

**May 1, 2023**

**वैशाख, शुक्ल पक्ष, एकादशी  
विक्रम सम्वत् २०८०**

**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 – Q4FY23 Business Update**

As informed on April 24, 2023 that a conference call to discuss the Q4FY23 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 **Tuesday, May 2, 2023 at 04.00 PM (IST)**. In this regard, copy of the financials and other business details for Q4FY23 (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](http://www.bseindia.com/corporates)), National Stock Exchange of India Limited ([www.nseindia.com/corporates](http://www.nseindia.com/corporates)) and website of the Company ([www.ghcl.co.in](http://www.ghcl.co.in)).

You are requested to kindly take note of the same.

Thanking you

Yours truly

**For GHCL Limited**

**Bhuwleshwar Mishra**  
**Sr. GM - Sustainability & Company Secretary**  
(Membership No.: FCS 5330)

# GHCL Limited

Q4 FY23 Business Update

May 2023



## Safe Harbour

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अभिषेक



*“Demerger of spinning business will enable each business to concentrate on their specific areas of expertise and respond quickly to market opportunities.”*

### Commenting on the Q4 FY23 performance, Mr. R. S. Jalan, MD said:

*“Top-line, EBITDA, as well as PAT performance was in-line with the expected trajectory, where all the metrics reported steady growth during the quarter. However, the industry witnessed some volatility in the past one-month or so, which resulted in price compression for soda ash. The moderation in pricing is largely on account of softening energy prices and supply chain cost, while margins are stable and the demand supply dynamics remain intact. Having said that, we continue to monitor for new capacities coming up from inner-Mongolia and the impact on supply side.*

*Despite this, we have a positive outlook for Inorganic Chemicals and believe that this performance will continue as we efficiently utilize our capacities. Furthermore, emerging end-use segments of solar glass and lithium carbonate are expected to meaningfully contribute to increased demand in the future.*

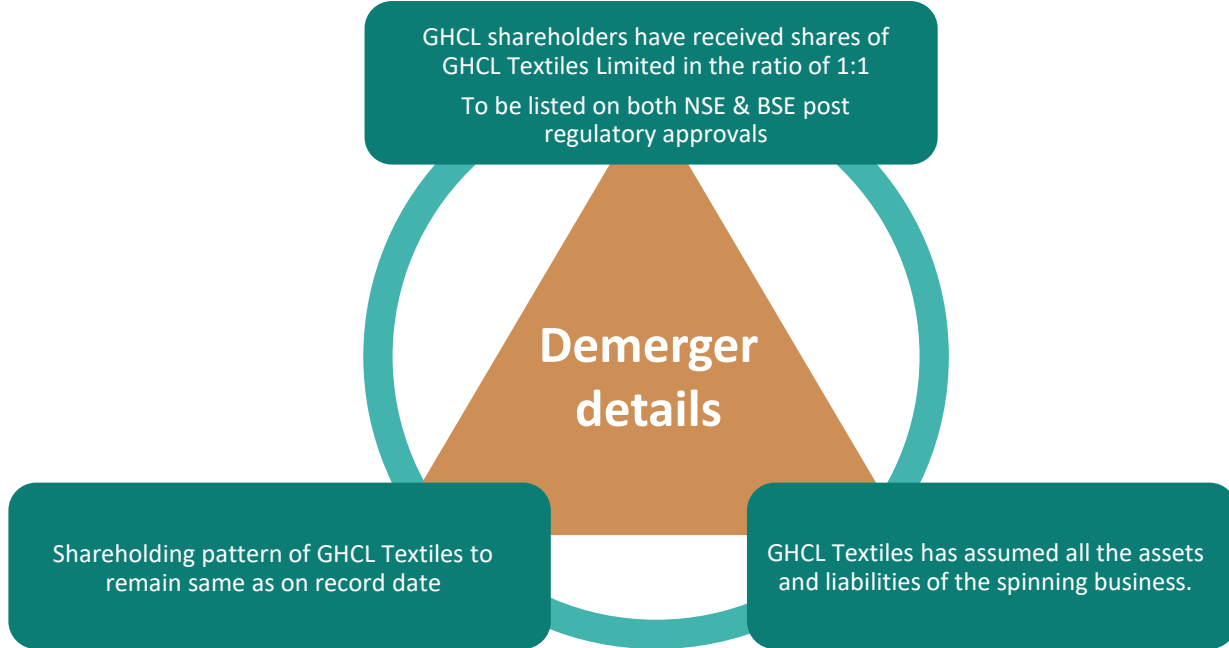
*We have stayed true to our promise and demerged our spinning business into ‘GHCL Textiles Limited’ effective April 1, 2023. With this, we will focus our expertise on sustainably driving the performance of Inorganic Chemicals segment. This demerger will result in creation of independent businesses that are uniquely positioned to enhance stakeholders’ value over time.”*



# Demerger of the Spinning business into 'GHCL Textiles Limited'



As of April 1, 2023, GHCL Limited has successfully demerged its spinning business into a separate entity called GHCL Textiles Limited.



Post Demerger, GHCL Limited will be exclusively Inorganics chemical focused company.

