

July 29, 2021

श्रावण - कृष्णपक्ष- षष्ठी  
विक्रम संवत् २०७८

**National Stock Exchange of  
India Limited**  
“Exchange Plaza”  
Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400 051  
**NSE Code: GHCL**

**BSE Limited**  
Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building,  
P.J. Towers,  
Dalal Street, Fort, Mumbai – 400 001  
**BSE Code: 500171**

Dear Sir/Madam,

**Subject: Investors’ Presentation – Q1FY22 Business Update**

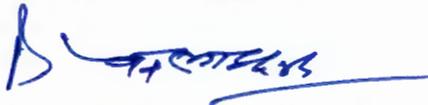
As informed on July 26, 2021 that a conference call to discuss the Q1FY22 results of the company with Mr. R S Jalan, Managing Director and Mr. Raman Chopra, CFO & Executive Director (Finance) is scheduled to be held on **Thursday, July 29, 2021 at 5.00 PM (IST)**. In this regard, copy of the financials and other business details for Q1FY22 (i.e. Business Update), which is going to be circulated for the scheduled investors’ conference, is enclosed herewith for your reference & record.

You are requested to kindly acknowledge the receipt and please also take suitable action for dissemination of this information through your website at the earliest. In case you need any other information, please let us inform.

Thanking you

Yours truly

**For GHCL Limited**



**Bhuwleshwar Mishra**  
**Sr. GM-Sustainability & Company Secretary**



DRIVING EXCELLENCE

# GHCL LIMITED

Q1 FY22 Investor Update

July 2021



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# Quarterly Update



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**“Focusing on growth opportunities in both the business segments to elevate performance momentum.”**

## Commenting on the Q1 FY22 performance, Mr. R. S. Jalan, MD said:

*“We have commenced the new fiscal year on an encouraging note with solid gains across all our business segments. This was possible inspite of severe disruptions witnessed in Q1 due to localized restrictions and lockdowns on account of second wave of the pandemic. I am glad that our teams have positively responded to this crisis and ensured business continuity. I would like to extend my gratitude to our entire workforce for their relentless contribution and would like to assure them that the Company will do what is required to protect and support them.*”

*Our Inorganic chemicals business demonstrated healthy volume growth with positive realization gains supported by consistent demand in the key end user categories. We believe this positive trend will continue going forward as demand has been stabilizing and we are also looking to expand our portfolio to add some products to leverage our scale and expertise.*

*I am pleased to share that we have received consent from secured creditors for the demerger of textiles, and we will now be approaching the honorable NCLT for their approval. On the business front, we witnessed initial temporary disruption due to second wave, however this has now been normalized and we are operating at peak utilisation levels in both spinning and home textiles based on strong demand scenario and achieved record profits during the quarter.*

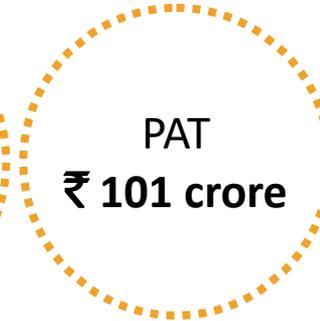
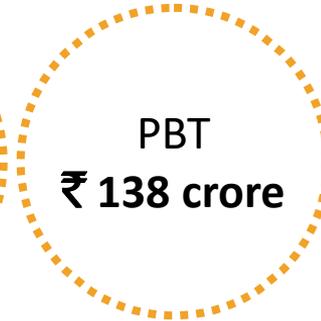
*Overall, our endeavor is to further amplify our leadership position across key product categories to bolster the performance momentum and create enhanced value for our stakeholders.”*

*2022-23*

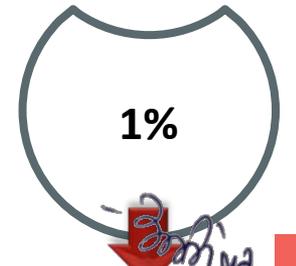
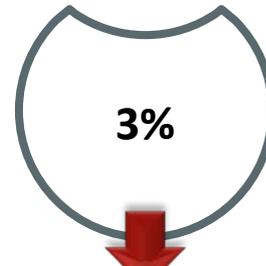
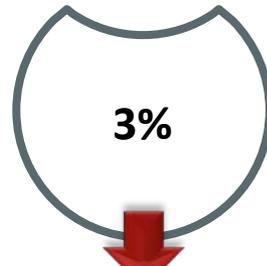
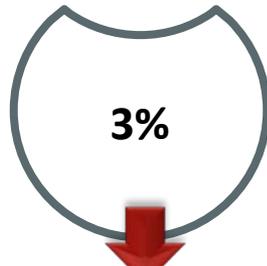
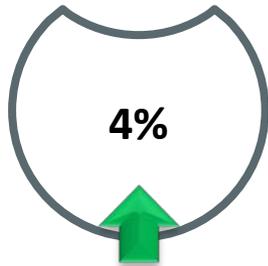
# Performance Highlights – Q1 FY22



Q1 FY22 Vs  
Q1 FY21  
(Y-o-Y)



Q1 FY22 Vs  
Q4 FY21  
(Q-o-Q)



