



The choice of a healthy family!



DRIVING EXCELLENCE

GHCL LIMITED

Q4 & FY21 Investor Update

April 2021

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Safe Harbour

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Table of Contents



**Quarterly
Update**

4

**Company
Overview**

16

**Inorganic Chemicals
Segment**

23

**Textiles
Segment**

32

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Quarterly & Annual Update





"During this difficult time, our primary focus was on taking appropriate measures to sustain business operations, ensure safety of our employees and protect the interests of all of our stakeholders."

Commenting on the Q4 & FY21 performance, Mr. R. S. Jalan, MD said:













"We are glad to have concluded the year on a positive note despite unprecedented macro-economic challenges posed by CoVID-19 pandemic and related restrictions. Our teams showed tremendous resilience while we navigated through this phase with agility and valor."

Favorable recovery trends across key end user industries combined with operational excellence steered the momentum for year, resulting in 12% gains in revenue and 73% growth in profit before tax in Q4 FY 21. Plant utilisation levels returned back to pre-CoVID levels supported by positive demand scenario."

Given the current visibility and promising demand landscape, we foresee better times for us going ahead helping us realise our growth aspirations while focusing on shareholder value creation."



Stout bounce back in Second Half FY 21

	H1 FY 21	H2 FY 21	FY 21
Revenue	₹ 1,220  28%	₹ 1,630  4%	₹ 2850  13%
EBITDA	₹ 246  42%	₹ 399  18%	₹ 646  15%
PBT	₹ 129  57%	₹ 293  45%	₹ 422  16%
Cash Profit	₹ 161  44%	₹ 288  25%	₹ 449  14%











More than the “V” shape recovery with easing economic situations.

Performance Highlights – Q4 FY21



Q4 FY 21 Vs Q4 FY 20

Q4 FY 21 Vs Q3 FY 21

Revenue	₹ 821 crore		12%		2%
EBITDA	₹ 195 crore		21%		4%
PBT	₹ 143 crore		73%		4%
PAT	₹ 104 crore		30%		6%
Cash Profit	₹ 137 crore		20%		5%

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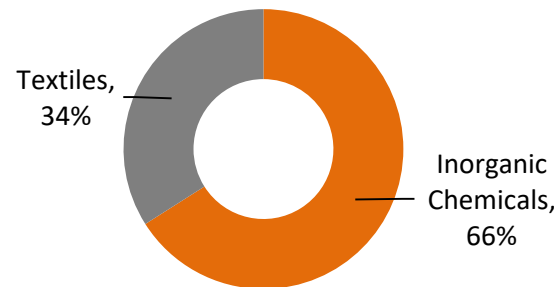
Performance Highlights – FY21



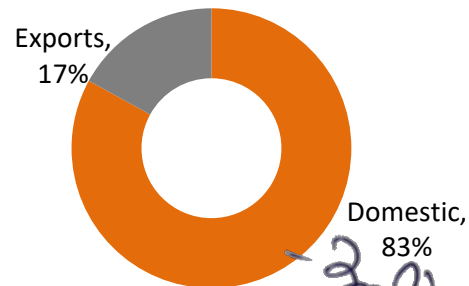
Y-o-Y*

Revenue	₹ 2,850 crore	↓	13%
EBITDA	₹ 646 crore	↓	15%
PBT	₹ 422 crore	↓	16%
PAT	₹ 310 crore	↓	24%
Cash Profit	₹ 449 crore	↓	14%

Segment-wise Revenue break-up



Domestic : Exports Revenue break-up



* Despite adverse business impact in first half of financial year due to pandemic.

Profit & Loss Statement



(Rs. In Crore)

Particulars	Q4 FY21	Q4 FY20	Y-o-Y	Q3 FY21	Q-o-Q	FY21	FY20	Y-o-Y*
Revenue	821	734	12%	809	2%	2,850	3,272	(13)%
Operating Expenses	626	572	9%	605	4%	2,204	2,509	(12)%
EBITDA	195	161	21%	204	(4)%	646	763	(15)%
<i>EBITDA Margin</i>	<i>23.8%</i>	<i>22.0%</i>	<i>1.8%</i>	<i>25.3%</i>	<i>(1.5)%</i>	<i>22.7%</i>	<i>23.3%</i>	<i>(0.6)%</i>
Depreciation	33	35	(5)%	34	(4)%	133	131	2%
EBIT	162	127	28%	170	(5)%	513	633	(19)%
Interest	19	33	(44)%	20	(7)%	90	118	(24)%
Exceptional Item	-	10	-	-	-	-	10	-
Profit Before Tax	143	83	73%	150	(4)%	422	504	(16)%
Tax	39	3	(1120)%	39	--	112	98	15%
Profit After Tax	104	80	30%	111	(6)%	310	407	(24)%

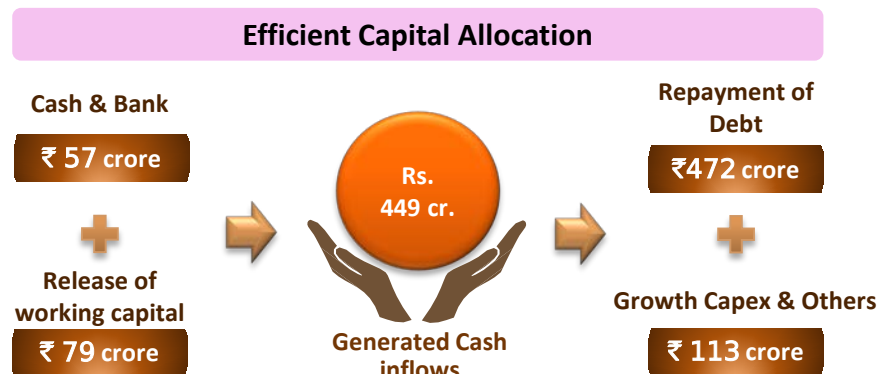
* Despite adverse business impact in first half of financial year due to pandemic.

Signature

Balance Sheet & Key Financial Ratios



Particular	March 2021	March 2020
Non Current Assets (A)	2,893	2,925
Current Assets (B)	1,099	1,276
Current Liabilities (C)	444	502
Net Working Capital (D)=(B)-(C)	654	774
Capital Employed (A)+ (D)	3,547	3,699
Net Worth (E)	2,502	2,186
Other Non Current Liabilities (F)	277	273
Long Term Debt (G)	564	808
Short Term Debt (H)	41	269
Current Maturities due in a year (I)	163	163
Total Debt (J)=(G)+(H)+(I)	768	1,240
Capital Employed (E) + (F) + (J)	3,547	3,699



Key Ratio's

Gross Debt	Net Debt	
Rs. 768 cr.	Rs. 722 cr.	
Net Debt/Equity	ROCE *	ROE *
0.29x	14%	12%

* ROCE and ROE are calculated based on trailing 12 months, including the severe impact of pandemic in H1 FY21.