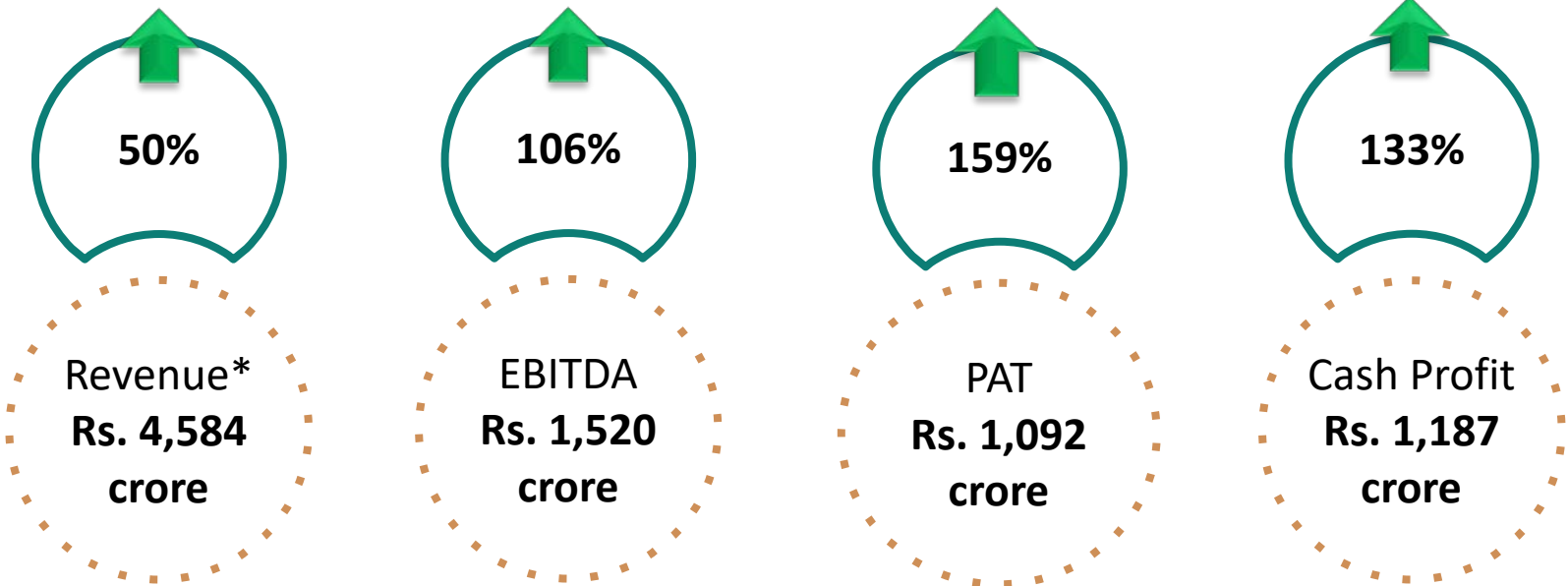
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# Performance Highlights – FY23

(Continued operations)



FY23  
Vs  
FY22  
(Y-o-Y)



Note: Revenue includes transportation charges recovered from customers as per IND AS requirement

# Profit & Loss Statement



(Rs. In Crore)

Particulars	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	Q-o-Q	FY23	FY22	Y-o-Y
Revenue from continued operations*	1,141	1,058	8%	1,107	3%	4,584	3,061	50%
Operating Expenses of continued operations	771	721	7%	735	5%	3,064	2,323	32%
EBITDA from continued operations	370	338	10%	372	(1%)	1,520	737	106%
EBITDA Margins of continued operations	32.5%	31.9%	60 bps	33.6%	(110Bps)	33.2%	24.1%	910 bps
Depreciation of continued operations	27	22	24%	22	20%	94	87	8%
EBIT from continued operations	344	316	9%	350	(2%)	1,426	650	119%
Interest of continued operations	10	15	(33%)	10	5%	39	51	(25%)
Exceptional Item of continued operations	--	25	NM	--	--	(55)	25	NM
Profit Before Tax from continued operations	333	276	21%	340	(2%)	1,443	574	151%
Tax of continued operations	83	76	9%	86	(3%)	350	152	130%
Profit After Tax from continued Operations	251	200	25%	254	(1%)	1,092	422	159%
Profit After Tax from discontinued Operations	(33)	61	NM	-5	NM	24	215	(89%)
Profit After Tax	218	261	(16%)	249	(12%)	1,117	637	75%

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Note: Revenue includes transportation charges recovered from customers as per IND AS requirement

# Balance Sheet

(Rs. In Crore)

Combined

Inorganic  
Chemicals

Spinning  
Business



Particular	March 2022	March 2023
Non Current Assets (A)	2,810	1,968
Current Assets (B)	1,605	1,539
Assets Held for sale & Discontinued operations* (C)	576	1,618
<b>Total Assets (A)+ (B)+ (C)</b>	<b>4,992</b>	<b>5,125</b>
Net Worth (D)	<b>2,952</b>	<b>3,934</b>
Other Non Current Liabilities (E)	428	262
Current Liabilities (F)	761	323
Long Term Debt (G)	425	243
Short Term Debt (H)	343	105
Total Debt (I)=(G)+(H)	768	348
Liabilities Held for sale & Discontinued operations* (J)	82	259
<b>Total Liabilities (D)+(E)+(F)+(I)+(J)</b>	<b>4,992</b>	<b>5,125</b>

