



Earnings Presentation FY24



RACE ECO CHAIN LTD. 

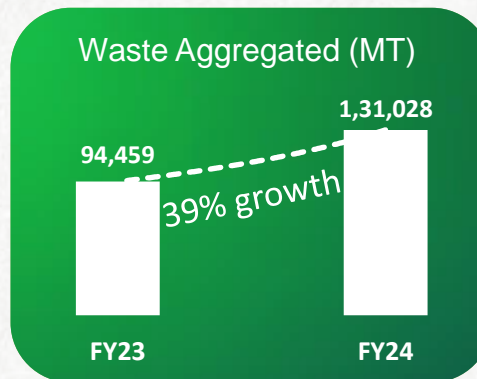
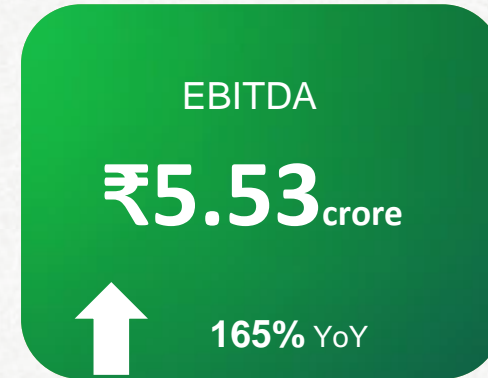
FY24 – PERFORMANCE HIGHLIGHTS (STANDALONE)

~1,31,028 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!

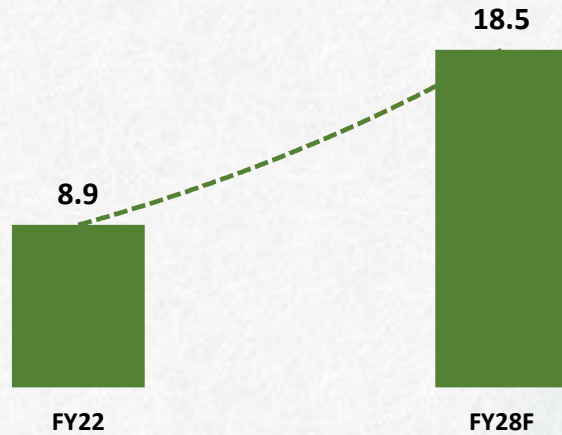
Snapshots



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

INDIA PLASTIC WASTE INDUSTRY

Indian Plastic waste Recycling Market size
(Mn Tonnes)



- India's plastic waste recycling market size reached 8.9 Million Tons in 2022. Going forward, the market is expected to reach 18.5 Million Tons by 2028, exhibiting a growth rate (CAGR) of 11.3% during 2023-2028. (source: IMARC Group)
- As the consumption of plastic increases, likewise the plastic waste generation will increase. ([Link](#)) and the need to protect the environment from the adversities of plastic pollution will increase.



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.

Plastic Packaging Waste Business Numbers (STANDALONE)

~75,972 MT

This is the quantum of plastic waste (in tonnes) that we aggregated during FY24. Registering a growth of 66% YoY

- Our market dominance is strengthening gradually owing to our efforts to “organize the unorganized” waste management supply chain and make it sustainable.
- Thus, we have been able to strengthen our margins.

Snapshots

Revenue (FY24)

₹291.86 crore



47% YoY

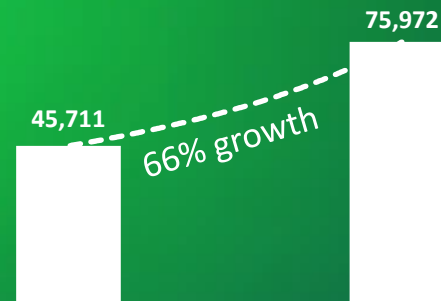
Market Share*
(PET Waste)

7.77%



249bps YoY

Plastic Waste Aggregated (MT)



FY23

FY24

EBIT (FY24)

₹5.77 crore

1.98% EBIT Margin



172 bps YoY

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

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.

