

**May 3, 2021**

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विक्रम सम्वत् 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: Filing of Transcript regarding Investors’ conference held on April 29, 2021**

In continuation to our earlier communication dated April 26, 2021 and April 28, 2021 regarding Investors’ conference on April 29, 2021. We are pleased to attach copy of the transcript regarding said Investors’ conference held with the management on April 29, 2021 for your reference and record.

You are requested to kindly acknowledge the receipt and please also take suitable action for dissemination of this information.

Thanking you

Yours truly

**For GHCL Limited**

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



“GHCL Limited  
Q4 FY2021 Earnings Conference Call”

**April 29, 2021**



**ANALYST: MR. ROHIT SINHA – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

**MANAGEMENT: MR. R.S. JALAN - MANAGING DIRECTOR – GHCL LIMITED**

**MR. RAMAN CHOPRA – CHIEF FINANCIAL OFFICER & EXECUTIVE DIRECTOR (FINANCE) – GHCL LIMITED**

**MR. MANU – FINANCE TEAM – GHCL LIMITED**

**MR. ABHISHEK – FINANCE TEAM – GHCL LIMITED**



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**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 FY2021 earnings call of GHCL Limited hosted by Emkay Global Financial Services. We have with us today Mr. R.S. Jalan, Managing Director and Mr. Raman Chopra, CFO and Executive Director (Finance). As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Rohit Sinha of Emkay Global. Thank you and over to you Sir!

**Rohit Sinha:** Good evening everyone. I would like to welcome the management of GHCL and thank them for giving us this opportunity. I shall now hand over the call to the management for the opening remarks. Over to you Gentlemen!

**R.S. Jalan:** Thank you Rohit. My name is R.S. Jalan, I welcome everyone to today’s earning call for the quarter and the year ended March 31, 2021. With me I have Raman, our CFO along with Manu and Abhishek from the Corporate Finance Team. The analyst presentation has been shared in advance on the stock exchange website. We all are going through a difficult period due to the current second wave of COVID-19 pandemic. The need of the hour is to remain safe, the priority for GHCL is more about safety of our employees, and we have taken several initiatives including vaccination of our employees and their families. FY2021 has been an unprecedented year during H1 economy and business were severely impacted thereafter business activity started to recover on backdrop of improved customer sentiment and vaccination program. As of now a nationwide lockdown has been ruled out, but several regional restrictions are in place; however, our plants are operating with minimal disruption.

We concluded the year on a positive note with Q4 revenue and PAT growth of 12% and 30% respectively. Part of the growth is attributable to lockdown imposed during last week of March in previous year; however, due to COVID our full year sales and PAT declined by 13% and 24% respectively. On soda ash front global demand revised across key regions, import into India has been reduced by around 14% during Q4 and by around 25% for the full year 2021, average pricing for the quarter declined by just 1% over Q3 2021. The flat glass industry witnessed better demand scenario and also due to antidumping duty on import of Malaysian goods. The container glass industry is still lagging behind due to lack of demand from the tourism and hospitality sectors. The detergent industry continues to be stable. The industry has already reached the pre-COVID level and with the start of summer this season it may get further boost in the demand. Textile industry continue to perform well



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and industry is operating at a high utilization level, our order remains strong on account of the many US corporates continuing work from home offices in 2021. Spinning business also performed well due to strong domestic demand and high prices of yarn. With our focus on value added products we achieved better realization for the product, which we anticipate buoyancy in the textile business to continue as business prospect for the near future looks good. Our future growth strategy is based on several initiatives. In soda ash we are pursuing product basket expansion, debottlenecking, augmenting backward capabilities and doubling the sodium bicarbonate capacity. We have initiated our digital journey and enablers such as AI & IOT will enhance our capacity and capabilities in medium to long term. In the textiles business our growth strategy is around expansion of spinning business and green energy with focus on our customers, value added product, cost optimization and assets utilization.

I will now share an update on the demerger as directed by the NCLT, We conducted requisite shareholders meeting on April 8, 2021 wherein our shareholders and unsecured creditors accorded their consent on the scheme, secured creditors meeting is now scheduled on July 8, 2021. There is a revised timeline for the scheme to conclude should be around early November 2021. With our focus on several business initiatives we foresee better times going ahead, this would help us realize our growth inspirations and also deliver value creation for our shareholders. I would now request Raman to share an update on the financial performance.

**Raman Chopra:**

Thank you very much Mr. Jalan. Good evening everyone and a very warm welcome once again. I hope you all are safe and healthy during this tough and challenging time.

Let me share the financial highlights for the quarter and fiscal year ended March 31, 2021. The impact of COVID is clearly visible in our results for the year as a whole while the topline and the profits declined in the half one of the fiscal year we were able to reverse this trend and achieve healthy growth and margin in the second half of the year. Revenue for the quarter came in at 821 Crores as compared to 734 Crores in the corresponding quarter last year, this is a growth of 12% year-on-year basis, and for the full year we reported revenue of 2850 Crores, which is lower by around 13% over the previous year. EBITDA for the quarter stood at 195 Crores, which is a significant increase of 21% from Rs.161 Crores achieved during last year. The full year EBITDA declined by around 15% to 646 Crores from 763 Crores. The profit after tax for the quarter stood at 104 Crores compared to 80 Crores in Q4 of previous year. For the full year the PAT stood at 310 Crores, which is a decline of around 24% from FY2020. In the previous year there was a provision for tax was lower due to reversal of deferred tax liability and we got a credit of almost 52 Crores in the last year.