Q4 FY21 Segment Highlights – Inorganic Chemicals



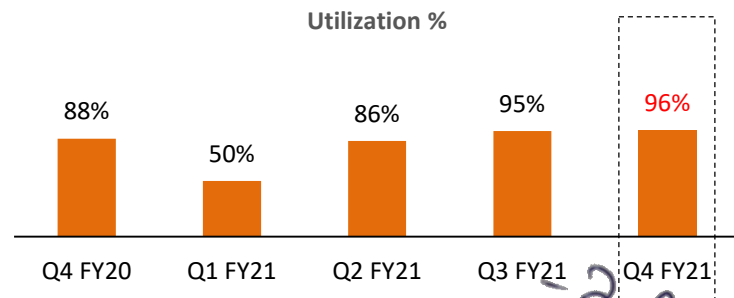
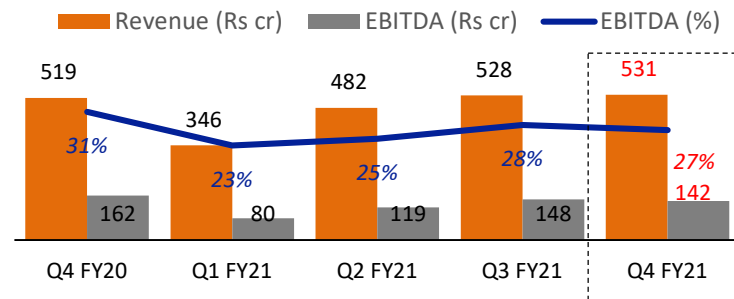
(Rs. In Crore)

Particulars	Q4 FY21	Q4 FY20	Y-o-Y	Q3 FY21	Q-o-Q
Revenue	531	519	2%	528	--
EBITDA	142	162	(13)%	148	(4)%
EBITDA %	27%	31.0%	(4)%	28.0%	(1)%

Performance Highlights

- ❖ Revenue increased by 2% Y-o-Y and led by healthy volume growth in soda ash based on strong demand recovery. Realizations declined by 4% Y-o-Y, and 1% Q-o-Q.
- ❖ EBITDA was is down by 13% Y-o-Y due to lower realization and higher raw material cost.

Inorganic Chemicals – Quarterly Trend



Q4 FY21 Segment Highlights – Textiles



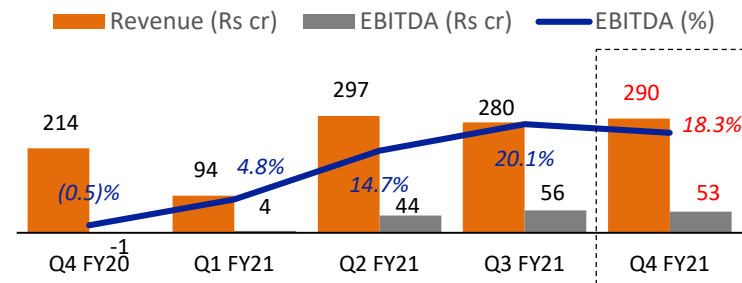
(Rs. In Crore)

Particulars	Q4 FY21	Q4 FY20	Y-o-Y	Q3 FY21	Q-o-Q
Revenue	290	214	35%	280	4%
EBITDA	53	-1	NM	56	(5)%
EBITDA %	18.4%	(0.5)%	19%	20.1%	(2)%

Performance Highlights

- ❖ Revenues improved by 35% Y-o-Y and 4% Q-o-Q, driven by solid demand trends in the domestic market.
- ❖ EBITDA enhanced significantly Y-o-Y translating to EBITDA margin of 18.4%, an expansion of 19% basis points owing to:
 - Favorable conditions in spinning and product mix skewed towards value-added and innovative products
- ❖ Export incentive are not considered in Q4 FY 21, as rates on RoDTEP is yet to be declared by government.

Textile – Quarterly Trend



Demerger of the Textiles business of GHCL



Fine prints of demerger

- ❖ The Board approved a scheme of demerger where **Textiles business of GHCL will be demerged into a separate Company**
- ❖ Shareholders of GHCL will be allotted shares in the new company in the **swap ratio of 1:1, one share of Rs. 2 each for every share of Rs. 10 held in the GHCL**
- ❖ The resulting company will takeover **all the assets and liabilities of the Textile business and will be listed on NSE and BSE.**
- ❖ **No change in the shareholding pattern** of the Demerged Company.

