



February 16, 2024

Bombay Stock Exchange Limited

Department of Corporate Services,
Phiroze Jeejee Bhoy Towers, Dalal 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

Subject: Investors Presentation on the financial results for the quarter and nine months ended December 31, 2023.

Dear Sirs,

Pursuant to the requirements of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the presentation by the Company pertaining to the financial results for the quarter and nine months ended December 31, 2023.

Kindly take the above information on records.

Thanking you,

Yours faithfully,

For **Race Eco Chain Limited**

Sunil

Kumar

Malik

Digitally signed
by Sunil Kumar
Malik

Date: 2024.02.16
12:14:28 +05'30'

Sunil Kumar Malik

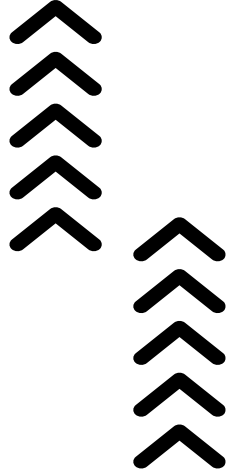
Managing Director

Encl: - as above

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



Earnings Presentation Q3 FY24



RACE ECO CHAIN 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.

Biofuel

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"



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



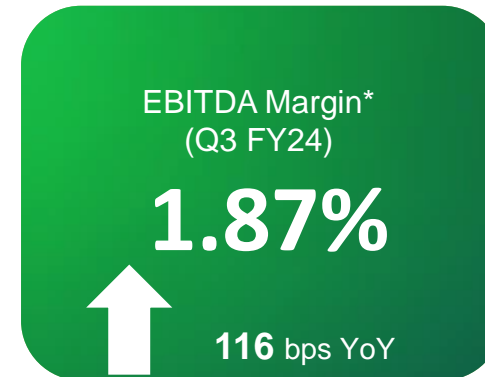
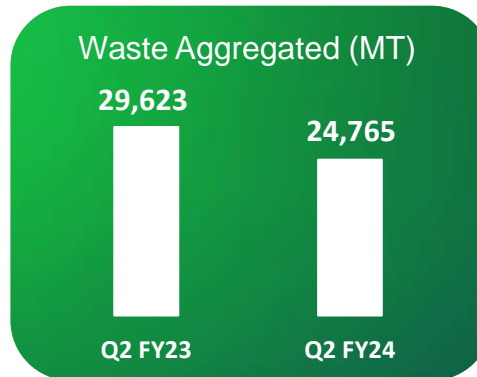
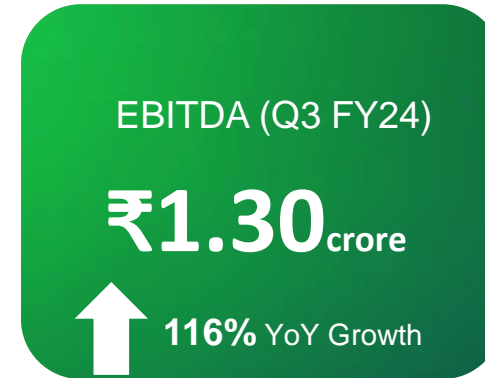
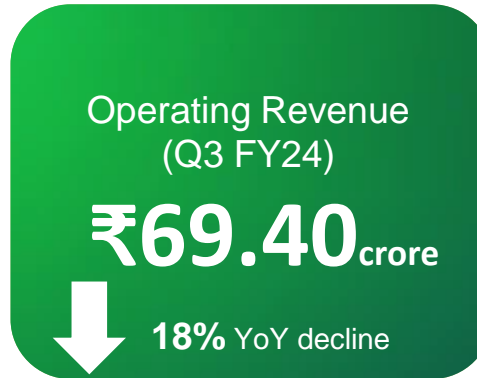
Q3 FY24 – PERFORMANCE HIGHLIGHTS (STANDALONE)

~24,765 MT

This is the quantum of waste (in tonnes) that we aggregated during our third 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!