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In the inorganic chemical business we achieved revenue of 531 Crores for the quarter, which is an increase of 2% from Rs.519 Crores in the corresponding quarter of last year. EBITDA for the quarter stood at 142 Crores compared to 162 Crores. During this period we achieved a volume growth while our realization declined by around 4% from the last year. After several quarters the pricing stabilized and declined by just 1% over Q3 of FY2021. The robust performance of the textile business has been due to strong demand and high prices of yarn. The revenue for the quarter stood at 290 Crores, which is a growth of 35% as compared to 214 Crores in the corresponding quarter of last year. EBITDA came at Rs.53 Crores, which represent a healthy margin of over 18% against a breakeven EBITDA in the corresponding quarter of last year. For the year we generated 449 Crores in cash profit after tax, gross debt reduced significantly by Rs.472 Crores and at the end of the year our debt stood at only Rs.768 Crores. Leverage in the business is at a very comfortable level of just 0.29:1, which is our net debt is to equity ratio. During the year we spent around 110 Crores on capex, which was mainly focused in growth. With our continuous focus working capital requirements were also reduced by almost 79 Crores during the year. Despite being a challenging year GHCL has been able to deliver well. The Board has recommended a dividend of 55% on a paid-up equity capital, which is in line with our dividend payout policy. As Mr. Jalan has already mentioned earlier we are committed to grow our business. We have identified several initiatives through which we plan to achieve our future growth plans. With this I conclude my comments. In this difficult situation I would request each one of you to stay safe and remain healthy. Now I would request the moderator to open the forum for question and answer. Thank you all.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Rohit Nagraj from Sunidhi Securities. Please go ahead.

**Rohit Nagraj:**

Thanks for the opportunity and congrats on good set of numbers despite the challenging times. Sir my first question is on our strategy in terms of growth. So if I am looking at our presentation on slide #17 we have given what is our target and in that we have specified that we would like to grow profits at a CAGR of 15% to 18% on a long-term horizon, so what is the understanding of long-term horizon and what is the path that we expected to follow to achieve this particular target? Thank you.

**R.S. Jalan:**

Mr. Rohit thank you very much for asking this question. Let me try to give you thought of the management, on one side you know our soda ash business we have been growing by the Brownfield expansion and still one set of expansion is still under process and that will get completed this year. On the other side as you know that we are also pursuing a new Greenfield project for soda ash expansion because in the soda ash business today our



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market share is around 25% and we would like to enhance our market share in the soda ash business going forward. In addition to that also we are expanding our sodium bicarbonate because sodium bicarbonate has a good future going forward and because of the pandemic sodium bicarbonate in flue gas treatment has not been used, but hopefully coming quarters the people will start trying to use this with sodium bicarbonate. You see good opportunity in sodium bicarbonate so we are expanding doubling the capacity of sodium bicarbonate also. In addition to that we are also looking at some product basket, if you see in my statement which I said here of course we have not yet identified which product basket, but we are definitely looking at in the chemical space some product basket, which matches with our core competency, which matches our kind of a business we are looking at that opportunity that is on the chemical side. Of course in addition to that we are also looking at backward integration and some of that in the raw material side so that helps in terms of stabilizing the raw material prices, this is on the soda ash on chemical side. On the textile side as you will notice that which I have said historically if you look at our spinning business has always been given a good return, we are expanding the spinning business and also we are investing in to the green energy also. So both the sides after the merger also both the business will continue to grow as which we have said in the long-term, medium to long-term our goal is to grow bottomline by 15% to 18% that is our vision is and I am sure that we will be able to achieve that obviously.

**Rohit Nagraj:**

Thank you so much for that explanation. Sir my second question is in terms of the overall industry structure currently, so how are we looking at the global soda ash demand in terms of capacity expansions, in terms of import of the products and general understanding of the overall industry and our outlook for the next one, two years?

**R.S. Jalan:**

See if you look at in 2021 global demand definitely has got a serious impact because it is pandemic in the first half, in the second half the recovery has started happening globally. Across the globe barring one or two countries the demand recovery has been good. In terms of the expansion at this point of time we are not seeing in the next two years any major expansion coming in and that is the reason we see definitely a good set of demand growth led by I would say no major expansion coming in to create a kind of a good pricing for the soda ash that is number one. Yes in the long run we know that around 3% of the global demand growth will take place, which is roughly comes around 2 million tonne and that is what ultimately this growth of 2 million has to happen and therefore like US some of the manufacturers are looking at debottlenecking and making an investment, similarly some of the Chinese manufacturers are also expanding, so this 2 million kind of expansion will take place, but my understanding the next two years could be reasonably good for the soda ash industry.



