



17th August, 2023

Bombay Stock Exchange Limited Department
of Corporate Services,
Phiroze Jeejee Bhoy Towers, Dalat Street,
Mumbai 400001

Scrip Code: 537785

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

Symbol: RACE

**Submission of Presentation on Company Quarterly Financial Result for
the Quarter Ended on 30th June, 2023**

Dear Sir/ Madam,

We wish to inform you that the Board of Directors of the Company at its meeting held on 12th August, 2023 at 02:30 PM., considered and approved the presentation on Company Quarterly Financial Result for the quarter ended June, 2023.

This is for your information and records.

Thanking you,

For Race Eco Chain Limited

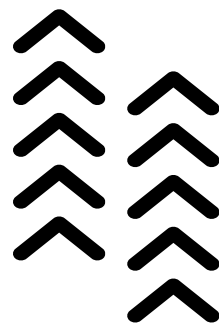
Sunil Kumar Digitally signed by
Malik Sunil Kumar Malik
Date: 2023.08.17
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Sunil Kumar Malik
Managing Director

Regd. Office: Unit No. 203, Plaza 3, Central Square, Bara Hindu Rao, Delhi - 110006
Corporate Office Address: 56/33, Site-4, Sahibabad Industrial Area, Ghaziabad, UP – 201010
Email: contactus@raceecochain.com **CIN:** L37100DL1999PLC102506



COMPANY PROFILE



RACE ECOCHAIN LTD. +

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.

Biomass Fuel

Elevating the Green Energy Revolution by aggregating & 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”



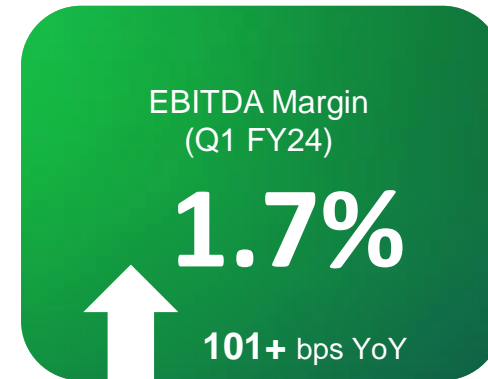
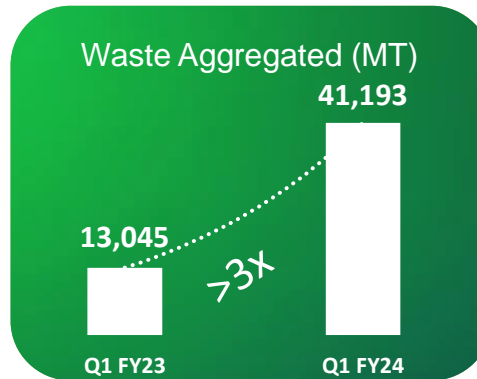
Q1 FY24 – PERFORMANCE HIGHLIGHTS

41,000+ MT

This is the quantum of waste that we aggregated during our first quarter of FY24.

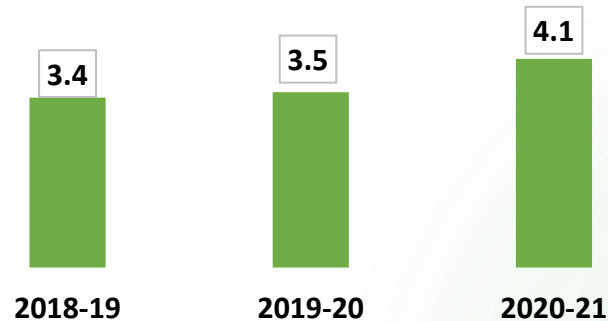
India generates more than 62mn tons of municipal solid waste annually and only 20% is recycled. The problem is huge and hence we have a lot to contribute towards cleaner India!

