

July 29, 2021

શ્રાવણ - કૃષ્ણપક્ષ- ચષ્ઠી
વિક્રમ સંવત ૨૦૭૮

**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 – Q1FY22 Business Update

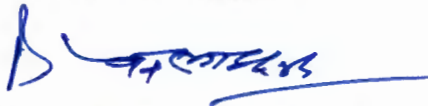
As informed on July 26, 2021 that a conference call to discuss the Q1FY22 results of the company with Mr. R S Jalan, Managing Director and Mr. Raman Chopra, CFO & Executive Director (Finance) is scheduled to be held on **Thursday, July 29, 2021 at 5.00 PM (IST)**. In this regard, copy of the financials 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



Safe Harbour

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Quarterly Update





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

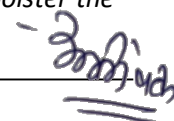
Commenting on the Q1 FY22 performance, Mr. R. S. Jalan, MD said:

“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.

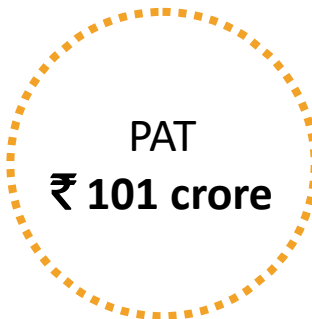
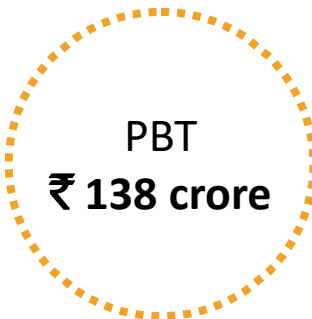
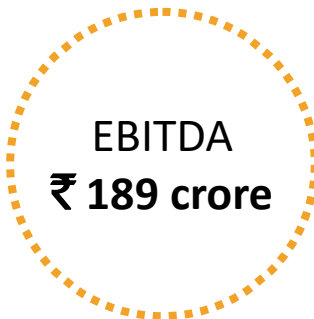
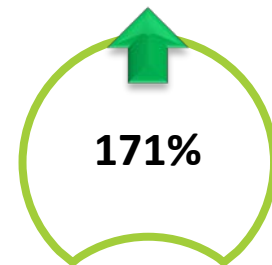
Overall, our endeavor is to further amplify our leadership position across key product categories to bolster the performance momentum and create enhanced value for our stakeholders.”



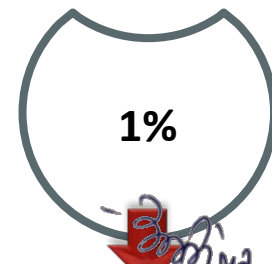
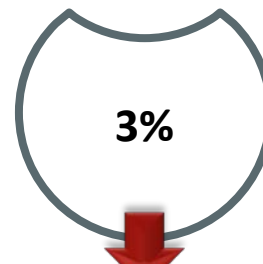
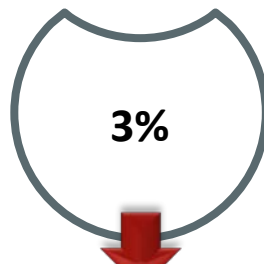
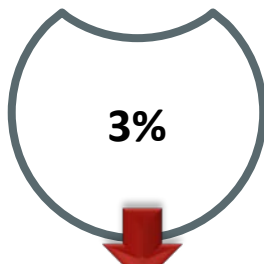
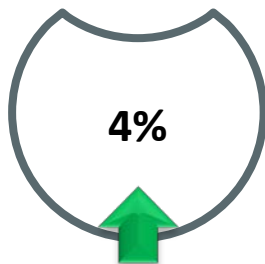
Performance Highlights – Q1 FY22