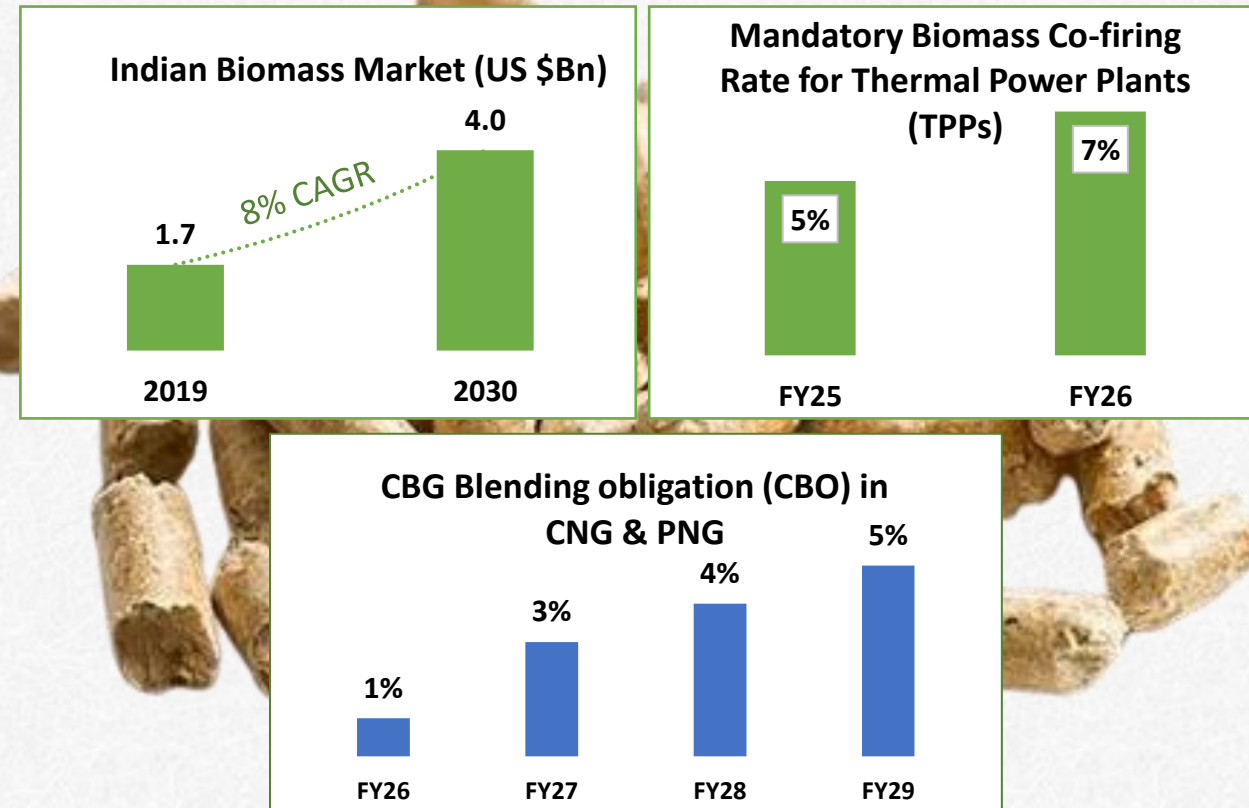
Compressed Biogas Blending Obligation (CBO):

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. ([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.

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

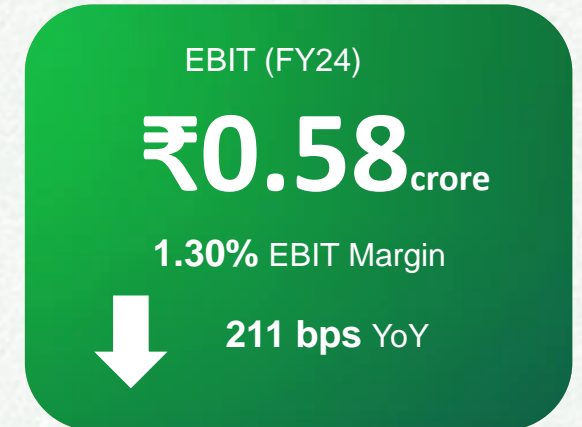
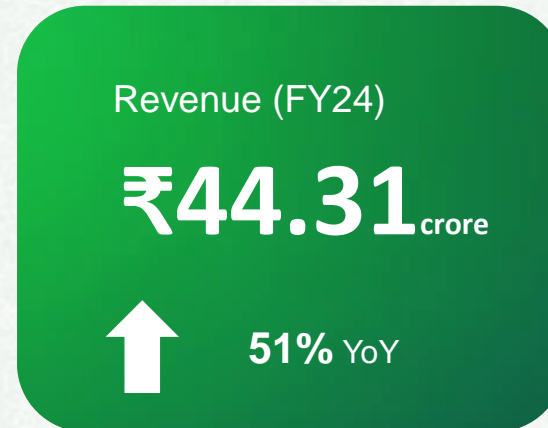
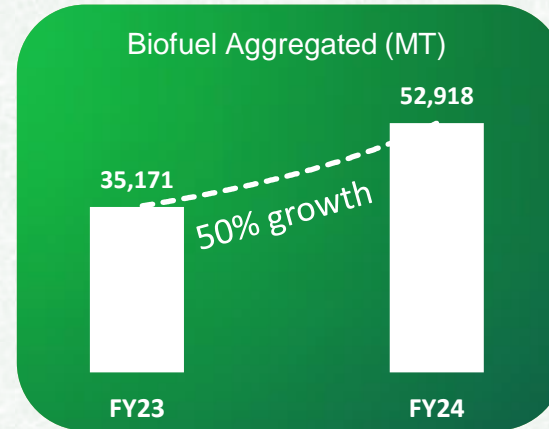


