



**Dated: 21st August, 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 Limited</b> Listing Department Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Mumbai 400051  <b>Symbol: RACE</b>
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**Subject: Investors Presentation on the Financial Results for the Quarter ended on 30<sup>th</sup> June, 2024**

Dear Sir/Madam,

Pursuant to the requirements of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the presentation by the Company pertaining to the financial results for the Quarter ended on 30<sup>th</sup> June, 2024.

This is for your information and records.

**Thanking You,**

**Yours Faithfully  
For Race Eco Chain Limited**

**SHIWATI** Digitally signed by SHIWATI  
Date: 2024.08.21 14:40:17 +05'30'

**Shiwati  
Company Secretary & Compliance**





# Earnings Presentation Q1 FY25





# Initiatives taken to **Organize the Unorganized** waste industry



## PAN India Network



A comprehensive network for Waste Suppliers ensuring efficient waste management across India.

## Washing Plants



Setting up washing plants across India focusing on B2B (Bottle to Bottle) manufacturing raw materials Supply.

## Community Engagement



Hosted India's first Talent recognition events for Waste Supplier code named 'Udaan' also actively promoting awareness and participation in waste management and recycling.

## ESG Focus



Prioritizing Environmental, Social, and Governance factors in our operations. As well as creating ESG complaint Supply chain for waste procurement.

## Digitizing Supply Chain with RACE App



Enhancing efficiency and transparency through digital solutions.

## Dedicated Regional Collection Centers



Specialized centers to streamline collection and recycling.

# Q1FY25 : Performance Highlights

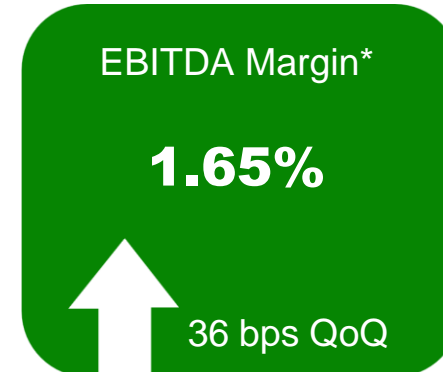
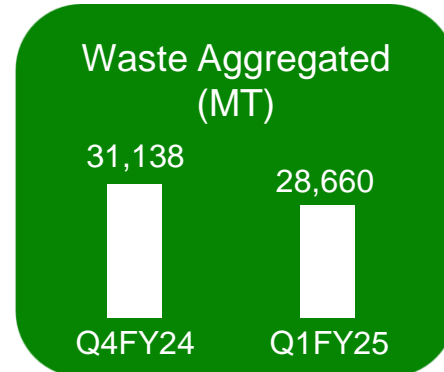
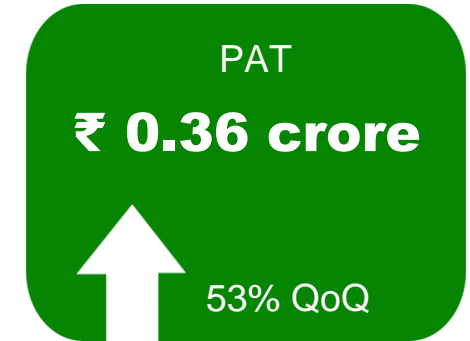
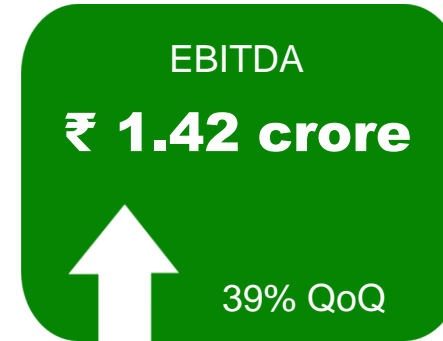
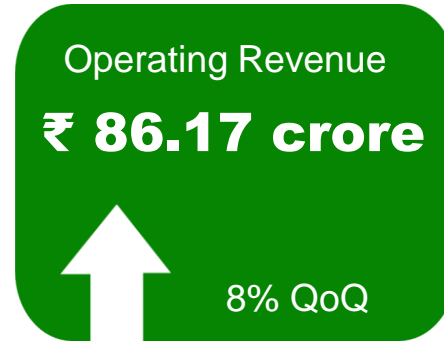
(Standalone) (QoQ)

## ~28,660 MT

This is the quantum of waste (in tonnes) that we aggregated during Q1FY25.

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!