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



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



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Profit & Loss Statement

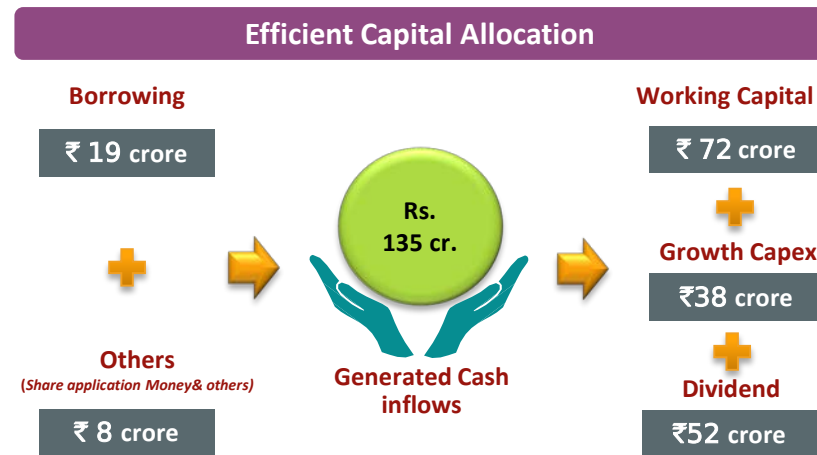
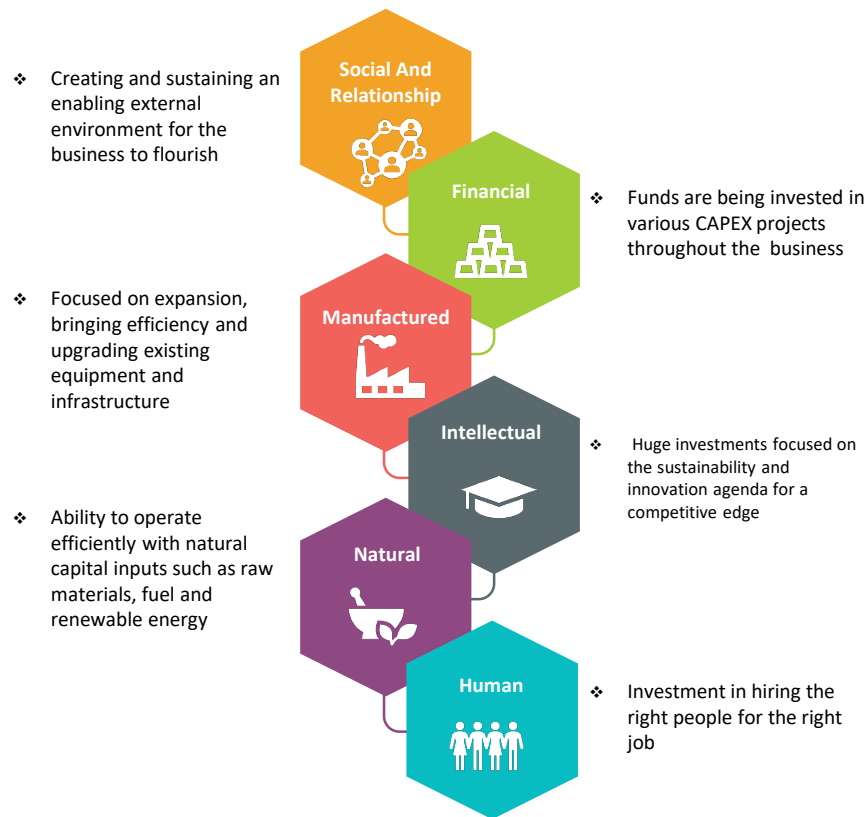


(Rs. In Crore)

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



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.

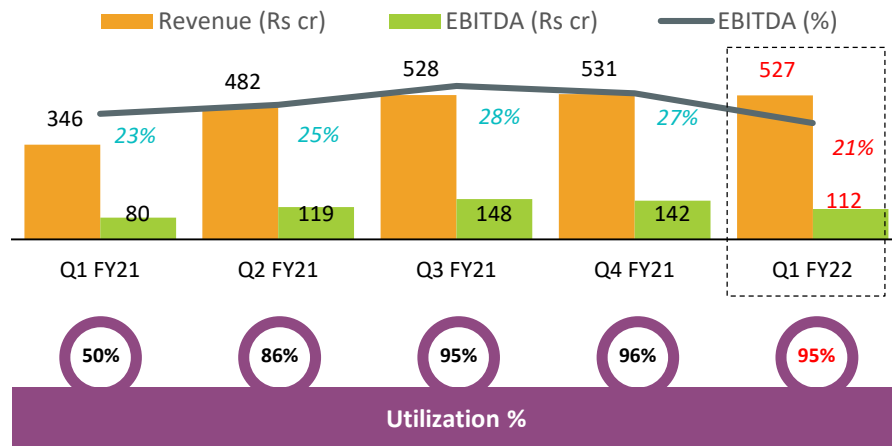
Q1 FY22 Segment Highlights – Inorganic Chemicals



(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.

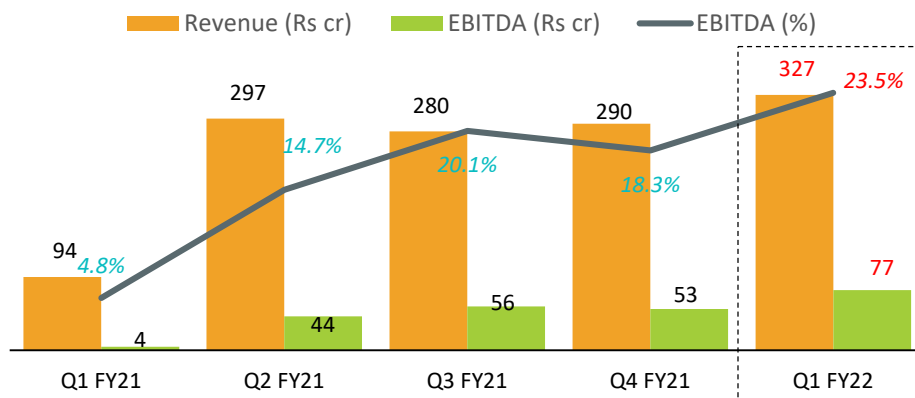
Q1 FY22 Segment Highlights – Textiles



(Rs. In Crore)

