

October 28, 2021

कार्तिक - कृष्णपक्ष- सप्तमी
विक्रम सम्वत 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,
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 500171

Dear Sir/Madam,

Subject: Investors’ Presentation – Q2FY22 Business Update

As informed on October 26, 2021 that a conference call to discuss the Q2FY22 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, October 28, 2021 at 5.00 PM (IST)**. In this regard, copy of the financials and other business details for Q2FY22 (i.e. Business Update), which is going to be circulated for the scheduled investors’ conference, is enclosed herewith for your reference & record.

Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcl.co.in).

You are requested to kindly take note of the same.

Thanking you

Yours truly

For GHCL Limited



Bhuneshwar Mishra
Sr. GM-Sustainability & Company Secretary



DRIVING EXCELLENCE

GHCL LIMITED

Q2 FY22 Investor Update

October 2021



Safe Harbour

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Quarterly Update



— Dhanraj



“Actively evaluating opportunities to diversify into specialty and other bulk chemicals within Inorganic Chemicals segment.”

Commenting on the Q2 FY22 performance, Mr. R. S. Jalan, MD said:

“We have demonstrated solid performance during the quarter under review after swiftly navigating through the severe second wave of Covid-19 pandemic. The performance was bolstered by steep economic recovery across the country validated by sequential uptick in demand cycles and positive pricing scenario. In addition, improved vaccination coverage and a growing sense of normalcy have led to enhanced consumption, especially from June onwards.

Our Inorganic Chemicals segment continues to witness strong demand from downstream segments. There is a significant increase in energy and raw material costs. However, with favorable demand scenario we have been able to pass this increase to our customers. We remain on track to further cement our leadership position in Inorganic Chemicals through modular expansion, debottlenecking and operating excellence. That said, our focus on diversifying from the soda-ash business and expand product basket remains unabated.

Spinning continues to witness robust growth, with yarn and cotton prices at historic highs, and improving spreads. The home textile business also saw sharp jump in revenues, led by higher sales to US and other export markets. We remain focused on adding new value-added products in this segment to boost our performance.

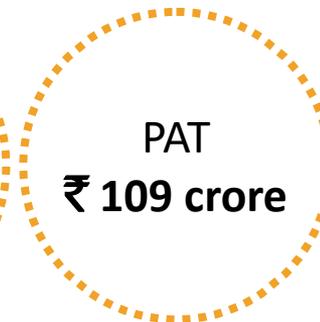
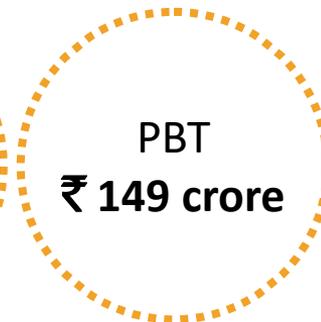
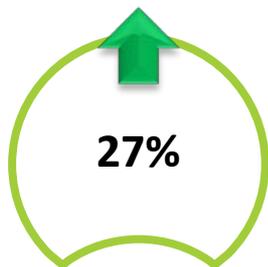
Going forward, we are confident of generating strong cash flows with healthy balance sheet while delivering sustained earnings performance.”



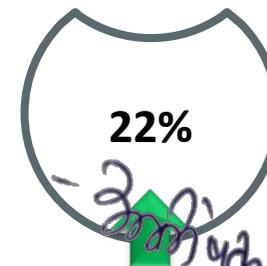
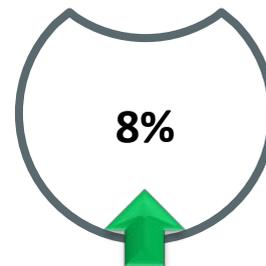
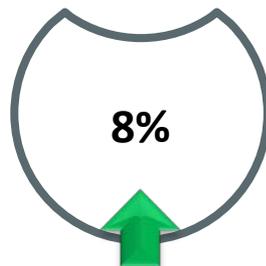
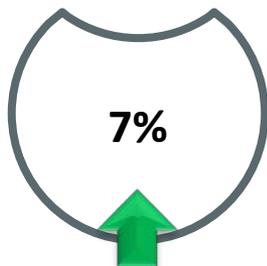
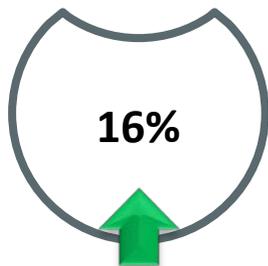
Performance Highlights – Q2 FY22