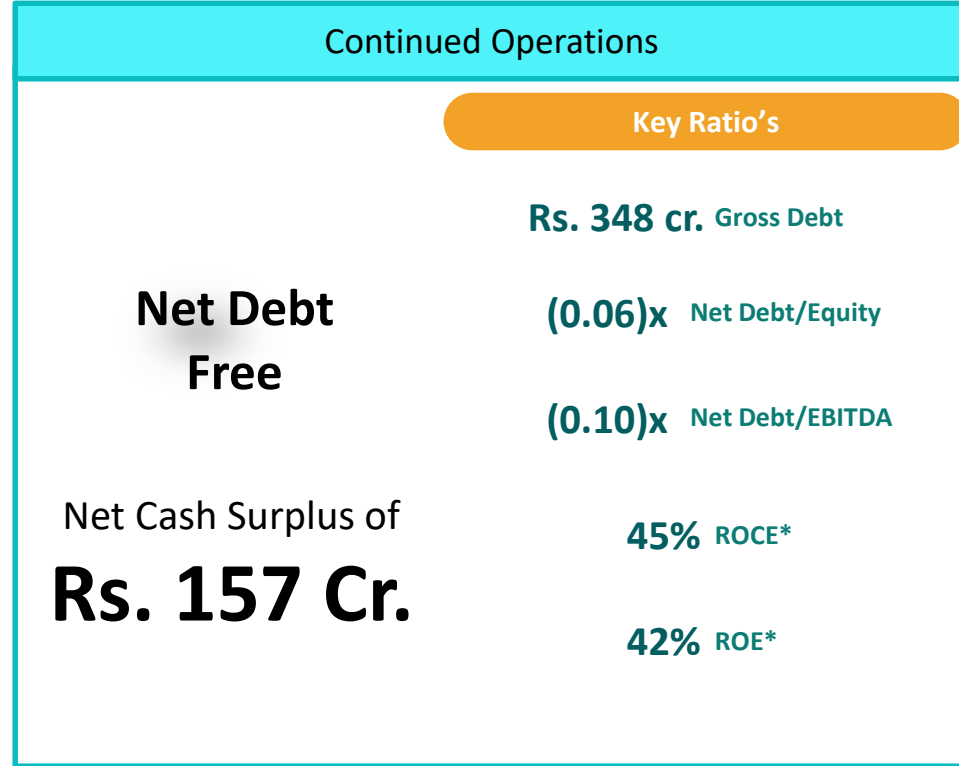
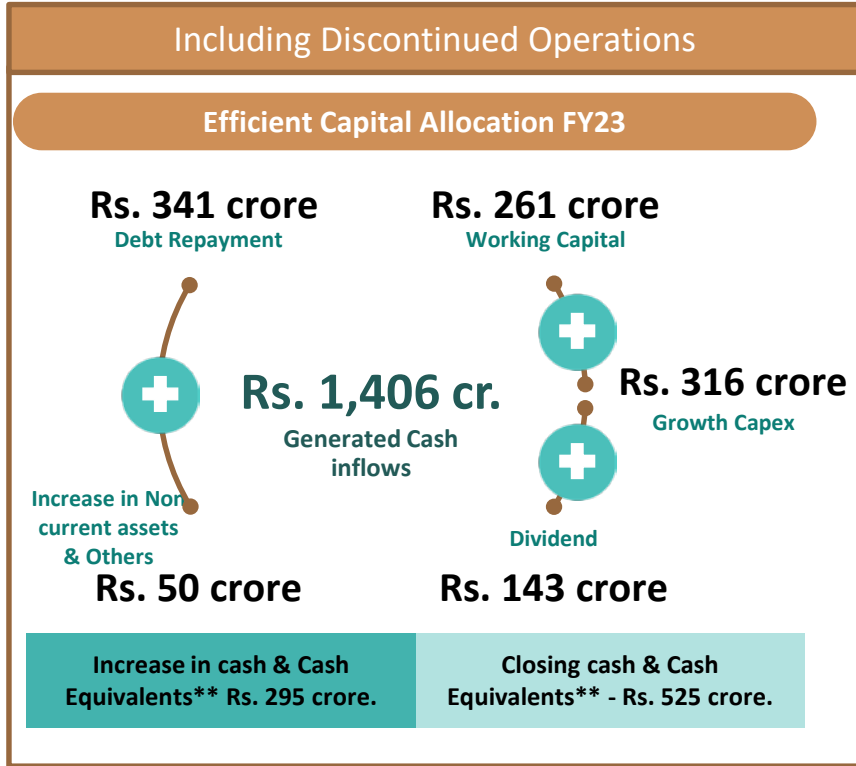
Spinning Business (Discontinued Operations)

March 2023
1,072
546
<b>1,618</b>
119
61
53
25
79
<b>259</b>

Note: \* Assets Held for sale in FY22 pertains to Divestment of Home textiles business and Discontinued operations in FY23 pertains to Demerger of spinning division



# Resource allocation & Key financial ratios



Note: \*ROCE and ROE post tax are calculated based on trailing 12 months. \*\* Net Debt surplus is calculated after deducting cash, bank and current investments considered as cash and cash equivalents.

Proposed dividend of Rs. 17.5 per share amounting to 175% of the paid up equity capital.