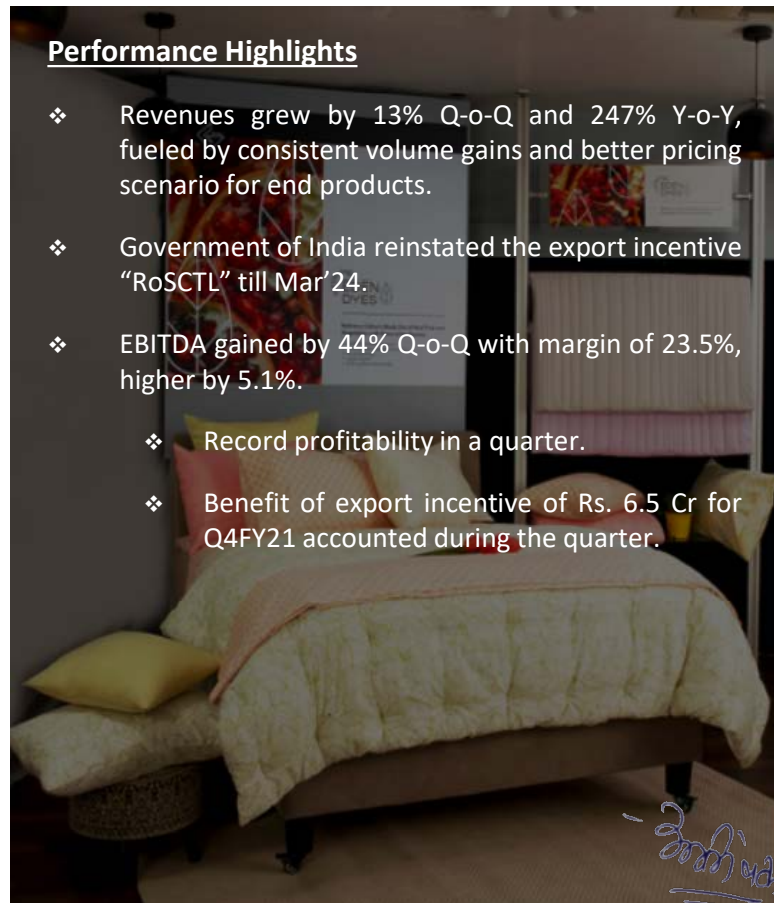
Particulars	Q1 FY22	Q1 FY21	Y-o-Y	Q4 FY21	Q-o-Q
Revenue	327	94	247%	290	13%
EBITDA	77	4	1612%	53	44%
EBITDA %	23.5%	4.8%	18.7%	18.4%	5.1%

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 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.