### SNAPSHOTS



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

# Q1FY25 : Performance Highlights

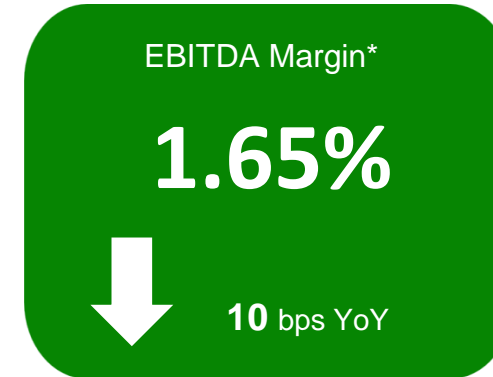
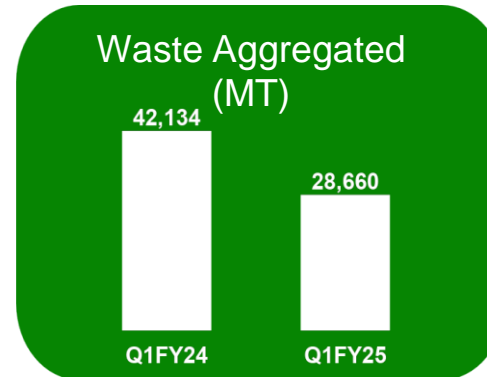
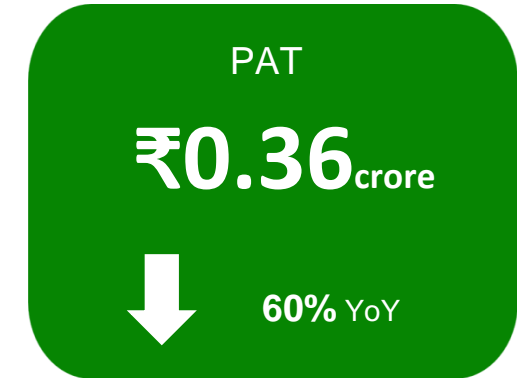
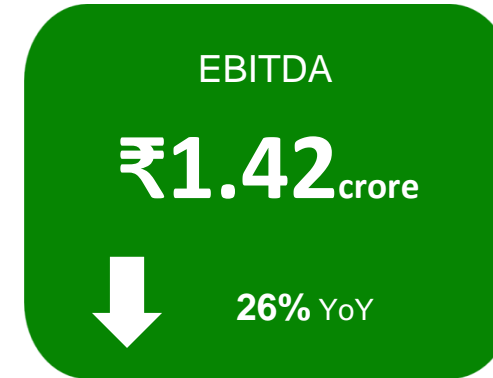
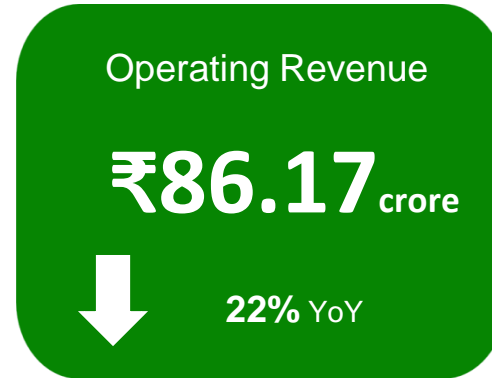
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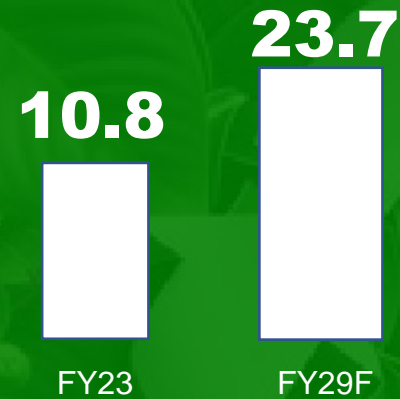


India's plastic waste recycling market size is estimated to be 10.8 Million Tons in 2023. Going forward, the market is expected to reach 23.7 Million Tons by 2029, exhibiting a growth rate (CAGR) of 14.0% during 2023-2029. (source: CareEdge)

As the consumption of plastic increases, likewise the plastic waste generation will increase. The need to protect the environment from the adversities of plastic pollution will increase.

# India Plastic Waste Industry

Indian: Plastic waste  
Recycling Market  
(Mn Tonnes)



## Favourable Regulations

- Favourable regulatory environment around the plastic waste management is also catalysing tailwinds for this industry.
- Ministry of Environment, Forest and Climate Change (MOEF) has provided more stringent Extended Producer Responsibility (EPR) targets for plastic packaging.
- Further, Food Safety and Standards Authority of India (FSSAI) has permitted the use of Recycled plastics as food contact materials. This will add to the existing use case of recycled plastics and hence will structurally shift the demand for recycled plastic upwards.

