



Dated: 21st November, 2024

Bombay Stock Exchange Limited Department of Corporate Services, Phiroze Jeejee Bhoy Towers, Dalat Street, Mumbai-400001 Scrip Code: 537785	National Stock Exchange Limited Listing Department Exchange Plaza,C-1, Block-G, Bandra-Kurla Complex, Mumbai 400051 Symbol: RACE
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Subject: Corrigendum to Letter Dated 18th November 2024

Dear Sir/Madam,

This is a corrigendum to our earlier letter dated 18th November 2024 regarding the presentation by the Company on financial results for the quarter and half year ending on 30th September 2024. Please consider this updated file and disregard the previous one.

This is for your information and records.

Thanking You,

Yours Faithfully
For Race Eco Chain Limited

SHIWATI Digitally signed by
SHIWATI
Date: 2024.11.21 21:18:40
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Shiwati
Company Secretary & Compliance



Earnings Presentation Q2 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.

Q2FY25 : Performance Highlights

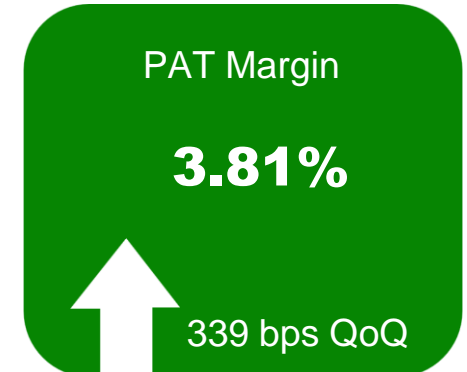
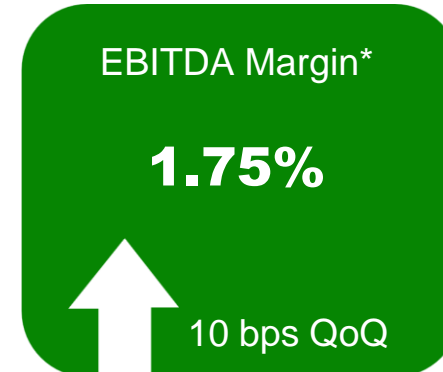
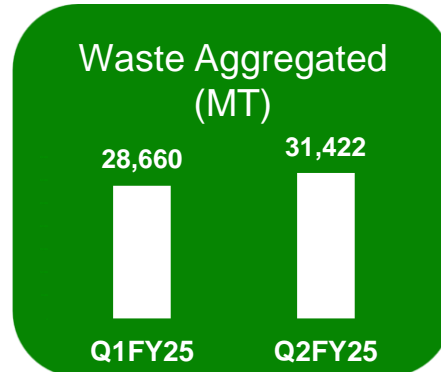
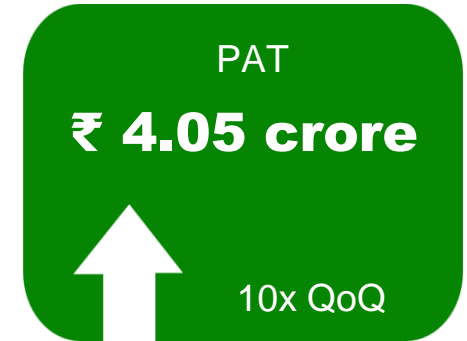
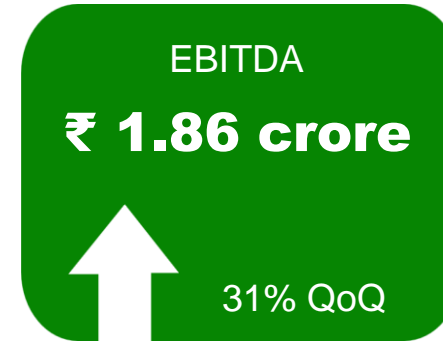
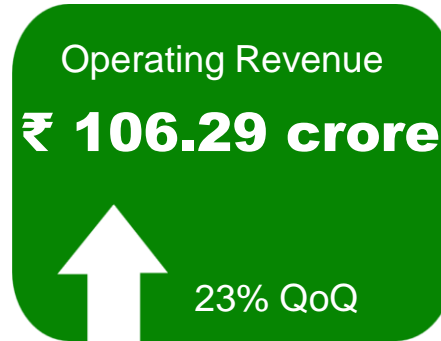
(Standalone) (QoQ)

~31,422 MT

This is the quantum of waste (in tonnes) that we aggregated during Q2FY25.