Biofuel Business Numbers (STANDALONE)

~52,918 MT

This is the quantum of Biomass (in tonnes) that we aggregated during FY24. Registering a growth of around 50% YoY

- Due to surge in our biomass procurement cost, our profitability in the biomass segment experienced a decline.
- However, we anticipate margins to recover in the forthcoming quarters.



Our Major Biofuel Clients



UltraTech
CEMENT
The Engineer's Choice

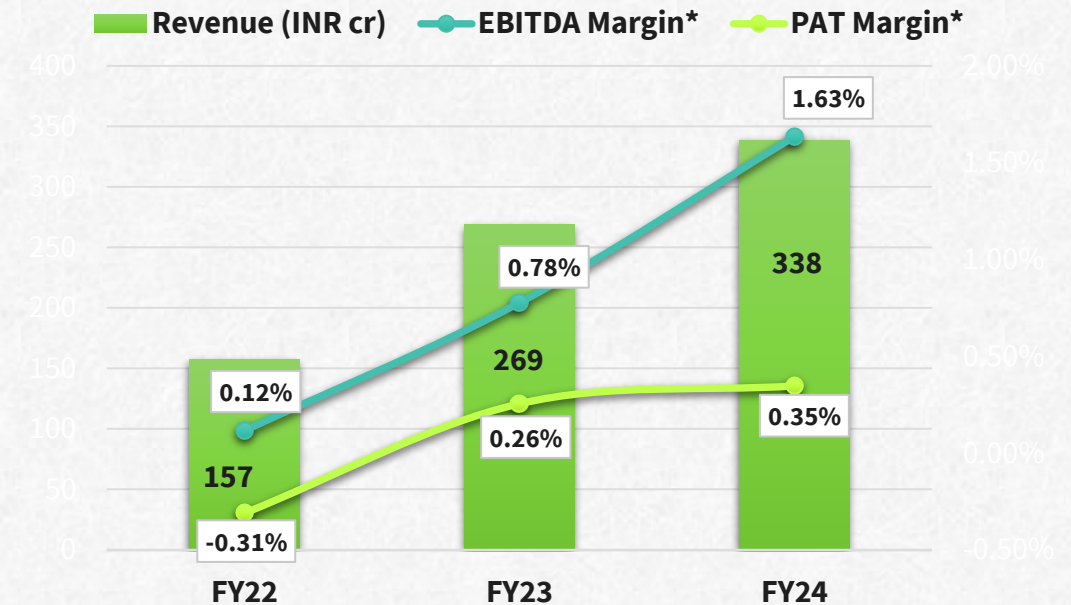
- ❖ We also have been successful in onboarding “Ultratech Cement” as a valued addition to our esteemed clientele.