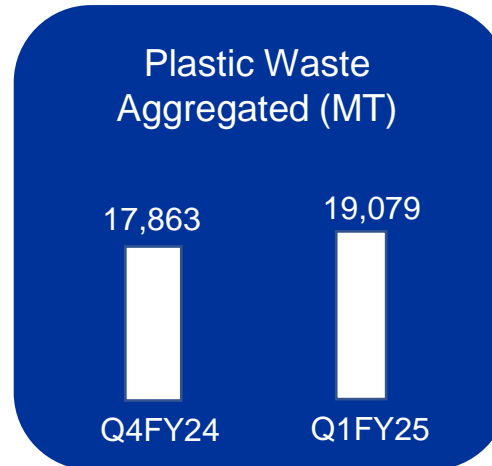
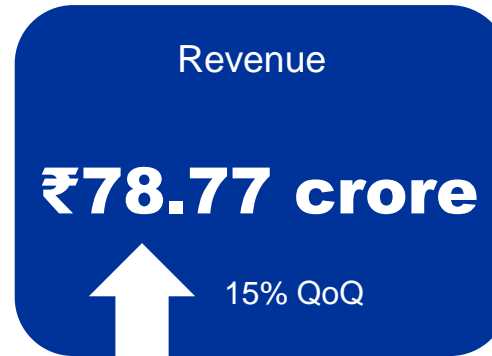
# Q1FY25: Plastic Packaging Waste Business Highlights

(STANDALONE) (QoQ)

## SNAPSHOTS

**~19,079 MT**

This is the quantum of plastic waste (in tonnes) that we aggregated during Q1FY25. Registering a growth of 7% QoQ



\*We have modified our market share computation methodology which is now based on our Trailing Twelve Months (TTM) PET waste aggregation. Further, market size is based on share of organized plastic recycling market in India. Similar approach will be followed going forward.

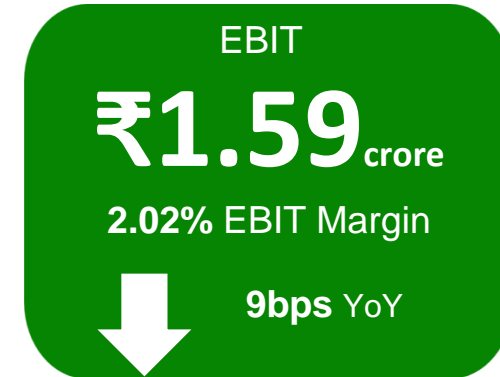
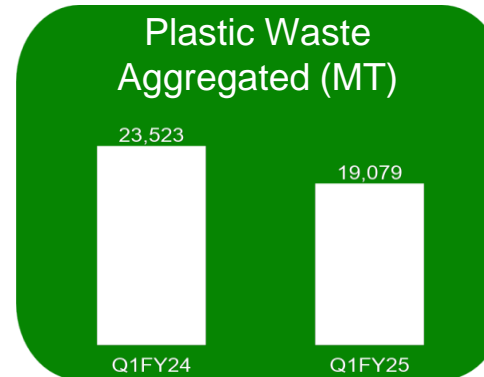
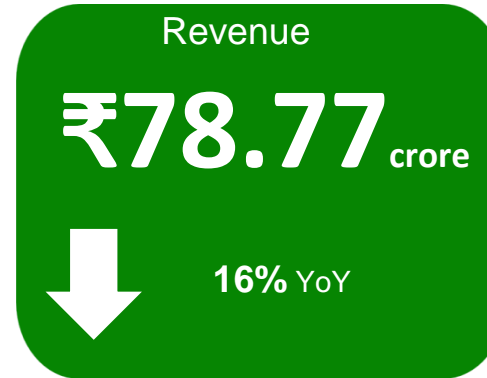
# Q1FY25: Plastic Packaging Waste Business Highlights

(STANDALONE) (YoY)

