

Dated: 25th June, 2021

To,

The Manger (Department of Corporate Services)
Bombay Stock Exchange Limited (SME Platform)
Phiroze Jeejee Bhoy, Towers
Dalal Street, Mumbai-400001

Ref Code: 537785 (BSE)
Sub: Growth Discussion and Future Plans of the Company

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of the Directors has at its meeting held today discussed about the Current Growth of the Company from November 2020 and the Future Plans which are stated as follows:-

- The sale of plastic waste grew exponentially by more than 500% from 195 MT between November 2020 to 1300 MT in March 2021.
- Revenue from plastic scrap in November 2020 stood at INR 7.1 million, and rose to INR 52.4 million in March 2021, marking a growth of more than 600%.
- Within a span of 4 months, the Company has been able to monetize 4600 MT of PET scrap that has generated us revenue of INR 233 million.
- Generated a revenue of INR 155 million from 'RESTORE' division with exports accounting a share of 33%. The 'RESTORE' division is engaged in selling of recycled products under the same brand name.
- RACE Eco Chain Ltd. is at the forefront of the industry by being a leading organized player targeting a niche segment i.e., Packaging Plastic Waste within this recycled plastic's market. The Company is currently undergoing transformation to capitalize the existing market of Plastic waste that is estimated around INR 55,000 CR per Annum (over 10% CAGR), which can grow up to INR 80,000 CR with technology interventions.



Organizational overview: RACE Eco (Recycling and Circular Economy) Chain Ltd. is an environmentally conscious initiative with a mission to reduce the Carbon footprint caused by waste Plastics. The Company is involved in aggregation of packaging plastic waste and channelizing it for recycling into consumer friendly products. Further, the Company is establishing its network by converting existing unorganized constituents into an organized one. The vertical setup is responsible from the collection and audit of the waste, from end-to-end to enable product traceability. As an added innovative initiative, RACE has built an Artificial Intelligence enabled mobile application to connect the recyclers with the sellers, for better transparency and ease of doing business.

Organizational revamp underway: RACE Eco Chain Ltd., a BSE Listed Company (SME Segment) is undergoing a major transformational revamp since November 2020, and is reporting its yearly numbers.

Robust growth and reflection in numbers: The sale of plastic waste grew exponentially by more than 500% from 195 MT in November 2020 to 1300 MT in March 2021. The revenue from plastic scrap in November 2020 stood at INR 7.1 million which surged to INR 52.4 million by March 2021, marking a growth of more than 600%. Within a short span of four-months, the Company was able to monetize 4600 metric tonnes of PET scrap that generated a revenue of INR 233 million.

Brand store for recycled products: The recycled division of the Company has been selling recycled products under the brand 'RESTORE'. The Company's marketing efforts have been able to generate significant business interest locally and internationally as a result of which, within a short span of five-months, the Company has been able to generate a revenue of INR 155 million from recycled division with exports accounting a share of 33%.

Management quote: "Our company is currently planning to invest its resources to establish and expand its collection network and IT efforts. While the future trajectory remains challenging, we remain confident of the business scenario improving in the short to medium term. By leveraging over 150 years of experience of our founding team and the positive momentum that our business has witnessed so far, we are confident



enough to overcome all the challenges and emerge as the industry frontrunner", said Mr. Sunil Malik, Managing Director, RACE Eco Chain Ltd.,

Organizing the unorganized: The very nature of the industry remains largely unorganized and this is where the Company is working with unorganized constituents who do not have access to either investment or technology. Also, the unorganized players/constituents do not take pride in their profession. RACE Eco Chain Ltd. has taken the initiative to convert them into an organized ecosystem of players and thereby creating a massive opportunity for industry and its players.

Massive industry opportunity: As per the Central Pollution Control Board (CPCB), the data the existing market of plastic waste is around INR 55,000 CR per annum, growing at over 10% CAGR, and has the potential to grow up to INR 80,000 CR per annum via technology innovativeness. RACE Eco Chain Ltd. is aiming at immense scope for growth as the current market opportunity is a fraction of immense opportunity that the emerging industry offers.

The Board of Directors, at its meeting on 25th June 2021, approved the financial results for the year ended 31st March 2021 and the detailed Presentation for the Investors which will provide the idea of the current and future Plans of the Company. So we are also enclosing the Copy of detailed Presentation for your record.

You are requested to take the above matter on your record and we shall keep you updated with further progress.

Thanking You,

With Regards

For Race Eco Chain Limited

For RACE ECO CHAIN LIMITED



Director

Sunil Kumar Malik
Managing Director

Give Earth a Chance

RACE
RACE ECO CHAIN LTD



RESTORE
Give Earth a Chance

WHO WE ARE?

We at RACE Eco Chain Ltd. aim at generating wealth & pride from waste for the entire ecosystem involved in the plastic waste management business.