Q2 FY22
Vs
Q2 FY21



Q2 FY22
Vs
Q1 FY22

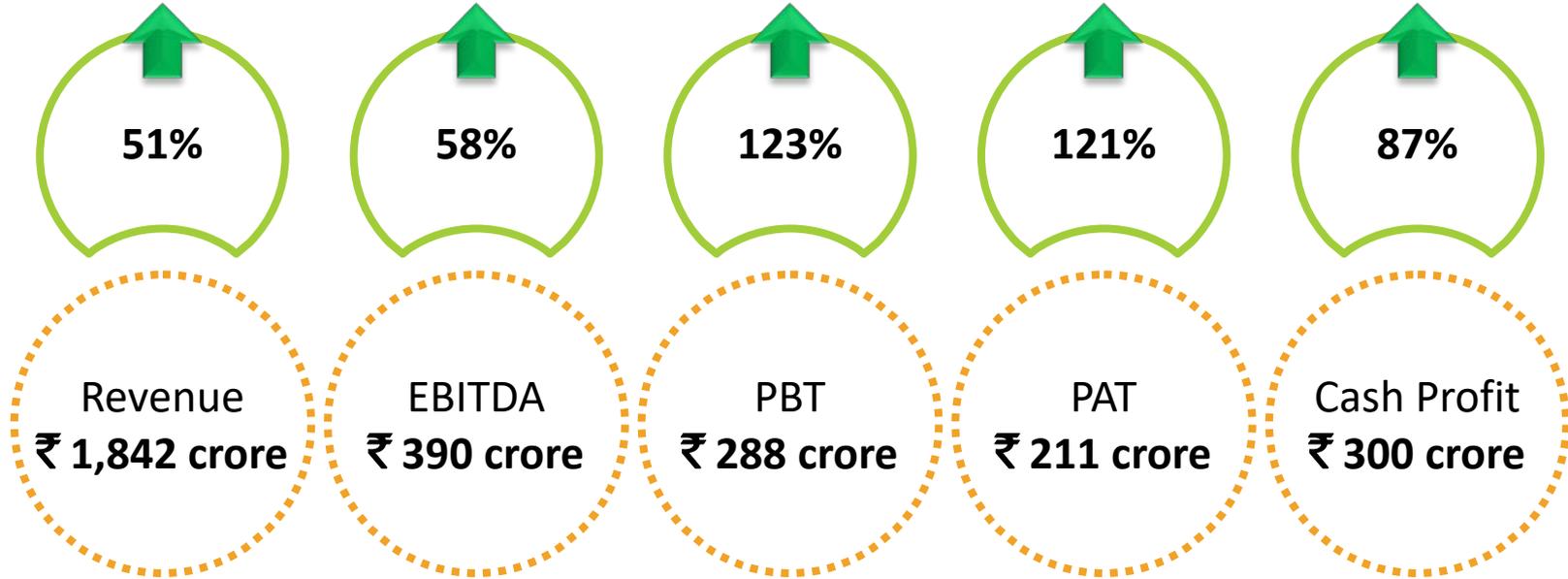


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Performance Highlights – H1 FY22



H1 FY22
Vs
H1 FY21



— 2022/23

Profit & Loss Statement

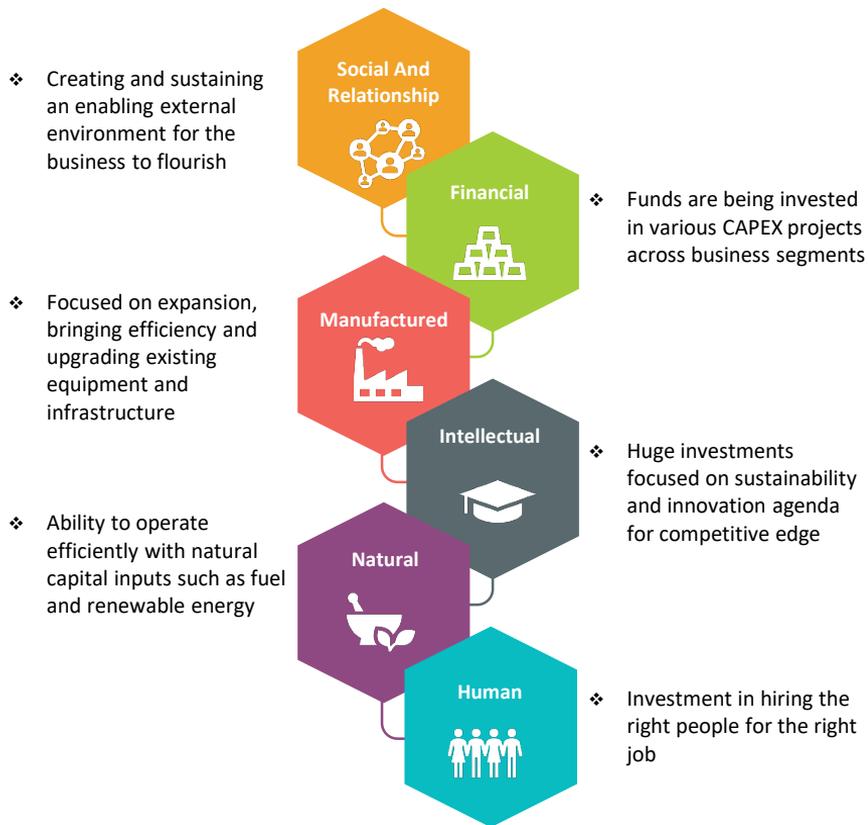


(Rs. In Crore)

Particulars	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q	H1 FY22	H1 FY21	Y-o-Y
Revenue	987	779	27%	854	16%	1,842	1,220	51%
Operating Expenses	786	617	27%	666	18%	1,452	973	49%
EBITDA	201	162	24%	189	7%	390	247	58%
EBITDA Margin	20.4%	20.8%	(40 BPS)	22.1%	(1.7)%	21.2%	20.2%	1%
Depreciation	35	33	6%	34	4%	69	66	4%
EBIT	166	129	29%	155	7%	321	181	78%
Interest	17	23	(27%)	17	3%	34	52	(35%)
Exceptional Item	--	--	--	--	--	--	--	--
Profit Before Tax	149	106	41%	138	8%	288	129	123%
Tax	40	28	44%	37	8%	77	34	127%
Profit After Tax	109	78	40%	101	8%	211	95	121%

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Resource allocation & Key financial ratios



Efficient Capital Allocation



Key Ratio's

Gross Debt	Net Debt	
Rs. 726 cr.	Rs. 697 cr.	
Net Debt/Equity	ROCE *	ROE*
0.26x	18%	16%