## SNAPSHOTS

**~19,079 MT**

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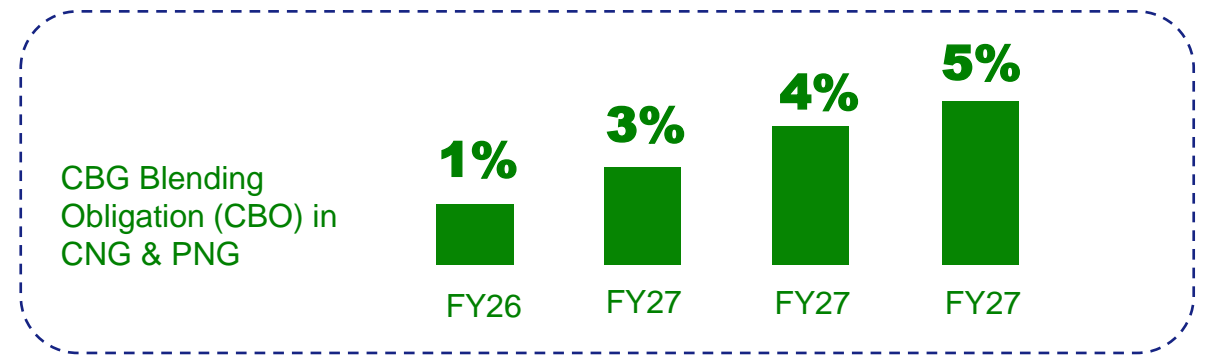
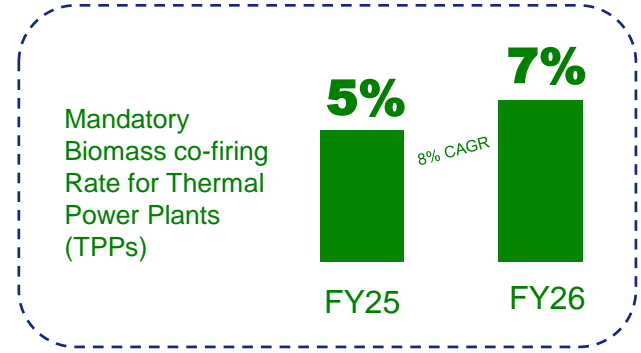
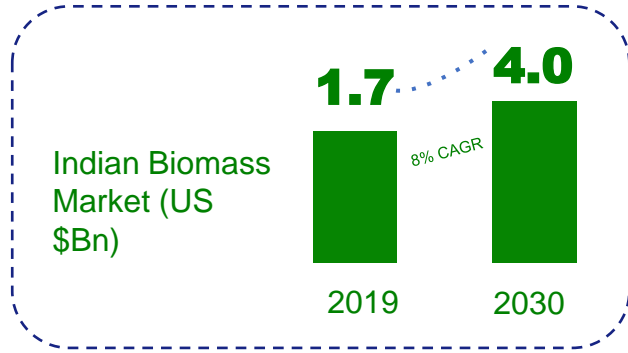


# India Biofuel Industry

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.



### 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.

### 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.

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

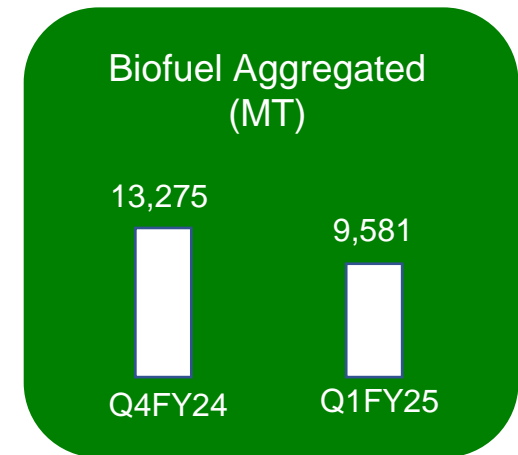
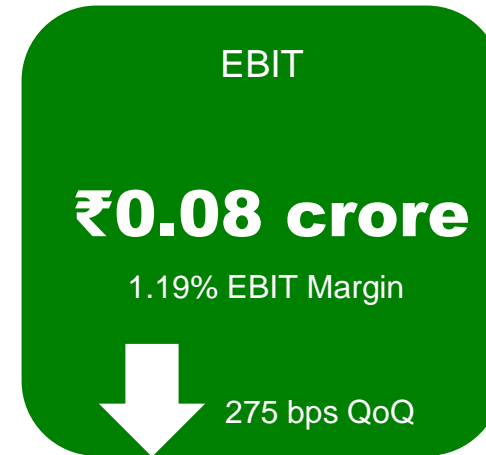
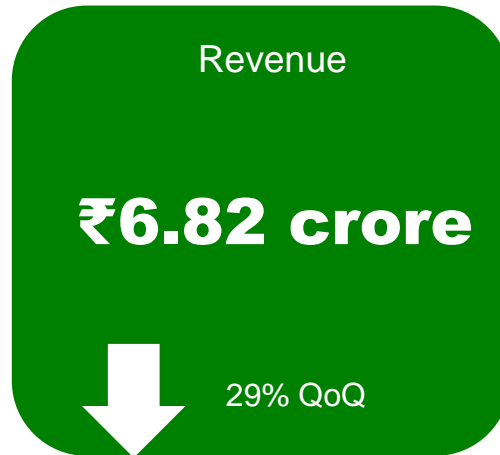
# Q1FY25: Biofuel Business Highlights

(Standalone) (QoQ)

## SNAPSHOTS

**~9,581 MT**

This is the quantum of Biomass (in tonnes) that we aggregated during Q1FY25.