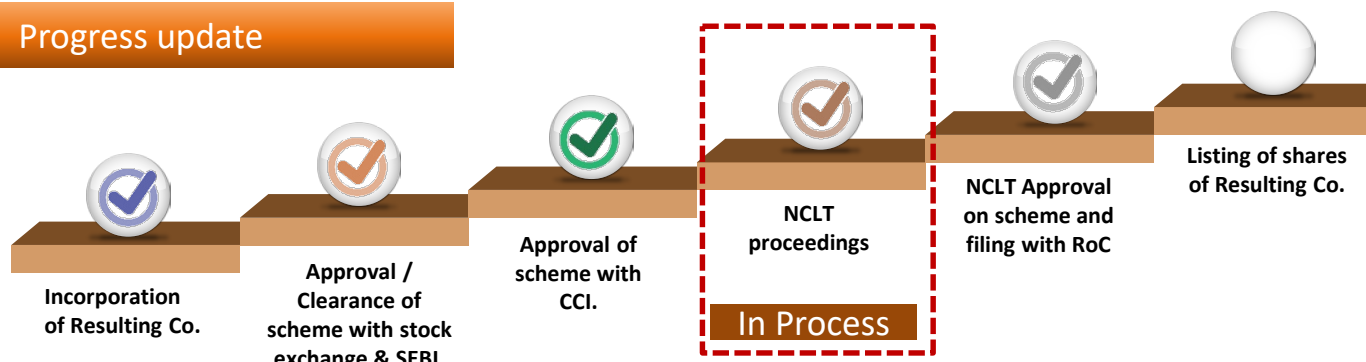


Focused growth



Concentrated approach

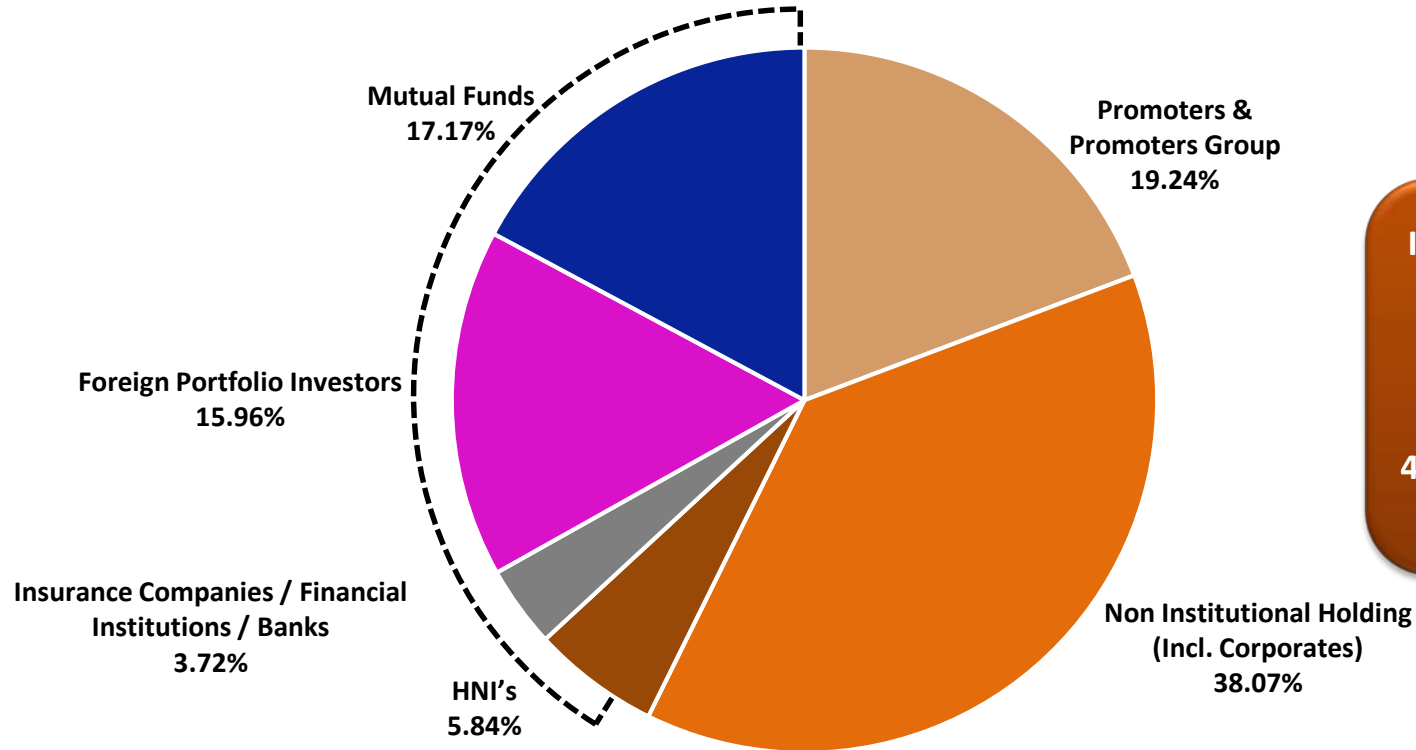
Progress update



Business synergies

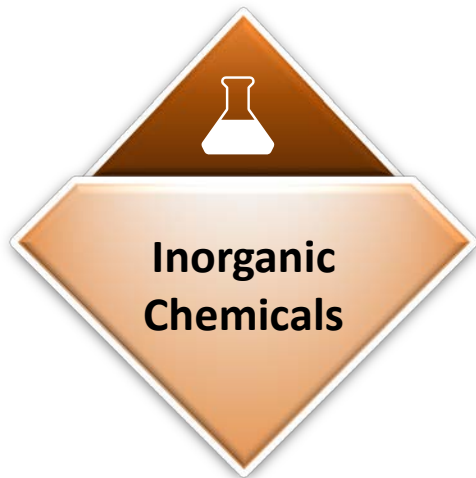
Shareholders and Unsecured creditors accorded their consent to scheme, Secured creditors meeting scheduled on 8th July 2021.

Strong Institutional & HNI Holding – ~42.7%



Institutional buyers and HNI's has increased their holdings by 2% during the year to 42.7% from 40.7% in Mar-20.

Focus on driving responsible future growth



- ❖ Debottlenecking of existing soda ash facility by 50k MT, along with modular greenfield project.
- ❖ Doubling RBC Capacity from 60k to 120K MT.
- ❖ Augmenting our backward integration of raw material for control on cost.
- ❖ Inducting AI & IoT 4.0 at plant level for manufacturing excellence which can enable immense efficiencies.
- ❖ Exploring product basket expansion.



- ❖ Expansion of Spinning facility.
- ❖ Focus on green energy.
- ❖ Value added and Quality products.
- ❖ Customer realignment and operating excellence.
- ❖ Emphasis on sustainability and innovation as core planks.

Signature

Company Overview



मेहनत

GHCL – An Introduction



Best-in-class

- ❖ Operations management
- ❖ CAPEX planning and execution
- ❖ Financial management



- ❖ Focused management approach
- ❖ Strategy led by professional management team



Targeting

- ❖ To grow profits at a CAGR 15%-18% on a long term horizon
- ❖ To inculcate value systems that defines our culture
- ❖ To drive sustainable inclusive growth involving all stakeholders



11.00
45
1.85

Lac MT Soda Ash Capacity

MN MT Textile Processing Capacity

Lac Spindle Capacity

2nd

Largest
manufacturer of
Soda Ash in India,
with 25% market
share

Capacity Utilisation of Soda Ash

5-Year PAT CAGR Rs. 310 Cr from Rs. 257 Cr

Return on Capital Employed (ROCE)

90%+

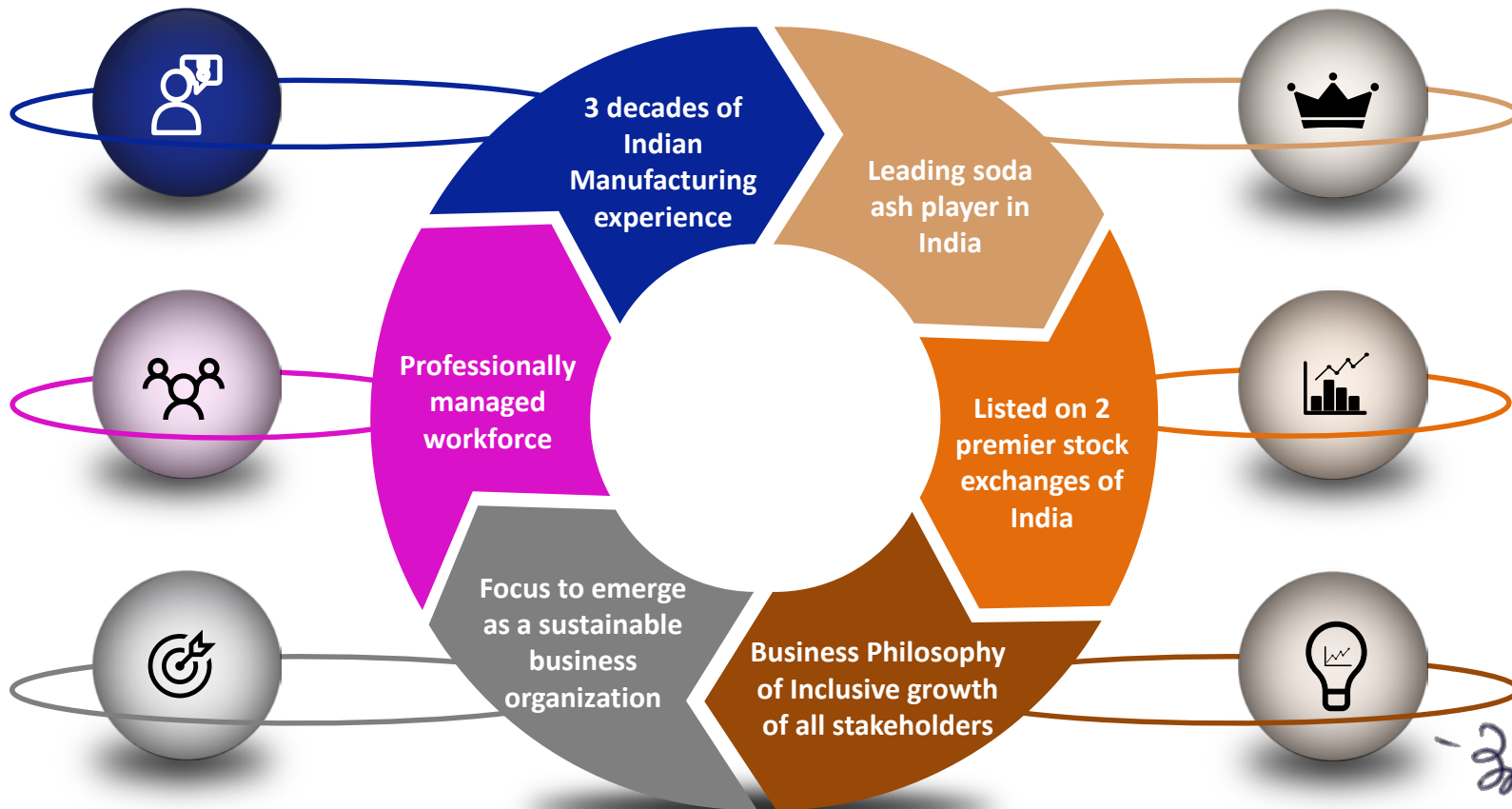
4%*

14%*

* Despite adverse business impact in first half of financial year due to pandemic.