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# Q4 FY23 Highlights – Inorganic Chemicals

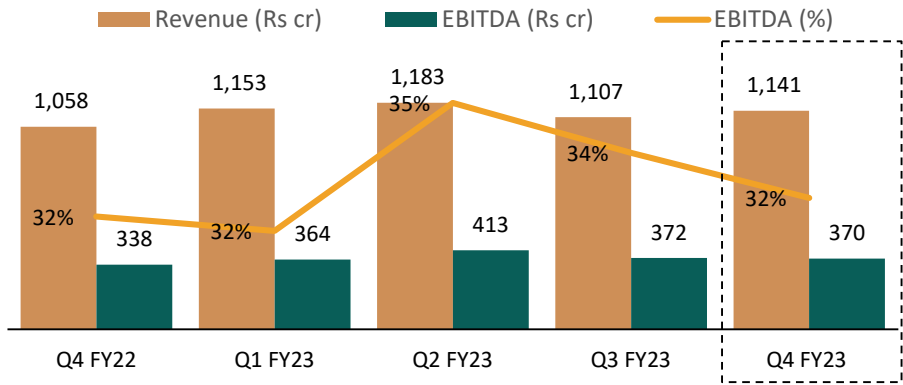
# (Continued operations)



(Rs. In Crore)

Particulars	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	Q-o-Q
Revenue	1,141	1,058	8%	1,107	3%
EBITDA	370	338	10%	372	(1%)
EBITDA %	32.5%	31.9%	60 bps	33.6%	(110bps)

## Inorganic Chemicals – Quarterly Trend



### Performance Highlights

- ❖ Revenue: Y-o-Y growth was at 8 % fueled by healthy realizations. The favorable demand-supply scenario has led to stable gains in Soda Ash realization.
- ❖ EBITDA margins were higher by 60 bps and absolute EBITDA improved by 10% on Y-o-Y basis
- ❖ One time Impacts during the quarter:
  - ❖ Loss of Rs. 16.76 crore on account of surrender of leased land to GIDC.
  - ❖ Other Income of Rs. 11 Crore on account of receipt of an insurance claim due to past damages by storm “Tautke”

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## Q4 FY23 Highlights – Spinning

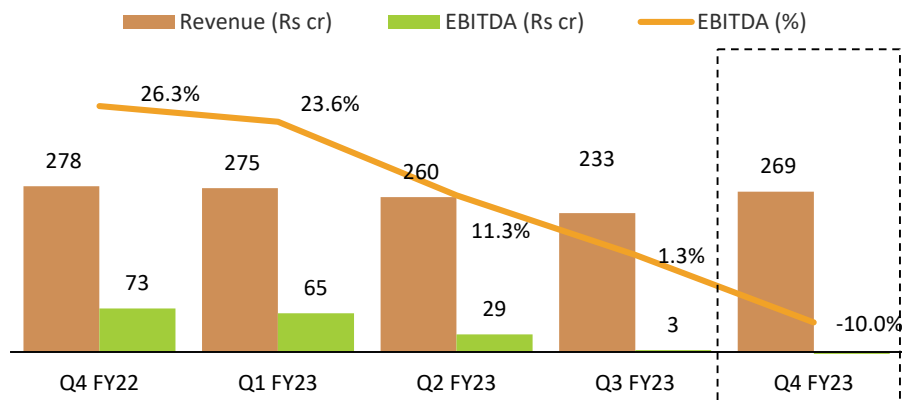
## (Discontinued operations)



(Rs. In Crore)

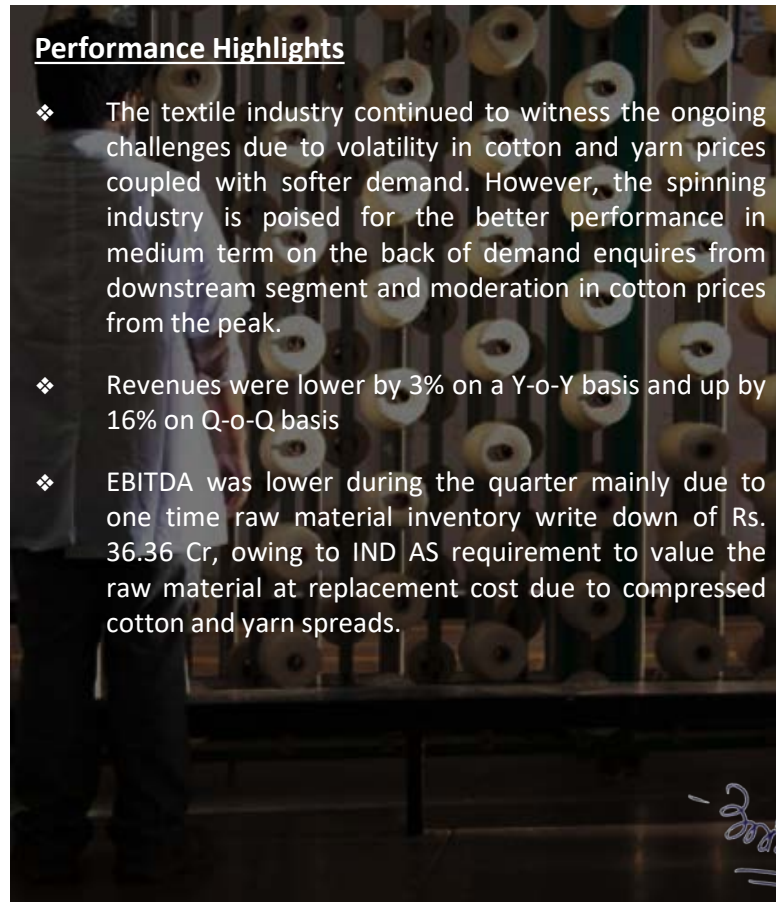
Particulars	Q4 FY23	Q4 FY22	Y-o-Y	Q3 FY23	Q-o-Q
Revenue	269	278	(3%)	233	16%
EBITDA	(27)	73	NM	3	NM
EBITDA %	(10%)	26.4%	NM	1.4%	NM

### Spinning – Quarterly Trend



### Performance Highlights

- ❖ The textile industry continued to witness the ongoing challenges due to volatility in cotton and yarn prices coupled with softer demand. However, the spinning industry is poised for the better performance in medium term on the back of demand enquires from downstream segment and moderation in cotton prices from the peak.
- ❖ Revenues were lower by 3% on a Y-o-Y basis and up by 16% on Q-o-Q basis
- ❖ EBITDA was lower during the quarter mainly due to one time raw material inventory write down of Rs. 36.36 Cr, owing to IND AS requirement to value the raw material at replacement cost due to compressed cotton and yarn spreads.