# Q1FY25: Biofuel Business Highlights

(Standalone) (YoY)

## SNAPSHOTS

# ~9,581 MT

This is the quantum of Biomass (in tonnes) that we aggregated during Q1FY25.

Revenue (Q1FY25)

# ₹6.82 crore

↓ 59% YoY

EBIT (Q1FY25)

# ₹0.08 crore

1.19% EBIT Margin

↑ 54 bps YoY

Boifuel Aggregated (MT)

17,085



Q1FY24

9,581



Q1FY25





# Our Major Biofuel Clients



# Standalone Income Statement

Particulars	Q1FY25	Q4FY24	Q1FY24	FY24
<b>Income Statement</b> INR Cr				
Revenue from Operations	86.17	79.47	110.74	338.50
Operating Costs	84.75	78.44	108.81	332.97
<b>Operating Profit (EBITDA)</b>	<b>1.42</b>	<b>1.03</b>	<b>1.93</b>	<b>5.53</b>
Other Income	0.15	0.44	0.03	0.67
Finance Costs	0.83	0.75	0.55	2.84
Depreciation and amortisation	0.16	0.27	0.12	0.66
<b>Profit Before Tax (PBT)</b>	<b>0.57</b>	<b>0.45</b>	<b>1.29</b>	<b>2.70</b>
Less: Tax expense	0.21	0.21	0.38	1.13
<b>Profit After Tax (PAT)</b>	<b>0.36</b>	<b>0.24</b>	<b>0.91</b>	<b>1.57</b>

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

*We have used summarized financials for presentation purpose.*



# Consolidated Income Statement

Particulars	Q1FY25	Q4FY24	Q1FY24	FY24
<b>Income Statement</b> INR Cr				
Revenue from Operations	86.44	85.17	110.74	347.48
Operating Costs	85.05	84.13	108.81	341.71
<b>Operating Profit (EBITDA)</b>	<b>1.40</b>	<b>1.04</b>	<b>1.93</b>	<b>5.77</b>
Other Income	0.15	0.61	0.03	0.70
Finance Costs	0.93	0.84	0.55	2.94
Depreciation and amortization	0.30	0.41	0.12	0.80
<b>Profit Before Tax (PBT)</b>	<b>0.31</b>	<b>0.39</b>	<b>1.29</b>	<b>2.73</b>
Less: Tax expense	0.21	0.28	0.38	1.18
<b>Profit After Tax (PAT)</b>	<b>0.10</b>	<b>0.11</b>	<b>0.91</b>	<b>1.55</b>

- Our Company has acquired 65% equity shares of India Polymers Pvt Ltd.
- Pursuant to said acquisition, India Polymers Pvt Ltd has become subsidiary of our Company.
- Beside we present our consolidated financial results:
  - India Polymers Pvt Ltd is incorporated in December 2023 and is in the process of commencing its business operations.
  - The core operations of the company would involve production of washed PET flakes, a pivotal component in fostering environmental sustainability.



## Scenario: FY24

- In FY24, we implemented an aggressive growth strategy focused on expanding our market share through extended credit terms to our customers. This approach boosted our top-line. However, this strategy also led to an increase in our receivable days from our targeted 30 days to more than 45 days, which, coupled with debt-financed working capital expansion, impacted our bottom-line as well.

- Financial Impact:**

**Revenue:**

Significant year-over-year growth

**Accounts Receivable:**

Increased to 45+ days (target: 30 days)

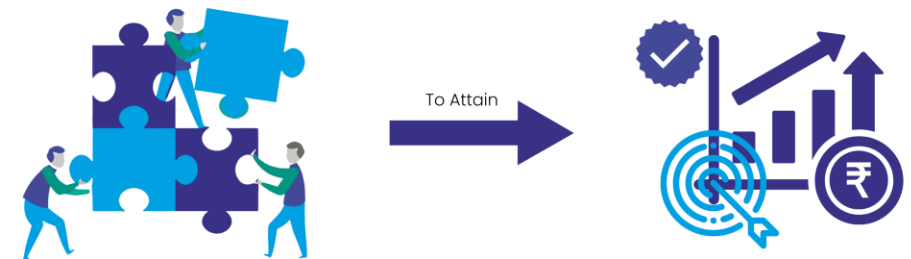
**Net Profit:**

Muted due to higher finance costs



## Strategic Shift in FY25:

- Recognizing the need for a more balanced approach to growth and profitability, we've implemented several key changes for FY25:
  - Management Restructuring:** We've brought in fresh perspectives to our leadership team, focusing on operational efficiency and sustainable growth.
  - Working Capital Optimization:** We're actively reducing our receivable cycle to align with our target of 30 days. This initiative is expected to improve our cash flow and reduce dependence on debt financing.
  - Market Positioning:** We're reinforcing our market dominance by increasing our focus on sustainable and organized value chain and quality.