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- Rohit Nagraj:** Thanks a lot and I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Kaushal Shah from Dhanki Securities. Please go ahead.
- Kaushal Shah:** Hope everybody is safe in GHCL. Sir I have two questions, one was pertaining to the soda ash business you mentioned that you are debottlenecking the capacity so what will it add in terms of tonnage and when this new capacity will be and the capex on that front for doubling of sodium bicarbonate also and the second question was on the textile front do you anticipate some pressure on the spinning speed because there is this renewed second wave of COVID, which has impacted exports of cotton also that is what we hear, so is that likely to kind of put pressure on yarn as well as cotton prices and maybe impact our margins?
- R.S. Jalan:** Let me give you first answer, which you spoke about that what is the additional volume which will be coming in, now it will be around 50000 tonnes and that will likely to be completed during this year, maybe some benefit we will maybe getting in the last quarter of this year, but full benefit will be coming next year and approximately the investment will be roughly around 300 Crores and sodium bicarbonate like I said we are expanding to double the capacity, investment will not be very large, but hopefully this investment or the production will come maybe middle of the year next year. In terms of the textile see my understanding is that because of this geopolitical situation and the Xinjiang Chinese cotton issue globally I think there is a structural change into the textile business, which I see is slightly longer-term and because of that good demands has been coming in, into Bangladesh, India and Vietnam and that is leading to kind of a better margin for the spinning industries. In terms of the cotton prices let me tell you my understanding is cotton prices are almost at a very high level, but still Indian cottons are cheaper than global cotton. I personally believe there should not be any drop in the cotton prices in domestic market and if you look at international market also it went from 92, 93 cents to 84, 85 cents and again bounced back to 90 cents. It also indicates that there are no reasons that globally also the cotton prices may go down. In terms of the yarn yes there could be some small drop in the prices could happen, but my understanding is spinning margin will remain good for the next few quarters at least, and overall long-term also I see textile should be doing when I say long-term is at least one or two years I see a good output out of this textile business good margin we can say.
- Kaushal Shah:** That was helpful sir just one last question if I can squeeze in. In terms of our soda ash industry customer segments there was some analysis, which said that around 50% of the country is facing some kind of lockdown and we have already had 15, 20 days in lockdown



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in various states varying degrees, so if you can just share some thoughts on how has the month of April been for our soda ash demand and do you anticipate for instance Maharashtra has extended the lockdown by another 14 days and new states kind of keep that names keep coming so any thoughts on what impact that we have on the demand if people are not allowed to kind of make purchases and possibly impact have we already noticed any dip in our demand or it is still too early?

**R.S. Jalan:** Like you rightly said some though the government has announced that there will be no national lockdown but then some of the local lockdown definitely has been felt into the business. I would say up till now there is not a very significant drop in the demand, but I would say that got a caution probably for the short term period of time maybe some impact can happen on the soda ash demand, but I do not see this is as a long-term kind of a scenario maybe one month could be a period. If you overall look at glass, glass is basically because there were lot of import coming in, in India from Malaysia which has been stopped now so that is enhancing that overall domestic production had gone up. Detergent which is again used for and you know that how the total detergent consumes around 40% of the soda ash out of the total demand there the demands are better than the pre-COVID level and I do not see that will be very significant drop into the detergent demand because the hygiene has become more important. Overall my understanding is on the short-term yes there could be some impact but in long term I do not see much.

**Kaushal Shah:** Great Sir. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Jatin Damania from Kotak Securities. Please go ahead.

**Jatin Damania:** Sir just wanted to chat on the followup question the previous participant like as you have already mentioned that you will be enhancing the product basket so are we venturing into chemicals, which where we can need own raw materials or you are looking into venturing into a totally different set of chemicals?

**R.S. Jalan:** No, like I said the chemicals which we will be talking about of course we are in the process of identifying the opportunity, the chemical which will be matching with our core competency. We are very clear on one thing that we know that what is our core competency bulk chemicals and things like that probably those kind of things we will be looking at and that process of identifying an opportunity is already on.



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**Jatin Damania:** By when you will be finalizing it and as a management have you decided what type of capex that we will be spending into another product basket?

**R.S. Jalan:** Like I said at this point of time only that the thought has started, we have started exploring the various opportunities, we are talking with some of the experts and probably at the right time we will come back to our shareholders to get what kind of a business we are looking at, but since slightly long-term view that we need to kind of expand our baskets of the product matching with our core competency.

**Jatin Damania:** Sir coming onto our inorganic chemical business now this year as a whole we did a volume of around 932000 so in the next year we will be doing additional 50000 odd tonnes of volumes right or we will be doing more than that?

**R.S. Jalan:** Just now one of the sales head had asked me about that what is the outlook for 2021/2022 if the situation continues the way we have expected the normalcy probably this year we will be looking at a much better number than the last year and this another 50000 will be available for 2022/2023 maybe some portion of that could be this year so probably we will be looking at a good growth in the number this year as compared to last year because as you know that last year was because of the COVID first six months there was a loss of production.

**Jatin Damania:** Sir last question from my side and then I will come back in the queue. Sir if you look that during the quarter sequentially from the last quarter we are seeing a decline in the realization that is as a result of antidumping duty, but despite that we have seen 100 bps improvement in the soda ash margin so what can be attributed that to improve the margin?

**R.S. Jalan:** See overall as you rightly said our pricing of soda ash has dropped by around 1%; however, overall our production is better as compared to, Raman can you answer this question?

**Raman Chopra:** Yes, basically the overall EBITDA margin has slightly gone down compared to the previous quarter because of the drop in price by 1% and you are talking about the inorganic chemical business?

**Jatin Damania:** Yes.

**Raman Chopra:** In organic chemical business there is a marginal reduction of margin 1% and that is largely because of 1% reduction in drop in price compared to the previous quarter.