Handwritten note: 2023/24

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

Balance Sheet



(Rs. In Crore)

Particular	Sept 2021	March 2021
Non Current Assets (A)	2,930	2,893
Current Assets (B)	1,212	1,099
Current Liabilities (C)	464	444
Net Working Capital (D)=(B)-(C)	747	654
Capital Employed (A)+ (D)	3,678	3,547
Net Worth (E)	2,669	2,502
Other Non Current Liabilities (F)	283	277
Long Term Debt (G)	457	564
Short Term Debt (H)	269	204
Total Debt (J)=(G)+(H)+(I)	726	768
Capital Employed (E) + (F) + (J)	3,678	3,547

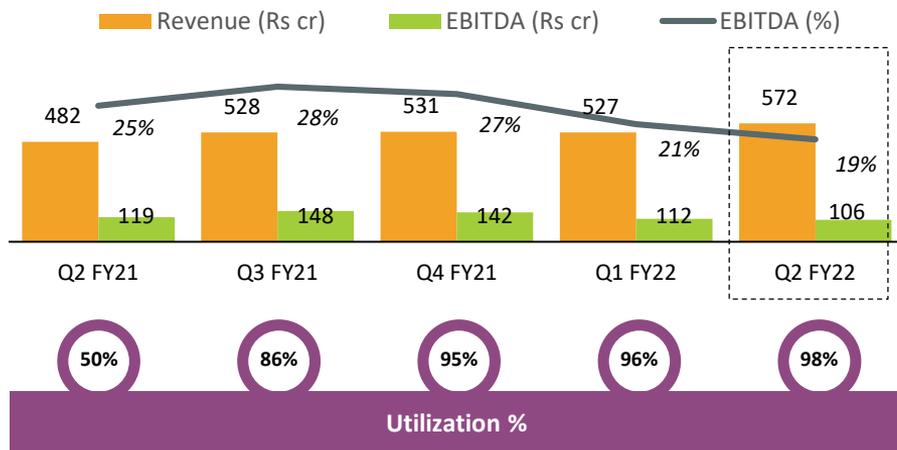
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Q2 FY22 Segment Highlights – Inorganic Chemicals

(Rs. In Crore)

Particulars	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q
Revenue	572	482	19%	527	8%
EBITDA	106	119	(11%)	112	(6)%
EBITDA %	18.5%	24.6%	(6.1)%	21.2%	(2.7)%

Inorganic Chemicals – Quarterly Trend



Performance Highlights

- ❖ Reported significant improvement in revenues Y-o-Y fueled by volume gains of 12% as demand returned to pre-COVID levels across various end sectors.
- ❖ Revenues increased by 8% on Q-o-Q
- ❖ EBITDA appears moderated due to substantial increase in the utility and raw material cost.
- ❖ Able to pass on surge in energy and raw material cost with price hikes taken during Q2FY22, The impact of which would be seen in coming months.

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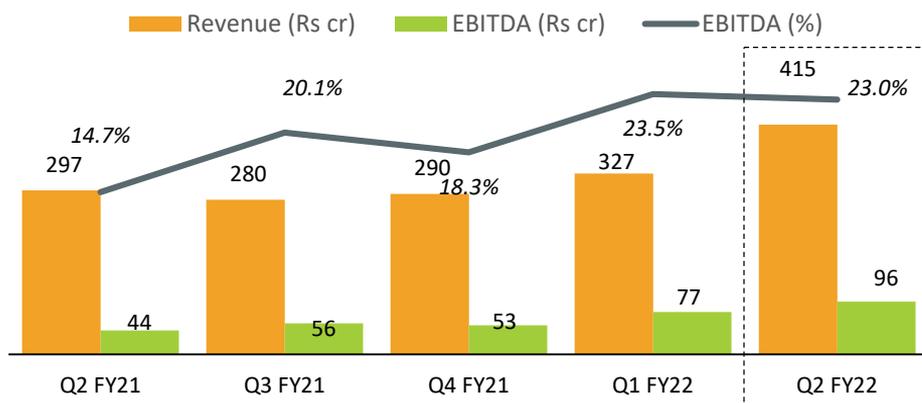
Q2 FY22 Segment Highlights – Textiles



(Rs. In Crore)

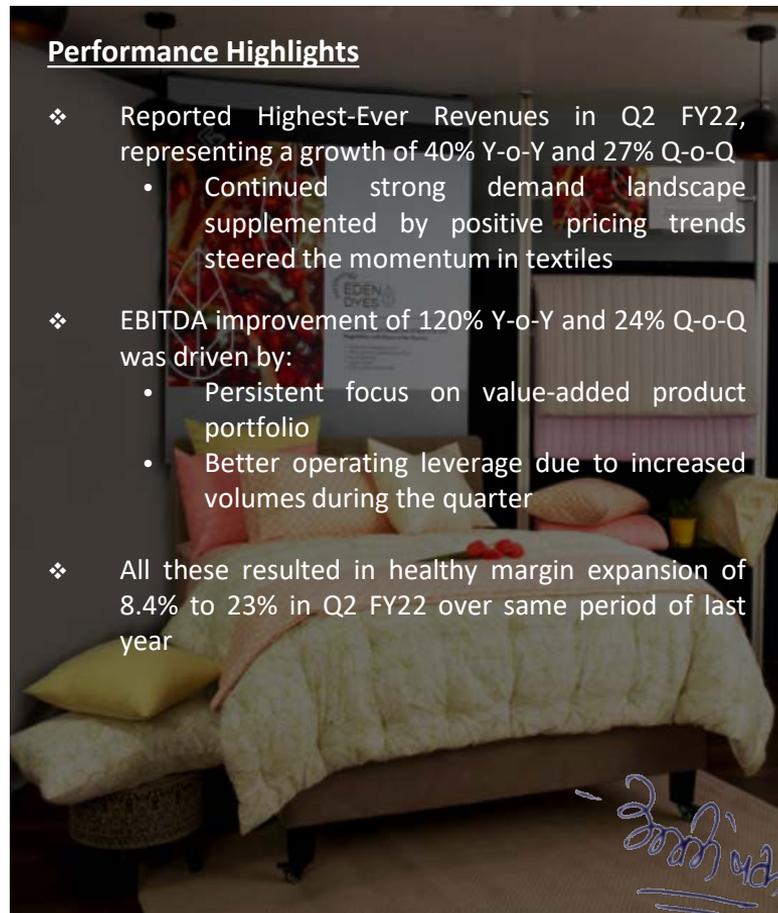
Particulars	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q
Revenue	415	297	40%	327	27%
EBITDA	96	44	120%	77	24%
EBITDA %	23.0%	14.7%	8.4%	23.5%	(50BPS)