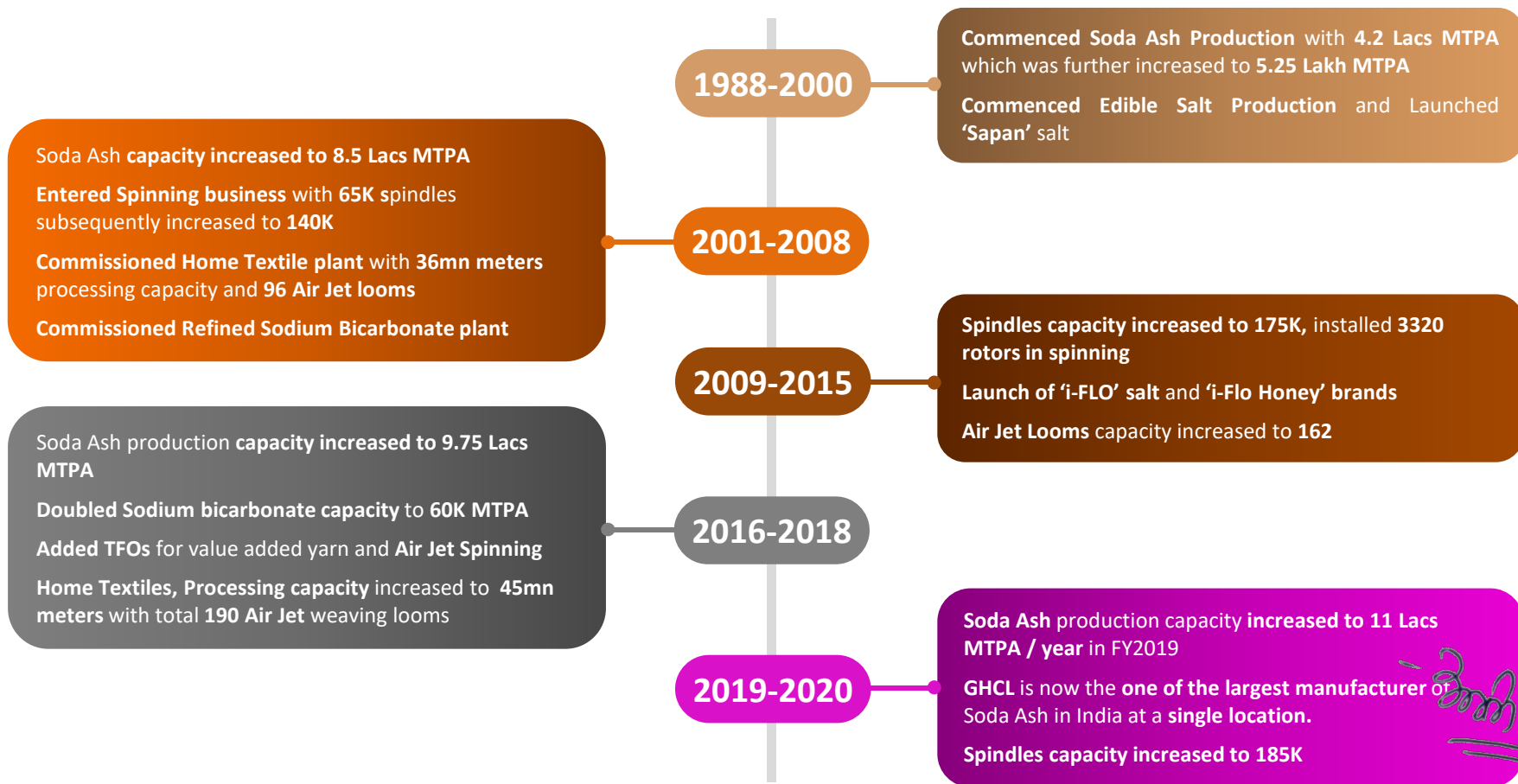
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GHCL Overview



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Evolution of GHCL through the years



Sustainability Vision 2023



GHCL's business goals include sustainability. To embed sustainability in business and operations, concentrating attention on material concerns like environmental management, culture, and employee health and engagement, in order to ensure long-term success while still living up to core values.



Zero harm

- ❖ Zero reportable injuries
- ❖ Zero environmental incidences

Responsible steward

- ❖ 20% specific freshwater consumption reduction
- ❖ 10% specific energy consumption reduction
- ❖ Green building certification for Noida office

Climate warrior

- ❖ 20% GHG emission reduction
- ❖ Implement ICP

Stakeholder centric

- ❖ 30% reduction of high-risk suppliers in supply chain
- ❖ Trusted CSR brand
- ❖ SA8000 certification ready operations at HT division
- ❖ To be among Top 100 Great Places To Work (GPTW)
- ❖ Single digit overall attrition rate
- ❖ 25% female employees' representation in overall headcount & 10% in executive cadre
- ❖ To increase employment of specially-abled candidates number by 50% than last year

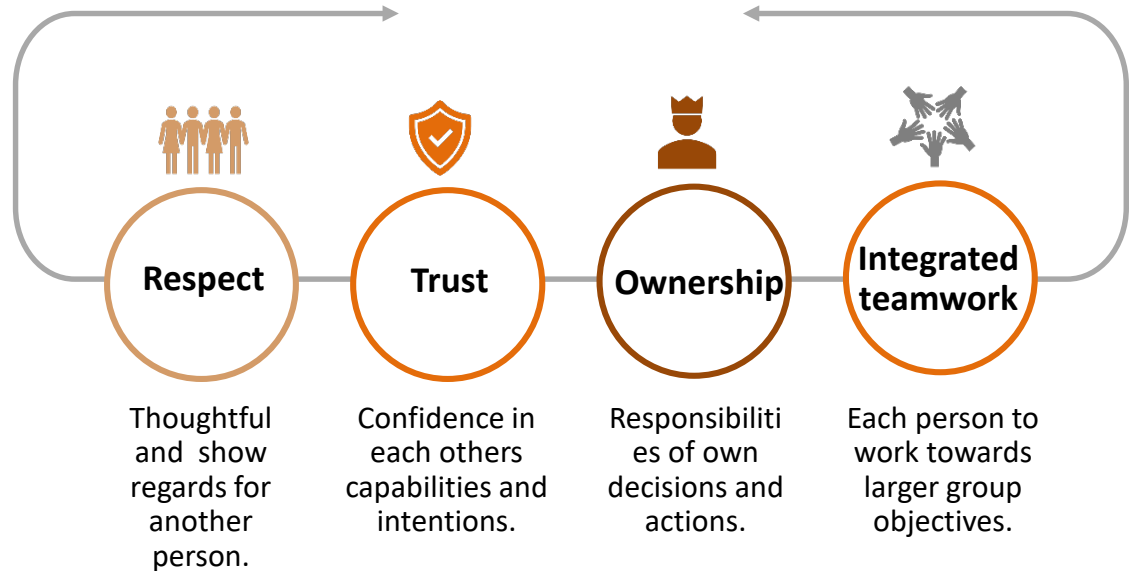


GROWTH. ACCOUNTABILITY. RESPONSIBILITY

Signature

Core Values at forefront

- ❖ GHCL is a unique work place which is dotted with its Core Values, defining its culture.
- ❖ Every employee in the Company is expected to imbibe its Core Values and interact within the business ecosystem with all its stakeholders accordingly.
- ❖ Here we have established the link for performance appraisals of every employee with core value surveys conducted twice a year.