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# Profit & Loss Statement

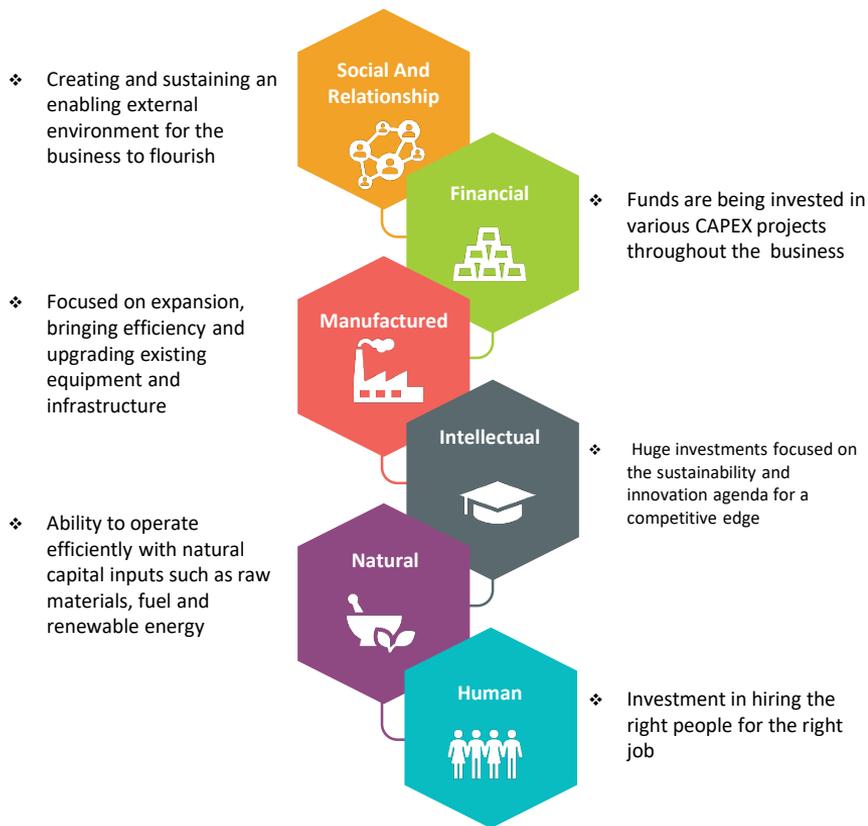


(Rs. In Crore)

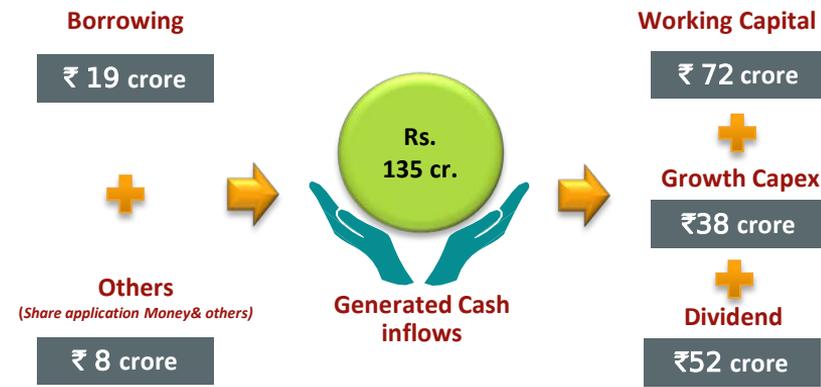
Particulars	Q1 FY22	Q1 FY21	Y-o-Y	Q4 FY21	Q-o-Q	FY21
Revenue	854	440	94%	821	4%	2,850
Operating Expenses	666	356	87%	626	6%	2,204
EBITDA	189	84	124%	195	(3)%	646
<i>EBITDA Margin</i>	<i>22.1%</i>	<i>19.1%</i>	<i>3%</i>	<i>23.8%</i>	<i>(1.7)%</i>	<i>22.7%</i>
Depreciation	34	33	2%	33	2%	133
EBIT	155	51	202%	162	(4)%	513
Interest	17	28	(41)%	19	(11)%	90
Exceptional Item	-	-	--	-	--	-
Profit Before Tax	138	23	500%	143	(3)%	422
Tax	37	6	506%	39	(6)%	112
Profit After Tax	101	17	498%	104	(3)%	310

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# Resource allocation & Key financial ratios



## Efficient Capital Allocation



## Key Ratio's

Gross Debt		Net Debt	
Rs. 787 cr.		Rs. 770 cr.	
Net Debt/Equity	ROCE *	ROE*	
0.30	17%	15%	

\* ROCE and ROE are calculated based on trailing 12 months.

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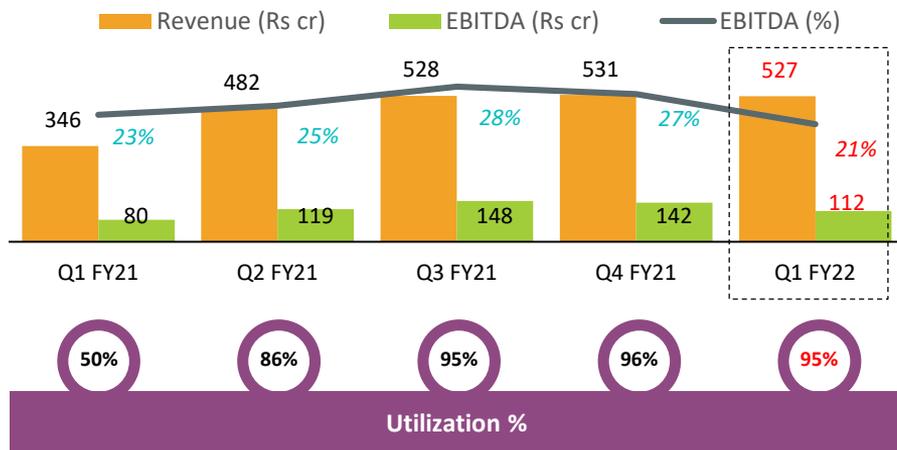
# Q1 FY22 Segment Highlights – Inorganic Chemicals



(Rs. In Crore)

Particulars	Q1 FY22	Q1 FY21	Y-o-Y	Q4 FY21	Q-o-Q
Revenue	527	346	53%	531	(1)%
EBITDA	112	80	40%	142	(21)%
EBITDA %	21.2%	23.0%	(1.8)%	26.7%	(5.5)%

## Inorganic Chemicals – Quarterly Trend



## Performance Highlights

- ❖ Y-o-Y performance is not comparable due to CoVID pandemic last year same quarter.
- ❖ 1% drop on Q-o-Q basis in revenue due to lower volumes offsetting with slightly better realizations .
- ❖ Significant increase in cost due to sharp increase in energy prices, logistic cost and salt (due to cyclone Tauktae) as compared to Q4 FY 21 impacting the margins.
- ❖ Taken two consecutive price increases in the month of June-21 and July-21.
- ❖ Realizations improved to Q1 FY 21 levels, and up by 2% from Q4 FY21.