Textile – Quarterly Trend



Performance Highlights

- ❖ Reported Highest-Ever Revenues in Q2 FY22, representing a growth of 40% Y-o-Y and 27% Q-o-Q
 - Continued strong demand landscape supplemented by positive pricing trends steered the momentum in textiles
- ❖ EBITDA improvement of 120% Y-o-Y and 24% Q-o-Q was driven by:
 - Persistent focus on value-added product portfolio
 - Better operating leverage due to increased volumes during the quarter
- ❖ All these resulted in healthy margin expansion of 8.4% to 23% in Q2 FY22 over same period of last year



Recent updates

- ❖ CRISIL Ratings assigned CRISIL AA -/Stable (i.e., Double A Minus with Stable outlook) to GHCL Limited for issuance of Non-Convertible Debentures (NCD) of Rs. 150 crore, which may be issued within a period of 180 days.
- ❖ During last quarter CARE updated rating to AA-



- ❖ Undertaken the initiative to vaccinate all the direct and indirect workforce and the cost is borne by the company:
 - ❖ 98% of the workforce have vaccinated so far.
 - ❖ 76% 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 5th 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.



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.

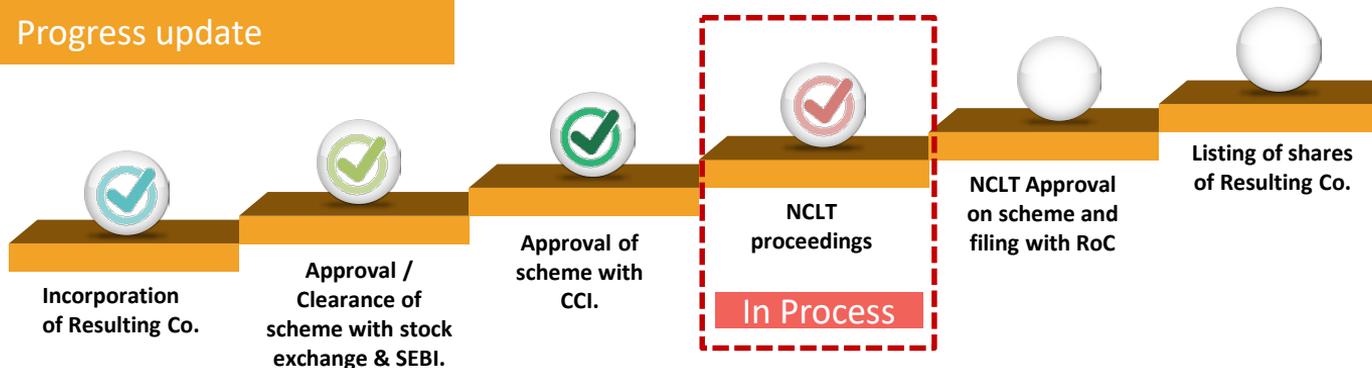


Focused growth



Concentrated approach

Progress update

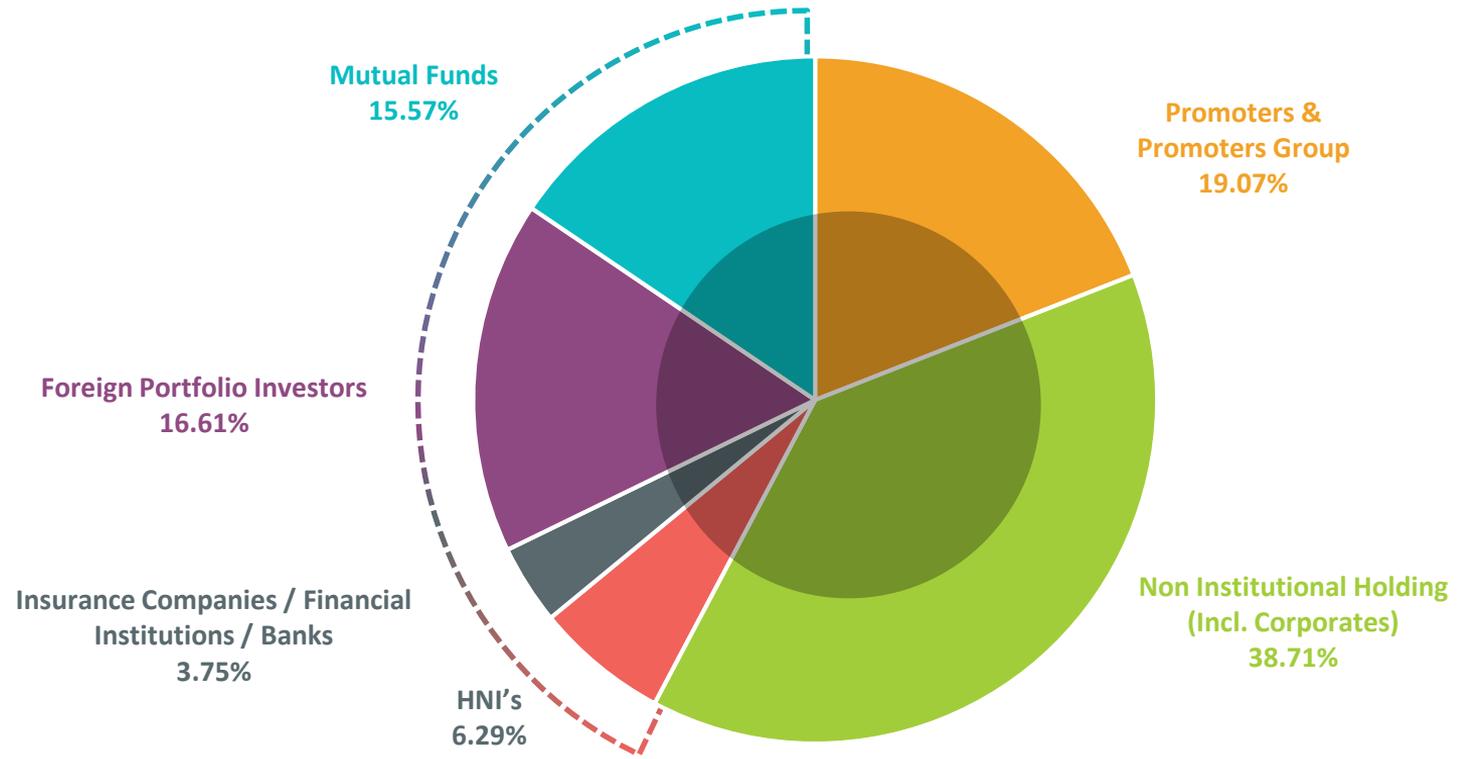


Business synergies

2nd motion petition was heard on 23rd Aug 2021, Next hearing is scheduled on 23rd Nov 2021..

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Strong Institutional & HNI Holding – ~42%



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Note: Shareholding as of September 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



સાગર વાઘ

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
45
1.85
<1.0

Lac MT Soda Ash Capacity

MN MT Textile Processing Capacity

Lac Spindle Capacity

Debt to equity ratio maintained over the last 3 years

2nd

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

Capacity Utilisation of Soda Ash

Operating locations across India

Return on Capital Employed (ROCE)

Capital expenditure (Rs. Cr)

90%+
10
14%
112

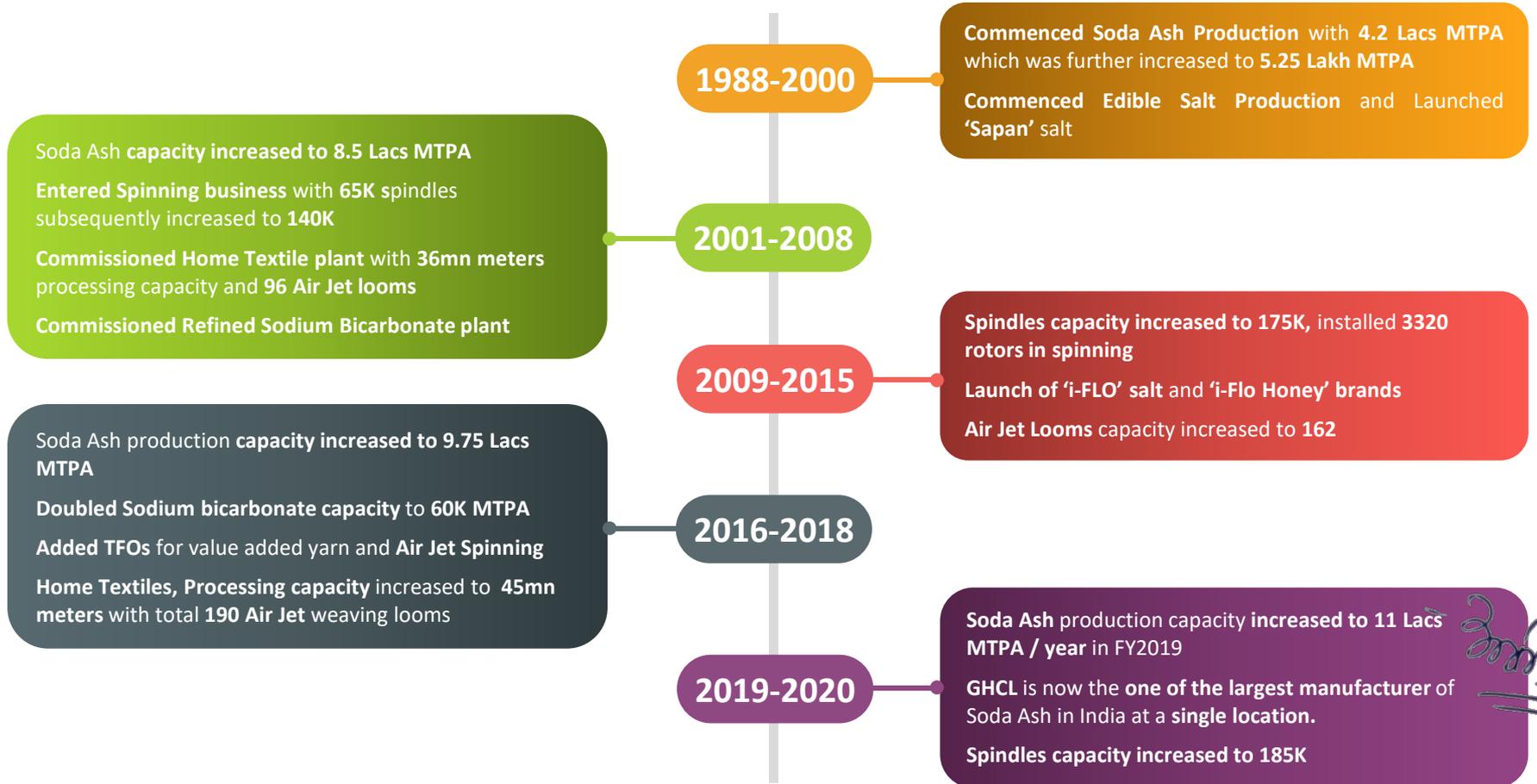
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GHCL Overview