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## Business outlook – Inorganic Chemicals

- As per global industry outlook, **long term demand is very healthy and is likely to grow from 63 million MT to 78-83 million MT by 2030.**
- This increase in demand shall be driven by **newer segments such as solar glass, lithium and sodium bi-carbonate.**
- In view of above, **long term demand scenario will be very robust.**
- However, some blip may occur in short term. While new capacities came on stream in China and US, **supply in rest of the world remains tight.**
- **China's presence in international trade in future will reduce significantly,** as it is likely to focus more on its expanding domestic market on back of demand from solar glass and Lithium carbonate.
- With softening of energy prices and input cost there may be some **moderation in Soda ash prices, However the margins are likely to remain stable.**

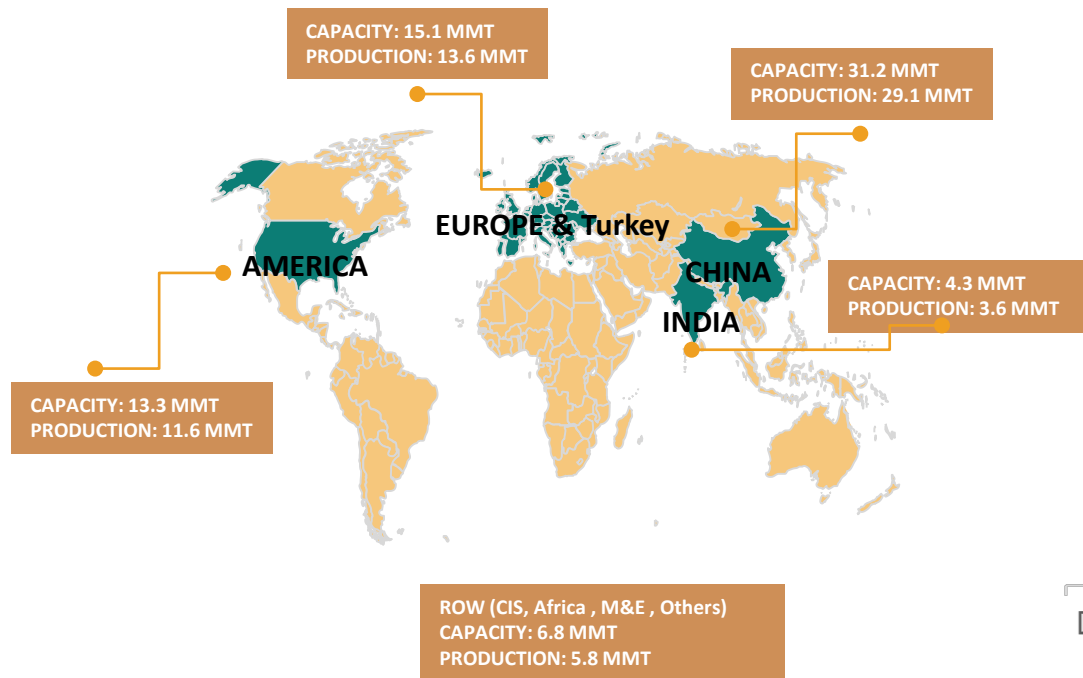


**A GREENER WORLD**



# Global outlook on the Soda Ash industry

**GLOBAL SIZE: CAPACITY-71 MMT, PRODUCTION-64 MMT**



## Soda Ash Market Outlook



Soda ash market conditions remain balanced in most parts of the world. Soda Ash demand continued to get a boost from sectors linked to the environment including solar glass, lithium carbonate and FTG. With easing energy and input costs moderation in prices all-over witnessed.

**Turkey:** Soda ash demand is reported to be good, especially for container glass with detergents remaining balanced. Gas prices reduction making producers more cost competitive.

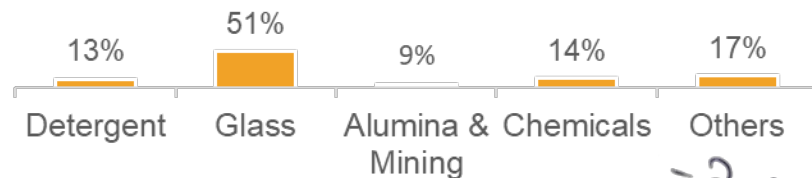
**China:** Strong demand for Dense soda ash on account of push in solar glass production but weaker side on Light soda ash due to softer demand in chemicals and detergent. Berun's Inner Mongolia plant can create a temporary blip in demand supply scenario.

**US:** Soda Ash Market remained balanced, prices across the Americas are observed to be softening in early March.

**Europe:** Production facilities are back to optimized productions level with easing in energy prices. Stable demand-supply scenario.

**Middle East & Africa:** Demand in the Arabian Gulf is reported to be very strong with both container and flat glass performing well.