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- Jatin Damania:** Okay Sir thank you.
- Moderator:** Thank you. The next question is from the line of Rahul Veera from Abakkus. Please go ahead.
- Rahul Veera:** Sir just wanted to understand for this additional 60000 tonnes of sodium bicarbonate that you are adding what is the capex?
- R.S. Jalan:** Raman what is the total number for this around 60000 tonnes?
- Raman Chopra:** Sir this will be in the vicinity of around 60 to 70 Crores something like that number.
- Rahul Veera:** FY2022 capex outlay for chemical division would be?
- Raman Chopra:** Overall chemical division this year should be in the vicinity of around 275 to 300 Crores because a) there is a carry over which we did not do last year which is because of the COVID level was not there so that will be competition plus some fresh capex that will be undertaking this year hopefully if the situation improves we should be able to implement the initiative this year.
- Rahul Veera:** What kind of margin the sodium bicarbonate has is it better than the EBIT margins of our soda ash segment?
- Raman Chopra:** You must be knowing that we require almost 0.67 or 0.7 tonnes of soda ash to produce a tonne of sodium bicarbonate and the price remains more or less you sell at the same price, so in a way effectively you achieve additional margin of close to 25% compared to soda ash on a like-to-like basis.
- Rahul Veera:** Fair point. I will come back in the queue Sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.
- Sarvesh Gupta:** Sir first question is you alluded to the global scenario of not any major supply coming in and would it be right to say that given that globally supply is not going to come in, major supply is not going to come in, in the next couple of years so we can assume that the pricing outside will be sort of also stabilizing the pricing in India, which has been on a falling trend for the last several quarters?



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- R.S. Jalan:** No, you are right you will be seeing the prices likely improving from here.
- Sarvesh Gupta:** Earlier I think before even the COVID I think we had a larger inventory in the market, which was also causing some disruption in the pricing and now with the intermittent lockdowns specially some segments like automobile, etc., might be again sort of not taking in more supplies or something like that so how is the situation panning out in terms of inventory and demand in the domestic market for you given this COVID situation?
- R.S. Jalan:** At this point of time I would say that inventory has slightly gone down as compared to what it was in the last quarter; however, how that this pandemic second wave will happen it entirely it will decide that what kind of inventory level will be there, but as I said if I look at slightly longer-term either I do not see that is a big concern.
- Sarvesh Gupta:** Just one more point on the demerger side I think earlier we were expecting that to be over on by maybe the first quarter of this year, but now it looks like it has now spilled to almost third quarter of this financial year, so in terms of the management of that process it seems like they are getting delayed a bit so any thoughts on if there is some way to expedite that?
- R.S. Jalan:** I have to kind of put COVID definitely has made an impact on the timeline of course the first time when we decided our thoughts was that it is likely to be completed by all means by July; however, because of the COVID the banking and the secured creditors they have appointed some agencies for evaluation, we got into the COVID second wave and because of this the entire process has got delayed so first there were some delays by the stock exchange approval and which was not very big I would say that, but because of this COVID the approval of the lenders has got delayed by three months and that is where the three months of the delay is happening, which is purely according to my understanding is purely not in our control, but we are trying our best to get secured creditors approval on July 8, 2021 and once that gets completed then probably all other processes will be back.
- Sarvesh Gupta:** Just one book keeping question what is the net debt in both the businesses and would it be possible now to sort of completely give financials of these two companies now that we are close to the demerger process?
- Raman Chopra:** The total net debt approximately is around Rs.725 Crores and inorganic chemicals is around 450 Crores and the textile is around Rs.275 Crores. Whatever is required as per the law in the segment reporting we have been reporting and in the segment reporting the textile numbers are very clearly given separately and in addition to that what our information is thought from us that we are providing only post further information can only be given once



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this demerger process is over, but I think in our disclosures in our investor presentation we are giving all the requisite details, which has been saughtt by the investor.

- Sarvesh Gupta:** Thank you Sir and all the best for the coming quarters.
- Moderator:** Thank you. The next question is from the line of Swami an individual investor. Please go ahead.
- Swami:** Congrats on a good set of numbers especially in the textile segment. I just had a query on the consumer segment can you throw some light on how is it panning out, what percentage of the number is there, what is the strategy there, something like that?
- R.S. Jalan:** On the consumer product the last year has not been done good, in our product of salt there was a major impact on the production of the raw salt because of the weather condition and we could not produce the raw salt and because of that we have not been able to produce the refined salt also, which is sold into the consumer side, so there was a drop in that also. Similarly our honey and the spices segment has also not done well because of the COVID we have not been able to kind of penetrate and supply the product to the market well in time and because of that there was a talk on that. Going forward Mr. Swami our thought process at this point of the time is we are focusing more on our salt business more on to make it stabilize and on the other product like spices and honey we are trying to stabilize in our southern part of the country instead of looking at a global arena of that product. So probably this year also you will not see a big growth into the consumer product business 2021/2022.
- Swami:** Sure thank you all the best.
- Moderator:** Thank you. The next question is from the line of Resham Jain from DSP Investment Managers. Please go ahead.
- Resham Jain:** Sir I had just two questions. So first one is on soda ash business, in the current month as you mentioned the demand has started improving and you said there was a 1% fall in the realization in the last month have we seen any reversing of this falling trend in soda ash prices?
- R.S. Jalan:** Yes, Mr. Resham like I said if you look at in the month of April I would say there is a slight improvement into the pricing because last quarter for the January, March, the prices were dropped by 1% from the last October, December quarters, but you will say end of the



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March beginning April the upward movement of little bit started happening into the soda ash pricing. Going forward my belief is improvement in the prices would be same.