Signature

Spearheaded by distinguished management



R S Jalan
Managing Director



Raman Chopra
CFO & Executive Director

Experienced and accomplished Board of Directors

Mr. Sanjay Dalmia
(Chairman)

Dr. Manoj Vaish
(Independent Director)

Justice (Rtd.) Ravindra Singh
(Independent Director)

Mr. Arun Kumar Jain
(Ex-IRS) (Independent Director)

Mr. Anurag Dalmia
(Vice Chairman)

Mr. Lavanya Rastogi
(Independent Director)

Mrs. Vijaylaxmi Joshi
(Independent Director)

Resilient Operational Team

Neelabh Dalmia
(Executive Director, Textiles)

NN Radia
President & COO, Soda Ash

M. Sivabalasubramanian
CEO, Spinning

Sunil Singh
VP, Marketing (Soda Ash)

MV Murlikrishna
CEO, Consumer Products

Biswarup Goswami
CHRO

Bhuwneshwar Mishra
*Sr. GM Sustainability &
Company Secretary*

Sanjay Dalmia

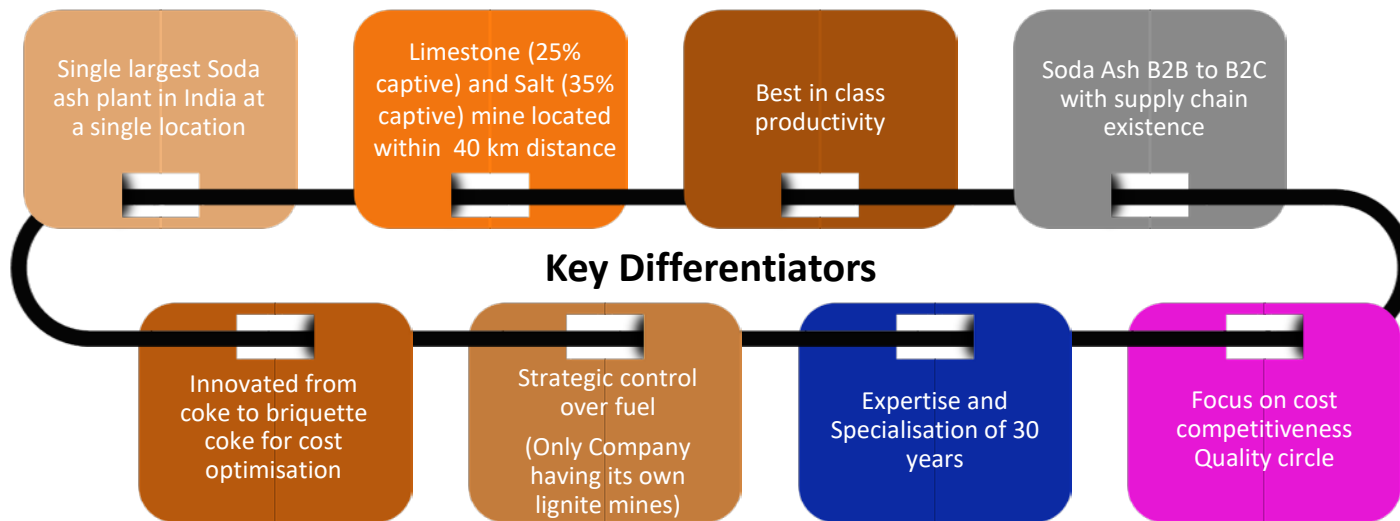
Inorganic Chemicals



The choice of a healthy family!

- 20/11/2020

Commanding leadership in Soda Ash manufacturing



Margin Leadership

+90%

Capacity utilization;
Highest in industry

11.00L MT

Soda ash capacity;
25% market share of
domestic demand

+30%*

EBITDA Margins;
consistent high
margins

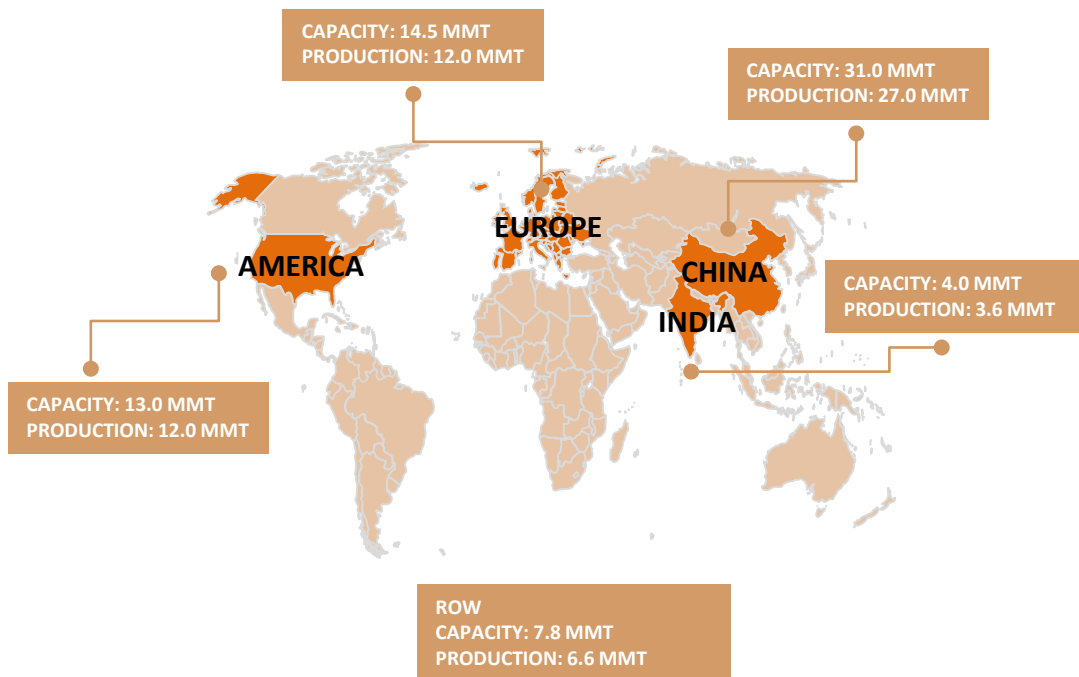
* Based on last 3 year's average EBITDA Margin.

Signature

Global outlook on the Soda Ash industry



GLOBAL SIZE: CAPACITY-70 MMT, PRODUCTION-61 MMT



Soda Ash Market Outlook

Soda Ash demand recovered across all regions. However, demand/supply could not reach pre-CoVID levels, due to high energy prices, new wave of Corona Virus pandemic, higher freight costs along with limited availability of containers.

China: Strong in 1st quarter of calendar year. Flat glass sector is leading the demand recovery process as focus is seen shifting to Solar Glass with huge expansions. Exports from China fell in 1st quarter by 9-10% compared to last year.