**Global Demand Concentration (User Segment)**



Globally market is growing @ 2.5%-3% pa CAGR generating around ~2Mn MT additional soda ash demand every year

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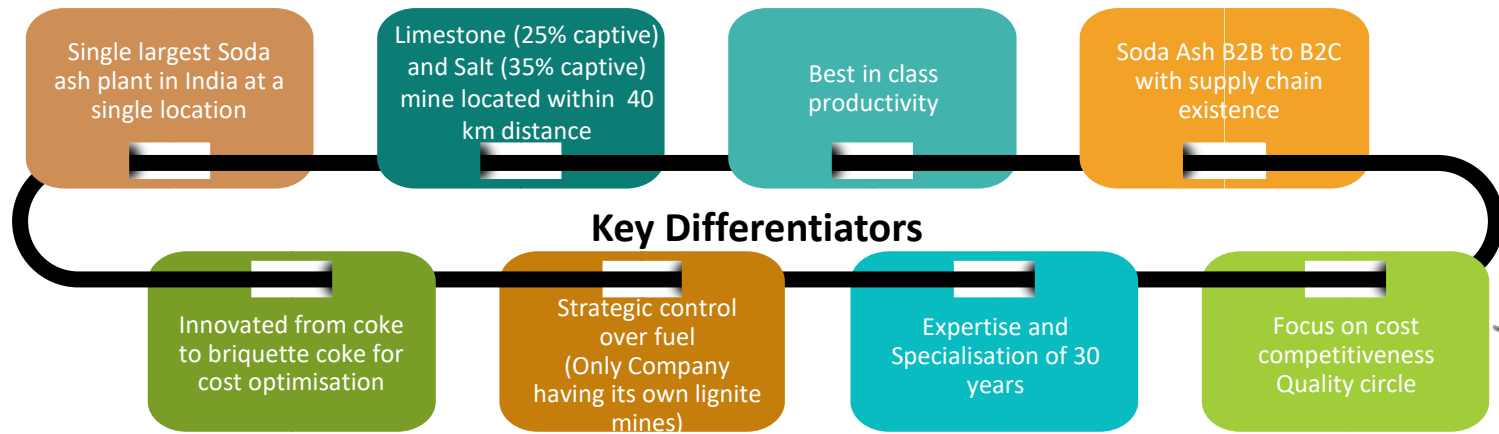
# Quality assets, high-potential runway for growth



## Chemicals business

- 1.2 mn tons largest single location facility
- Comfort of key input material integration
- Industry leading efficiency and productivity
- Brownfield scale up achieved at minimal capex
- Strong service orientation towards customers

Inorganic Chemicals	Performance
Revenues (5-year CAGR)	17%
EBITDA Margins (5 Years Avg.)	29%
Segmental Debt (Rs. Cr)	Zero Net Debt; Rs. (157 Cr.)



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# Focus on driving responsible future growth – Inorganic Chemical



## GHCL Inorganic Chemicals growth levers

- Doubling RBC (Sodium Bicarbonate) Capacity from 60k to 120K MT
- Debottlenecking of existing soda ash facility.
- Vacuum salt from waste energy.
- Focus on Greenfield Soda Ash project of 5L MT
- Augmenting our backward integration of raw material for enhanced control on cost
- Focus on reducing carbon footprint – proposed 6.5 MW of renewable energy project
- Inducting AI & IoT 4.0 at plant level for manufacturing excellence which can enable immense efficiencies



Smarter foundation for better tomorrow; Creating scale - strengthening leadership

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2023

# Value added approach to business



## Intent to do different but do well

- Bulk chemicals/ managed commodity business is in the DNA of the Company and in-line with this, foraying into Soda Ash was by design – what Company has achieved here over the last decade in terms of size, scale and profitability is remarkable
- Based on key strengths and expertise in bulk chemicals, opportunities in adjacent chemistries are regularly evaluated to diversify the revenue streams while achieving leadership in the existing business



## Continuous innovation to create value for customers

- From incorporation till date, the intent has been to deliver best possible product at the most reasonable cost. While doing so, lot of initiatives have been undertaken to offer value to the customers
- Sodium Bicarbonate is a value-added product. While it has varied applications across many end-user industries, one potential application is for the flue gas treatment which is under trial; once approved, this could be a major game changer and will elevate the demand trajectory



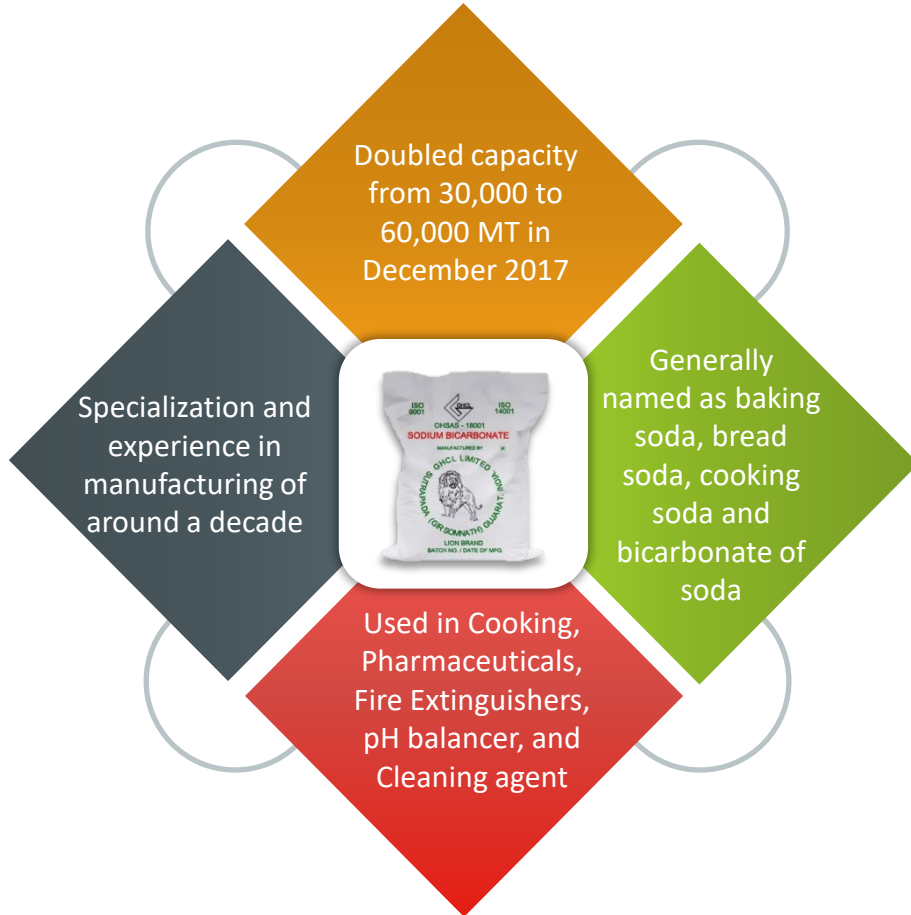
## Strategically identified customers with product quality that they seek