**Resham Jain:** My second question is on the FY2022 in terms of the overall capex you have guided was around 300 Crores and we generally see depending on your cash generation there is upward of 500 Crores so will we see further decrease in debt this year or you will preserve cash to go for buyback the way you did last year?

**R.S. Jalan:** Yes Mr. Resham buyback probably will be only possible after the demerger has happened because in between the demerger process is on we cannot go for the buyback and once the process of demerger happens and then probably we can look at that buyback option. In terms of the cash generation as you rightly said our plan at this point of the time is we will deploy this year's earnings into the business in a way fully so like I said 300 to 400 Crores because some investments are also being made in the spinning sector also, so all net-on-net probably our debt levels would be in the same range what it is today, which I think is a quite comfortable debt position.

**Resham Jain:** Thank you and all the best.

**Moderator:** Thank you. The next question is from the line of Jayesh Gandhi from Harshad Gandhi Securities. Please go ahead.

**Jayesh Gandhi:** Sir one of my question has already been answered. First of all congratulations for good set of numbers. I just wanted to know what is the rate of interest on our debt and is it different for our inorganic chemical and textile or we are drawing on the same GHCL?

**Raman Chopra:** On our term debt side our approximate rate of interest is around 8.25% and this is more or less the same for both the businesses inorganic chemical as well as textile. On the short-term borrowing the rate is less than 6% it is in the vicinity of 5% to 6% in between something like around 5%, 5.5%.

**Jayesh Gandhi:** One last question if I can ask whatever capex which we are doing are we thinking of doing it into putting added money into our consumer business or it is going to be only chemical and B2B business?

**Raman Chopra:** At this point of the time the capex which we are talking about is only in the B2B business.

**Jayesh Gandhi:** That is all from my side Sir. Best of luck for future.



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**Moderator:** Thank you. The next question is from the line of Ashish Rampuria an individual investor. Please go ahead.

**Ashish Rampuria:** Sir my first question I think very strategic one, the intent of this demerger was only to create value or there is some thought process that maybe the promoters will sell stake in one goes to the investor and then stake in the other entity is there some thought around that?

**R.S. Jalan:** Not really it is basically to kind of a like you rightly said one is that creating a value and secondly strategically it makes sense that both the business which has a different competency required, different mindset required, different resources required, different merger and acquisitions kind of opportunity or the foreign collaboration or the collaboration required so I think strategically this split was from that perspective.

**Ashish Rampuria:** Okay so some of that will sort of continue with existing proportion, have they given any indication they would want to increase stake or something like that to the Board of the management?

**R.S. Jalan:** At this point of the time we do not have such kind of indication, any such indication.

**Ashish Rampuria:** My second question was that I think given if I remember correctly we used a lot of import soda ash also from Turkey and that was sort of impacting pricing given the pandemic and sort of the shortage of customers that we are seeing globally have we seen those imports going down?

**R.S. Jalan:** Yes, if you look at like I said in my statement also last year the total overall drop in the import was 25% and that is primarily the drop was from Turkey and US and I personally believe that this year also the number should be in the similar range of what it was last year. So therefore definitely that will have an advantage to the domestic industry in terms of the overall, the demand growth the way the industry is predicting 10% to 12% and the imports remains at the same level probably that advantage should come to the domestic industries.

**Ashish Rampuria:** I think there is also some talk of some antidumping duty, etc., was there any movement of that?

**R.S. Jalan:** We have applied for an antidumping duty against Russia and Iran because at this point of the time the major import which is coming from Russia and Iran and as you know that earlier we had applied for antidumping duty on Turkey and US it has not been accepted by the government now the source application is on Iran and Russia.



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- Ashish Rampuria:** So major proportion of import is happening from Iran, Russia as of now?
- R.S. Jalan:** Yes, US and Turkey also continues, but increase in the import last year 2021 primarily from Russia and Iran and they are slightly more aggressive in the pricing so probably if you can get an advantage of antidumping duty that will really help us.
- Ashish Rampuria:** Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor Company. Please go ahead.
- Saket Kapoor:** Sir firstly in your presentation you have articulated about this Turkey playing a strong part in distribution of soda ash across the globe what is their current capacity as of now and what has been the utilization levels Turkey as a country still they import to India has been down?
- R.S. Jalan:** Turkey has around 5.9 million metric tonnes of the total capacity out of that there are three players Eti Soda which is 1.7 million, Kazan Soda which is 3 million and there is another producer which is around 1.2 million and average utilization is around 75% to 80%.
- Saket Kapoor:** What is our soda ash volume for the entire year the production and the sales from that?
- R.S. Jalan:** In India?
- Saket Kapoor:** For GHCL what was the soda ash volume number?
- R.S. Jalan:** Roughly around 900000 tonnes.
- Saket Kapoor:** On an installed base of 11.5?
- R.S. Jalan:** I would say yes you can say 11 lakhs of producible quantity out of that because of this COVID first six months was really blocked and last quarter our utilization was around 95%.
- Saket Kapoor:** 95% of 11 lakhs?
- R.S. Jalan:** Yes.
- Saket Kapoor:** The 50000 tonnes, which debottlenecking is already through?



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**R.S. Jalan:** Like I said this process is on and probably this year end because of the COVID it has not got completed last year it will get completed this year and the benefit will come next year.