Snapshots



INDIA PLASTIC WASTE INDUSTRY

Plastic Waste Generated - India (million TPA)



India generates more than 4 MT of plastic waste annually and around 30% is only recycled. (Source: [CPCB annual report 2021 & ET](#))

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

24,000+ MT

This is the quantum of plastic waste that we aggregated during our first quarter of FY24 registering a growth of more than 4.4x YoY

Our gradually improving market dominance coupled with our efforts to “organize the unorganized” waste management supply chain and make it sustainable



Catalysts behind our ability to bargain better yield for our supplies

Snapshots

Revenue (Q1 FY24)

₹9,322_{Lacs}



230%+ YoY Growth

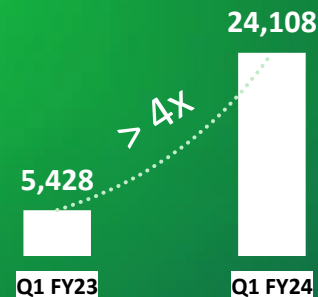
Market Share
(PET Waste)

8%



600bps YoY Growth

Plastic Waste Aggregated (MT)



EBIT (Q1 FY24)

₹196_{Lacs}



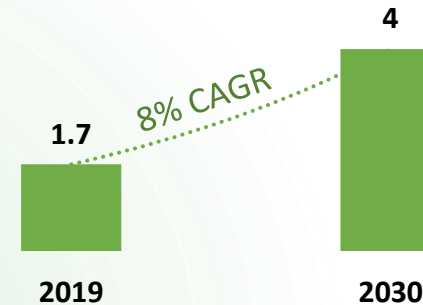
2.1% EBIT Margin

180 bps YoY

INDIA BIOMASS 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. >>>>>

Indian Biomass Market (US \$Bn)



The **Power ministry** recently shared a revised policy on use of biomass. The **policy mandates** that all **thermal power plants** in the country should use between **5-10% of biomass alongside coal to produce power**.

However, as per the Power ministry estimates, around **95,000 tons of biomass briquettes are required each day for co-firing**. While **India's current manufacturing capacity is around 7,000 briquettes per day**.

Given the presence of these favourable regulations & current supply gap owing to insufficient manufacturing capacities, the outlook for the biomass industry appears optimistic.

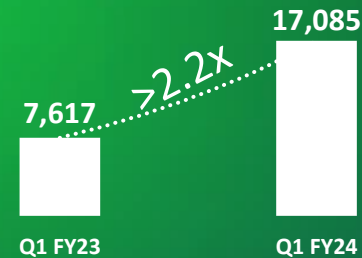
Biomass Fuel Business Numbers

17,000+ MT

This is the quantum of Biomass Briquettes that we aggregated during our first quarter of FY24. Hence, achieving a growth of more than 2.2x YoY

- The price of biomass fuel is subject to seasonal changes due to the cyclical nature of biomass briquettes and pellets. During the rainy season, the availability of dry and high-quality biomass decreases, which drives up the price of biomass.
- This led to increase in our purchase costs and hence our profit margin plunged.
- However, we anticipate that this is a temporary situation and that the price of biomass will normalize in the coming months.

Biomass Fuel Aggregated (MT)



Revenue (Q1 FY24)

₹1,661 Lacs
2.3x YoY Growth

EBIT (Q1 FY24)

₹11 Lacs

.65% EBIT Margin

↓ 222bps YoY shrinkage

Our Major Clients





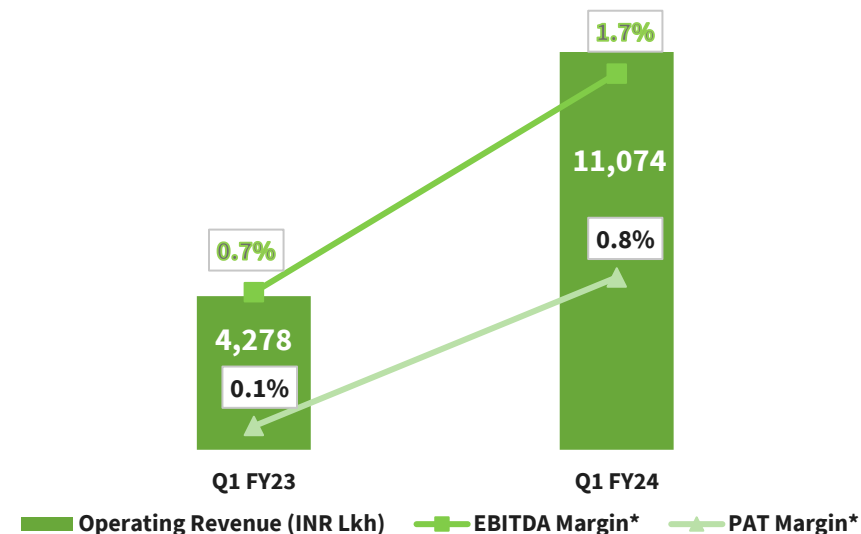
FINANCIAL OVERVIEW

		INR Lakhs
PARTICULARS	Q1 FY24	Q1 FY23
INCOME STATEMENT		
Revenue from Operations	11,074	4,278
Operating Costs	10,881	4,246
Operating Profit (EBITDA)	193	31
Other Income	3	21
Finance Costs	55	14
Depreciation and amortisation	12	11
Profit Before Tax (PBT)	129	28
Less: Tax expense	38	9
Profit After Tax (PAT)	91	19