## Impact and Outlook:

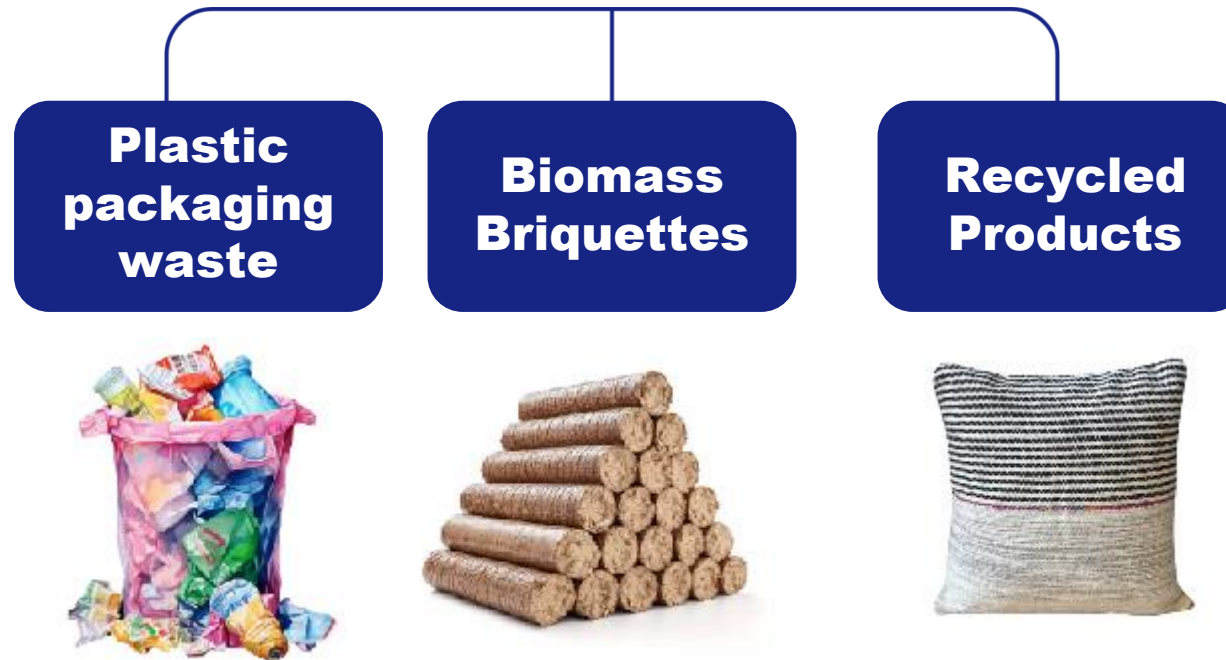
- The transition to our new strategy has presented initial challenges, resulting in an YoY decline in top-line during Q1FY25. Despite these roadblocks, gradually we are observing some positive outcomes:
  - **Market Reception:** Our focus on sustainability is resonating well with customers and partners. This is gradually gaining us wider market acceptance.
  - **Potential fundamental improvement:** With gradual reduction in receivable days, we are expecting favorable change in our liquidity position and financing costs.
- In our biomass division, we faced additional headwinds due to market price fluctuations. In real terms, our topline declined by around 44%. However, a 15% YoY decline in biomass prices, resulted in an overall topline reduction of about 59% in this segment.
- We're confident that our strategic shifts will drive sustainable growth and profitability. Early results from ongoing quarter are positive and we expect to see continued improvement in the coming quarters.



# The Way Ahead for RACE: DEMERGER

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:

## Proposed Demerger of Business Segments



## Potential Benefits

- Unfolding the value of all the three businesses.
- Shareholders will get the stocks of two other listed entities apart from RACE.
- Board has formed a committee of Board to make the plan and implement the same.



# The Way Ahead for RACE : Organic Growth

Strategic Investment in Rudra Ecovation: Enhancing Sustainability and Market Position

## 1 Investment Highlights :

- Strategic partnership with Rudra Ecovation, a leading Indian PET bottle recycler specializing in sustainable textiles
- Secured long-term exclusivity for waste PET bottle supply, ensuring a stable and reliable revenue stream
- Strengthens our position in the growing sustainable textiles market and contributing to circular economy

## 2 Key Initiatives planned :

- Establishing dedicated waste collection centers exclusively for Rudra Ecovation Ltd.
- The collection centers would enable e2e traceability, allowing us to track PET bottles from collection to recycling
- Ensuring adherence to strict ESG compliance standards in these centers. Hence, demonstrating our commitment to responsible business practices

## 3 Benefits and Outcomes :

- Enhanced operational efficiency through streamlined supply chain and improved stakeholder trust
- Reduced environmental impact by promoting effective recycling and sustainable textile production
- Exclusivity and ESG focus make us the preferred partner, boosting our reputation, strengthening negotiating power and improving margins.