**Saket Kapoor:** Now coming to this home textile part a bit, if we compare Q-on-Q numbers for home textile how correct it is to get stand corrected the Q4 numbers are slightly depressed on a standalone basis; however, on a consolidated basis there is a good increment of 8 Crores on a topline increase of around 15, 16 Crores so if you could explain how what has gone into the consolidation I think so the yarn prices were on the upward side only for the March quarter also?

**Raman Chopra:** Yes, basically there are two reasons Saketji on this one is that we in the previous quarter there was a export incentive of ROCL benefit which was there which we have considered as per the government scheme; however, in this quarter there is a new scheme, which is RoDTEP so that scheme that government has still not notified the rate of incentive, so on a prudent basis we have not considered any incentive on that account, last quarter it was almost Rs.5-7 Crores so that straightaway that piece is not there, in addition to that there is one more expenditure, which is we have surrendered one land in this year so there is a impact of Rs.5 Crores that we have surrendered to the government to take care of the colony and the roads in that colony so the impact of that is around 5 Crores so that impact or the combined impact of that is Rs.12 Crores vis-à-vis the previous quarter but I hope that is the whole thing.

**Saket Kapoor:** On the consolidation it has gone up by 8 Crores so what explains that I missed that part?

**Raman Chopra:** On the consolidation you know that there is a overseas subsidiary, which is there in USA so that subsidiary there were certain earlier impact that losses, which were they were having there because they are into the dotcom business and they are into various other products so impact of that was considered in our Indian books during the quarter and so that was already accounted for that in the consolidated book in the previous year so that is the reason that we find on the consolidated basis the number is high.

**Saket Kapoor:** No we have reversed it that is what you are saying?

**Raman Chopra:** We have taken the impact in Indian book because that impact is already there in the overseas books in the previous year.



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**Saket Kapoor:** I did not get it, I will take it offline Sir anyway and on the water power charges there is a significant reduction quarter-on-quarter basis so on a annualized basis sir what kind of reduction are sustainable the power, fuel and water expenses?

**R.S. Jalan:** You see Saket Ji this power fuel what the reduction has happened is not sustainable because we have got some green energy charges, which was earlier booked, which was not required as per the new notification so we had reversed those green energy charges and because of that you have got this advantage but that is not sustainable.

**Saket Kapoor:** Lastly on the capex part you told that this year the entire stress will be of the company to invest in the capex out of the entire cash flow there will be no significant reduction in that as we are already in a very good position so exactly going forward what budget, how are we shaped our cash flow for this year, what exactly are we going to do segment wise if you could reiterate?

**Raman Chopra:** Mr. Saket like I said Greenfield, Brownfield expansion is the one, sodium bicarbonate is the another one and in the spinning green energy also we are investing that is the third, investing into the spinning business also is another one, all huge investments, we are also looking at some backward integration like some salt investment, so those kind of investment like you rightly said our cash generations the level and going beyond is that will probably not be prudent from the sales perspective, so we are looking at an opportunity, which are at least gives us 14% to 15% return on that investments we are looking at that investments.

**Moderator:** Thank you. The next question is from the line of Andrey Purushottam from Cogito Advisors. Please go ahead.

**Sangeeta Purushottam:** Mr. Jalan this is Sangeeta congratulations on a great set of numbers. I have two questions one is that if you look at the fourth quarter as base then would it be fair to say that in the current year our margins are going to be either equivalent or better than what we have achieved in the fourth quarter that is number one, second is that could you give an indication of what kind of volume growth we are likely to achieve in the current year?

**R.S. Jalan:** Sangeeta thank you very much for your appreciation. Let me try to on one side like I said soda ash overall pricing we are probably looking at a kind of a upward movement, how much it has to be seen and how this pandemic shape out to be, which is slightly uncertain situation at this point of the time, but we are optimistic if everything goes well probably the prices would be looking at an upward numbers, but as you know that even the raw material



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prices has also gone up particularly the energy prices has also gone up, now how does this energy prices also shape up because there also we are seeing a lot of volatility in that. At this point of a time predicting that what kind of a margin will be there during the whole year probably will not be right because there is so much of volatility and so much of uncertainty of all this pandemic. Some sort of volume like you rightly said it is entirely different on how the pandemic played out, but surely this year we are looking at if the production does not stop because of the pandemic probably there should be a good improvement into overall production. Last year we have achieved something around 900 something probably this year it should be something around 10.5 if everything goes well probably.

**Sangeeta Purushottam:** Alright thank you very much and all the best.

**Moderator:** Thank you. The next question is from the line of Kamal J G, an individual investor. Please go ahead.

**Kamal J G:** Sir the rupee has fallen by 5% so should we expect the imported prices will go up by 5% and that will push the prices up further?

**R.S. Jalan:** You are right in terms of not only the dollar has kind of appreciated, but on the other side the supply chain cost has also gone up because of the container availability and the container freights all has gone up and surely that should have an impact on the pricing that is what I am trying to maintain that prices should be looking at an upwards, but how does this pandemic because everything at this point of a time is dependent on how the pandemic pans out to be. The pandemic does not make any major impact probably yes you will be seeing those kind of improvement in the numbers.

**Kamal J G:** Thank you.

**Moderator:** Thank you. The next question is from the line of Giriraj Daga from KM Visaria Family Trust. Please go ahead.

**Giriraj Daga:** Sir my question is related to pricing so you mentioned that in April we have seen slightly better prices compared to March would you able to quantify let us say what was April month average versus the March quarter average?