Challenges

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

गोपाल

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

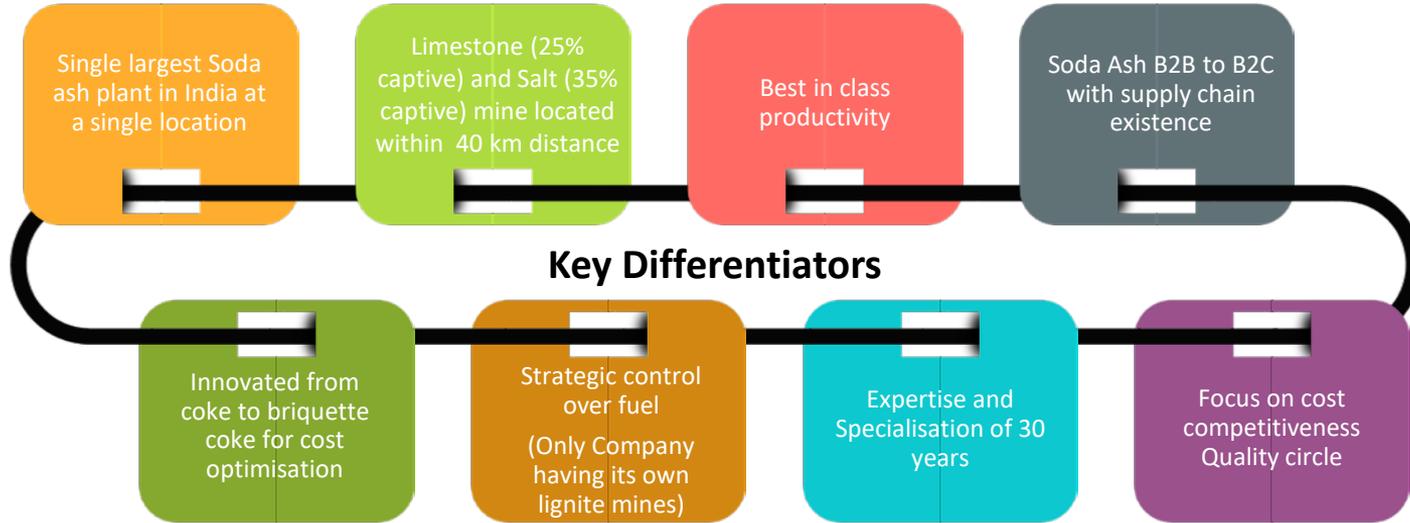
Inorganic Chemicals



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 L MT

Soda ash capacity;
25% market share of
domestic demand

+30%*

EBITDA Margins;
consistent high
margins

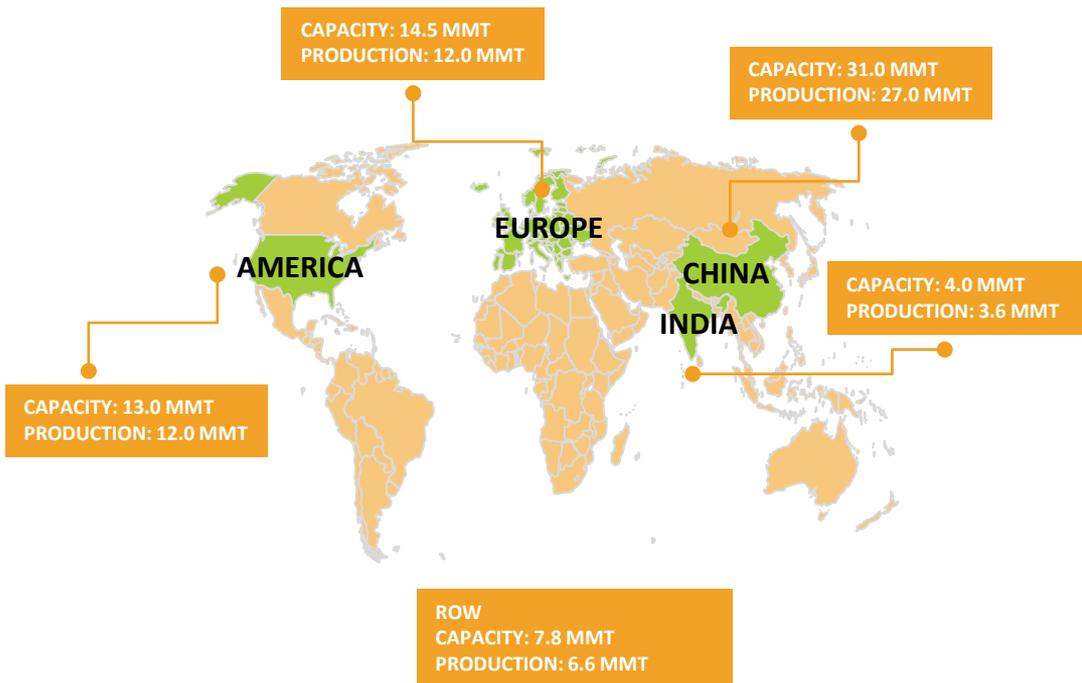
* Based on last 5 year's average EBITDA Margin.