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 is computed excluding other income (non-operating income)

Q2FY25 : Performance Highlights

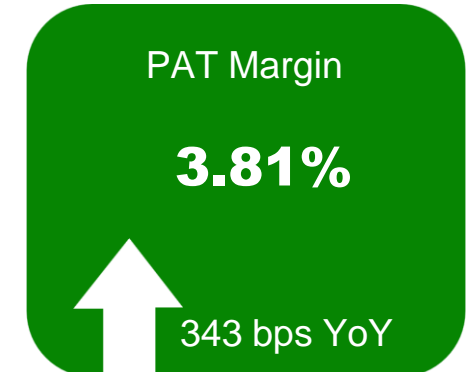
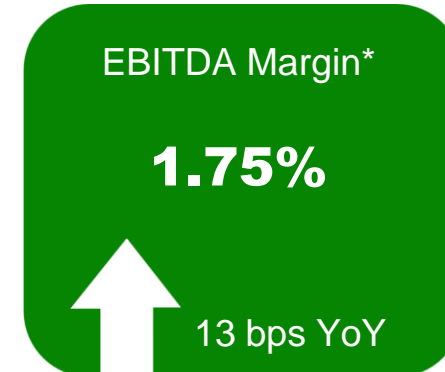
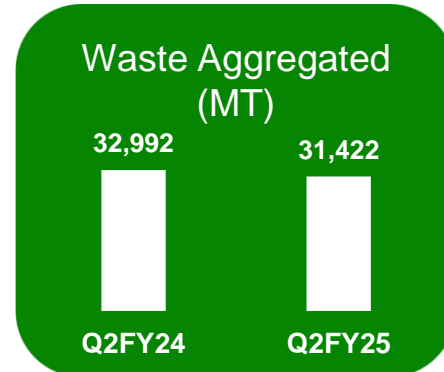
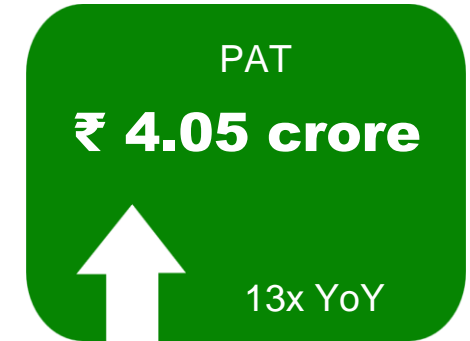
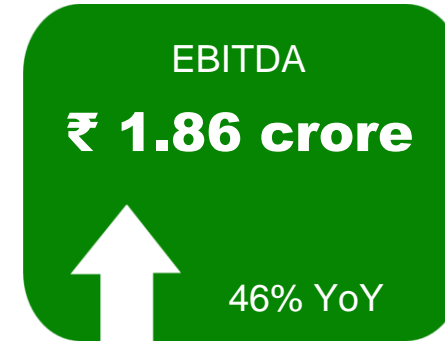
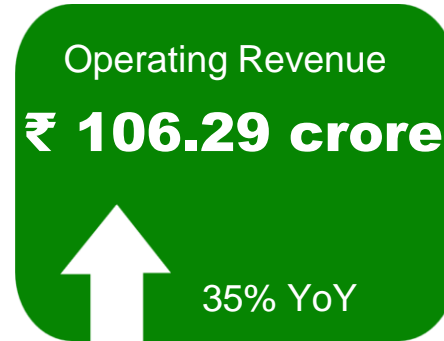
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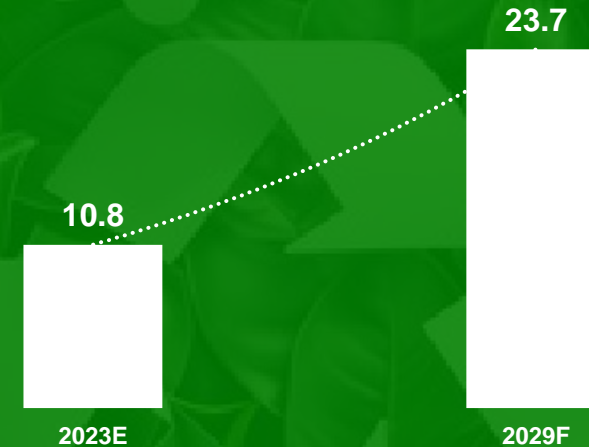


