



Dated: September 4, 2024

To,

Bombay Stock Exchange Limited
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalat Street, Mumbai-400001

National Stock Exchange Limited
Listing Department
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Mumbai 400051

Scrip Code: 537785

Symbol: RACE

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we would like to inform you that the Board of Directors of the Company has, at its meeting held **Today i.e., Wednesday, September 4, 2024**, approved incorporation of a Joint Venture Company in collaboration with **M/s. GANESHA ECOSPHERE LIMITED (CIN: L51109UP1987PLC009090)** for setting up the washing plants for producing pet flakes.

The details as required under the aforesaid regulation read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are given as Annexure A, B and C.

The meeting commenced at 06:30 P.M. and concluded at 09:00 PM

Kindly take the above on record and oblige.

Thanking you,

Yours faithfully,
For Race Eco Chain Limited

(Shiwati)
Company Secretary-cum-Compliance Officer

Encl: As above



Annexure A

Disclosure of acquisition (including agreement to acquire):

S. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	GANESHA RECYCLING CHAIN PRIVATE LIMITED (company proposed to be incorporated) Proposed Authorized Share Capital: INR 10,00,00,000/- (Rupees Ten Crore) Turnover: Not applicable
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”.	No. Post incorporation of target entity, it will become the Subsidiary of the Company and related party of the Company and its subsidiaries.
3.	Industry to which the entity being acquired belongs	Plastic Recycling
4.	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Our investment in recycled PET is a strategic response to the mounting demand driven by ESG mandates and regulatory requirements in India. By spearheading this initiative, we are not only complying with current regulations but also setting a benchmark for sustainable business practices. Looking ahead, we anticipate that this investment will yield significant environmental benefits and solidify our leadership in the industry. Post incorporation of target entity, it will become Subsidiary of the Company.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	No governmental or regulatory approval is required for such investment.
6.	Indicative time period for completion of the acquisition	Not Applicable.
7.	Consideration - whether cash consideration or share swap or any other form and details of the same	Cash
8.	Cost of acquisition or the price at which the shares are acquired	Not Applicable.
9.	Percentage of shareholding / control acquired and / or number of shares acquired	On incorporation of target entity, it will become the Subsidiary of the Company.



10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Not Applicable since the target entity is yet to be incorporated.
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Annexure B

Disclosure of proposed joint venture agreement:

S. N	Particulars	Details
i.	Name of the entity(ies) with whom agreement is entered	<p>The Board has provided its in-principle approval to enter into a Joint Venture with GANESHA ECOSPHERE LIMITED (“GANESHA”). (The Brief Profile of the Ganesha is attached as <u>Annexure-1</u>).</p> <p>The Joint Venture agreement is yet to be finalized and executed.</p>
ii.	Purpose of entering into the agreement	<p>Our investment in recycled PET is a strategic response to the mounting demand driven by ESG mandates and regulatory requirements in India. By spearheading this initiative, we are not only complying with current regulations but also setting a benchmark for sustainable business practices. Looking ahead, we anticipate that this investment will yield significant environmental benefits and solidify our leadership in the industry.</p> <p>Post incorporation of target entity, it will become Subsidiary of the Company.</p>
iii.	Shareholding, if any, in the entity with whom the agreement is executed;	Nil
iv.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	<p>Yet to be decided, however, RACE will have a right to appoint/ nominate 50% directors of joint venture company. The proposed shareholding of the joint venture company shall be as follows:-</p> <p>RACE – up to 51%; and Ganesha – up to 49%.</p>
v.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;	No
vi.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	No
vii.	in case of issuance of shares to the parties, details of issue price, class of shares issued;	On incorporation of the joint venture company, the Company will acquire up to 51% stake and GANESHA will acquire up to 49% stake.



viii.	any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;	Yet to be decided, however, RACE will have a right to appoint/ nominate 50% directors of joint venture company. There is no potential conflict of interest arising out of this proposed agreement.
ix.	in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): i. name of parties to the agreement; ii. nature of the agreement; iii. date of execution of the agreement; iv. details of amendment and impact thereof or reasons of termination and impact thereof.	Not Applicable



Annexure C

Arrangements for strategic tie-up:

S. No	Particulars	Details
i.	Name of the entity(ies) with whom agreement/ JV is signed	GANESHA ECOSPHERE LIMITED (“GANESHA”) The Joint Venture agreement is yet to be finalized and executed.
ii.	Area of agreement/JV	Our investment in recycled PET is a strategic response to the mounting demand driven by ESG mandates and regulatory requirements in India. By spearheading this initiative, we are not only complying with current regulations but also setting a benchmark for sustainable business practices. Looking ahead, we anticipate that this investment will yield significant environmental benefits and solidify our leadership in the industry.
iii.	Domestic/international	Domestic
iv.	Share exchange ratio / JV ratio	The proposed shareholding of the joint venture company shall be as follows:- RACE – up to 51%; and GANESHA – up to 49%.
v.	Scope of business operation of agreement / JV	Our investment in recycled PET is a strategic response to the mounting demand driven by ESG mandates and regulatory requirements in India. By spearheading this initiative, we are not only complying with current regulations but also setting a benchmark for sustainable business practices. Looking ahead, we anticipate that this investment will yield significant environmental benefits and solidify our leadership in the industry.
vi.	Details of consideration paid / received in agreement / JV	To be decided upon execution of Joint Venture Agreement.
vii.	Significant terms and conditions of agreement / JV in brief	Yet to be decided, however, RACE will have a right to appoint/ nominate 50% of directors in joint venture company. The proposed shareholding of the joint venture company shall be as follows: RACE – up to 51%; and GANESHA – up to 49%.
viii.	Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?	The transaction is not a related party transaction.



	If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	
ix.	Size of the entity(ies)	<p>RACE: Revenue from Operations: Rs. 33,849.88 Lakh Net-worth: Rs. 2,222.87 Lakh</p> <p>GANESHA: Revenue from Operations: Rs. 97,534.03 Lakh Net-worth: Rs. 108,915.22 Lakh</p> <p>(as per the Audited Financial Statements for year ended March 31, 2024)</p>
x.	Rationale and benefit expected	To address the escalating demand for recycled PET in India, driven by Environmental, Social and Governance (ESG) mandates and regulatory requirements.



Annexure-1

Brief Profile of the M/s. Ganesha Ecosphere Limited

Ganesha Ecosphere Limited, India's leading PET recycler, was incorporated in 1987. Led by Mr. Shyam Sunder Sharmma, Chairman and his team of skilled professionals, the Company emerged as the largest producer of RPSF (recycled polyester staple fiber), pioneering the production of rPET fibre and rPET yarn from pre- and post-consumer PET bottle scrap.

The Company operates 6 (six) manufacturing facilities in North and South India as well as in Nepal with a total installed capacity of 1,96,440 TPA. Apart from its widespread pan-India network, the company exports to over 19 countries.

Ganesha's stocks are listed on National Stock Exchange of India Ltd. with the symbol GANECOS and on the BSE Ltd. with the scrip code 514167.