- Company is strategically identifying newer end-use opportunities emerging for its Sodium bi carbonate through solution based selling for flue gas treatment
- The objective is to target right set of customers within the industry and offer them the right products and solutions. Having right customers prevents fluctuation in pricing and therefore margins

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# Inorganic Chemicals – Sodium Bicarbonate



Doublings capacity from 60,000 MT to 1,20,000 MT

Likely solution based offerings for Flue gas treatment

# 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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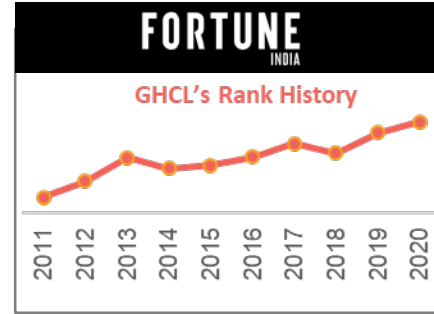
# Awards & Recognitions



**Mahatma Award for  
CSR Excellence**



**HR Excellence Award**  
GHCL received 12<sup>th</sup> CII National HR Excellence Award for strong commitment 13th CEO Conference



Referred as **Great Place to work** in seventh consecutive years of participation  
Recognized in **Top 50 manufacturing workplace**



**Sustainability 4.0 Awards**  
by Frost & Sullivan as Challenger Award 1st Runner Up, Mega large business, process sector.



**Gold National Awards**  
for Manufacturing Competitiveness-2019-20 by International Research Institute for Manufacturing





# Company Overview



# 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% on a long-term horizon
- ❖ To inculcate value systems that defines our culture
- ❖ To drive sustainable inclusive growth involving all stakeholders



12

Lac MT Soda Ash Capacity

2<sup>nd</sup>

Largest manufacturer  
of Soda Ash in India,  
with 26% market  
share

Dividend Payout Policy (% of Profits)

15%-20%

Zero

Net Debt

Return on Equity (ROE)

42%\*

<1.0

Debt to equity ratio maintained over  
the last 3 years

Return on Capital Employed (ROCE)

45%\*

# GHCL Overview



Leading soda ash player in India



Best in class operational efficiencies and capacity utilizations



Business Philosophy of Inclusive growth of all stakeholders



Focus to emerge as a sustainable business organization



Professionally managed workforce



3 decades of Indian Manufacturing experience

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# Evolution of GHCL through the years



Soda Ash capacity increased to 8.5 Lacs MTPA

Entered Spinning business with 65K spindles subsequently increased to 140K

Commissioned Home Textile plant with 36mn meters processing capacity and 96 Air Jet looms

Commissioned Refined Sodium Bicarbonate plant

1988-2000

Commenced Soda Ash Production with 4.2 Lacs MTPA which was further increased to 5.25 Lakh MTPA

Commenced Edible Salt Production and Launched 'Sapan' salt

2001-2008

2009-2015

Spindles capacity increased to 175K, installed 3320 rotors in spinning

Launch of 'i-FLO' salt and 'i-Flo Honey' brands

Air Jet Looms capacity increased to 162

2016-2018

Soda Ash production capacity increased to 9.75 Lacs MTPA

Doubled Sodium bicarbonate capacity to 60K MTPA

Added TFOs for value added yarn and Air Jet Spinning

Home Textiles, Processing capacity increased to 45mn meters with total 190 Air Jet weaving looms

2019-2020

Soda Ash production capacity increased to 11 Lacs MTPA / year in FY2019

GHCL is now the one of the largest manufacturer of Soda Ash in India at a single location.

Spindles capacity increased to 185K

2021-2022

Soda Ash production capacity enhanced to 12 Lacs MT

Spindles capacity increased to 225k and added 20 MW Renewable energy in spinning division

Demerged spinning business into GHCL Textiles Limited

2022-2023

Successfully completed divestment of Home Textile business to Indo Count Industries Limited effective 2nd April 2022 for total consideration of Rs. 630 crore



# Our Objective



“Achieve the CAGR growth of 15% in bottom-line with creating value for all our 5 stakeholders”

## Responsible Growth

Organic Growth – CAPEX, Non-CAPEX led Growth, Growth – M&A/ JV and Optimize Return on Capital