India's plastic waste recycling market size is estimated to be 10.8 Million Tons in 2023. Going forward, the market is expected to reach 23.7 Million Tons by 2029, exhibiting a growth rate (CAGR) of 14.0% during 2023-2029. (source: CareEdge)

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 size (Mn Tonnes)

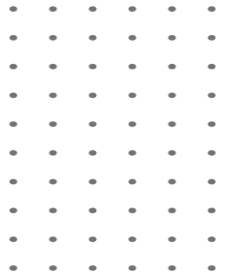


Favourable Regulations

- 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.

Q2FY25: Plastic Packaging Waste Business Highlights

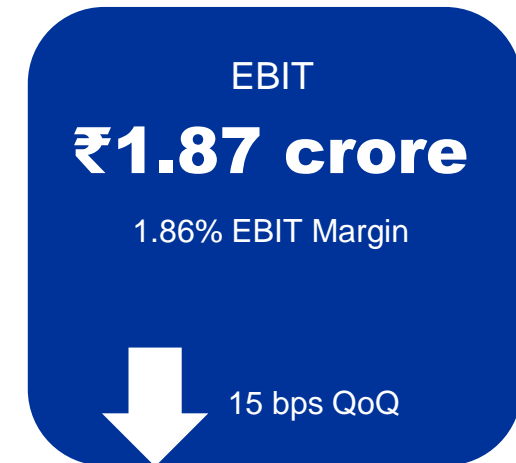
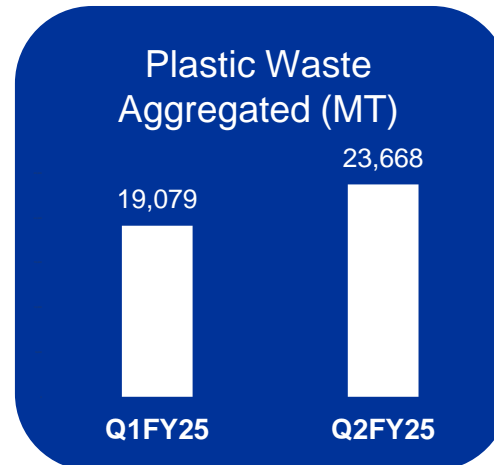
(STANDALONE) (QoQ)



SNAPSHOTS

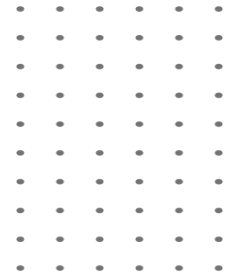
~23,668 MT

This is the quantum of plastic waste (in tonnes) that we aggregated during Q2FY25. Registering a growth of 24% QoQ



