured at Fair value through other comprehensive income:</b>				
	Investments Equity Shares	31/03/2024	-	-	141.48
	<b>Assets Measured at Fair value through Profit &amp; Loss Account:</b>				
			-	-	-



Quantitative disclosure of fair values measurement hierarchy for assets as at 31st March 2024:					
					(Rs. In Lacs)
Description	Date of Valuation	Fair value measurement using			
		Quoted Prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets Measured at Fair value through other comprehensive income:</b>					
		-	-	-	
<b>Assets Measured at Fair value through Profit &amp; Loss Account:</b>					
		-	-	-	

Note 36	Financial risk management				
	Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.				
<b>A.</b>	<b>Market Risk</b>				
	Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.				
<b>(i)</b>	<b>Foreign currency risk</b>				
	Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.				
	The company's exposure to foreign currency risk at the end of reporting period is shown in note no 37				
<b>(ii)</b>	<b>Interest rate risk</b>				

	The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.				
	The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets.				
(iii)	Market price risks				
	The Company is exposed to market price risk, which arises from FVTPL and FVOCI investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.				

B.	Liquidity risk				
	Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.				
	Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.				
	The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.				
	The table below summarises the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments.				
					(Rs. in Lacs)
	Particulars	On Demand /less than 3 months	Payable within 3 to 12 months	Payable more than 1 year and less than 5 year	Payable more than 5 year
	Year ended 31st March 2024				
	Payables				
	(I) Trade payables	389.47	1,074.85	-	-

	<b>(II) Other payables</b>		<b>37.98</b>	-	-
	<b>Borrowings (Other than debt securities)</b>		<b>2,750.25</b>	-	<b>957.94</b>
	<b>Deposits</b>		-	-	-
	<b>Other financial liabilities</b>			-	-
	<b>Year ended 31st March 2023</b>				
	<b>Payables</b>				
	<b>(I) Trade payables</b>		<b>1,171.79</b>		
	<b>(II) Other payables</b>		<b>51.19</b>		
	<b>Borrowings (Other than debt securities)</b>		<b>39.23</b>	<b>15.61</b>	<b>702.42</b>
	<b>Deposits</b>				
	<b>Other financial liabilities</b>			-	
<b>C.</b>	<b>Credit risk</b>				
	<b>Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.</b>				
	<b>The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, term deposits, trade receivables and security deposits.</b>				
	<b>Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.</b>				

<b>NOTE : 37</b>	<b>Contingent liabilities</b>		<b>(Rs. in Lacs)</b>
	<b>There is a Contingent Liability of Fdr pledged with bank as gaurantee</b>		
		<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>Claims against the company pending appellate / judicial decisions not acknowledged as debts in respect of Income Tax</b>	<b>Nil</b>	<b>Nil</b>

<b>NOTE : 38</b>	<b>Commitments</b>		
		<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
	<b>Estimated amount of contracts remaining to be executed on capital account.</b>	<b>Nil</b>	<b>Nil</b>
<b>NOTE : 39</b>	<b>Title deeds of immovable property not held in the name of the company.</b>		
	<b>The Company holds title deeds of all the immovable property (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) in the name of the company.</b>		
<b>NOTE : 40</b>	<b>Details of Loan &amp; Advances in the nature of loan granted to Promoters, Directors, Key Management Personnel &amp; the related parties (as defined under Company Act 2013)</b>		
	<b>(a) Repayable on demand or</b>		
	<b>(b) Without specifying any term or period of repayment</b>		
	<b>The company has not granted loans or advances in the nature of loans to the director, promoters, Key managerial personnel and their relatives.</b>		
<b>NOTE : 41</b>	<b>Capital work in progress ageing &amp; overdue or has exceeded to its original plan</b>		
	<b>Compnay does not have any capital work in progress</b>		
<b>NOTE : 42</b>	<b>Intangible assets under development</b>		
	<b>Compnay does not have any intangible assets under development.</b>		
<b>NOTE : 43</b>	<b>Details of Benami Property held</b>		
	<b>No proceedings have been initiated or pending against the company for holding any benami property under the benami transactions (Prohibition) Act, 1988 and the rules made thereunder.</b>		
<b>NOTE : 44</b>	<b>Wilful defaulter</b>		
	<b>The company has not made any default in the repayment of any borrowing, as such the declaration as wilful defaulter is not applicable.</b>		