STANDALONE INCOME STATEMENT



PARTICULARS	INR Cr				
	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
INCOME STATEMENT					
Revenue from Operations	79.47	69.40	92.32	338.50	269.08
Operating Costs	78.44	68.10	91.48	332.97	267.00
Operating Profit (EBITDA)	1.03	1.30	0.84	5.53	2.09
Other Income	0.44	0.14	0.19	0.67	0.85
Finance Costs	0.75	0.77	0.26	2.84	0.70
Depreciation and amortisation	0.27	0.14	0.13	0.66	0.44
Profit Before Tax (PBT)	0.45	0.53	0.64	2.70	1.79
Less: Tax expense	0.21	0.24	0.20	1.13	0.48
Profit After Tax (PAT)	0.24	0.29	0.44	1.57	1.30



- Our PAT for current year ending 31 March 2024 stands at INR 1.57 crore as against INR 1.30 crore during FY23. Thus, recording an YoY growth of 20%.
- Also, we have been able to improve our operating margin & net profit margin by around 86 bps & 9 bps respectively YoY during FY24.

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

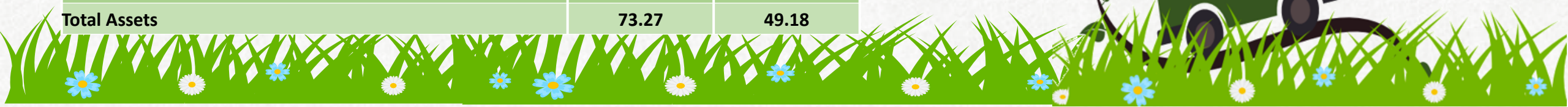
We have used summarized financials for presentation purpose.



STANDALONE BALANCE SHEET

	<i>INR Cr</i>	
PARTICULARS	FY24	FY23
Share Holder's Funds		
Net Worth	22.23	20.57
Non-Current Liabilities		
Long term Borrowings	0.00	0.20
Other Non-current Liabilities	0.14	0.15
Current Liabilities		
Short Term Borrowings	36.84	15.31
Trade Payables	12.87	11.72
Other Current Liabilities	1.20	1.23
Total Equity & Liabilities	73.27	49.18
Non-Current Assets		
Fixed Assets	2.79	2.91
Non-Current Investments	5.20	0.00
Other Non-Current Assets	0.27	0.37
Current Assets		
Inventories	0.83	0.62
Trade Receivables	53.22	36.65
Loans & Advances	8.54	3.43
Cash & Cash Equivalents	0.40	3.10
Other Current Assets	2.02	2.12
Total Assets	73.27	49.18

Journey Towards Greener Tomorrow



CONSOLIDATED RESULTS

- 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.
- Below we present our consolidated financial results:

<i>INR Cr</i>					
PARTICULARS	Q4 FY24	Q3 FY24	Q4 FY23	FY24	FY23
CONSOLIDATED INCOME STATEMENT					
Revenue from Operations	85.17	72.68	92.32	347.48	269.08
Operating Costs	84.13	71.21	91.48	341.71	267.00
Operating Profit (EBITDA)	1.04	1.48	0.84	5.77	2.09
Other Income	0.61	0.15	0.19	0.70	0.85
Finance Costs	0.84	0.77	0.26	2.94	0.70
Depreciation and amortisation	0.41	0.14	0.13	0.80	0.44
Profit Before Tax (PBT)	0.39	0.72	0.64	2.73	1.79
Less: Tax expense	0.28	0.23	0.20	1.18	0.48
Profit After Tax (PAT)	0.11	0.49	0.44	1.55	1.30

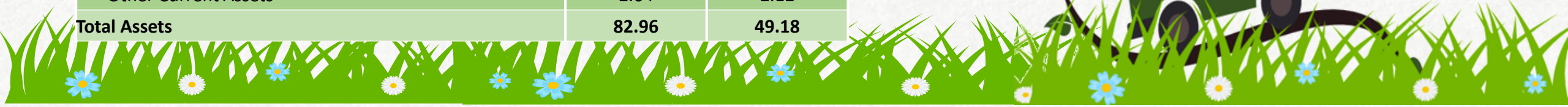
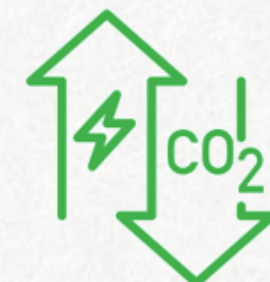
- India Polymers Pvt Ltd is incorporated in December 2023 and is in the process of commencing its business operations.
- The core operations of the company would involve production of washed PET flakes, a pivotal component in fostering environmental sustainability.