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Global outlook on the Soda Ash industry



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



Soda Ash Market Outlook

Global industry is yet to reach pre-CoVID level due to supply chain issues, plant closure in China, and energy crisis. However, demand for Soda Ash has improved from last year, driven by boost in demand for flat glass and solar glass. Prices have improved due to rising energy prices and disruption in international supply chain. Vessel freight have been reported at high levels and container availability still remains a challenge.

China: Strong domestic demand has resulted in exports being largely discontinued. It is now becoming an net importer of Soda Ash. Solar Glass manufacturing is emerging as a prominent segment for use of Soda Ash.

Europe: EU region has seen steady demand across all end-user segments of Soda Ash..

Turkey: Exports grew as they are now also exporting to Russia, China and SE Asia.

US: Domestic demand is strong, production and exports have reached to pre-pandemic levels. US exporters are gaining exports in SE Asia / ME markets, along with Turkey, as China withdraws to meet its domestic demand

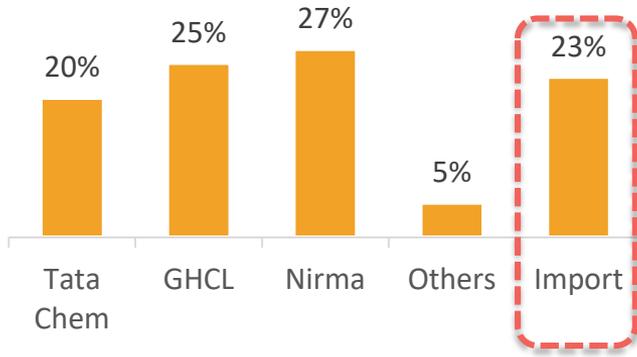
Middle East & Africa: Demand recovery is strong across all sectors as markets are opening up.

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

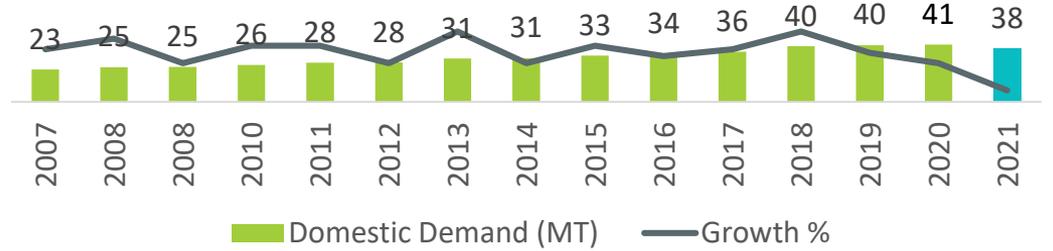
Soda Ash Dynamics (Domestic Industry)



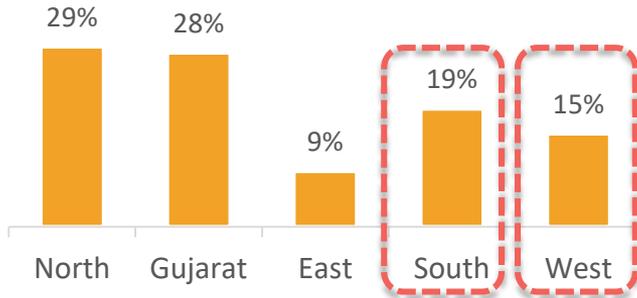
Domestic Market Share



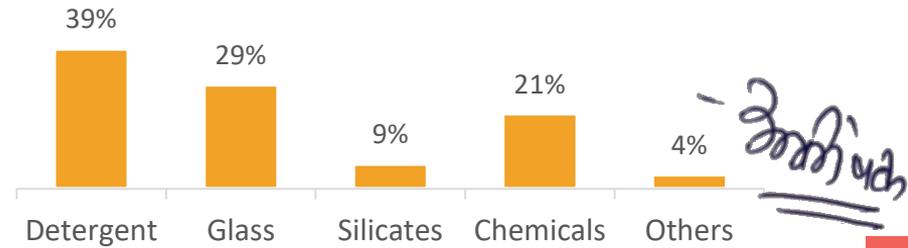
Domestic Demand & Growth Trend
(CAGR Growth of 5% during period upto FY 21)



Domestic Demand Concentration



Domestic Demand Concentration
(User Segment)



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

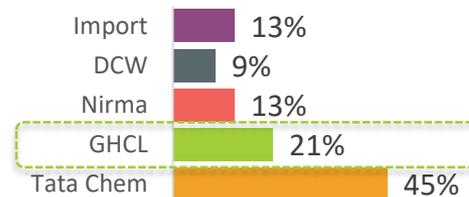


Mining
Soda Ash

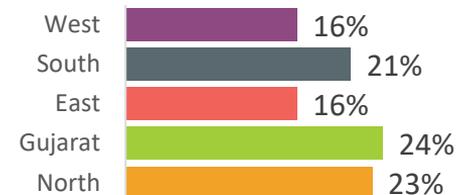
Inorganic Chemicals – Sodium Bicarbonate