<b>NOTE :45</b>	<b>Relationship with stuck of the company</b>		
	<b>The company did not have any transaction with companies struck off under section 248 of the companies act 2013 or section 560 of the companies act, 1956 as such no declaration is required to be furnished.</b>		
<b>NOTE :46</b>	<b>Registration of Charge/Satisfaction</b>		
	<b>There is no charge or satisfaction of charges which is pending for registration beyond the statutory period.</b>		
<b>NOTE : 47</b>	<b>Compliance with number of layer of completion</b>		
	<b>The company does not have any subsidiary company as such ther is no non compliance with the number of layers prescribed under clause (87) section 2 of the Act read with companies (Restriction on number of layers) Rules, 2017.</b>		

<b>NOTE : 48</b>							
<b>Ratio analysis</b>							
<b>S. No.</b>	<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current Period</b>	<b>Previous Period</b>	<b>% of Variance</b>	<b>Reasons of Variance</b>
1	Current Ratio	Current Assets	Current Liabilities	1.27	1.62	-21.78	
2	Debt Equity ratio	Total Debt	Shareholders Equity	2.26	0.94	139.09	During the Year there is an infusion of Short term borrowings in the Company
3	Debt Service Coverage ratio	Earnings Available for Debt Service (Net profit before Taxes+Non Cash operating Expenses Depreciation and Auxillary+ Interest+ other Adjustments like loss on sale of Fixed Assets etc)	Debt Service (Interest+Lease Payments+Principal Repayments)	2.20	4.18	-47.24	The Infusion of Short term borrowings resulted in the increase in the Finance cost of the Company.
4	Return on Equity	Net Profit after tax- Preferred Dividend (If Any)	Equity	9%	8%	17.68	
5	Inventory Turnover Ratio	Cost of Goods Sold or Sales	Average Inventory	110.04	148.02	-25.66	

6	Trade Receivable Turnover Ratio	Net Credit Sale	Average Accounts receivable	1.89	2.50	-24.26	During the year the collections from the Debtors is less than the Previous Year)
7	Trade Payable Turnover Ratio	Net Credit Purchase	Average Trade Payable	6.61	6.76	-2.27	
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	25.26	15.25	65.66	During the year the operating Revenue increased as Compared to the Previous year)
9	Net Profit ratio	Net Profit	Net Sales	0.00	0.00	-8.19	
10	Return on Capital Employed	Earning before Interest & Taxes	Capital Employed ( Tangible Net Worth+ Total Debt+DTL)	0.26	0.14	82.16	During the year the net profit of the Company Increased
11	Return on investment	Net Return on Investment	Cost of Investment	NIL	NIL	NIL	

<b>NOTE : 49</b>	<b>Compliance with approved scheme (s) of arrangements</b>		
	No scheme of arrangements was required u/s 230 to 237 of the companies Act, 2013 during the year, as such disclosure is not required.		
<b>NOTE : 50</b>	<b>Utilisation of borrowed fund &amp; Share Premium</b>		
<b>A)</b>	The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kinds of funds) to any other person or entities including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;		
<b>B)</b>	The company has not received any fund from any person or entities including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;		
<b>NOTE : 51</b>	<b>Undisclosed Income</b>		
	The company has neither surrendered nor disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.		
<b>NOTE : 52</b>	<b>Corporate Social Responsibility (CSR)</b>		
	Not Applicable		
<b>NOTE : 53</b>	<b>Cryptocurrency or Virtual Currency</b>		
	The company has neither traded nor invested in cryptocurrency or virtual currency as such no disclosure is required.		
<b>NOTE : 54</b>	<b>DISCLOSURE REQUIREMENTS UNDER MSMED ACT, 2006</b>		
	The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:		
	<b>PARTICULARS</b>	<b>31.03.2024</b>	<b>31.03.2023</b>
	- Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
	- Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-



- Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
- Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
- Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
- Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
- Further interest remaining due and payable for earlier years	-	-

<b>Note 55</b>	<b><u>Principles and assumptions used for consolidated financial statements and proforma adjustments:</u></b>		
	The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard (Ind AS) - 110 "Consolidated Financial Statements" and (Ind AS) - 28 "Accounting For Investments in Associates / Joint venture in Consolidated Financial Statements". issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, together referred to in as 'Consolidated Financial Statements.'		
	Race Eco Chain Limited ('the Company' or 'the holding company') shareholding in the following companies as on 31 March, 2024 is as under:		
<b>Note 56</b>	<b><u>Non-Controlling Interest</u></b>		
	<b>i). Proportion of equity interest held by non-controlling interests:</b>		<b>(Rs. in Lacs)</b>
	<b>Name</b>	<b>Country of Incorporation</b>	<b>% of Equity Interest held by Non-controlling Interest</b>
	<b>Abhay Innovative Recycling Limited<sup>^</sup></b>	<b>India</b>	<b>0.66%</b>
	<b>India polymers private limited<sup>^</sup></b>	<b>India</b>	<b>35.00%</b>
			<b>(Rs. in Lacs)</b>
	<b>Information regarding Non-controlling Interest</b>	<b>Abhay Innovative Recycling Limited</b>	<b>India polymers private limited</b>