## ESG

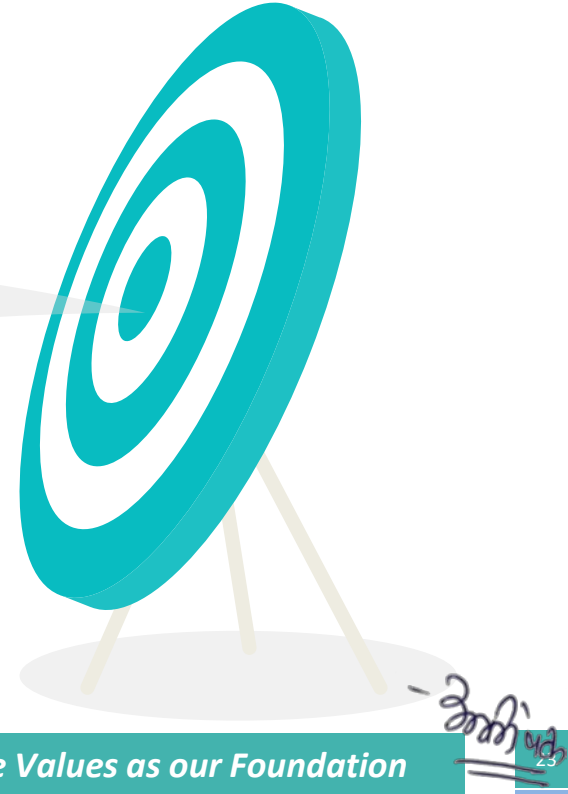
HSE – Zero Harm, CSR - Responsible Citizen and Renewable Energy

## Brand Image

Corporate Governance, Customer Focus and Stakeholder Engagement

## Learning Organization

Competency Building, Talent Management and Employer of Choice



*To Grow our Business Responsibly, with Governance, Sustainability and Core Values as our Foundation*



# Core Values at forefront



## MISSION

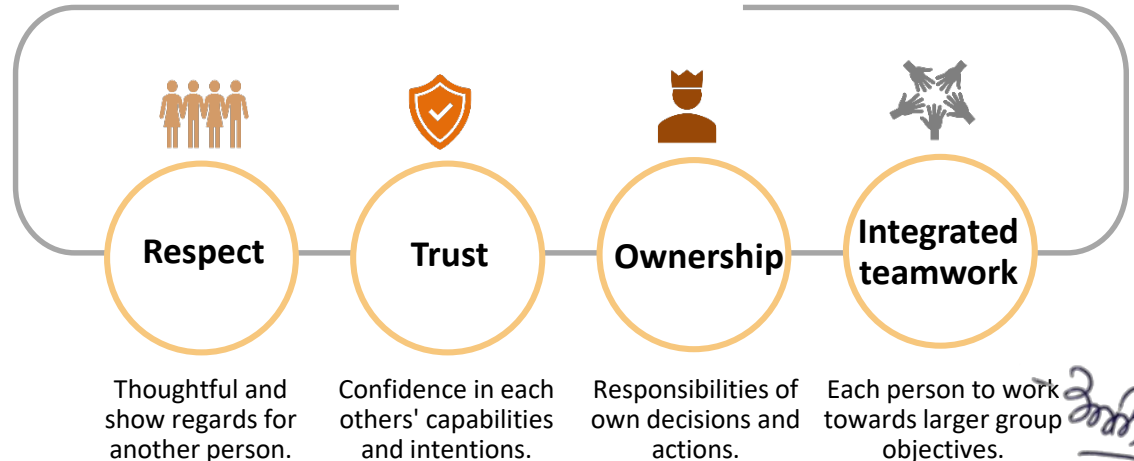
**Responsibly maximising stakeholder value**



## VISION

**To grow our business responsibly, with governance, sustainability and core values as our foundation**

- ❖ GHCL is a unique workplace 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, Growth & Diversification)

**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*

**R. Balakrishnan**  
*CEO, Spinning*

**Sunil Singh**  
*VP, Marketing (Soda Ash) & CEO CPD*

**Biswarup Goswami**  
*CHRO*

**Bhwneshwar Mishra**  
*VP, Sustainability & Company Secretary*

# 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 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). 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 Teamwork).

For more information, please visit us at [www.ghcl.co.in](http://www.ghcl.co.in)

## Contact Us:



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**GHCL Limited**



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**Email:**

**abhishekchaturvedi@ghcl.co.in/manujain@ghcl.co.in**



**Siddharth Rangnekar / Nishid Solanki**



**CDR India**



**Tel: +91 22 6645 1209 / 1221**



**Email: siddharth@cdr-india.com / nishid@cdr-india.com**





# Proforma Financials- Spinning Division (Discontinued Operations)

Profit & Loss Statement	FY23	FY 22
<b>Revenue</b>	<b>1,037</b>	<b>924</b>
Operating Expenses	966	669
<b>EBITDA</b>	<b>70</b>	<b>255</b>
EBITDA Margins	6.8%	27.6%
Depreciation	40	30
EBIT	30	225
Interest	7	12
<b>Profit Before Tax</b>	<b>23</b>	<b>213</b>

Balance Sheet	FY23	FY22
Non Current Assets (A)	1,072	932
Current Assets (B)	546	407
<b>Total Assets (C) = (A)+ (B)</b>	<b>1618</b>	<b>1,338</b>
Net Worth (D)	<b>1,359</b>	<b>1,044</b>
Other Non Current Liabilities (E)	119	80
Current Liabilities (F)	61	68
Long Term Debt (G)	53	80
Short Term Debt (H)	25	147
Total Debt (I)=(G)+(H)	79	227
<b>Total Liabilities (J)=(D)+(E)+(F)+(I)</b>	<b>1,618</b>	<b>1,338</b>

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26