Europe: Strong economic and industrial output growth forecast in Europe for 2021. Energy prices are at record high levels, High coke prices have impacted European costs. Russian demand for SA fell 2.8% in 2020. Turkey is seen to make gains in market shares in these markets..

Turkey: Exports to Brazil, Thailand, Chile and Poland have grown significantly. Turkey remains the most aggressive SA exporter to the world with volumes increasing in virtually all geographies

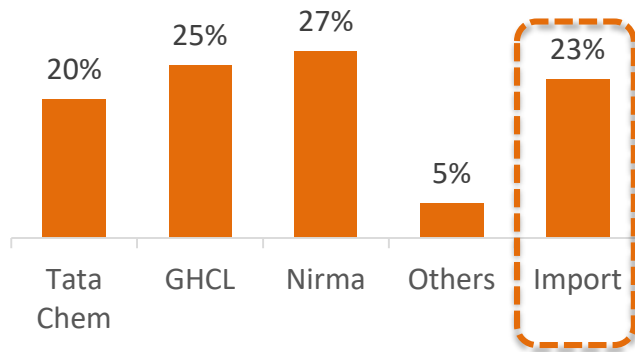
US: In Q1, domestic demand for Soda Ash has increased by around 12% YOY, while exports are down by 15% YoY. US producers will enjoy cost reduction of around \$8 per MT in 2021 due to reduction in royalty on sale of SA (from 6% to 2%)

Globally market is growing @ 2.0% pa CAGR requiring around 1.2Mn MT additional supplies every year.

Soda Ash Dynamics (Domestic Industry)

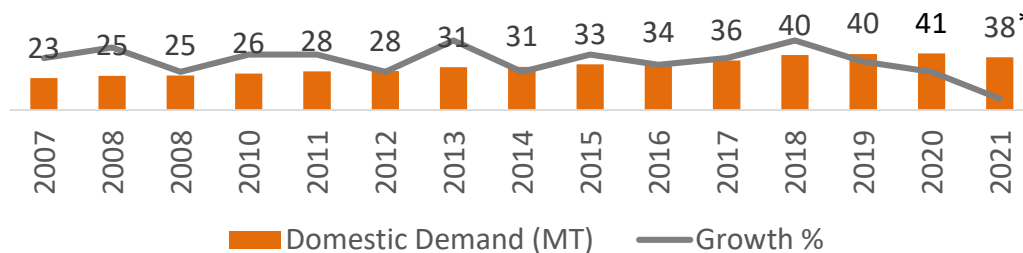


Domestic Market Share

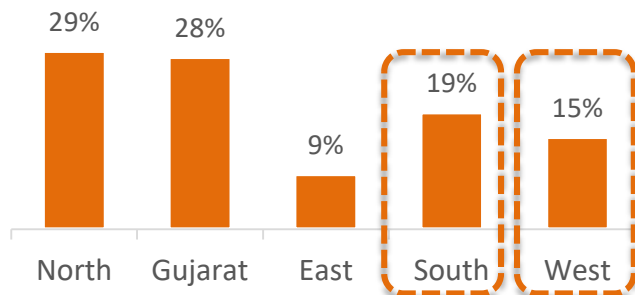


Domestic Demand & Growth Trend

(CAGR Growth of 5% during period upto FY 20)

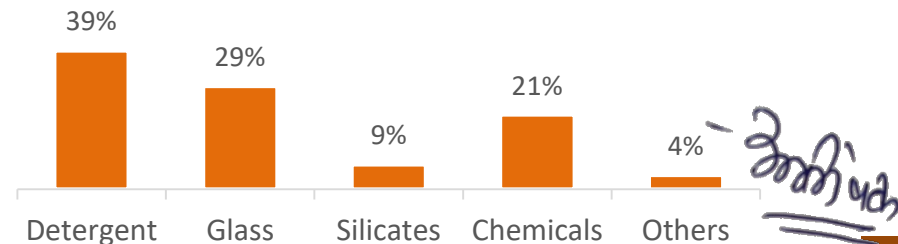


Domestic Demand Concentration



Domestic Demand Concentration

(User Segment)



* Due to adverse business impact in first half of financial year due to pandemic.

At GHCL, Soda Ash is managed unlike any commodity



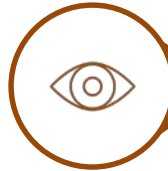
Balanced Demand & Supply Scenario

Historically, no mismatches in Demand supply as supply always followed demand globally



Excellence in Execution

Sustaining high utilization rates while maintaining periodic enhancement in capacities. Achieved through better planning and maintenance practices



Visibility of Earnings

Soda Ash business has consistently performed well with steady realizations and margins

Assured visibility on growth through managed execution of highly efficient capacities

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Application diversity of Soda Ash across end-user industries