	Share of Non-controlling Interest in Net Assets on Acquisition date	2.52	0.35
	Share in Total Comprehensive Income for post acquisition period	- 0.01	- 0.20
	Accumulated balance of Non-controlling interest as at 31st March, 2024	2.51	0.15

<b>Note 57</b>	Previous year's figures have been regrouped / reclassified and rearranged wherever necessary to correspond with the current year's classification / disclosure. Previous year's figures are not comparable since the subsidiary companies were incorporated during the year.
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<b>NOTE:58 Segment Disclosures</b>						
Operating segments are defined as components of an enterprise for which discrete financial information so available that is evaluated regularly by Chief Operating decision -maker (CODM), in deciding how to allocate resources and assessing performance.						
The Company has considered business segment as reportable segment for disclosure. The products and services included in each of the reported business segments are as follows:						
<b>SEGMENT</b>	<b>ACTIVITIES</b>					
Misc. Old Economy Products	Sale of Fabric and Other Textile Products					
Recycle Division	All types Waste Plastic, Pipes & Paper					
Restore Division	Home furnishing,Madeup, Bags & Garments					
Biomass Division	Sale of BRIQUETTES					
IT Division	Development of IT enabled applications for business growth					
Unallocated	Not allocable to any other segments					
						in Lacs
Segment Revenue	Year ended March 31, 2024			Year ended March 31, 2023		
	External	Internal Segments	Total	External	Internal Segments	Total
Recycle Division	30,083.91		30,083.91	23,642.13		23,642.13
Restore Division	233.68		233.68	325.23		325.23
Biomass Division	4,430.54		4,430.54	2,941.13		2,941.13
Unallocated						
<b>Total</b>	<b>34,748.13</b>	<b>-</b>	<b>34,748.13</b>	<b>26,908.49</b>	<b>-</b>	<b>26,908.49</b>

Eliminations						
Revenue from Operations	34,748.13	-	34,748.13	26,908.49	-	26,908.49
Segment Results (PBT)	Year ended March 31, 2024			Year ended March 31, 2023		
Recycle Division			589.44			89.47
Restore Division			-6.09			24.74
Biomass Division			57.65			103.20
Unallocated			-74.60			31.74
Total			566.41			249.15
Eliminations			-			-
Consolidated Total			566.41			249.15
Unallocated (expense) net unallocated income						
Profit before Interest and Taxation			566.41			249.15
Finance Costs			293.51			70.29
Profit Before Tax			272.90			178.86
Tax Expense			118.20			48.38
Profit After Tax from Continuing Operations			154.70			130.48
Loss for the period from Discontinued Operations			9.17			(0.16)
Profit for the period after Tax			163.87			130.32
Other Information						
Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
Segment Assets						
Recycle Division			6,041.63			3,713.50

Restore Division			241.89			320.31
Biomass Division			463.55			384.21
Unallocated			1,549.03			499.98
less : Intersegment Eliminations			-			-
			8,296.09			4,917.99
Add:Unallocable Assets			-			-
Total Assets		(A)	8,296.09		(A)	4,917.99
Segment Liabilities						
Recycle Division			2,826.55			1,051.26
Restore Division			21.00			34.56
Biomass Division			62.37			137.17
Unallocated			3,162.46			1,638.02
less : Intersegment Eliminations						
Add: Unallowable Liabilities						
Total Liabilities		(B)	6,072.37		(B)	2,861.01
Net Capital Employed		(A-B)	2,223.72		(A-B)	2,056.98
Particulars	Year ended March 31, 2024			Year ended March 31, 2023		
	Capital	Non-Cash	Depreciation	Capital	Non-Cash	Depreciation
	Expenditure	Expenditure	&	Expenditure	Expenditure	&
		other than	Amortization		other than	Amortization
	depreciation			depreciation		
Recycle Division			35.00			8.40
Restore Division			44.72			33.81

<b>Biomass Division</b>			<b>0.11</b>			<b>2.13</b>
<b>Unallocated</b>			<b>0.34</b>			
<b>Segment Total</b>	-	-	<b>80.17</b>	-	-	<b>44.34</b>



## **RACE ECO CHAIN LTD.**

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