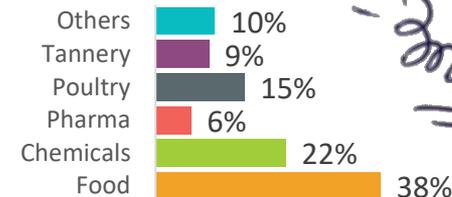
Domestic Demand Share



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

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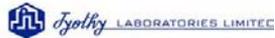
Expansion and diversification in Consumer Products Division

- ❖ 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



- 2021/22

Textiles Segment



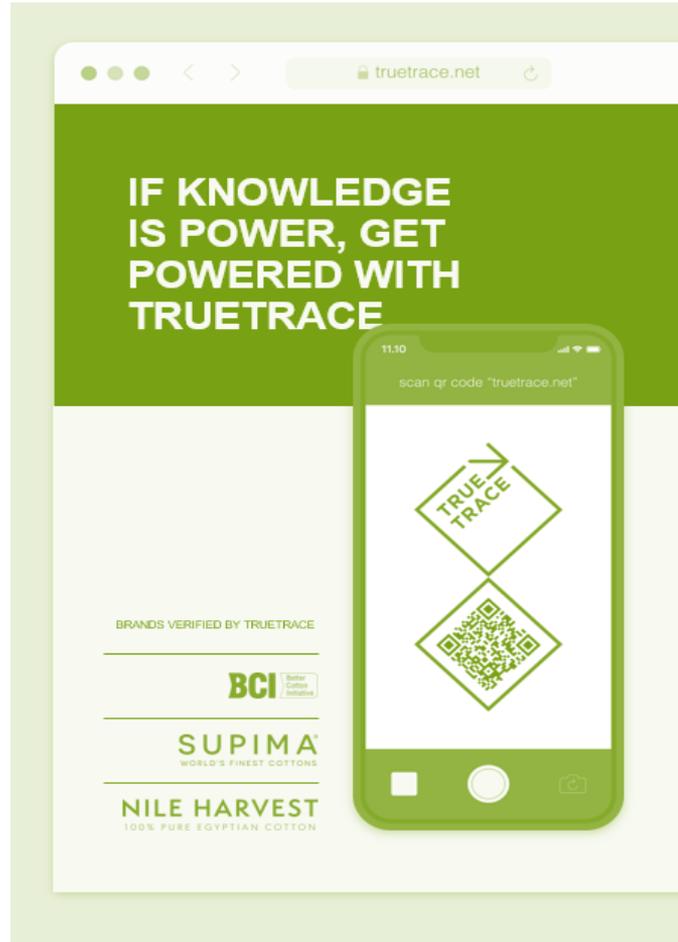
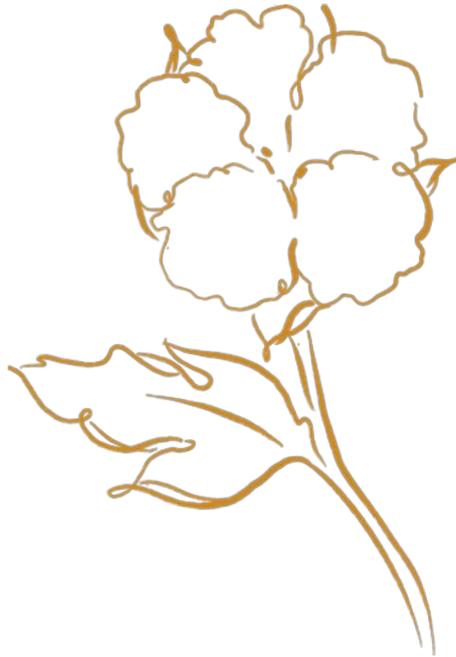
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GHCL's Home Textile 4 Pillar Strategy



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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

Walmart.com

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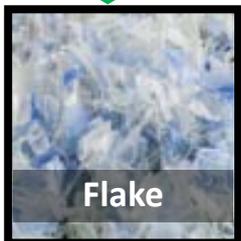
Reinventing the **REKOOP** to **REKOOP 2.0**



Manufactured and Sold by GHCL under REKOOP brand



Bottle



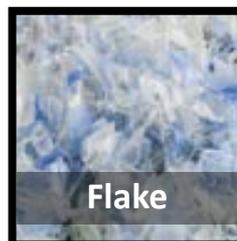
Flake



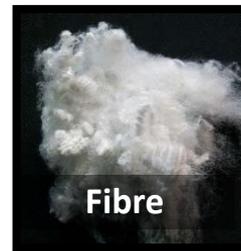
Yarn



Bed sheets



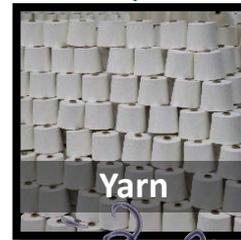
Flake



Fibre



Fibre



Yarn



DNA Tags



Fibre to be manufactured and supplied by Reliance Industries

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

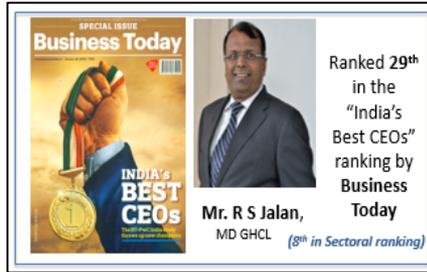
Awards & Recognitions



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 Quality, 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

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Thank You

— 2023/24