Signature

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

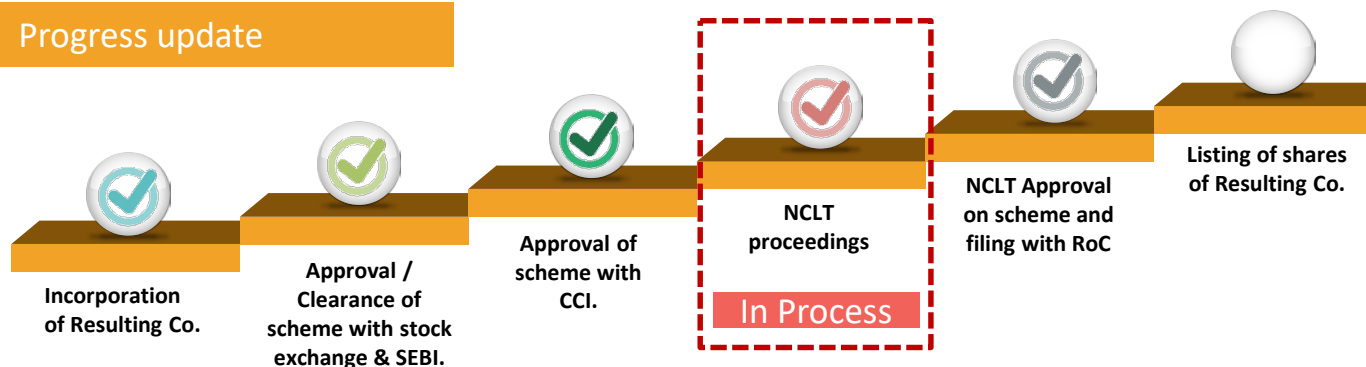


Concentrated approach



Business synergies

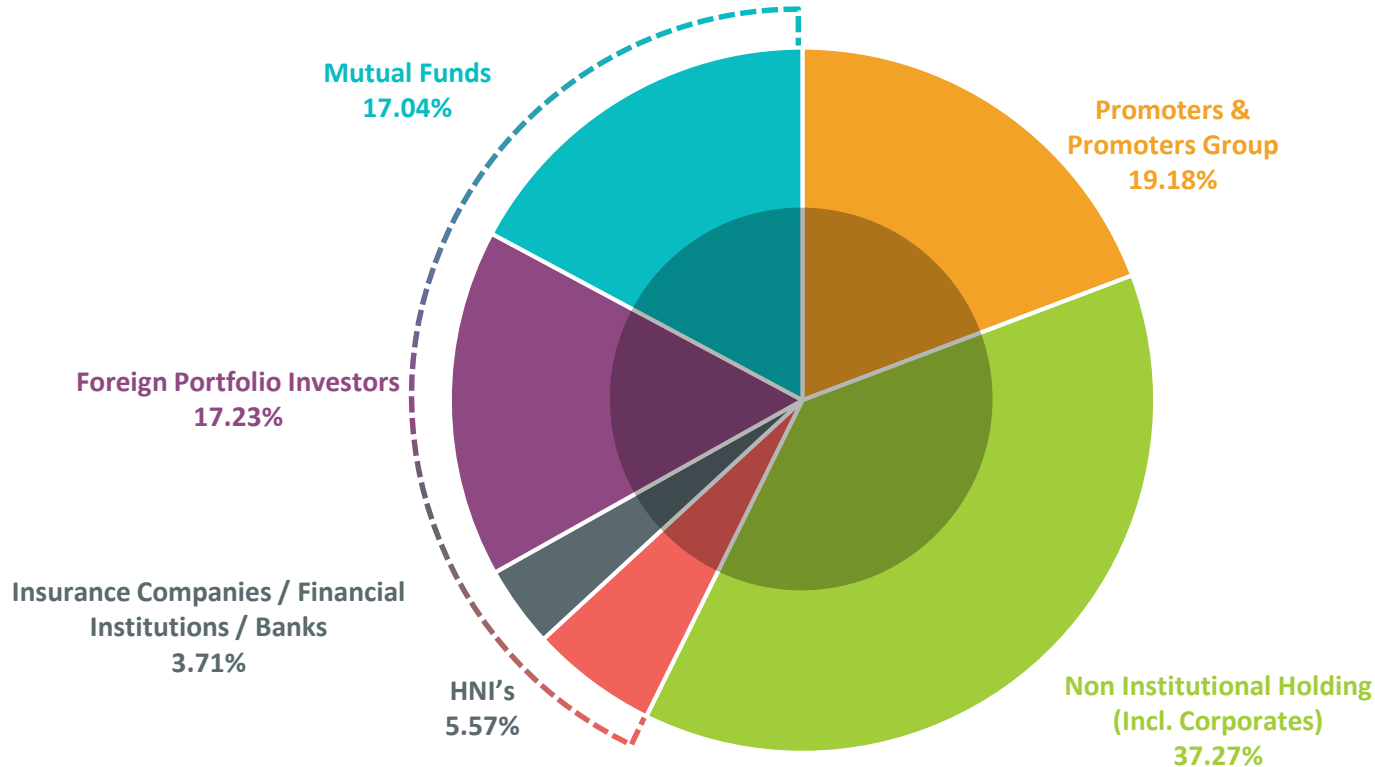
Progress update



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

30/11/23

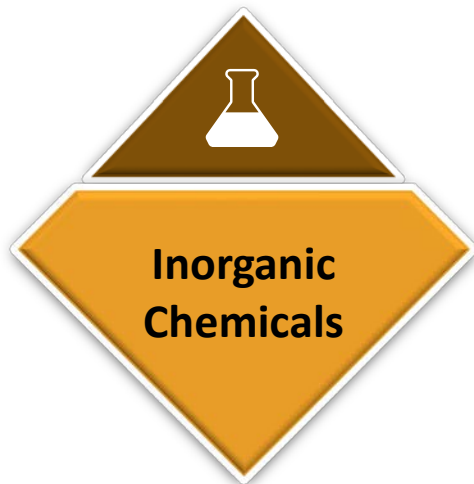
Strong Institutional & HNI Holding – ~43.6%



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

Signature

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



Barinder

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

45

MN MT Textile Processing Capacity

1.85

Lac Spindle Capacity

>1.0

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

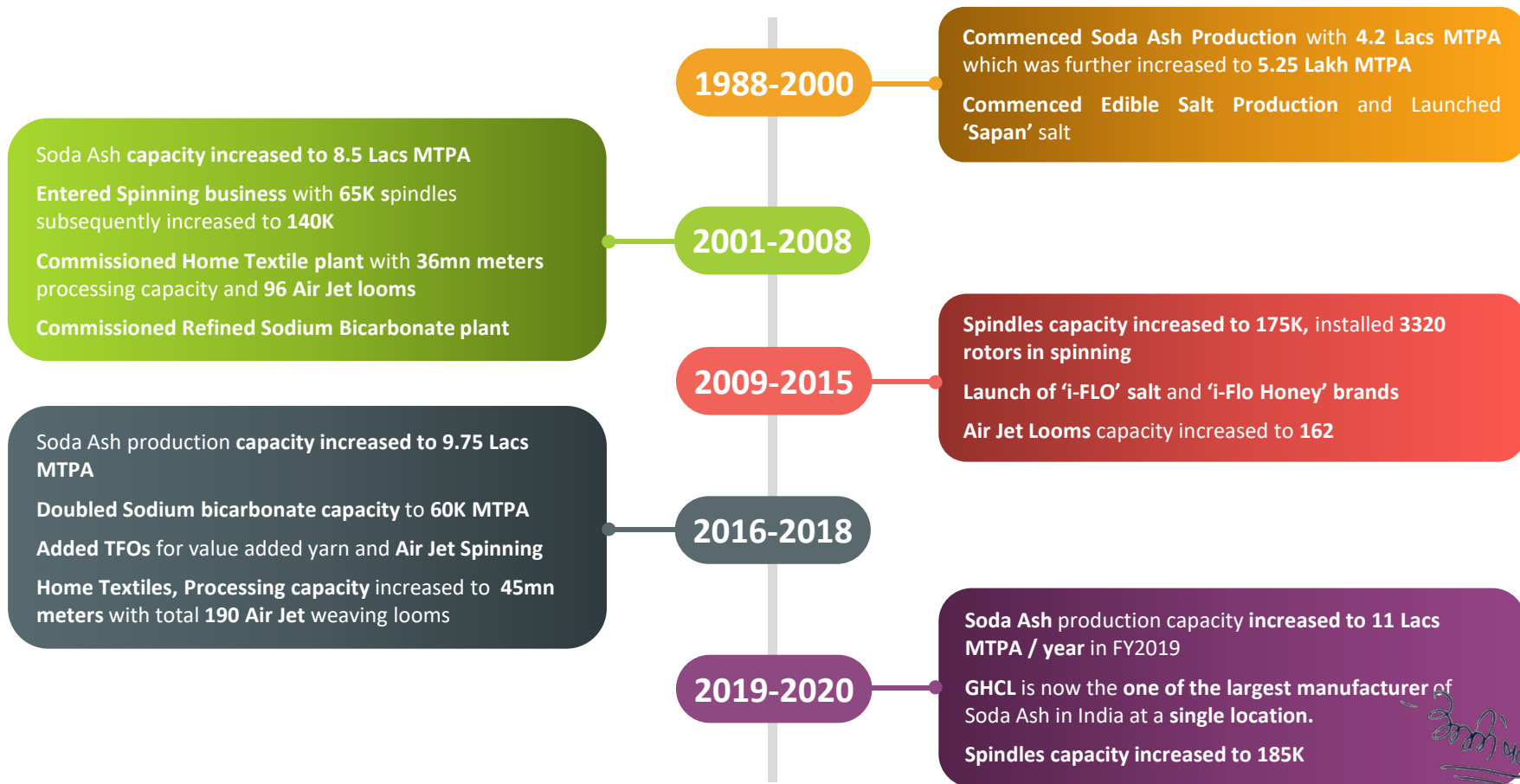
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GHCL Overview