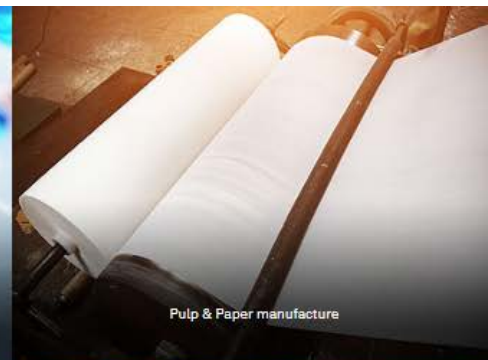
Soap & Detergents



Glass Manufacturing



Chemicals



Pulp & Paper manufacture



Textile Industry



Non-Ferrous Metallurgy



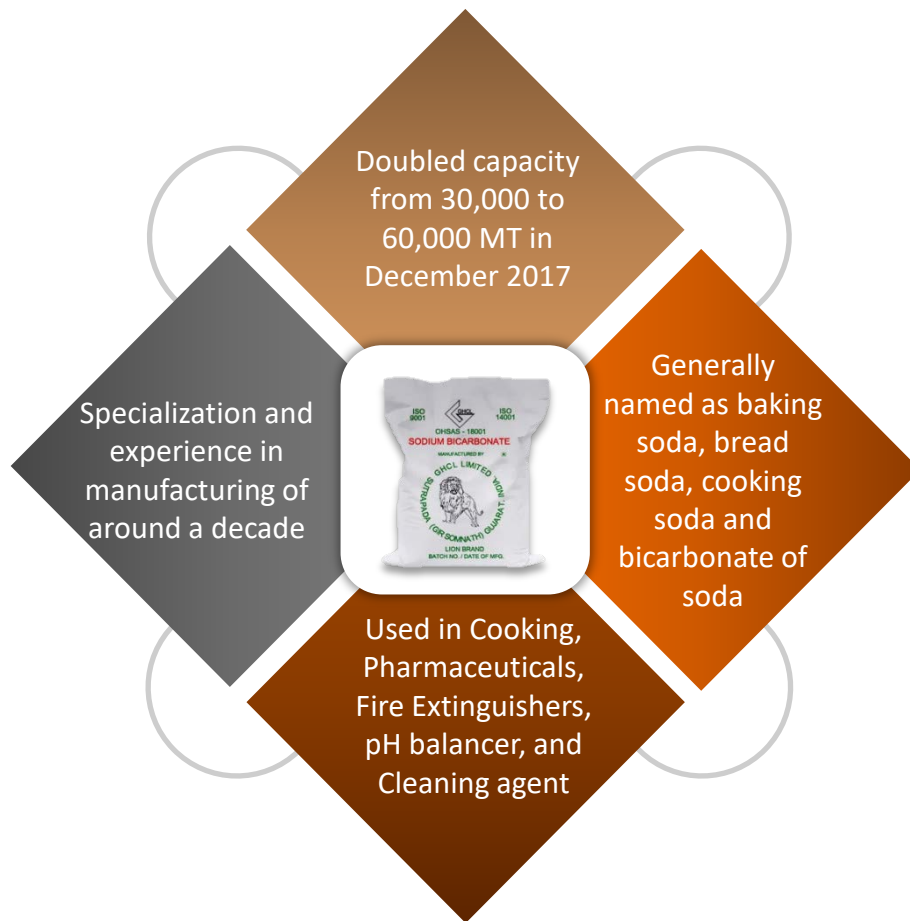
Water Treatment



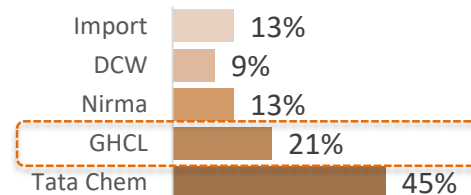
Mining

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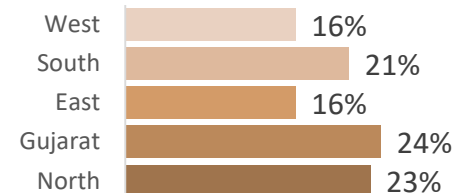
Inorganic Chemicals – Sodium Bicarbonate



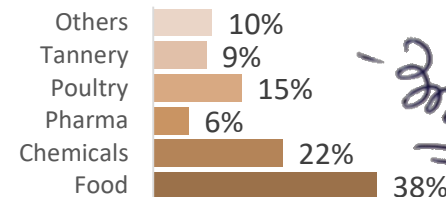
Domestic Demand Share



Domestic Demand Concentration



User Segment spread



Key Application of Sodium Bicarbonate

Tannery



Pharma



Food



Animal Feed



Chemicals

Potential application of Sodium bicarbonate in flue gas treatment which is under trial phase; could be a game changer

Signature

Marquee Clients



- 2000/03

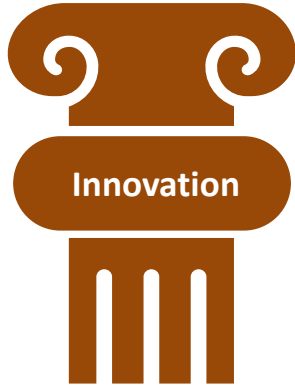
Textiles Segment

REKÖÖP
RECYCLED WITH CERTAINTY



— *સેનાની બાઈ*

GHCL's Home Textile 4 Pillar Strategy



Meditasi

SLEEP AND HEAL

GHCL's innovative
"health and wellness"
bedding collection



Sanjiv



Complete Integration improving the efficiency



PRESENCE ACROSS VALUE CHAIN

1.85 Lacs Spindles,
3,320 Rotors,
5,760 TFO Drums,
5 Air Jet Spinning
Machines

Spinning

Also sold in Market

12 Mn Meters

Weaving

45 Mn Meters

**Fabric
Processing**

30 Mn Meters

Cut & Sew

**Bed
Sheets &
Made-up's**

Sold in Market

- ❖ Spindle capacity close to double of home textile requirement giving an opportunity to benefit from expansion of sheeting capacity
 - Spinning unit located near Madurai in Tamil Nadu
 - Yarn ranging from 16s to 32s in open end, 30s to 120s in ring spun compact counts in 100% cotton and 24s to 70s counts in blended yarns
 - 27.2 MW windmill capacity

- ❖ State-of-the-art Home Textiles facility at Vapi with weaving, processing and made ups
 - Best of plants and equipment sourced from Germany and Japan - Beninger, Kuster, Monforts
 - Flexibility to process both cotton and blended fabrics.

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Marquee Clients



KOHL'S



**BED BATH &
BEYOND**



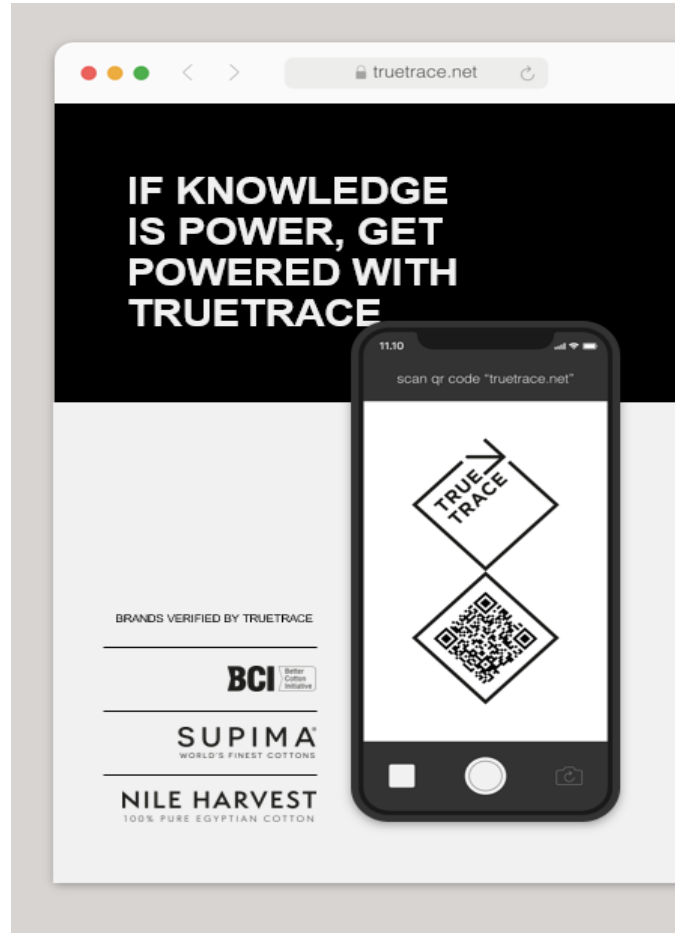
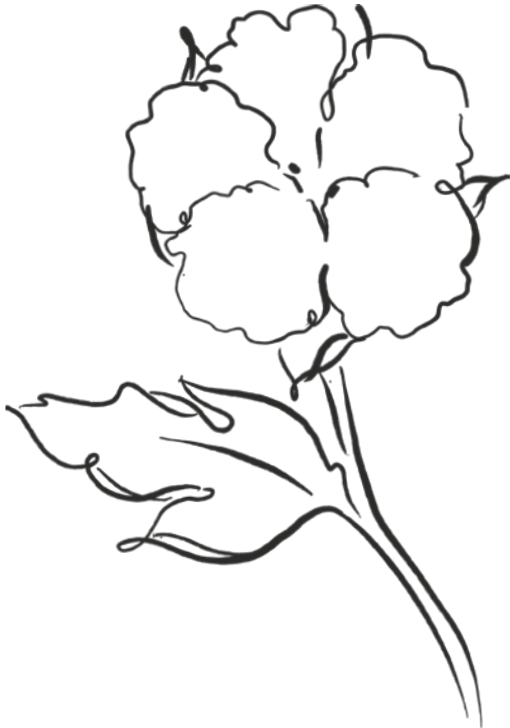
Sainsbury's

amazon.com

 **Walmart.com**

- Zorhiya

Leveraging technology for end to end traceability – “True trace”