## 4 Future Strategy :

- Aim to forge similar alliances with other recyclers, expanding our network in the recycling industry
- Leveraging our expertise and infrastructure and positioning our company as the preferred choice for recyclers in India
- Expand our market share in the recycling sector by capitalizing on the growing demand for sustainable solutions



# The Way Ahead for RACE : Organic Growth



## Strategic Alliance with Ganesha Ecosphere

India's largest PET waste recycler, **Ganesha Ecosphere Ltd.** is putting up strategic investment in RACE Eco Chain Ltd.



**GANESHA ECOSPHERE LTD**

## Supply Chain Transformation

This partnership will revolutionize India's waste management supply chain, streamlining operations and ensuring sustainable practices to meet the growing demands of brand owners.

## Dedicated Collection Centers

We plan to establish dedicated waste collection centers for Ganesha Ecosphere, adhering to stringent ESG compliances, ensuring responsible waste management and enhancing end-to-end traceability.

## Sustainability & Market Demand

With the onset of mandatory EPR targets effective from ongoing FY25 and SEBI's ESG norms, our collaboration places us at the forefront of sustainable waste management. Hence, fully prepared to meet regulatory and market demands.

## Value Addition & Growth

This alliance opens avenues for value addition, growth and innovation, enhancing our competitive edge in the evolving waste management industry.

## Bridging the Sustainability Gap

Our partnership addresses the unorganized nature of the waste management sector, creating a more sustainable and organized value chain and thus contributing to the circular economy.

## Demand-Pull Effect

Our strategic alliance positions us as the preferred partner for brand owners seeking sustainable waste management solutions, driven by EPR mandates.

## Structural Improvement

We expect this alliance to result in structural improvements in our operations, driving efficiency, scalability, and long-term profitability.

# Bridging the Sustainability Gap: Organizing the Unorganized

## Current Challenge:

The majority of India's recycled waste is managed by the informal sector, often lacking adherence to health, safety, and governance standards.

## Regulatory Shift:

SEBI's mandates are driving India towards ESG compliance, with BRSR core disclosures for value chain coupled with mandatory EPR targets for PIBOs.

## Strategic Positioning:

At RACE, we are committed to leading this transformation:

### Supplier Sustainability Checks:

We have developed robust sustainability checks for our suppliers.

### ESG Assessments:

We are planning to engage independent third parties for comprehensive ESG evaluations across our value chain.

### Dedicated Collection Centers:

Strategizing to establish collection centers that strictly follow ESG compliances.

### Alliance with Ganesha Ecosphere:

Our strategic alliance with GANESHA ECOSPHERE will pace our progress towards this initiative



## Outcome

Our ESG-focused initiatives position us strategically to meet increasing demand for sustainable value chains, addressing both regulatory requirements and market expectations. Thus, we are highly committed to be the catalysts in bridging the existing sustainability gap in the waste management sector.



# Race at the forefront for upcoming Opportunities & Challenges

## OPPORTUNITY

Bottle to Bottle Manufacturing.



Growing demand for ESG complaint and organized Waste Supply Chain

EPR norms require 1/3rd of recycled material to be used for packaging material Manufacturing by 2025.

Technology will play a huge role in organizing the unorganized waste market.

## CHALLENGE

Is expected to grow significantly leading to larger demand for R-PET material.

Major Corporations , FMCG Companies are pushing recyclers for organized Supply Chain for Waste procurement.

Leading to huge demand for recycled products and waste material.

Leading to huge demand for technology based waste management solutions.

## SOLUTION



RACE with Pan India network of waste suppliers, Setting up washing plants to fill this B2B raw material demand.