Signature

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%

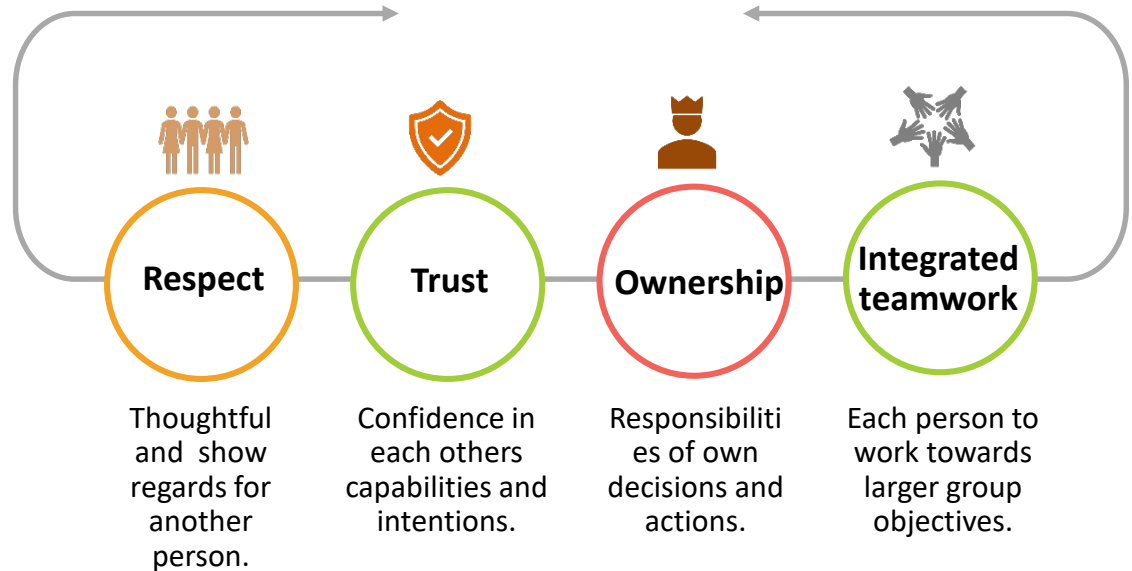


GROWTH. ACCOUNTABILITY. RESPONSIBILITY

30/11/23

Core Values at forefront

- ❖ GHCL is an 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)

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

Bhuwadeshwar Mishra
Sr. GM Sustainability & Company Secretary

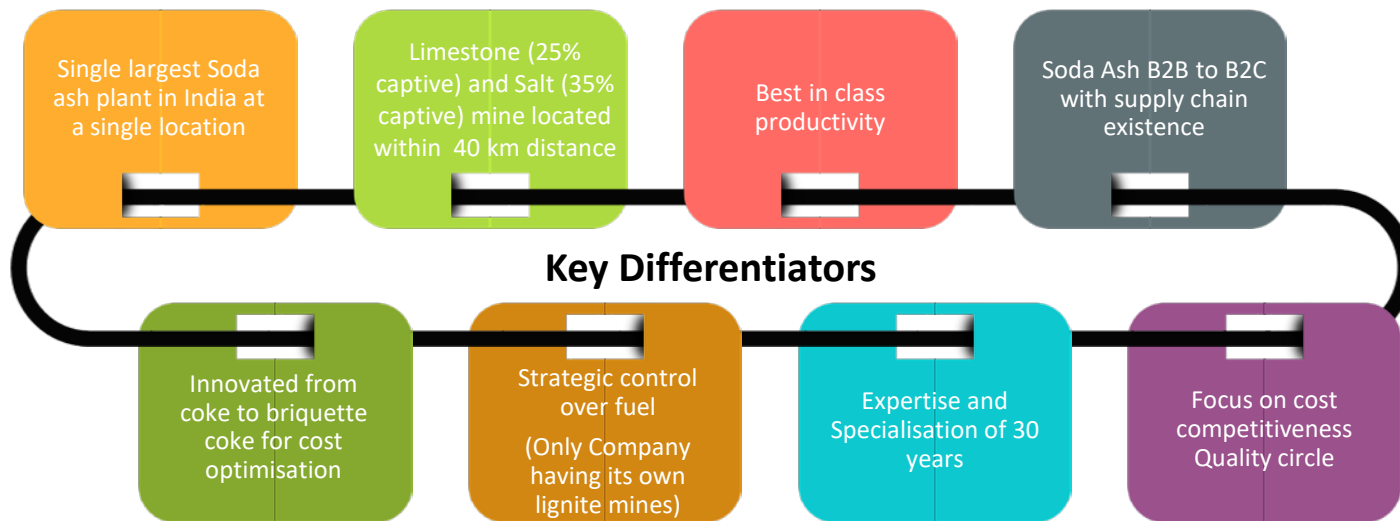
Inorganic Chemicals



The choice of a healthy family!