The two sides of the RACE coin:

- Organizing the disorganized sector & increasing the volume of recycled waste
- Channelizing plastic waste to create downstream recycled products for consumer connect

Rarely has a business signified such hope for all



- We are RACE (Recycling and Circular Economy)- an environmentally conscious initiative with a mission to reduce the carbon footprint caused by waste plastic
- Our complete vertical set up is responsible from the collection & audit of the 'waste' to the end product using AI & establishing networks to enable Traceability
- RACE has built an Artificial Intelligence enabled app, using block chain for secure transactions to connect buyers and sellers
- Recycled products processed at our GRS (Global Recycle Standards) certified units come with the Traceable circle of trust, a first time ever!

RACE Eco chain is involved in aggregation of plastic waste and production of recycled products investing in an idea whose time has come



Businesses are created for REVENUE, but they can also add value to HUMANITY & EARTH

- **India recycles 60% of its plastic waste**, only EU does it better at 69%. US and China recycle less than 25%
- 3.3 million metric tonnes of plastic waste is generated in India annually (CPCB Report Sept. 2020)
- PET is almost 90% recycled, all other plastics are about 50%-60% only
- We are putting in place an Asset Light model of warehousing to build our network and serve customers in key locations to access waste & recyclers countrywide
- Eco Parks to house Dealers & serve as collection points for bulk waste generators
- Connecting Dealers & Recyclers into an organic unit to foster greater throughout

We welcome forward looking organisations to this network while converting the unorganised market into an organised whole



Adding value

- Market for recycled plastics is about Rs.55,000 crore (10.5% CAGR)
- It could exceed Rs.80,000 crore, if all plastics were 100% recycled
 - **RACE channelized 4600 metric tonne of plastic waste saving 2070 metric tonne carbon footprints**
 - **Aiming to achieve 400,000 metric tonne by 2025 with PAN India presence**
 - **By 2025, turnover projected at Rs.2500 crore**
- The Team is being put in place, keeping in mind good governance, led by a Woman CEO there's a profusion of women in the key decision areas
- Aiming to keep 30% representation
- Enabling empowerment



Ensuring every stakeholder is a winner

We are in the business of **collection and recycling of all type of plastic packaging waste**

- Our extensive network of dealer, aggregators and recyclers are located countrywide
- We began our efforts as early as 2010, when we started collecting waste for corporates.
- In 2013, we grew with the pioneering efforts of GEM Enviro Management Pvt Ltd which provides Extended Producer Responsibility (EPR) services to leading users of plastics in India
- Our founding team has experience of over 150 years in the business of waste management, recycling, etc.
- Converting this largely disorganized Waste industry into an Organized initiative starts with
 - Scalability & Ease-of-doing business for recyclers
 - Enabling Traceability
 - Transparency in system
 - Pride for Eco Chain



Bringing gains to the 'Industry'

- Ensuring high standards of awareness of the Environment, Society & Governance
- Represent the community to the Government to bring Respect to the workers in waste management & reap the benefits of recognized Industry standard of funding etc.
- Students App launched in May 2021 for awareness & changing habits culminating in a trip to NASA
- IoT enabled Smart Bins for Doorstep Collection and Tracking of Waste
- Women Empowerment through employment and Sourcing
- **Becoming a vaunted ESG enterprise**



We have two propeller
engines powering us

Collect, Collate & Recycle
Waste Impacting Life
&
Spin New Stories Towards A
More Sustainable Dream

Our 3 Businesses Verticals

- **Old Business Economy Division**– It includes trading in general items but considering the growing untapped potential in waste management we have decided to wind this division & focus more capital efficient scrap division
- **Recycling Division** – It entails procurement and collection of scrap from dealers and channelizing it to the recyclers with our **AI and ML backed application**
- **Restore Division** – Here we sell the recycled products under our brand ***"RESTORE"*** – *A brand recycling goodness*



Old Business Economy Division

- In the light of our focus on the untapped opportunities in plastic packaging waste management, we have decided to wind this division. And channelize funds from here towards a more capital efficient scrap division, enabling to focus *all our energy and resources on core business*
- Hence, as part of the winding up process, our company will shut its previous business activities of dealing in food products and miscellaneous items along with its associated debts and liabilities in current FY22



Recycling division

- Currently our focus has been on PET waste. However, going forward, we will **expand** our waste collection portfolio to include the entire plastic waste with technological intervention
- Since the inception of our waste management journey in November 2020, our sale of PET waste grew exponentially by more than 500% from 195 MT in November 2020 to 1300 MT in March 2021
- Revenue from PET scrap in November 2020 stood at INR7.1 million which has surged to INR 52.4 million in March 2021, marking a growth of more than 600%. Within a short span of 4 months, we have been able to **monetize** 4600 MT of PET scrap that has generated us revenue of INR 233 million



Generating Revenue From Scrap

- Our prime focus is on the scrap division, and we are aggressively working to scale it up going forward seeing the tremendous potential of the sector
- At present our scrap division and recycled division account for 40% and 26% respectively in our total revenue with an operating margin of 14% and .5% respectively
- We aim to expand this both in terms of geography and volumes. And as reflected in our data, we are working rigorously to further enhance our PAN India district wise presence and acceptance amongst the waste management community