**R.S. Jalan:** Regarding I am sorry I have not understood your question.



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- Giriraj Daga:** Soda ash prices you mentioned that April we are saying from the April beginning better prices compared to last quarter I am asking would you be able to quantify how the April average has been versus the last March quarter average?
- R.S. Jalan:** I do not think at this point of a time we will be able to quantify those numbers because overall like I said lot of things depends on how the things pan out to be, quantification will be difficult at this point of time.
- Giriraj Daga:** Second question was related to when I look at some of the international soda ash prices those have gone up so have that started impacting the import segment in our country so are the importers seeing higher prices as of now or the countries where the imports are happening Russia there the prices have not gone up can you clarify that?
- R.S. Jalan:** Russian prices has also started going up in the last few months we are seeing that the Russian prices also has been quoted at a higher price, Iran also has started quoting because you see like I said the freight cost has gone up significantly some across the global that I said direct impact onto the pricing of the product that is number one. Number two like someone has very rightly said see the rupee dollar has made an impact. Overall definitely the imported product has become costly as compared to what it was a few months back.
- Giriraj Daga:** The last question is on the capex you mentioned this year 300 Crores, but when you will be getting a large part of our Greenfield capex is that one of our growth project?
- R.S. Jalan:** In terms of the Greenfield project again there are land acquisitions we have roughly invested or also we have acquired around Raman 75%?
- Raman Chopra:** Yes 75% acquisition we have already done.
- R.S. Jalan:** Now this 25% of the land, which is still pending and because of this pandemic movements are not taking place people are on a different location so slightly slowdown is there on that. The moment that gets completed and it will not be a very significant amount to be put into the buying of that land, so we do not see a very large sum of money is getting invested into the Greenfield project during 2021/2022.
- Giriraj Daga:** I know that you are not expecting this much, when that will start hitting 2023, 2024 which year we should assume that should be?



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**R.S. Jalan:** I think it should start happening from 2022 onwards the investment will start happening; however, the major portion of that amount will be in 2023, 2024.

**Giriraj Daga:** Understood thanks a lot Sir.

**Moderator:** Thank you. The next question is from the line of Riddhesh Gandhi from Discovery Capital. Please go ahead.

**Riddhesh Gandhi:** Sir I just had a couple of questions, 250 to 300 Crores of capex that you are expecting to do so all of this is growth capex effectively or if some of it is maintenance and actually the spending is effectively utilization of this 15% to 18% ROCE we have been targeting?

**R.S. Jalan:** See Mr. Gandhi this entire investment which we are talking is largely on growth projects like I said investment into the Brownfield expansion or sodium bicarbonate or into the green energy all these are growth capex and that will definitely have on one side your topline will increase on the other side your bottomline will also increase, even the investment into the spinning also will increase your overall topline and bottomline, so in summary I can say this is entirely for growth of the drivers where our expectation is in the range of around return on capital should not be less than around 14% to 15%.

**Riddhesh Gandhi:** So we would be okay to capex even at 13% ROCE that what we are indicating?

**R.S. Jalan:** Yes, Mr. Gandhi see you know just now Raman said our interest cost is in the range of around 8%, 7% to 8% if all put together and 13%, 14% of the return on investments probably on the return on equity is a good set of numbers and that also helps you to grow your business and capture the opportunity going forward also so we are okay with 13%, 14% also, but at this point of the time our target is 14% to 15%.

**Riddhesh Gandhi:** You are indicating that you are expecting to see reasonably actually healthy spread in spinning over the next few years, now we are obviously also hearing that as well and the people are talking about the record spread in spinning so just wanted to understand if you could explain to us the reason we are seeing this and how can this is sustainable during this year is it that the demand increase has happened, is it supply shock, is the China issue just wanted to understand that?

**R.S. Jalan:** Yes, Mr. Gandhi as you very rightly said this overall what I see is trying for a slightly structural change. In China there are lot of customers and lot of consumers, consumer in the sense I am saying retailer they do not want to depend on China on the supply and



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particularly now that issue of Xinjiang where the forced labour on the compliance has become a big issue, I was attending one of our strategic customers of the US as a vendor this thing and they are very clearly came out that they want to reduce their dependence on the China, so I see that as an opportunity for India as well as Bangladesh and Vietnam as a country to supplement those supply and then the reason I see slightly longer-terms of the benefit of that happening to Indian players and obviously the spinning will have advantage of that as well and that is what we are seeing at this point of a time. The second point which is specific to us in the last two, three years Mr. Gandhi we have been focusing on moving towards the value added segment, so now I am happy to say that we have been able to produce premium products like Pima yarn, Giza yarn, Australian yarn, and spinning so those value addition high quality what you call strategic customers all those movements, which we have done is also helping us to get a better margin than in normal industry and in addition to that as you know that our costs are also because we have put money into the grid energy of solar power and wind energy and things like that, overall our cost structure is also much lower, overall our margins are much better in the spinning industry.

**Riddhesh Gandhi:**

Just last question and I think you have covered it earlier, but I just wanted to understand with the exchange rate which would be making local prices higher and your freight cost which you have also indicated have been materially higher yet we have not seen the impact on pricing despite like Q4 effectively would being a reasonably strong quarter across industries so just wanted to understand what would be an equivalent increase in prices even in Q4 and actually important is that is going to drive it to effectively to the earlier levels and how much they are lower are we within earlier highs and actually what kind of things we can just get back into those prices?