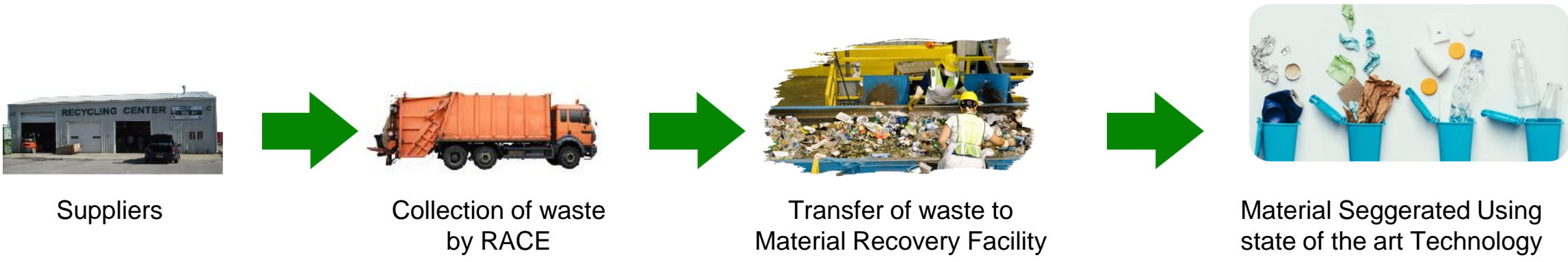
RACE comes as a solution with pan India supplier network,reginal collection centres and ESG Focus

RACE comes as a solution with on of the fastest growing waste supply chain in India.

RACE APP and technology will play a crucial rate in digitizing the Supply Chain also AI and blockchain based solutions for waste management

# Our Business Model

## Race Operating Process



## Our Business Segments

**Plastic packaging waste**

Aggregating & supplying the plastic packaging waste to the recyclers through our vast waste supply chain of 500+ suppliers network pan India.

**Biofuel**

Elevating the Green Energy Revolution by aggregating and supplying biomass briquettes & pellets to the end users.

**Recycled Products**

Manufacturing of recycled products like bags, cushions, curtains, table mats, etc. We sell these products under our registered brand "Restore"



# Our Strategic Pillars of Excellence



## ESG Focused

Voluntary adoption to SEBI's BRSR



Organizing the Unorganized  
Suppliers' Due Diligence



End to End Traceability

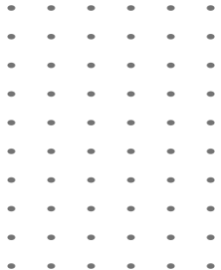


Digitization initiative via RACE App

Innovation & Technology



Certifications



# Progressing towards digitization via **RACE APP**

- Our company is strongly committed to enhancing its technological capabilities.
- Further, in alignment with our vision to optimize the overall efficiency and digitize the existing value chain, our organization has developed the "RACE App" currently available on Andriod playstore and Apple appstore.



**Buy & Sell Marketplace to Include**

- This 1st version of the application will streamline the waste selling process, featuring a transparent price negotiation platform while ensuring effortless pickups and deliveries.
- In later versions, we are also contemplating about integrating AI in this app. Through which we are aiming to work towards offering market insights such as price trends, future industry prospects, government regulations, environmental compliance, and the latest news and developments in the waste management sector.
- The 1st version of this application is now available on the google play store and apple store!!

**PET Waste bottle**



**Non-PET other plastics**



**Biofuel Briquettes**



**Waste Paper**



**Metal Waste**



**Recycled Products**





# Announcement

## Race Participated at Global Conclave on Plastics Recycling and Sustainability(GCPRS)

RACE participated in the GCPRS, A four-day event, renowned for its insights into cutting-edge trends and business opportunities in plastic recycling.

Race Eco Chain Ltd recently participated in the Global Conclave on Plastic Recycling and Sustainability (GCPRS), demonstrating our commitment to sustainable practices and innovative solutions in environmental management.



The participation of Race Eco Chain Ltd. garnered an overwhelming response from experts, industry leaders, and potential clients alike. The company's innovative approach to organizing India's unorganized waste supply chain was particularly lauded. The presence at the GCPRS not only highlighted our achievements but also the commitment to advancing the global agenda on plastics recycling and sustainability.

# Our Progress towards ESG Journey

## “Progress Towards Business Sustainability”

Voluntary filing of SEBI BRSR: Our company has voluntarily adopted SEBI’s BRSR reporting for making ESG based disclosures

Undergoing ESG assessment, our company has recently received a score of 58 out of 100 based on CareEdge Advisory’s ESG grading procedures. We are dedicated to enhancing our ESG performance moving forward.

Here are some of our ongoing initiatives aimed at establishing sustainable business practices

### Technology for good

- Much of the existing supply chain functions with disorganization which results in operational inefficiency.
- 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.

### Sustainable Sourcing

- We are presently categorizing our value chain partners according to their level of engagement with RACE.
- Following this categorization, we intend to initiate the independent third-party ESG assessment for the most actively involved segment of our value chain partners.

### Enhancing Governance

- Our company has established ESG Committee for decision making on sustainability related issues, implementing & overseeing the business responsibility related policies and progress on our ESG goals.
- Furthermore, to strengthen our internal controls, we are in the process of automating & 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.

### Governance for Good

- 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.



# Thank You



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