Q2FY25: Plastic Packaging Waste Business Highlights

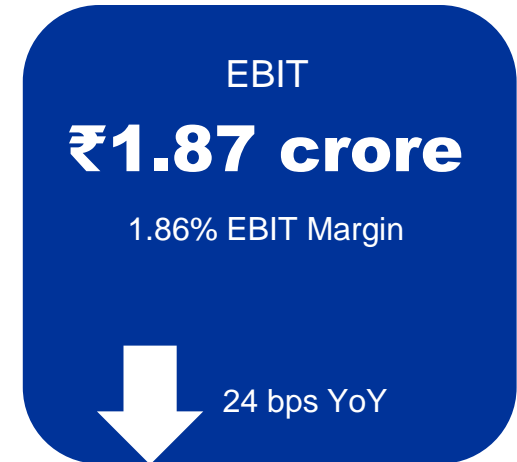
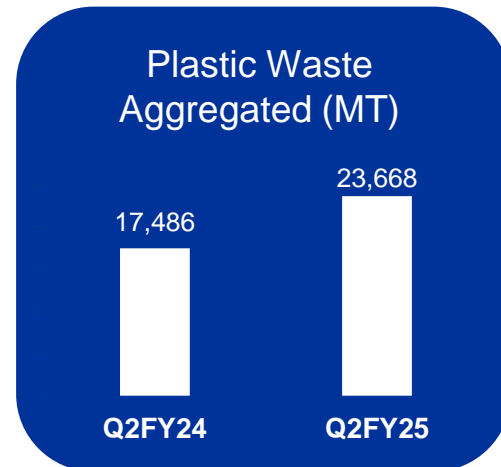
(STANDALONE) (YoY)



SNAPSHOTS

~23,668 MT

This is the quantum of plastic waste (in tonnes) that we aggregated during Q2FY25. Registering a growth of 35% YoY

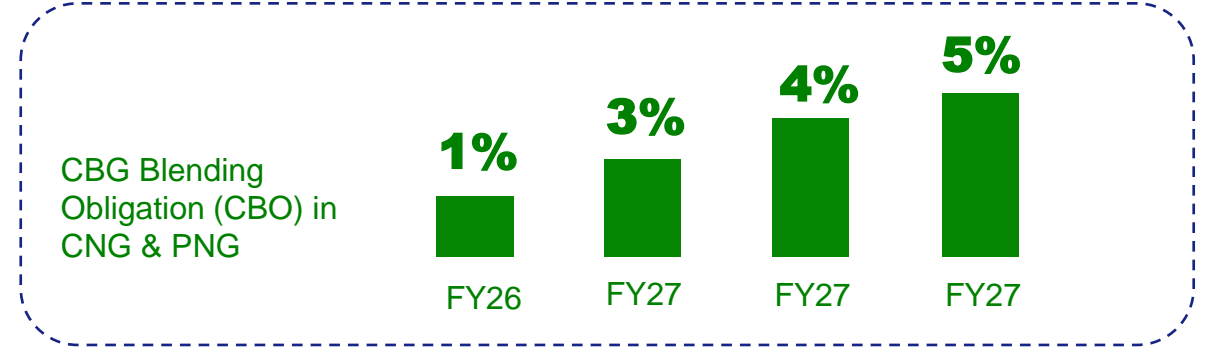
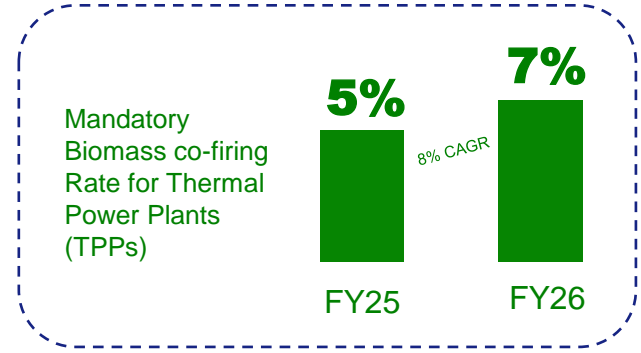
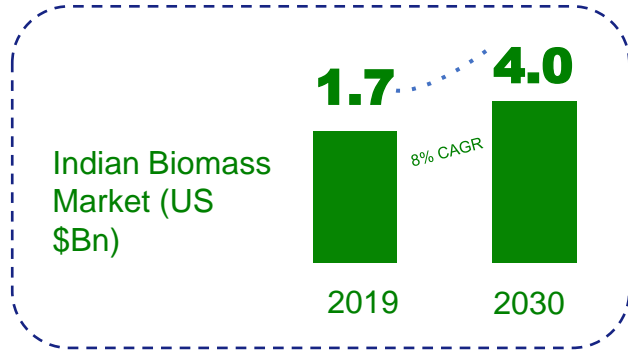


India Biofuel Industry

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.