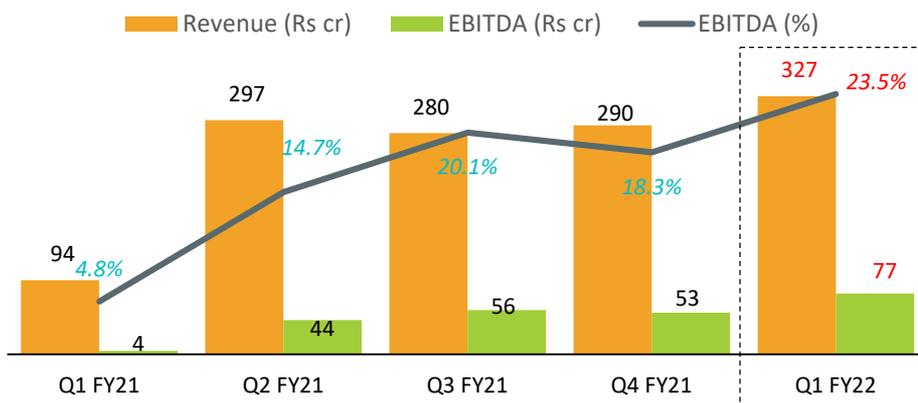
*2021/22*

# Q1 FY22 Segment Highlights – Textiles

(Rs. In Crore)

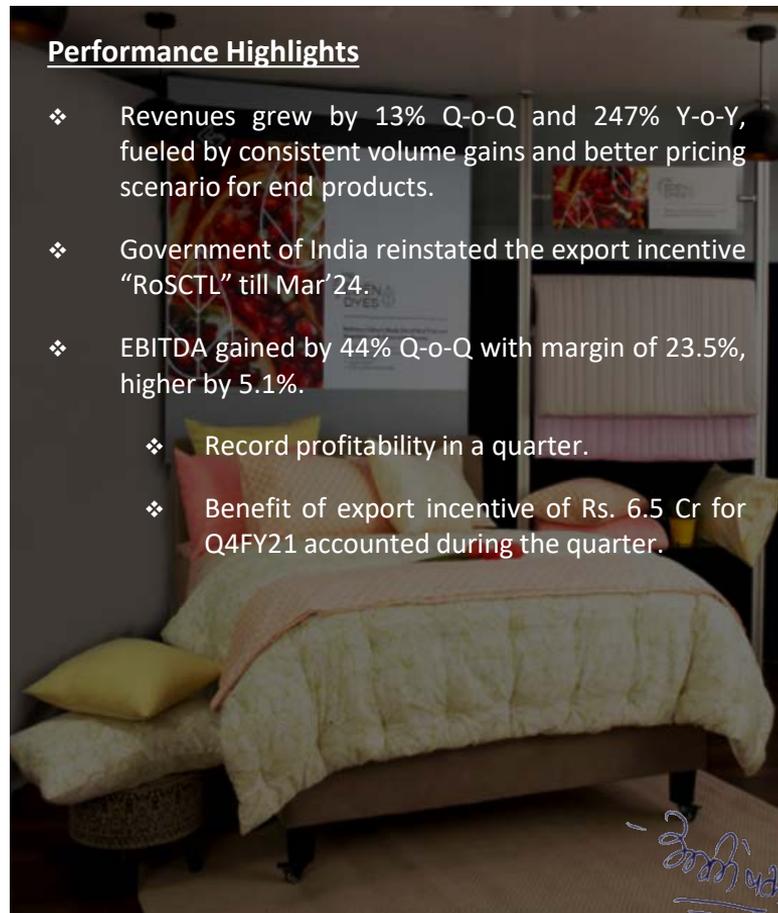
Particulars	Q1 FY22	Q1 FY21	Y-o-Y	Q4 FY21	Q-o-Q
Revenue	327	94	247%	290	13%
EBITDA	77	4	1612%	53	44%
EBITDA %	23.5%	4.8%	18.7%	18.4%	5.1%

## Textile – Quarterly Trend



## Performance Highlights

- ❖ Revenues grew by 13% Q-o-Q and 247% Y-o-Y, fueled by consistent volume gains and better pricing scenario for end products.
- ❖ Government of India reinstated the export incentive “RoSCTL” till Mar’24.
- ❖ EBITDA gained by 44% Q-o-Q with margin of 23.5%, higher by 5.1%.
  - ❖ Record profitability in a quarter.
  - ❖ Benefit of export incentive of Rs. 6.5 Cr for Q4FY21 accounted during the quarter.



# Recent updates



- ❖ Credit rating has been upgraded to “AA-” from “A+”.
- ❖ 5 notch upgrade in last 6 years.



- ❖ Undertaken the initiative to vaccinate all the direct and indirect workforce and the cost is borne by the company:
  - ❖ 94% of the workforce have vaccinated so far.
  - ❖ 37% of the workforce have been administered with both the dose of vaccine.
- ❖ Roll out the policy for financial assistance to families of deceased workforce impacted by CoVID.



- ❖ Crowned with Great place to work recognition for 5<sup>th</sup> time in a row;
  - ❖ 7 point jump this year, Trust Index from 80 to 87; Top hundred companies are at the index of 86.
  - ❖ Recognized among one of the best chemicals business.



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# 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.