One of unique inhouse development for complete traceability of product

Truth at Your Fingertips

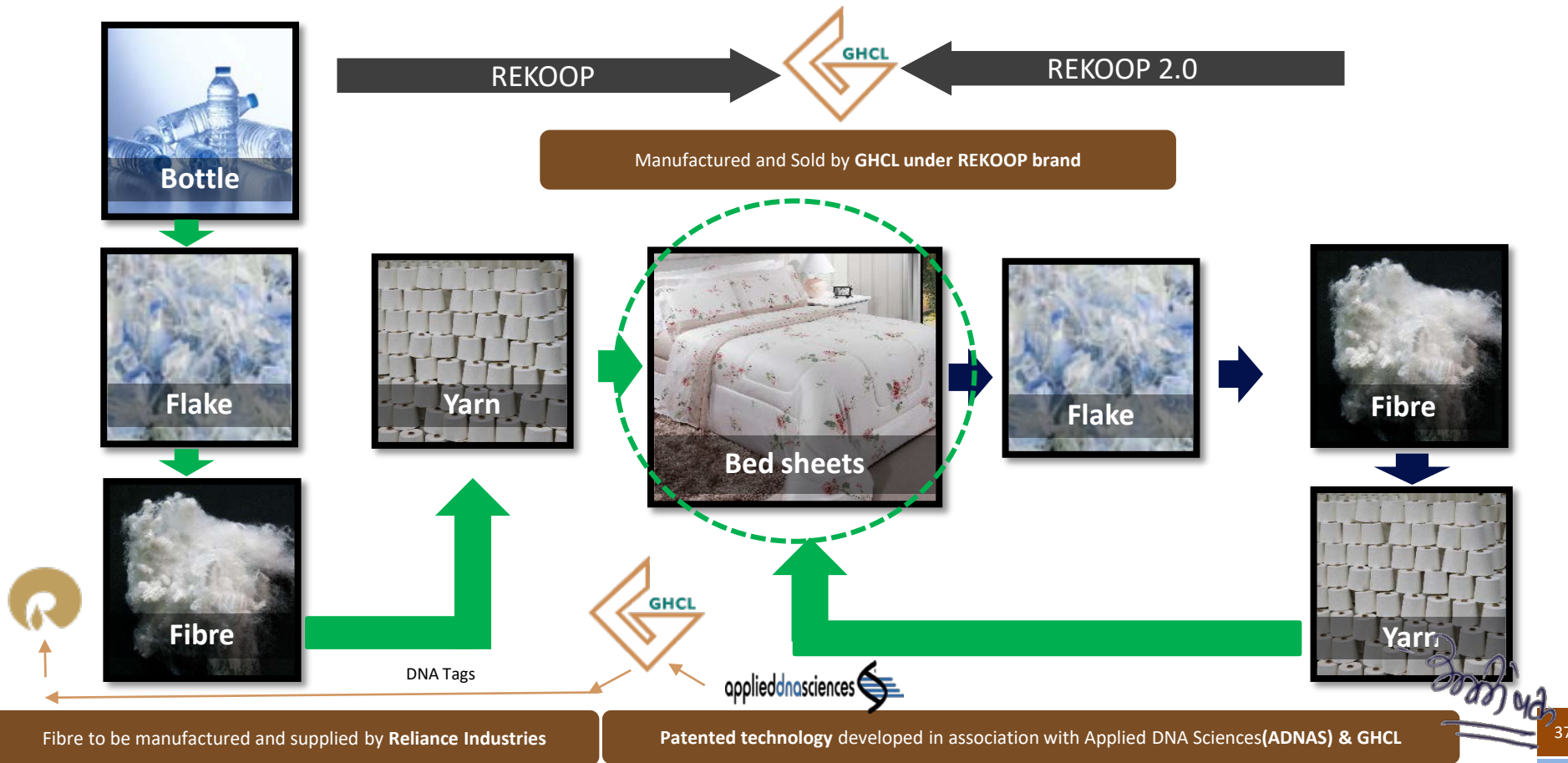
Traceability has never been so important. TrueTrace technology makes it easier than ever to guarantee the quality and origins of your textiles.

Scan the QR code to go online and trace:

- The field and ginneries of the raw fibres.
- Exact batch of fibres that made your textiles.
- Certificate numbers from local authorities who independently verified provenance.

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Reinventing the REKOOP to REKOOP2.0



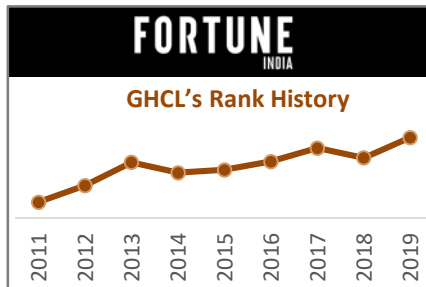
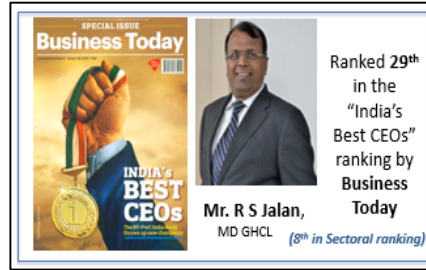
Awards & Recognitions



Referred as **Great Place to work** in four consecutive years of participation



Awarded trio of Golden Peacock awards for **Corporate Governance, Corporate social responsibility** and **National Quality**



Mine Award

GHCL Limestones Mines received Mine award under A2 category at 26th Mines Environment and Mineral Conservation week

FORTUNE 500
2019
India's



ET 500



SIMA Technofacts Award

GHCL Yarn division received SIMA Technofacts Award at the 13th CEO Conference



Par Excellence Award

Won 'Par Excellence Award' at the 6th National Conclave on 5S, Ankleshwar Chapter, Quality Circle Form of India (QCFI)

About Us



GHCL Limited was incorporated on 14th of October 1983. The Company has established itself as a well-diversified group with an ascertained footprint in chemicals, textiles and consumer products segments. In chemicals, the Company mainly manufactures Soda Ash (Anhydrous Sodium Carbonate) that is a major raw material for detergents & glass industries; and Sodium Bicarbonate (baking soda). Its Textiles operations is an integrated set up which commences right from spinning of fiber (yarn), weaving, dyeing, printing till the finished products, like sheets & duvets, take shape which are primarily exported worldwide. GHCL's Home Textiles products are predominantly exported worldwide to countries like United Kingdom, United States of America, Australia, Canada, Germany and other European Union countries as well. Consumer Products operation is another business for GHCL where it is a leader in manufacturing and selling edible salt, industrial grade salt and jujube honey in the country under the brand name of I-Flo.

At GHCL Ltd., sustainability is a core element of the business strategy as defined under the aegis of 'GHCL Way' which has four pillars i.e. Responsible Stewardship, Social Inclusiveness, Promoting Relationship and Adding Value. GHCL is committed to working closely with all stakeholders at various plant locations for promoting the agenda of sustainability underpin on GHCL Ltd. core values (Respect, Trust, Ownership and Integrated Team work).

For more information please visit us at www.ghcl.co.in

Contact Us:

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A handwritten signature in blue ink, appearing to read 'Siddharth', is located in the bottom right corner of the page.

The background of the slide is a photograph of a large industrial facility, likely a chemical or petrochemical plant. It features a complex network of pipes, scaffolding, storage tanks, and distillation columns. A white van is parked on a road in the foreground. A semi-transparent brown banner is overlaid across the middle of the image, containing the text "Thank You".

Thank You

— Zorhiya