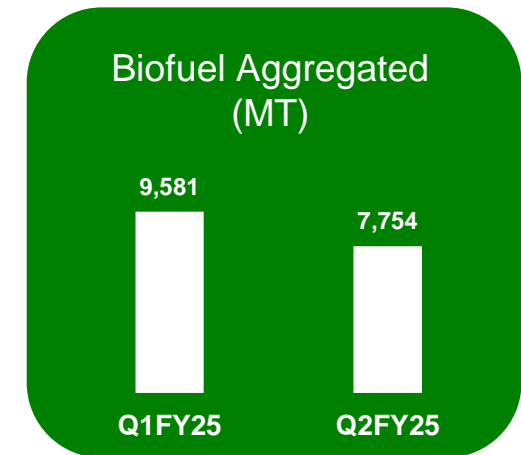
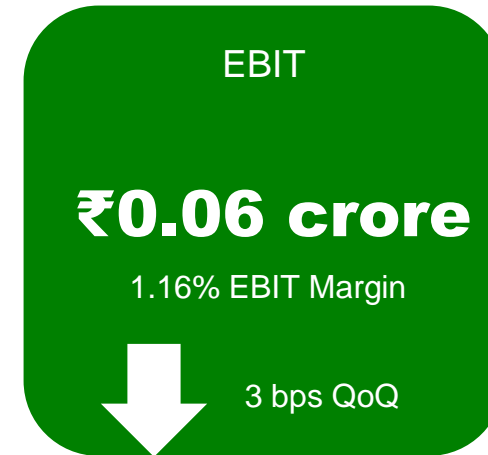
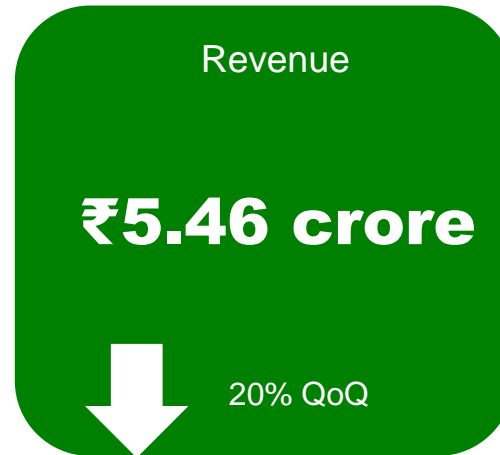
Q2FY25: Biofuel Business Highlights

(Standalone) (QoQ)

SNAPSHOTS

~7,754 MT

This is the quantum of Biomass (in tonnes) that we aggregated during Q2FY25.



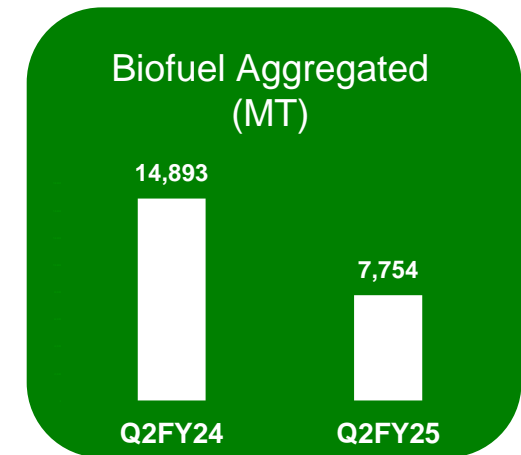
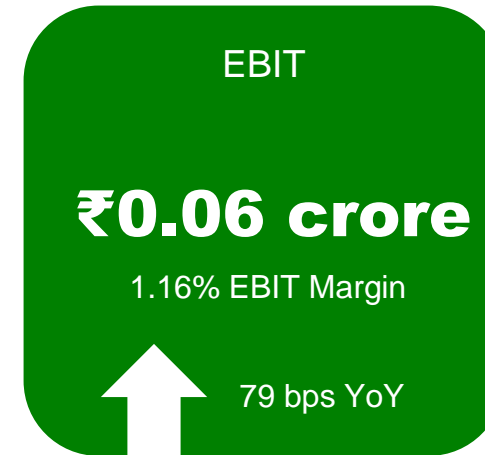
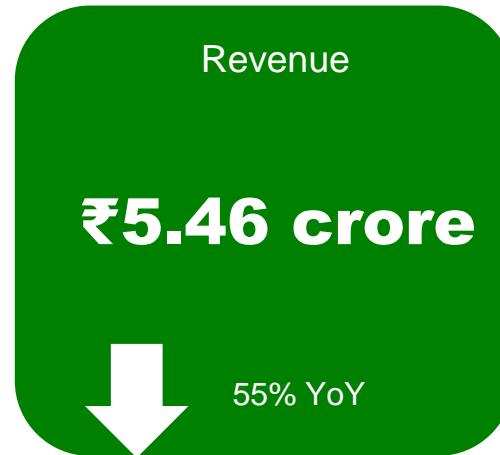
Q2FY25: Biofuel Business Highlights