CONSOLIDATED RESULTS

PARTICULARS	INR Cr	
	FY24	FY23
Share Holder's Funds		
Net Worth	22.24	20.57
Non-Current Liabilities		
Long term Borrowings	5.24	0.20
Other Non-current Liabilities	0.12	0.15
Current Liabilities		
Short Term Borrowings	37.27	15.31
Trade Payables	16.76	11.72
Other Current Liabilities	1.32	1.23
Total Equity & Liabilities	82.96	49.18
Non-Current Assets		
Fixed Assets	10.84	2.91
Non-Current Investments	1.41	0.00
Other Non-Current Assets	0.36	0.37
Current Assets		
Inventories	0.96	0.62
Trade Receivables	55.11	36.65
Loans & Advances	11.20	3.43
Cash & Cash Equivalents	0.44	3.10
Other Current Assets	2.64	2.12
Total Assets	82.96	49.18

Journey Towards Greener Tomorrow



Journey Towards Greener Environment



CO2 savings via our business operations

~1,58,077
Tonnes of CO2 saved via efficient management of waste PET bottles



~1,09,713
Tonnes of CO2 saved by utilizing biomass vis-a-vis coal




~2,67,790
Tonnes of CO2 saved till date through our waste management activities.

Equivalent to CO2 emitted by a car after covering a distance of:
1,52,00,00,000 Kms



Environment Impact Created by



83,00,00,000 KWh
Electricity savings



Powering 6,61,162
Lives Annually

43,00,00,000 Liters
Water savings



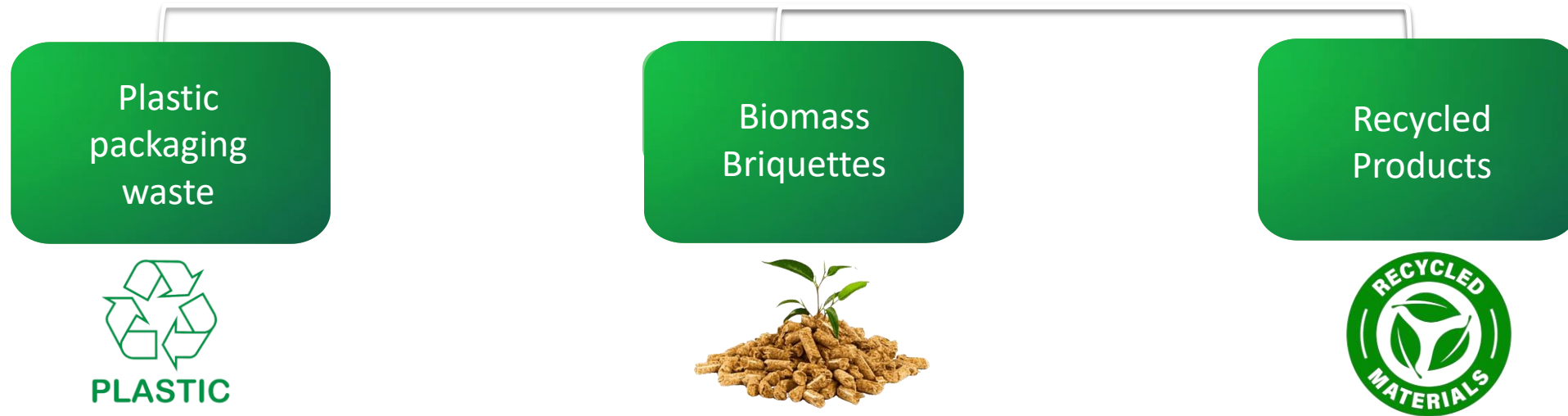
Meeting water needs
of 8,749 Lives Annually



DEMERGER: “The Way Ahead for RACE”

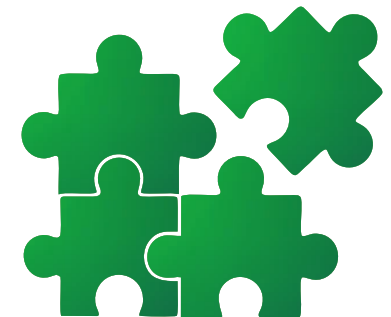
To make operations more focused and making capital allocation more efficient, The Board of the company has proposed the demerger of existing business segments of RACE into three entities:

Proposed Demerger of Business Segments



POTENTIAL BENEFITS

- **Unfolding the value of all the three businesses and thus creating superior returns for shareholders**
- **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.**