Our Digital Interface

- To enable ease of doing business, create transparency and ensure technological leverage; the need for digitization is urgent. RACE is currently testing an AI and ML backed application (app) that will greatly facilitate and bring transparency to the various aspects of the waste management business

App benefits - will ensure price transparency and will assist us in linking suitable buyers and sellers based on various factors like quality, price, etc. In doing so it will reduce time, efforts and monetary costs that currently players in this industry face in finding an optimal counter party leading to scalability of business for recyclers

- Will also assist in end to end **TRACEABILITY** of the scrap waste right from its collection to eventual channelization to the recyclers. Thus, reducing the potential risk of leakages and eventual losses that the value chain suffers at present



- As a result of our IoT and tech driven efforts many players have been brought into the waste management value chain, helping us to expand our dealers and recyclers' base from just 5 and 9 in November 2020, to a total of 63 and 44 respectively by end of FY2021
- With the help of our existing dealers and recyclers base, we have been able to **make our mark across 20 states within India**. Going forward, we are confident that we will be able to add **many more players** to our organized community and help create wealth for all



Endeavour to better the world

- The power of branding can never be underestimated; it drives up value; influences decisions & lays out the unique path for the Brand trajectory
- We worked at something that could represent a movement, that could snowball into a revolution that gives back to the Earth
- So... a Star is Born – **RESTORE**
- **RESTORE**: The logo that we want to signify humankind's endeavour in saving the planet one bit of plastic at a time
- We have tried locking the logo with the promise of the logline 'Give Earth a Chance' which is both a promise of what we are doing, while exhorting all our consumers to do their duty

A descriptor that is at once a motivating invitation to author change wherever you are



Restore Division to create value for all

- Our in-house brand “**RESTORE**”, sells recycled textile products under. The quality of the products has enabled us to generate huge business queries both locally and internationally as a result of which, within a short span of 5 months, we have been able to **generate revenue of INR 155 million** from our recycled division with exports accounting for **33% revenue**
- Our “**RESTORE**” team is working actively on marketing strategies to **partner with various international brands**. Currently our company is in the advance process of securing orders with leading brands:
- Lulu (UAE)
- Dollarama (Canada)
- CARRERFOUR (France)
- Aldi (Germany)
- NUCO (UK)
- Whole Food (USA)
- Mr. Price (South Africa)

RESTORE
Give Earth a Chance

ASSURANCE
TRACEABILITY



Your ESG Partner to Radical Change & Profit

A fresh,
sophisticated
imagery for
this brand of
recycled
goodness



Your ESG
Partner to
Radical
Change &
Profit

RESTORE
Give Earth a Chance



RACE
RACE ECO CHAIN LTD

And the
multifarious
products that
will one day
be displayed
in the malls
of the world

RESTORE
Give Earth a Chance



And onto the FUTURE

- RACE has started selling through its brand **'RESTORE'**, a niche line of products made from recycled plastic of the highest quality, promoting sustainability and providing e2e traceability
- **'RESTORE'** Products marketed through RACE are generating huge business interests both in India and internationally with the most environmentally conscious companies
- With a team of 7 people, **'RESTORE'** is already working on orders from three global companies for its products
- Our displayed products in expositions have already created a 'Pull Demand' and our participation has yielded several prospective clients who want to associate with us through mutually gainful contracts

And the idea is catching... other countries are inviting us to create a similar infrastructure there. And this is just the tip of the iceberg



A polar bear is perched on a small, melting ice floe in the middle of a vast ocean. The water is dark blue and filled with a dense layer of plastic waste, including bottle caps, small pieces of plastic, and larger debris. The sky is a clear, pale blue. The bear is looking down at the ice it is standing on.

An invitation to come & join us in the battle to
make the world we live in a better place for all

The Road ahead for RACE

- RACE is currently focused on a niche segment i.e., **Packaging plastic waste within the recycled plastic's waste market**. However, considering the still untapped potential of the recycled plastic waste market, the opportunity for RACE to channelize the existing unorganized business into an organized waste management chain is tremendous
- To enable us in this we are currently planning to **invest and spend our resources in establishing the collection network and making the IT interface more robust**
- We are aware that the **journey will be challenging** with issues (like indirect taxes-based issues, child labor, minimum wages). But **leveraging the 150+ years of experience of our founding team and the positive momentum** that our business has witnessed so far (as depicted in our results), we are confident enough to overcome all the hurdles and emerge victorious





Financial Results 2020-21

SEGMENT	SALES (IN RS.)	EBITDA (IN RS.)	GROSS PROFIT AS % OF SALES (%)
A) Miscellaneous Old Economy	19,91,41,293	(36,44,882)	(10.98)
B) Restore Division	23,34,43,481	3,35,24,722	19.85
C) Recycle Division	15,45,78,325	17,77,848	5.18
Non-allocable Expenses		(82,48,598)	
Total	58,71,63,099	2,34,09,090	



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A win-win Strategy
to better the world
we live in....

*To rid the globe of plastic
waste & recycle it for our use*