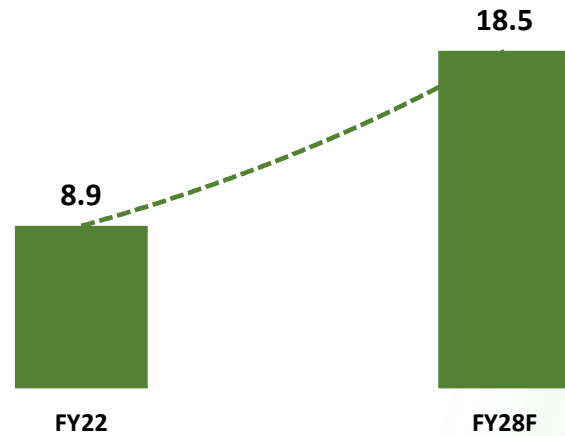
Snapshots



**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)



- The India waste plastic 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)

~17,100 MT

This is the quantum of plastic waste (in tonnes) that we aggregated during our third quarter of FY24. Registering a growth of around 17% YoY

- Despite increased volume, our topline has contracted due to declining PET prices, impacting nominal growth. However, in real terms, our growth remains intact
- 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 (Q3 FY24)

₹63.60 crore



14% YoY decline

Market Share*
(PET Waste)

9.00%



403bps YoY Growth

Plastic Waste Aggregated (MT)

14,631

Q3 FY23

17,100

Q3 FY24

17% growth

EBIT (Q3 FY24)

₹1.40 crore

2.21% EBIT Margin



194 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 decided to **benchmark pellets’ pricing** w.e.f. 01.01.2024 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.

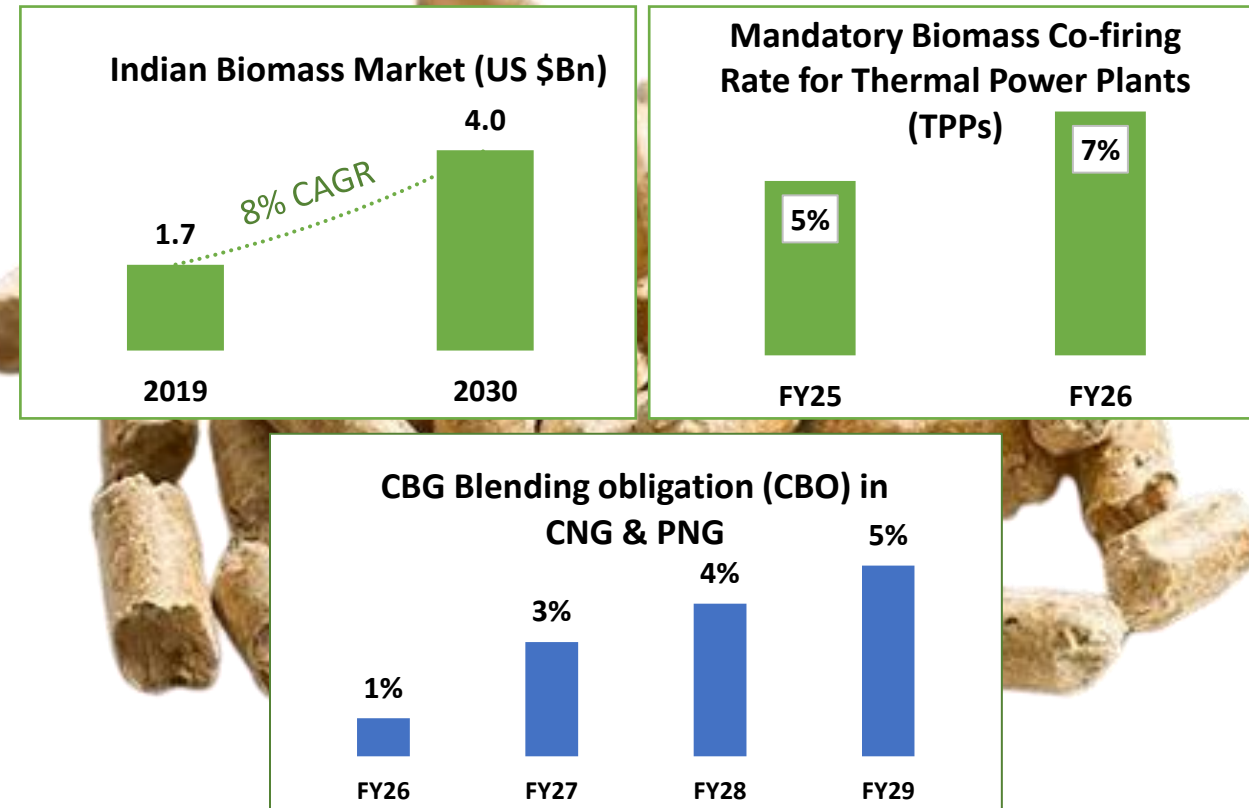
Compressed Biogas Blending Obligation (CBO):