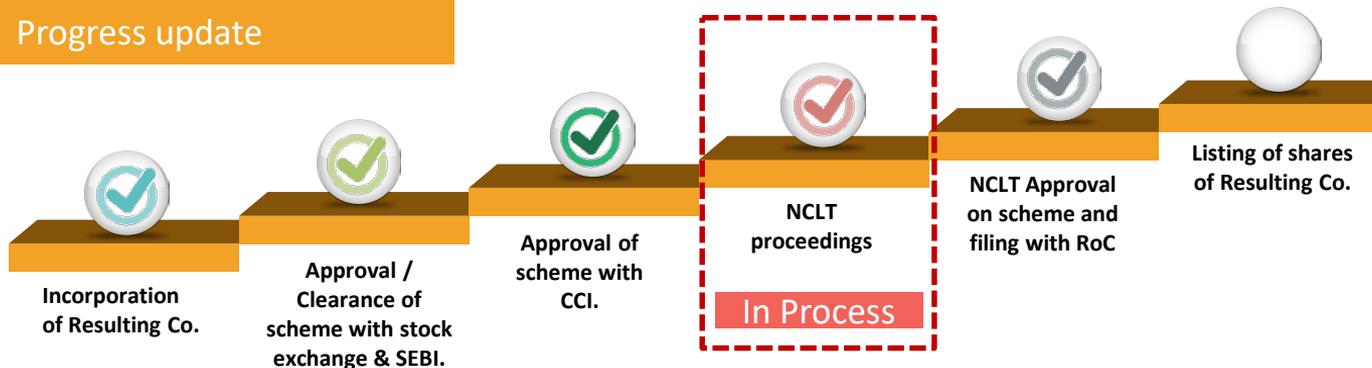


Focused growth



Concentrated approach

## Progress update

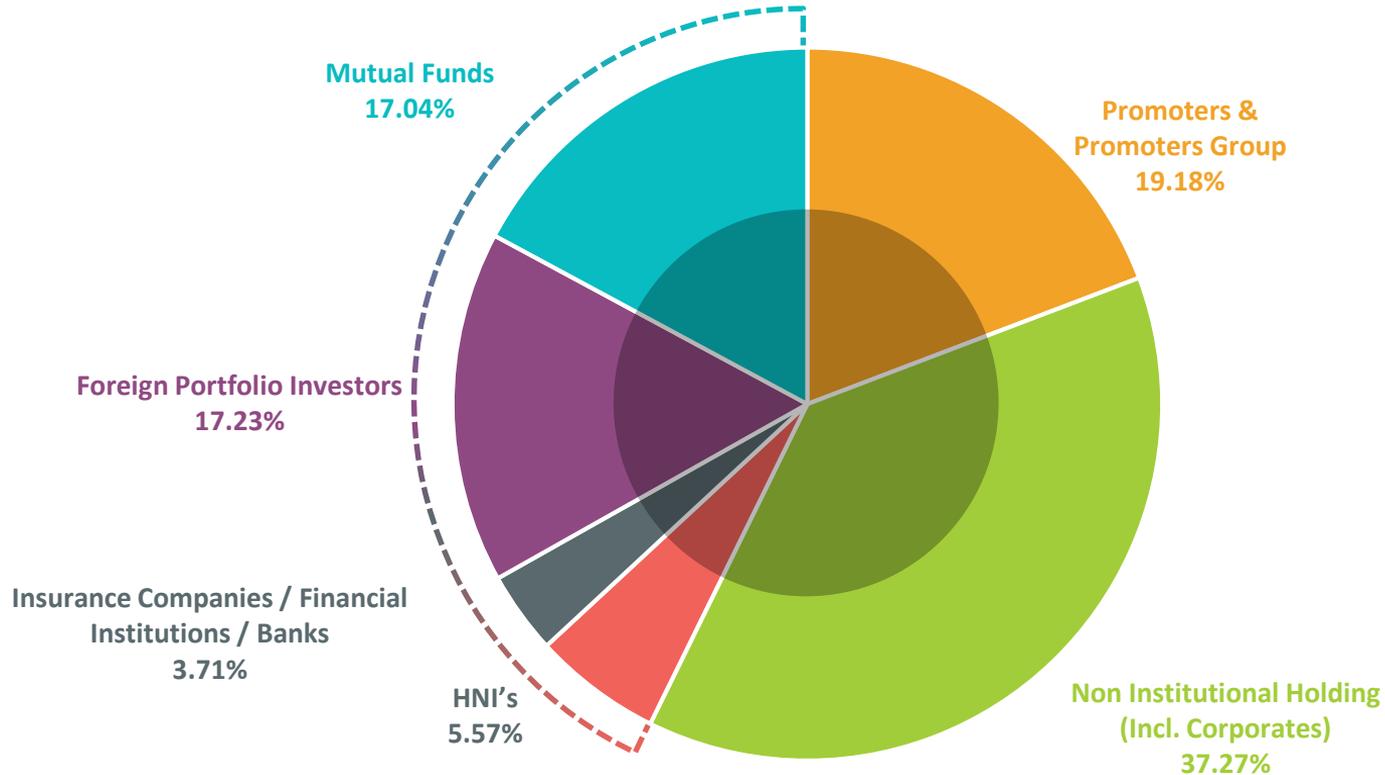


Business synergies

Shareholders, Unsecured creditors and Secured creditors have accorded their consent to scheme

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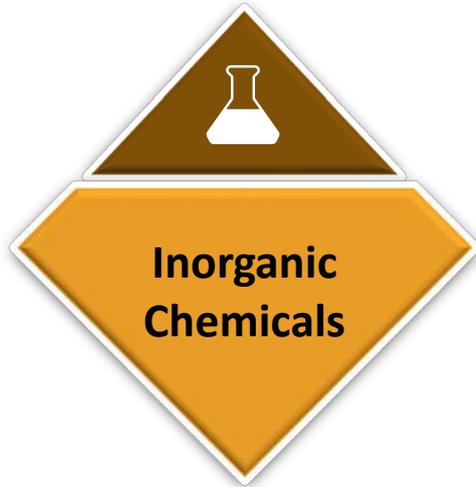
# Strong Institutional & HNI Holding – ~43.6%



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Note: Shareholding as of June 30, 2021; HNI - Individuals holding share capital in excess of Rs. 2 lakhs.