- 20/11/24

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

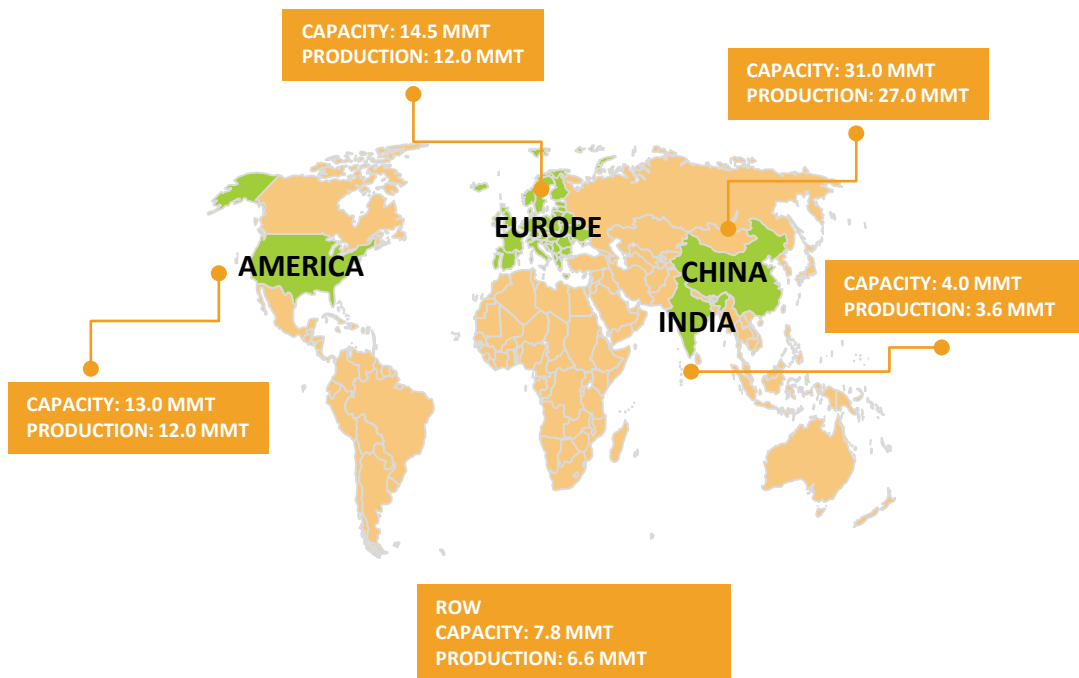
* Based on last 5 year's average EBITDA Margin.

2021/22

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.

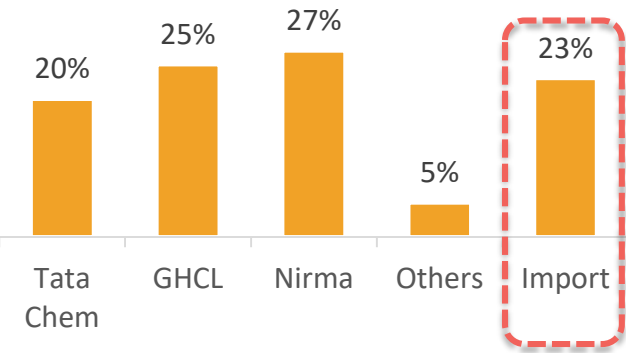
Globally market is growing @ 2.0% pa CAGR requiring around 1.2Mn MT additional supplies every year

2024

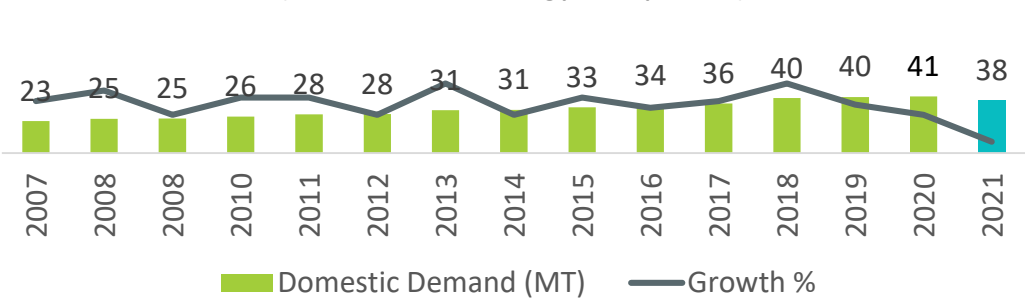
Soda Ash Dynamics (Domestic Industry)



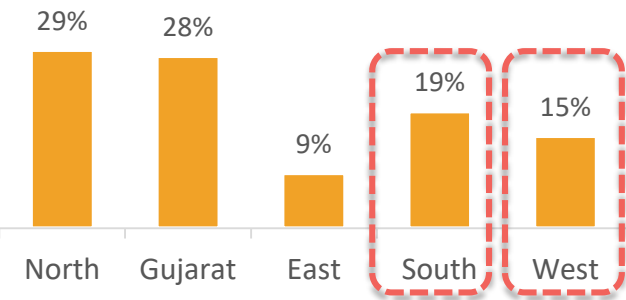
Domestic Market Share



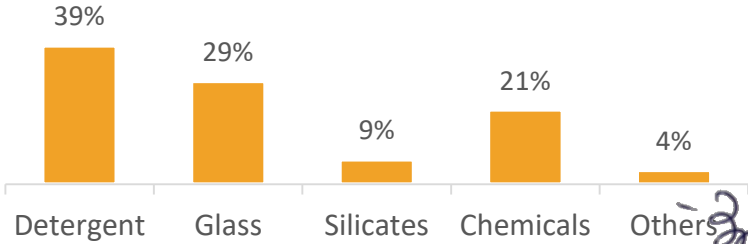
Domestic Demand & Growth Trend
(CAGR Growth of 5% during period upto FY 21)