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.

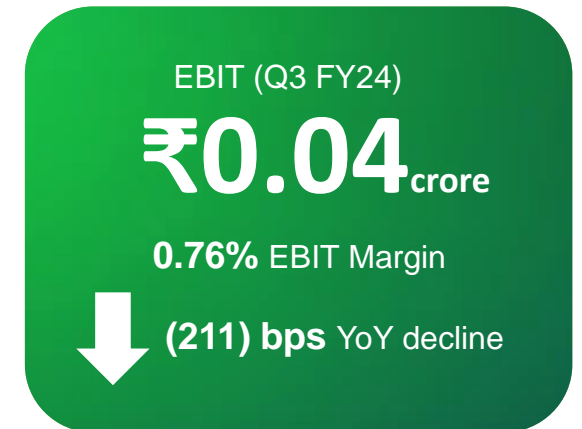
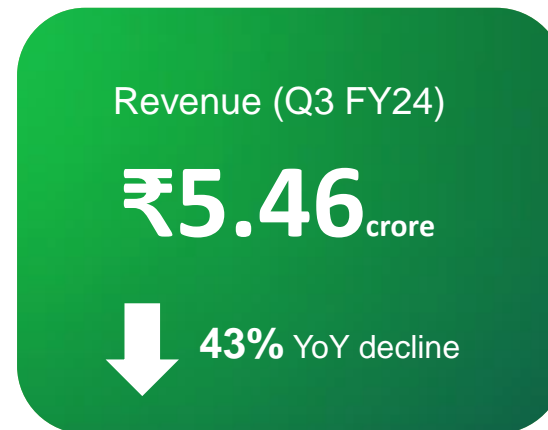
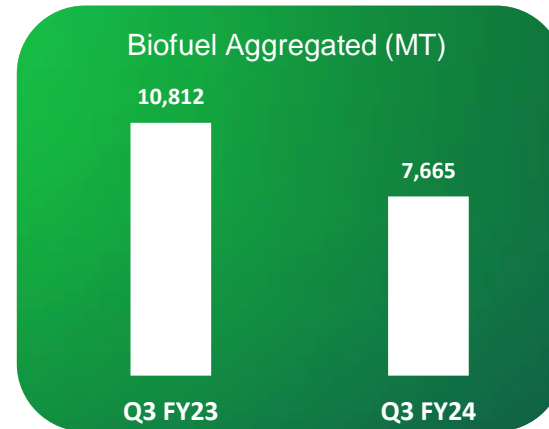


Biofuel Business Numbers (STANDALONE)

~7,665 MT

This is the quantum of Biomass (in tonnes) that we aggregated during our third quarter of FY24.