(Standalone) (YoY)

SNAPSHOTS

~7,754 MT

This is the quantum of Biomass (in tonnes) that we aggregated during Q2FY25.



Our Major Biofuel Clients



Standalone Income Statement

Particulars	Q2FY25	Q2FY24	Q1FY25	H1FY25	H1FY24
Income Statement INR Cr					
Revenue from Operations	106.29	78.88	86.17	192.46	189.63
Operating Costs	104.43	77.61	84.75	189.18	186.42
Operating Profit (EBITDA)	1.86	1.27	1.42	3.28	3.21
Other Income	4.39	0.06	0.15	4.54	0.09
Finance Costs	1.00	0.77	0.83	1.84	1.32
Depreciation and amortization	0.17	0.13	0.16	0.33	0.25
Profit Before Tax (PBT)	5.08	0.43	0.57	5.65	1.72
Less: Tax expense	1.03	0.13	0.21	1.24	0.52
Profit After Tax (PAT)	4.05	0.30	0.36	4.41	1.21



We have used summarized financials for presentation purpose.

Consolidated Income Statement

Particulars	Q2FY25	Q2FY24	Q1FY25	H1FY25	H1FY24
Income Statement INR Cr					
Revenue from Operations	106.29	78.88	86.44	192.73	189.63
Operating Costs	104.43	77.72	85.05	189.48	186.53
Operating Profit (EBITDA)	1.86	1.16	1.40	3.25	3.10
Other Income	4.39	0.06	0.15	4.54	0.09
Finance Costs	1.01	0.77	0.93	1.94	1.32
Depreciation and amortization	0.17	0.13	0.30	0.47	0.25
Profit Before Tax (PBT)	5.07	0.32	0.31	5.38	1.61
Less: Tax expense	1.03	0.11	0.21	1.24	0.49
Profit After Tax (PAT)	4.03	0.22	0.10	4.14	1.13



Standalone Balance Sheet

Particulars	INR Cr	H1FY24	FY24
Standalone Balance Sheet			
Share Holder's Funds			
Net Worth		72.88	22.23
Non-Current Liabilities			
Long term Borrowings		0.00	0.00
Other Non-current Liabilities		1.02	0.14
Current Liabilities			
Short Term Borrowings		21.55	36.84
Trade Payables		11.97	12.87
Other Current Liabilities		1.40	1.20
Total Equity & Liabilities		108.83	73.27
Non-Current Assets			
Fixed Assets		2.67	2.79
Non-Current Investments		15.72	5.20
Other Non-Current Assets		0.27	0.27
Current Assets			
Inventories		0.95	0.83
Trade Receivables		52.94	53.22
Loans & Advances		7.72	8.54
Cash & Cash Equivalents		25.19	0.40
Other Current Assets		3.36	2.02
Total Assets		108.83	73.27