- Our revenue for current quarter ending 30 June 2023 stands at INR 11,074 lakhs as against INR 4,278 lakhs for the same quarter last year. Thus, recording an YoY growth of around 160%
- Also, we have been able to improve our operating margin by more than 100 bps to 1.7% in the current quarter. Thus, eventually leading to an improved bottom line with current quarter PAT of INR 91 lakhs marking a growth of around 3.7x YoY

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

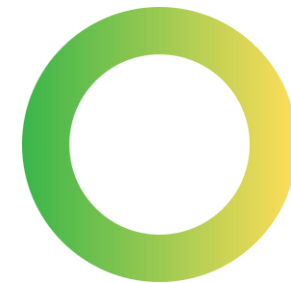
We have used summarized financials for presentation purpose.



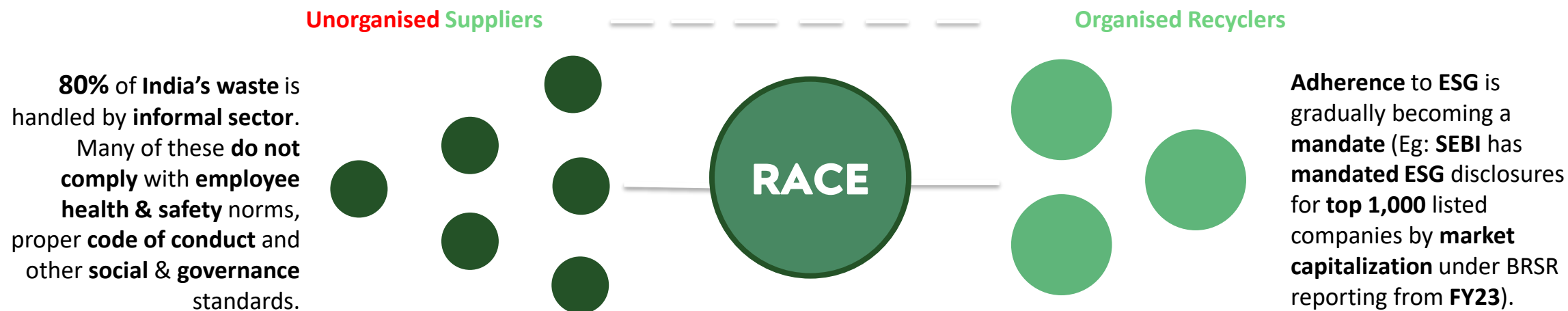
ESG ADHERENCE

“Journey Towards Business Sustainability”

- **Voluntary filing of SEBI BRSR:** Our company has voluntarily adopted SEBI's BRSR reporting for making ESG based disclosures
- Our first BRSR report will be published for FY23
- Embarking on our sustainability journey, we have performed **materiality assessment** with the involvement of our stakeholders to **identify material ESG topics** for our organization
- **Sustainable sourcing** of waste is one such **material ESG topics** that we have identified.
- Further, via recent notification regarding **BRSR Core**, **SEBI** is gradually **mandating the listed companies** to provide **ESG disclosures** of their **value chain players**.
- However, given the prevailing dominance of unorganized players in the value chain, a **huge sustainability gap exists within the waste management sector** at present. *(illustrated in next slide)*



ESG ADHERENCE : RACE is Working to Bridge the Sustainability Gap



With the aim of bridging this sustainability gap, we have:

- Developed sustainability checks for our suppliers
- Decided to cover our suppliers in the ESG assessments to be conducted by an independent third-party entity
- Conducted such ESG assessment for our 2 suppliers to initiate our sustainability sourcing objective

Potential Benefits

- With value chain sustainability gradually becoming a mandate, RACE is likely to become a preferred choice for its existing and potential customers/recyclers.
- This would also assist us in bargaining a better yield for our entire value-chain.
- Some tangible outcomes can be witnessed in our margins as well. Our YoY EBIT margin from Plastic waste has improved by 180+ bps in first quarter of FY24.