# 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.

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# Company Overview



*Banana*

# 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

Lac MT Soda Ash Capacity

Capacity Utilisation of Soda Ash

90%+

45

MN MT Textile Processing Capacity

Operating locations across India

10

1.85

Lac Spindle Capacity

Return on Capital Employed (ROCE)

14%

>1.0

Debt to equity ratio maintained over the last 3 years

Capital expenditure (Rs. Cr)

112

2<sup>nd</sup>

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

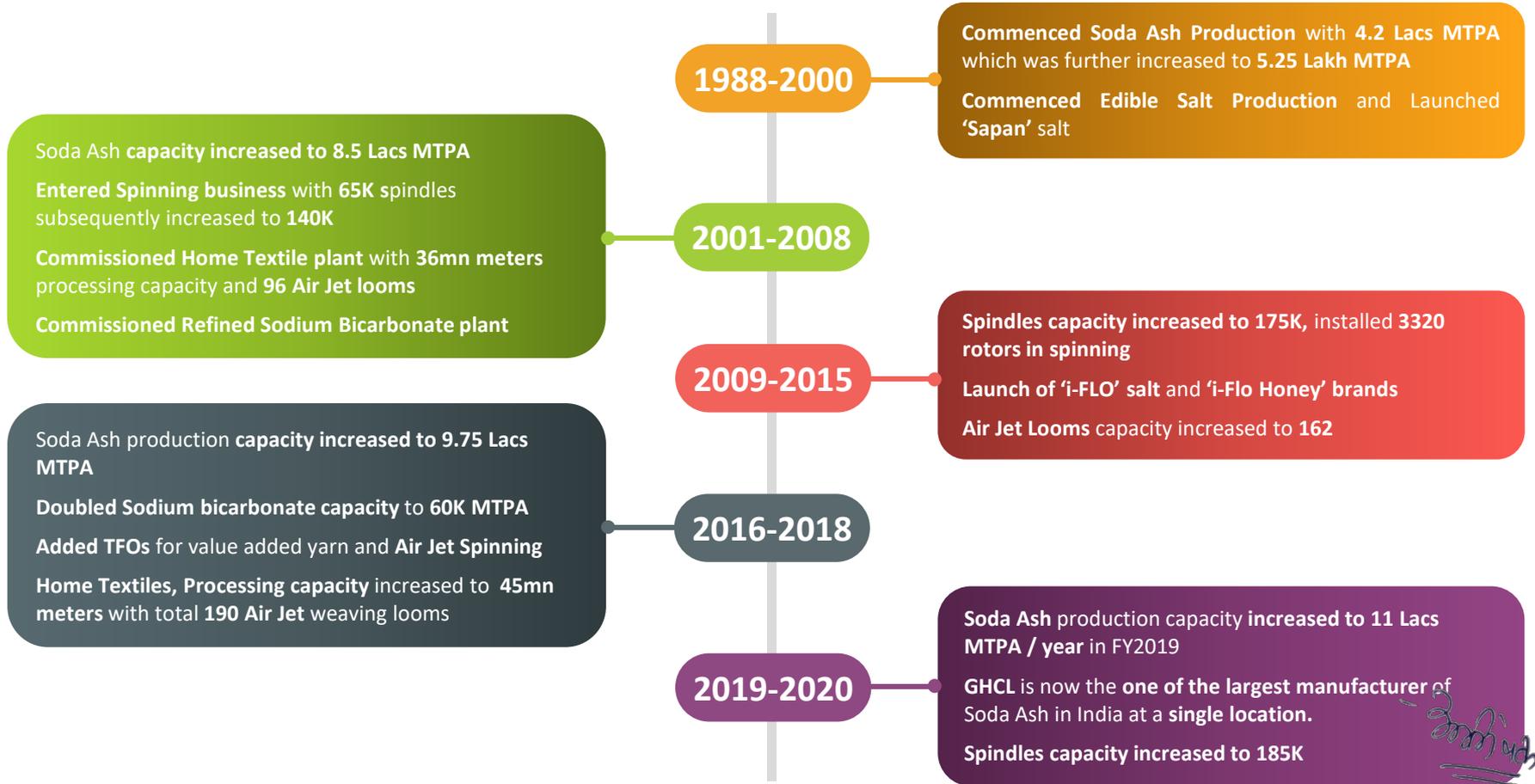
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# GHCL Overview



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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
- ❖ 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
- ❖ Increased employment of specially-abled candidates by 50%

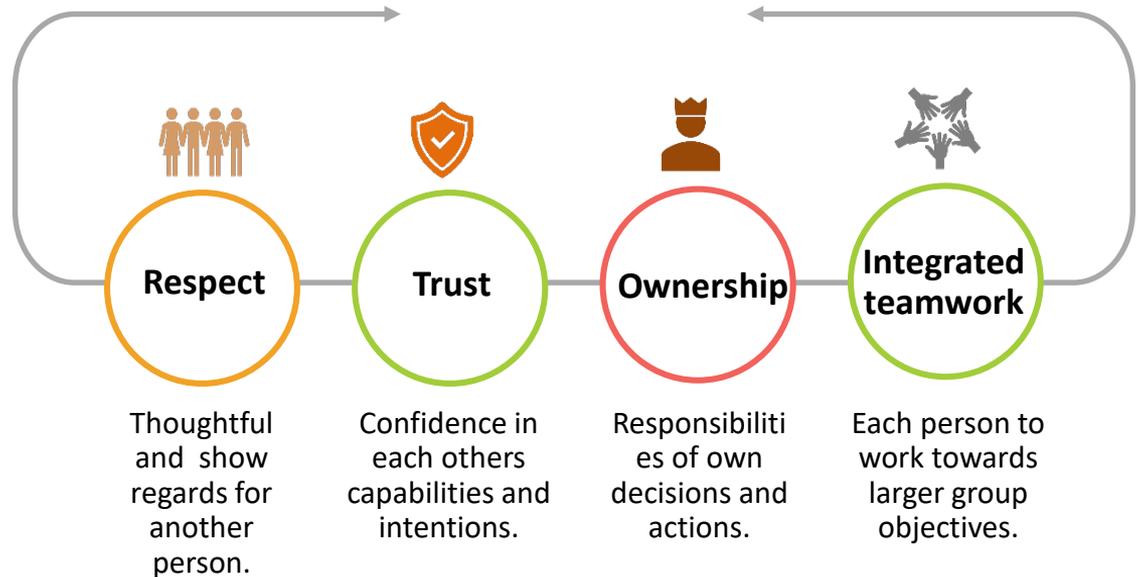


**GROWTH. ACCOUNTABILITY. RESPONSIBILITY**

*समृद्धि*

# 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.



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# Spearheaded by distinguished management