Domestic Demand Concentration



Domestic Demand Concentration
(User Segment)



At GHCL, Soda Ash is managed unlike any commodity



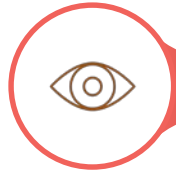
Balanced Demand & Supply Scenario

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

Signature

Application diversity of Soda Ash across end-user industries



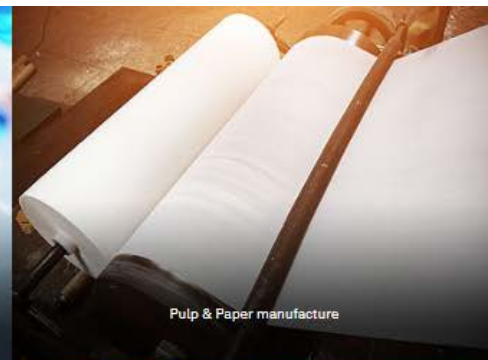
Soap & Detergents



Glass Manufacturing



Chemicals



Pulp & Paper manufacture



Textile Industry



Non-Ferrous Metallurgy



Water Treatment



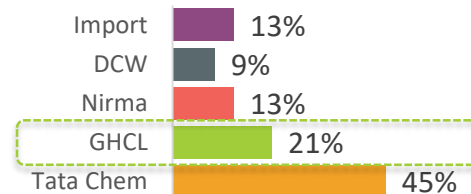
Mining

Signature

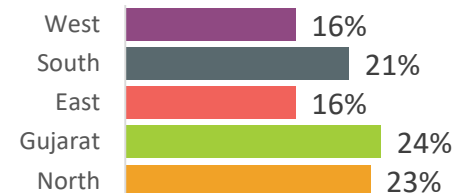
Inorganic Chemicals – Sodium Bicarbonate



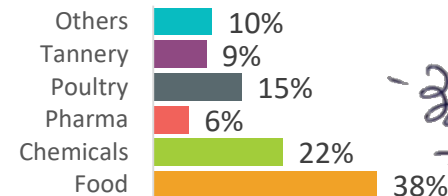
Domestic Demand Share



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

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



30/11/23

Marquee Clients



GUJARAT
BOROSIL
LIMITED



SAINT-GOBAIN



30/11/23

Textiles Segment

GHCL

CIRKULARITY
Join the Dots

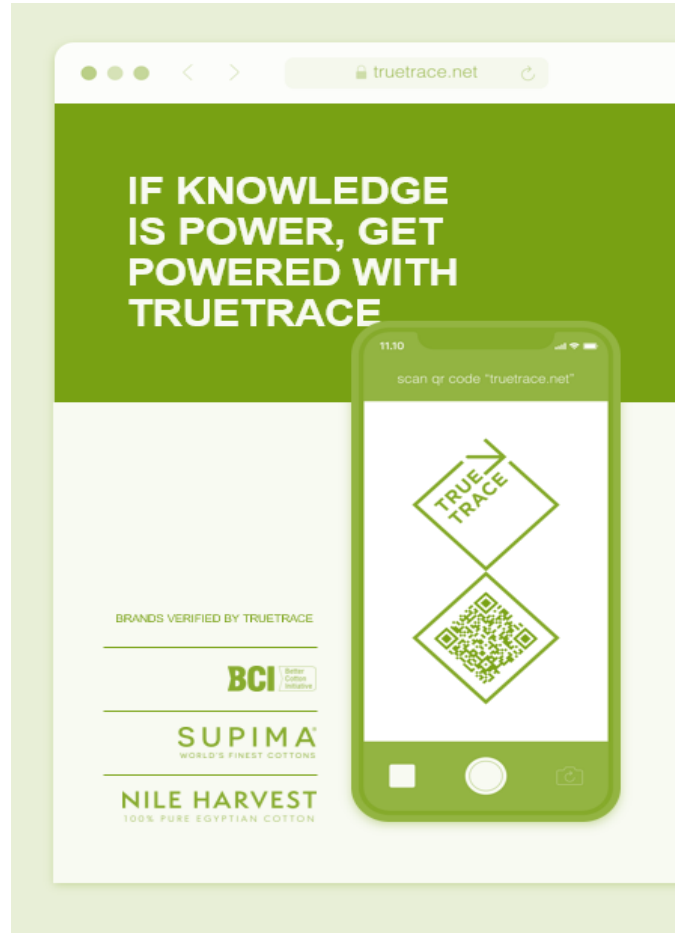
30/01/24

GHCL's Home Textile 4 Pillar Strategy



- 2021/22

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.