Consolidated Balance Sheet



Particulars	INR Cr	H1FY24	FY24
Standalone Balance Sheet			
Share Holder's Funds			
Net Worth		72.88	22.24
Non-Current Liabilities			
Long term Borrowings		0.00	5.24
Other Non-current Liabilities		1.02	0.12
Current Liabilities			
Short Term Borrowings		21.55	37.27
Trade Payables		11.97	16.76
Other Current Liabilities		1.41	1.32
Total Equity & Liabilities		108.83	82.96
Non-Current Assets			
Fixed Assets		2.67	10.84
Non-Current Investments		15.72	1.41
Other Non-Current Assets		0.27	0.36
Current Assets			
Inventories		0.95	0.96
Trade Receivables		52.94	55.11
Loans & Advances		7.72	11.20
Cash & Cash Equivalents		25.20	0.44
Other Current Assets		3.36	2.64
Total Assets		108.83	82.96

We have used summarized financials for presentation purpose.

Key Highlights

- Standalone PAT reached **₹4.05 crore**, marking a **13x increase YoY**
- Core operations maintained stability, aligned with guidance
- Profitability surge driven by mark-to-market appreciation of investment portfolio.

Segment Performance: Plastic Division

The EBITA Margin for Plastic Packaging Waste Division decreased slightly by 15 bps compared to last quarter

It decreased by 24 bps compared to the same period last year.

This decrease is due to increased spending on staff welfare and marketing expenses

Segment Performance: Biofuel Division

Revenue Impact

Core business volume declined **48% YoY**

7% additional reduction on account of decline in prices

Thus, overall segment revenue decreased **55% YoY**

Corrective Actions in Progress

Management initiatives underway to revitalize biofuel operations

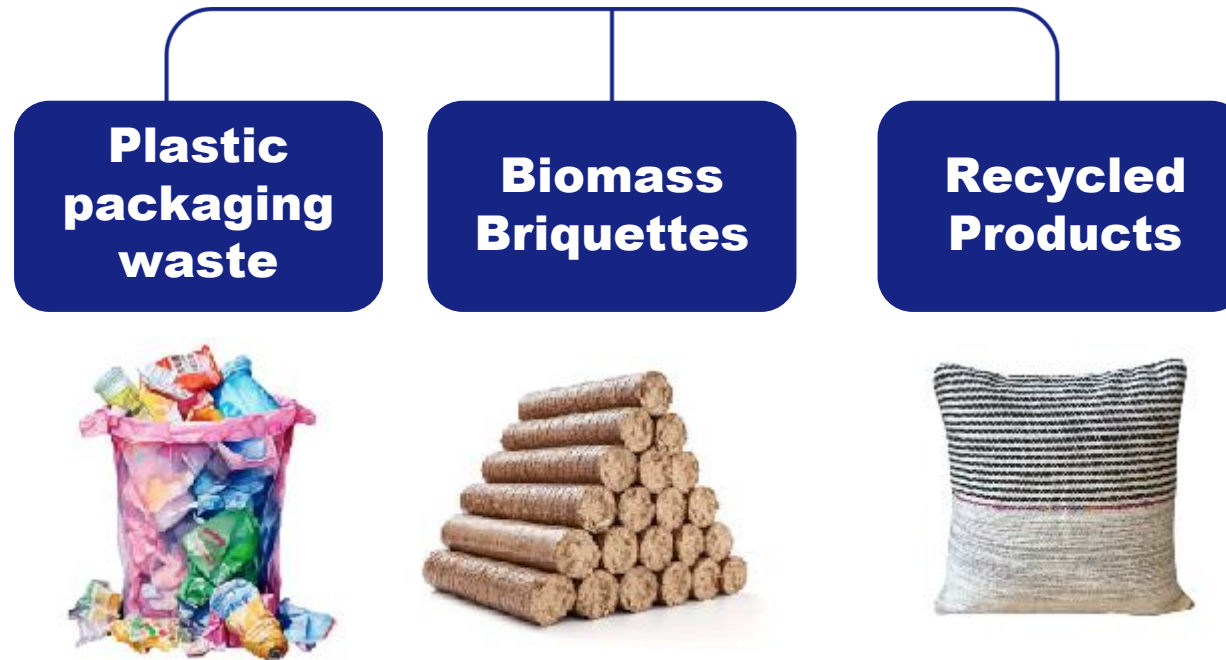
Clear roadmap being strategized for segment turnaround in upcoming periods



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.