EBIT Margin
(Q1 FY24)

2.1%

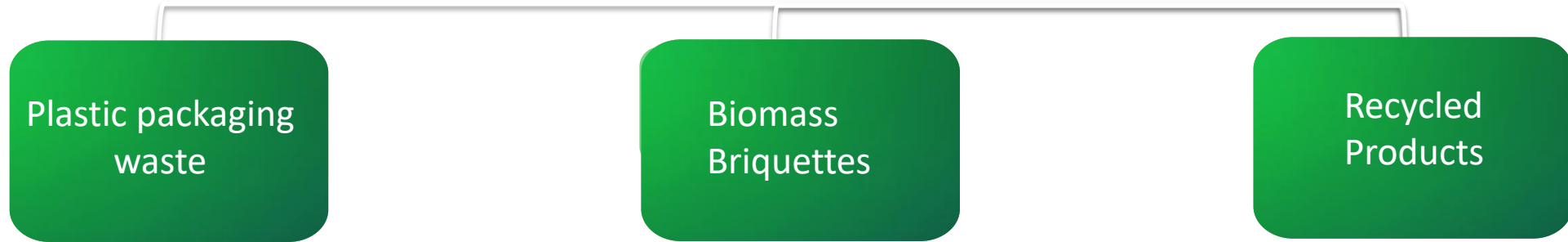
180bps YoY



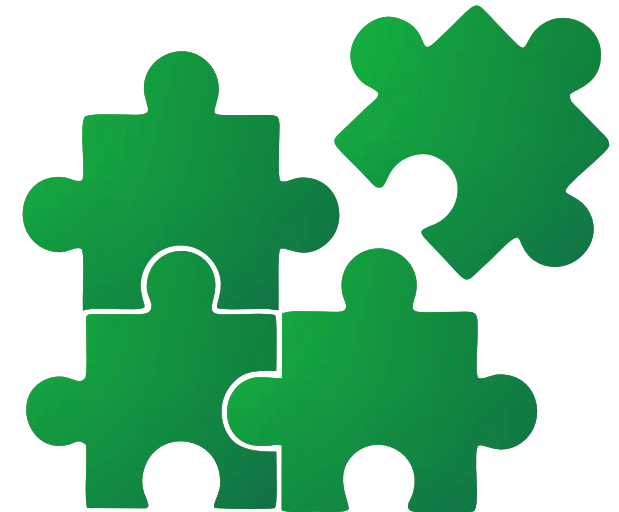
DEMERGER: “The Way Ahead for RACE”

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

Proposed Demerger of Business Segments



- 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.



NEW BUISNESSES

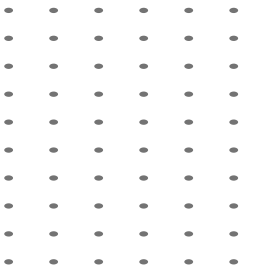
- RACE has taken stake in Abhay Innovative Engineering Ltd. which in turn is taking over the business of a Pet Bottle scrap Wash line. Modalities are being worked out.
- RACE is considering a proposal to take over two running Pet Bottle Scrap Wash line, based at Hyderabad. A committee of the Board is to finalize the modalities of takeover.
- Both the above businesses, being forward integration to existing plastic scrap business, is expected to bring about substantial improvement in both top and bottom line.
- RACE has acquired % stake in PRIME INDUSTRIES LTD., which in turn has invested into K Bouvet Pvt Ltd, which is engaged into capital goods and defense sector. This is going to be a very profitable opportunity for RACE.



Strengthening the Governance Mechanism

- To broaden the board's diversity and enhance its strengths, the Board of Directors is seeking individual(s) with diverse skill sets to become part of the board.
- To prioritize the top management's involvement in formulating the overarching growth strategies, scalability plans, and organizational goals rather than getting engrossed in tasks of limited scope, the Board of Directors has made a strategic decision to implement a clear and well-defined second line of command. This proactive measure is aimed at optimizing human resource utilization within the organization, with its tangible outcomes expected to become evident in the long term.





Thanks 

The word 'Thanks' is written in a large, bold, green, sans-serif font. To the right of the word are two vertical columns of five black chevron arrows pointing upwards.

www.raceecochain.com