**R S Jalan**  
*Managing Director*



**Raman Chopra**  
*CFO & Executive Director*

## Experienced and accomplished Board of Directors

**Mr. Sanjay Dalmia**  
(Chairman)

**Mr. Anurag Dalmia**  
(Vice Chairman)

**Neelabh Dalmia**  
(Executive Director, Textiles)

**Dr. Manoj Vaish**  
(Independent Director)

**Justice (Rtd.) Ravindra Singh**  
(Independent Director)

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

**Mrs. Vijaylaxmi Joshi**  
(Independent Director)

**Mr. Lavanya Rastogi**  
(Independent Director)

## Resilient Operational Team

**NN Radia**  
*President & COO, Soda Ash*

**M. Sivabalasubramanian**  
*CEO, Spinning*

**Sunil Singh**  
*VP, Marketing (Soda Ash)*

**MV Murlikrishna**  
*CEO, Consumer Products*

**Biswarup Goswami**  
*CHRO*

**Bhuweshwar Mishra**  
*Sr. GM Sustainability & Company Secretary*

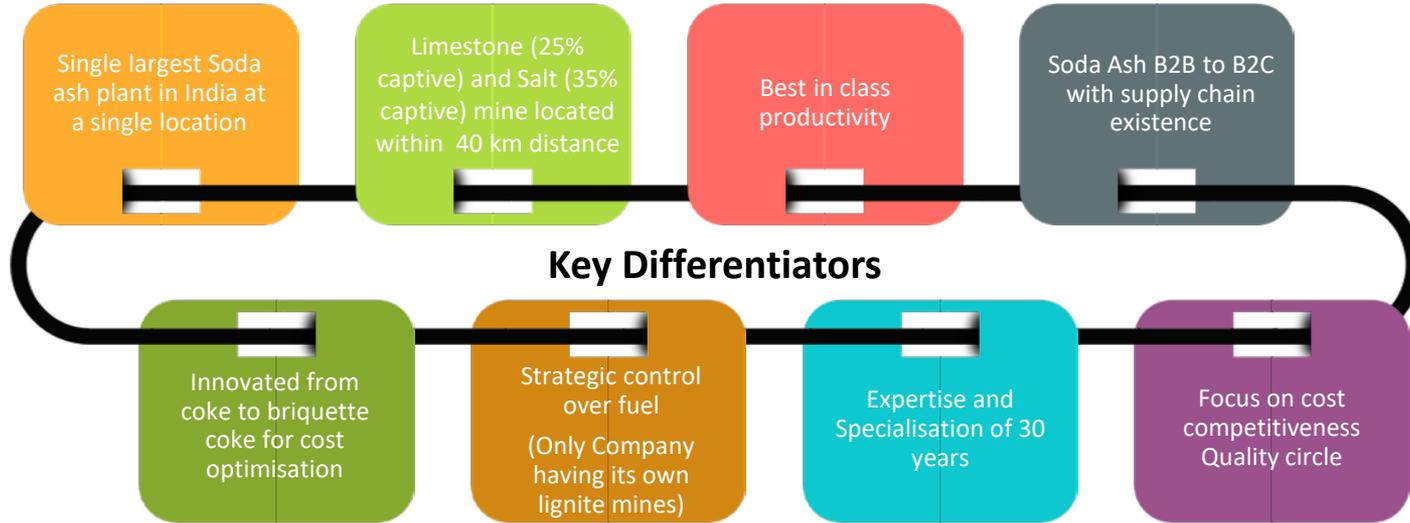
# Inorganic Chemicals



The choice of a healthy family!

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# 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

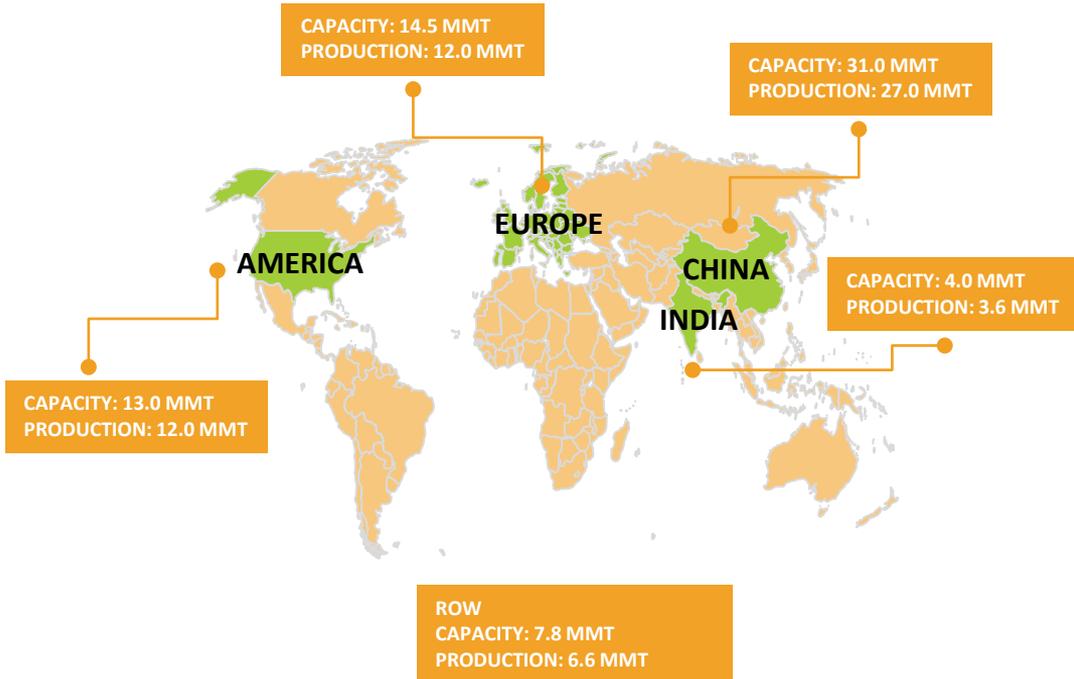
\* Based on last 5 year's average EBITDA Margin.