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

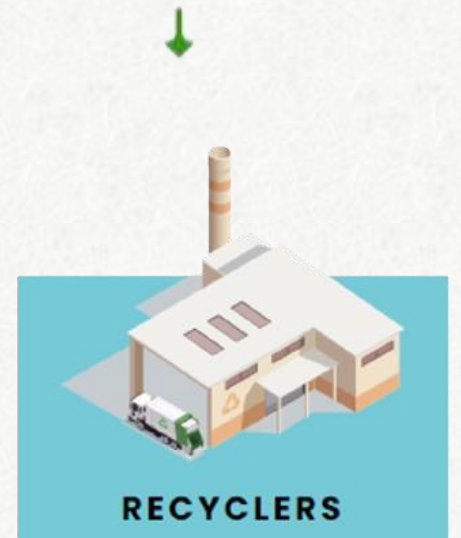
Elevating the Green Energy Revolution by aggregating and supplying biomass briquettes & pellets to the end users.

Recycled Products

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



Recycle Products



RECYCLERS
Recycle Processing

OUR STRATEGIC PILLARS OF EXCELLENCE

ESG FOCUSED

Voluntary adoption to SEBI's BRSR



ORGANIZING THE UNORGANISED

Suppliers' Due Diligence



END TO END TRACEABILITY



Digitization initiative via RACE App

INNOVATION & TECHNOLOGY

CERTIFICATIONS

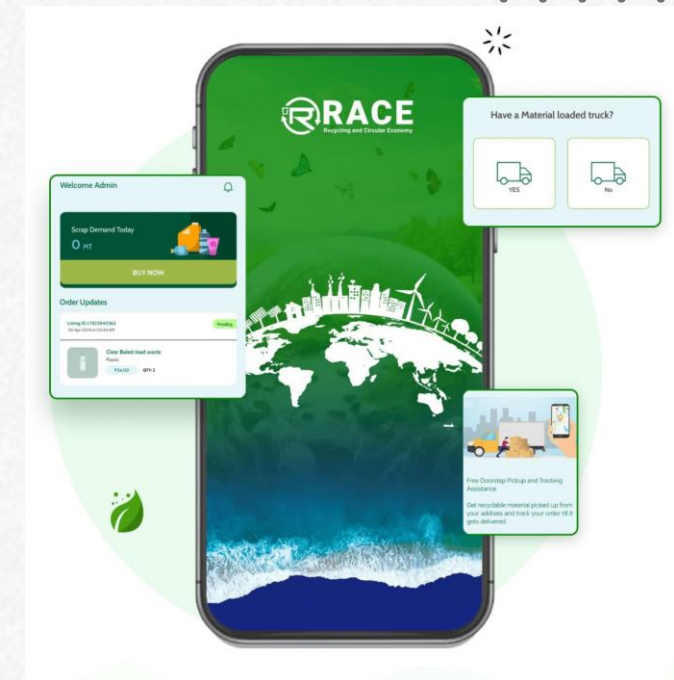


PROGRESSING TOWARDS DIGITIZATION VIA RACE App

- ❖ 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".

RACE App

- 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!!
- The Desktop version is under development & will be soon available



BUY & SELL MARKETPLACE TO INCLUDE :



RECENT DEVELOPMENTS

- **ESG GRADING REPORT** – 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.

GREEN SCORE



- **TIMES Leading Icons Award** – Leveraging our strides in revolutionizing the waste management supply chain through technology integration, our company is recently honored with the "Times Leading Icon Award 2023."

RECENT DEVELOPMENTS

- **ISO Certifications** – We have recently obtained ISO 9001, ISO 14001, ISO 45001, and ISO 50001 certifications, underscoring our steadfast dedication to quality, environmental stewardship, and occupational health & safety. These certifications underscore our commitment to robust governance and position us for sustainable growth.



- **Social Welfare initiative** – In our commitment to social welfare, our company recently organized a health camp for the underprivileged at our premises. Those diagnosed with any health issues were provided with medicines and spectacles as part of this initiative.



ORGANIZING THE UNORGANIZED

The increasing demand for an organized waste management supply chain has elevated the role of company like **RACE** which is working on rendering critical infrastructure for bridging the sustainability gap in this chain. Below are some of our initiatives for *organizing the unorganized*:



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.



Thanks