Signature

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
 - o Spinning unit located near Madurai in Tamil Nadu
 - o 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
 - o 27.2 MW windmill capacity

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

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Marquee Clients



KOHL'S



**BED BATH &
BEYOND**



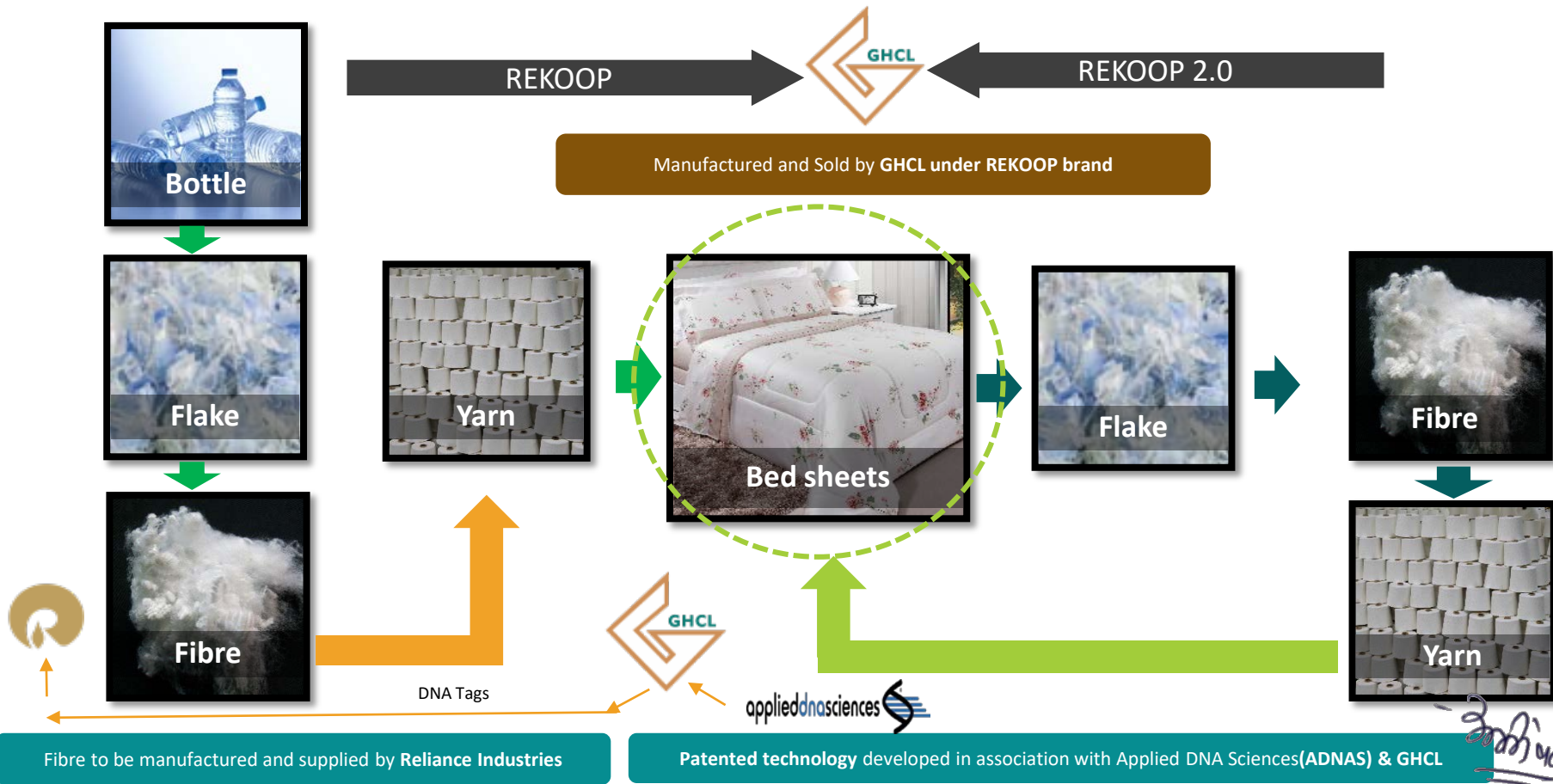
Sainsbury's

amazon.com

 **Walmart.com**

30/11/23

Reinventing the REKOOP to REKOOP2.0



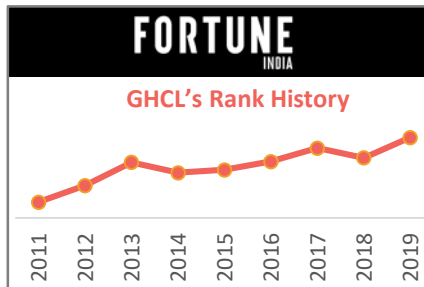
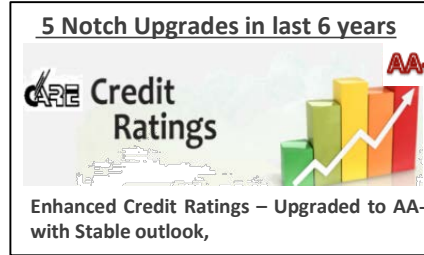
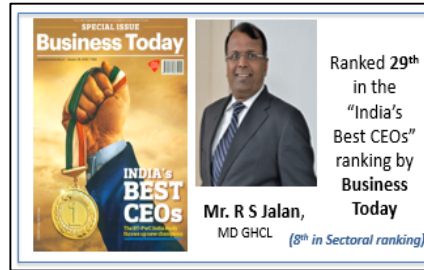
Awards & Recognitions



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

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 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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Signature

The background of the slide is a photograph of a large industrial facility, likely a refinery or chemical plant. It features numerous tall distillation columns, a complex network of pipes, and storage tanks. A white van is parked on a road in the foreground. A semi-transparent red and orange gradient is overlaid on the image, and the text 'Thank You' is centered in white.

Thank You