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# Global outlook on the Soda Ash industry



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



## Soda Ash Market Outlook

Soda Ash and its consuming industries has shown signs of recovery but still hasn't reached pre-Covid levels. Recurrence of Covid cases in few regions, high energy prices and supply chain disruption is the main cause for the slow recovery.

**China:** Domestic players are not keen to export due to high domestic demand and prices. It is mainly due to high demand in Flat glass. Exports down 36% over first 4 months compared to same period last year.

**Europe:** Demand and production cycle is stable. High freight container cost and high energy cost for EU manufacturers has resulted in higher export prices.

**Turkey:** Turkish exports grew by 15% y-o-y as they made inroads into new markets - SEA & South America. Freight rates from Turkey to SE Asia have increased and also availability of containers is an issue.

**US:** Demand recovery is good but SA manufacturers have to bear the high energy/production cost. ANSAC1 announced 2nd price increase of 25\$/MT.%)

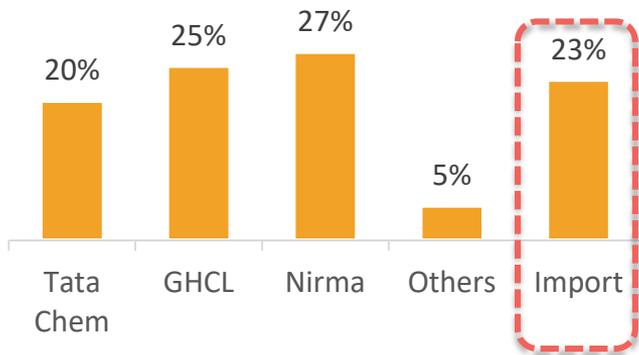
**Middle East & Africa:** Demand recovery is strong as most markets have opened up. Magadi is back at full production rate after completing its annual shutdown.

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

# Soda Ash Dynamics (Domestic Industry)

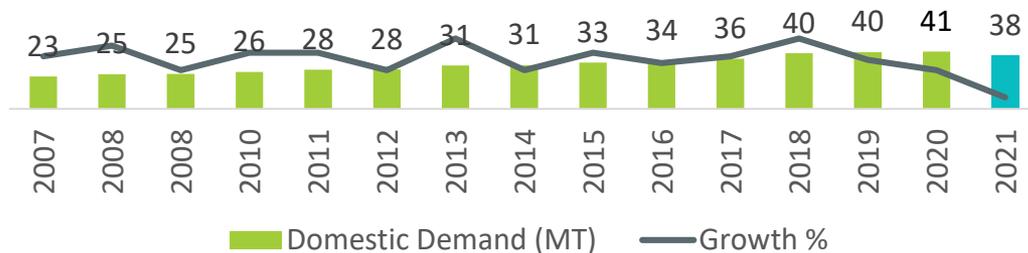


**Domestic Market Share**

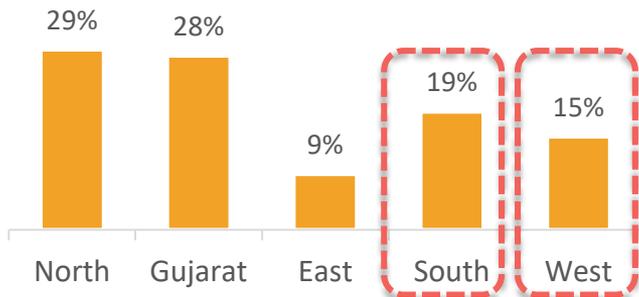


**Domestic Demand & Growth Trend**

(CAGR Growth of 5% during period upto FY 21)

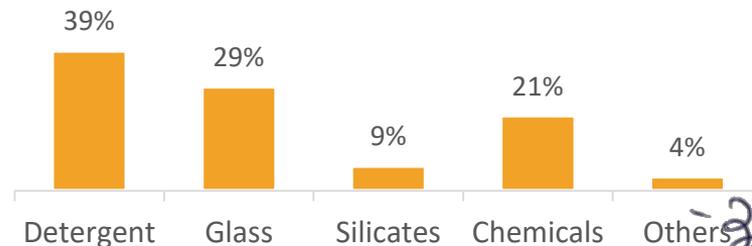


**Domestic Demand Concentration**



**Domestic Demand Concentration**

(User Segment)



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# At GHCL, Soda Ash is managed unlike any commodity



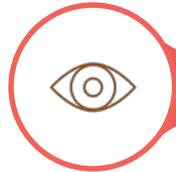
## Balanced Demand & Supply Scenario

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



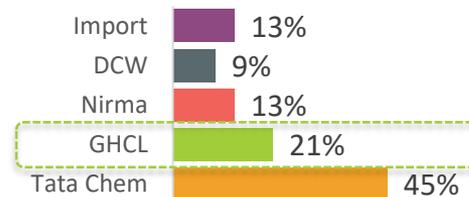
Mining



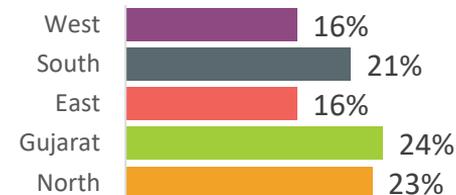
# Inorganic Chemicals – Sodium Bicarbonate