- Due to subdued demand in the current quarter, our revenue and profitability in the biomass segment experienced a decline.
- However, we anticipate our topline and margins to recover in the forthcoming quarters.



Our Major Biofuel Clients



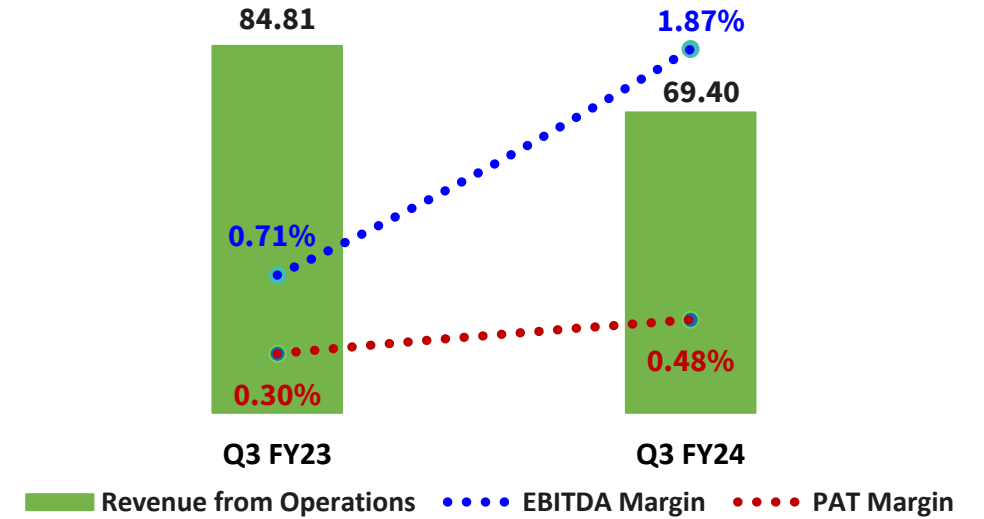
❖ We also have been successful in onboarding “Ultratech Cement” as a valued addition to our esteemed clientele.





FINANCIAL OVERVIEW (STANDALONE)

	INR Cr	
PARTICULARS	Q3 FY24	Q3 FY23
INCOME STATEMENT		
Revenue from Operations	69.40	84.81
Operating Costs	68.10	84.21
Operating Profit (EBITDA)	1.30	0.60
Other Income	0.14	0.15
Finance Costs	0.77	0.12
Depreciation and amortisation	0.14	0.11
Profit Before Tax (PBT)	0.53	0.51
Less: Tax expense	0.08	0.15
Profit After Tax (PAT)	0.45	0.36



- Our PAT for current quarter ending 31 December 2023 stands at INR 0.45 crore as against INR 0.36 crore for the same quarter last year. Thus, recording an YoY growth of 26%.
- Also, we have been able to improve our operating margin & net profit margin by around 116 bps & 17 bps respectively in the current quarter.

**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.



CONSOLIDATED RESULTS

- Our Company has acquired 99.33% Equity shares of Abhay Innovative Recycling Limited.
- Pursuant to said acquisition, Abhay Innovative Recycling Limited has become a Subsidiary of our Company.
- Below we present our consolidated financial results:

<i>INR Cr</i>	
PARTICULARS	Q3 FY24
INCOME STATEMENT	
Revenue from Operations	72.68
Operating Costs	71.21
Operating Profit (EBITDA)	1.48
Other Income	0.15
Finance Costs	0.77
Depreciation and amortisation	0.14
Profit Before Tax (PBT)	0.72
Less: Tax expense	0.13
Profit After Tax (PAT)	0.59

- Abhay Innovative Recycling was founded in May 2023 and has commenced its business operations in current quarter.
- Presently its contribution to the topline stands at INR 3.28 cr



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 is currently engaged in the development of the "RACE App."

RACE App

- In its 1st version, 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 currently under testing phase, and we are expecting to launch it by the end of FY24.



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.



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