Preferred Choice of Leading Recyclers

Strategic Recycler Partnerships



+



GANESHA ECOSPHERE LIMITED

RACE + Ganesha Ecosphere Ltd

(Ganesha is India's Largest PET recycler with total installed capacity of **~2.0 lac TPA**)

Setting washing plants across India for manufacturing of quality PET flakes and B2b Raw material supply



+



RACE + Rudra Ecovation Ltd.

(India's Only Integrated recycler recycling

8.8 Million PET Bottle Daily)

Setting dedicated collection centers for collection of all type of waste from Post consumer to OBP (Ocean Bound Plastic) and HBP (Hill Bound Plastic) Waste



The Way Ahead for RACE: Inorganic Growth

Announcement

Race to Invest in Silverline for Strategic Expansion

Race is excited to announce its strategic investment in Silverline, a leading supplier of recyclable materials in Tamil Nadu. This strategic investment aligns with our long-term vision to strengthen and expand our capabilities in plastic waste management across India.

This investment will be pivotal in enhancing Silverline's operational capacity of plastic waste collection. It will also support the establishment of bailing centers across Tamil Nadu and expanding the exclusive baler network in the region.



Partnership between Race Eco Chain and Silverline will unlock several synergies like Increased Collection Centers, Expansion of Exclusive Bailing Centers, potential for improved fundamentals through optimized operations and expanded market share.

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.

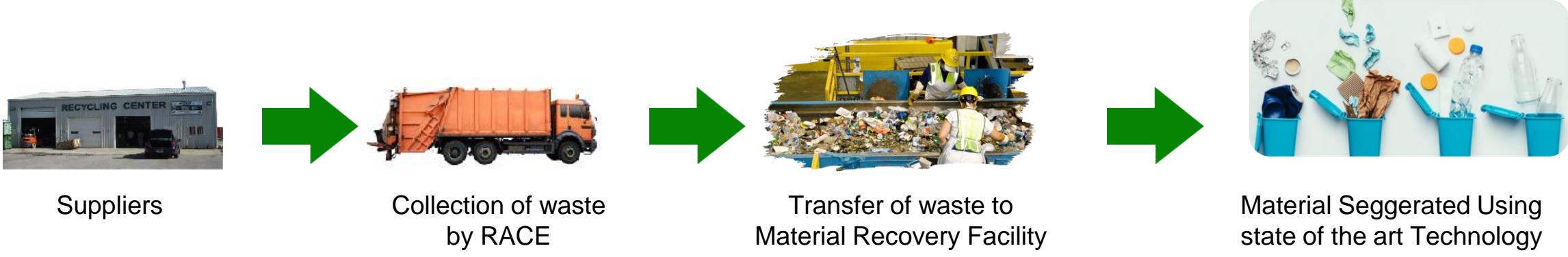
RACE comes as a solution with pan India supplier network,reginal collection centres and ESG Focus

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

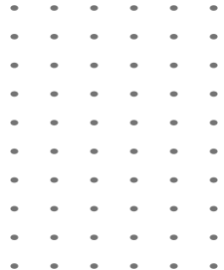


Digitization initiative via RACE App

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 Android play store and Apple app store.

- 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!!

Buy & Sell Marketplace Include

PET Waste bottle



Non-PET other plastics



Biofuel Briquettes



Waste Paper



Metal Waste



Recycled Products



E-Waste



Coming soon

Announcement

Race Ecochain Ltd. Joins Indo-Thai Dialogue on Circular Economy.

Our Managing Director, Mr. Sunil Kumar Malik, was invited as a delegate to the recent Indo-Thai Collaboration event organized in Bangkok. This gathering brought together sustainability pioneers from across Asia, aiming to drive impactful change through cooperative efforts.

In recognition of his leadership in the field, Mr. Malik has been honored with the Leaders of Sustainability - Indo-Thai Delegation Award.

This accolade symbolizes Mr. Malik's efforts in promoting environmental responsibility and acknowledges Race Ecochain's innovative approach to waste management 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