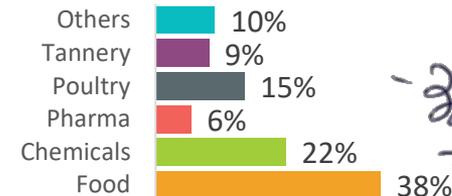
## Domestic Demand Share



## Domestic Demand Concentration



## User Segment spread



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# 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

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# Consumer Products



## Expansion and diversification in Consumer Products Division

- ❖ Premium edible Salt Manufacturer in South India
- ❖ Expansion of product portfolio under the brand i-FLO
- ❖ Venturing into the Premium Honey Category
- ❖ Introduction of new powdered spices
- ❖ Entry into new markets in Maharashtra and Goa
- ❖ Expansion of products in powered blended spices category



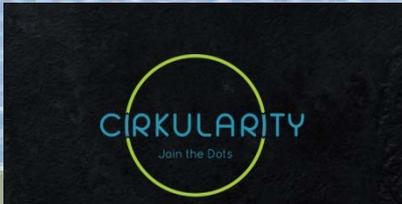
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# Marquee Clients



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# Textiles Segment



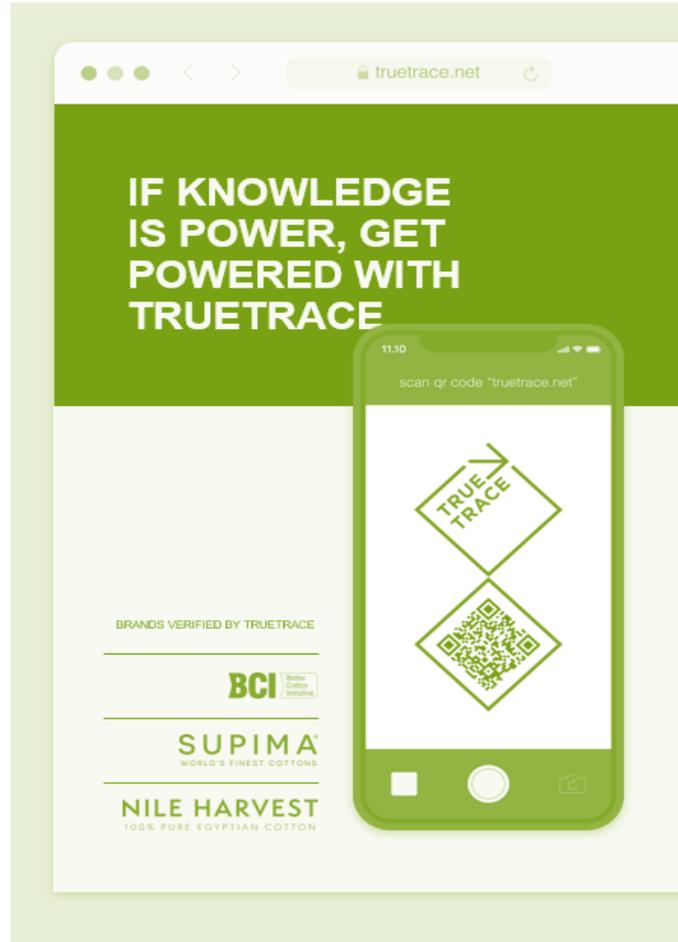
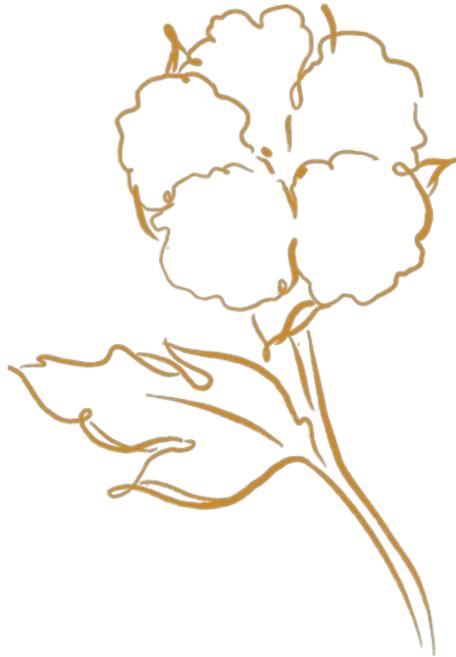
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# GHCL's Home Textile 4 Pillar Strategy



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# 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 ginner 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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# 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**

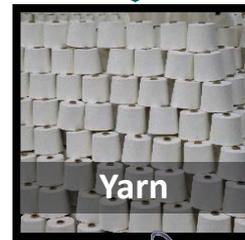
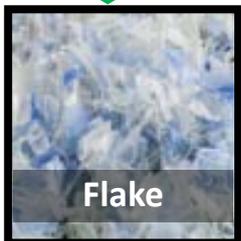


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# Reinventing the **REKOOP** to **REKOOP 2.0**



Manufactured and Sold by GHCL under REKOOP brand



DNA Tags



Fibre to be manufactured and supplied by Reliance Industries

Patented technology developed in association with Applied DNA Sciences (ADNAS) & GHCL

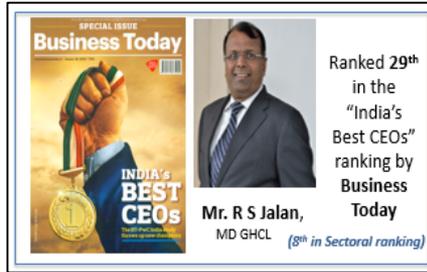
# Awards & Recognitions



Referred as **Great Place to work** in five 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



### 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 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](http://www.ghcl.co.in)

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Thank You