**R.S. Jalan:**

So Mr. Gandhi you are very right the overall international prices has started going up but there is no supply chain and the impact on some of the contracts, which are on the fixed nature for even for the people who are importing there were some of the contracts which have been made in the depots, in India also we have certain contracts which are on a three month to six month period of time all those equations are there even in the domestic demand supply, everything plays out, any impact of the pricing take some time.

**Riddhesh Gandhi:**

So it is a lag effect effectively of the pricing increase which then it is already starting hopefully to reflect maybe some small disruption, which may happen depending on the pandemic, but otherwise the reason you have not seen in Q4 is depending the longer-term contracts we have?



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**R.S. Jalan:** Yes, Mr. Gandhi I think you are very rightly said that probably slight improvement we will start gradually seeing into the pricing going forward, but of course subject to the pandemic.

**Riddhesh Gandhi:** Understood Sir thank you that is all from me.

**Moderator:** Thank you. The next question is from the line of Anish Jobalia from Banyan Capital Advisors. Please go ahead.

**Anish Jobalia:** I have joined the call a bit late so please apologies if I have repeated the question, but I just wanted to understand sir from you in this year the textile business has suddenly turned around and we know that one of the reasons is because the yarn spreads have also improved so just wanted to understand what are our long-term plans with the textile business, now given that you are also looking to invest into spinning so just wanted to understand what is the rationale for doing that you could invest also into other areas like home textiles or fabrics there are many other areas where you could invest in the textile side and I know that your core has been spinning business but how is this going to help us in terms of growth margin improvement ROE, ROCE profile going forward that would be helpful to understand your thought process behind this?

**R.S. Jalan:** You are right you have a very valid question on the textile side. As you know that both the businesses are under the process of the demerger and every business has to take their own course of action and at this point of the time why we thought of making an investment into the spinning business because that is our core competency and we have seen in many years our margin in that business is reasonably very good and ultimately we are in the business for making margins right and if I look at the long-term kind of a return on that investments I see around 15% return on an average return on the capital on the spinning business whereas our home textile as you know that home textile is not giving that kind of a return, so for us it makes sense to make an investment into the spinning and that also we have an inspiration that the spinning of course after the demerger that there will be separate company, there is separate board meeting, but at this point of time the half of the spinning we want to be a company where we have basket of the product of all the spinning size of product, any spinning product which you think of any yarn if you think of we should be a producer of that yarn so we are moving in that kind of a product basket and value added basket and that will definitely give us a good return and that is the reason we are going for that, home textile we have already made an investment.

**Anish Jobalia:** Around the RoDTEP like we were not able to book any revenues around that but going forward what is your expectation now that it has been already four months or so since that



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has been abolished earlier incentives so what is your base case around how this is going to be going forward, how has this impact our business?

**R.S. Jalan:** At this point of a time it is very difficult to predict what kind of a number government will be announcing but the previous rate was around 8.2% on RoSCTL right, now how much the government will be announcing it is very difficult and that is the reason as a prudent basis we are not accounted for any incentive in our books of account. In terms of the competitiveness yes you are right this incentive definitely will have a more competitive advantage to the Indian producers and I am sure that the government will be looking at that and surely they will be coming out with a reasonable incentive and this is primarily of the investment of all the taxes, which you are paying onto the raw materials and things like that it is completely WTO compliant and I am sure that government will be coming out with a good set of number on that.

**Anish Jobalia:** Thank you so much for your time.

**Moderator:** Thank you. The next question is from the line of Pankaj Bobade, an individual investor. Please go ahead.

**Pankaj Bobade:** Congrats on good set of numbers Sir. Just wanted to understand more about the home textile business there you have highlighted Xinjiang province related to that but I wanted to understand how is the target market, the developed markets how are they behaving and because they also faced impact of pandemic how is the demand with the retailers and how are we responding to it?

**R.S. Jalan:** Yes, as you rightly said if I look at the developed market like US I think the COVID impact is slowly going away from there and the demands are picking and particularly the people are working from home and since they are working from home they want to kind of invest into their home and that is the reason the demand of the home textile products are good and my belief is that since this work from home will continue for a few more quarters so roughly the demand for the home textile should continue to be good going forward as well. Similarly the same situation happens in the Europe at this point of time barring one or two country, overall demand of the home textile at this point of time is good.

**Pankaj Bobade:** What is our current capacity utilization and do we see India benefiting from the same?

**R.S. Jalan:** Yes, India definitely should be getting a benefit because as I said China issue India should be getting a benefit and our capacity is approximately around 45 million Raman?



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- Raman Chopra:** Yes, 45 million meters for the year as a whole.
- R.S. Jalan:** Yes, so it is 45 million and at this point of a time we have an opportunity of making an investment into that area also, but right now we are not making an investment on that.
- Pankaj Bobade:** So what was the capacity utilization so far?
- R.S. Jalan:** Overall at this point of a time on our direct export probably we are doing roughly around 60% and balance we are doing for the domestic producers and overall we are running our plant fully.
- Pankaj Bobade:** So you mean it is 80%, 85% or higher than that?
- R.S. Jalan:** It is roughly around 90% plus, but the balance like I said 30%, 35% of the production is primarily not for the export that is an opportunity we have kind of to convert that into the export.
- Pankaj Bobade:** So you mean to say currently 60% of the capacity would be utilized for exports market while that is underutilized and we will be converting that for exports market going forward?
- R.S. Jalan:** Yes, that is what the aim is.
- Pankaj Bobade:** Okay my last question how have been the realizations so far are they on increasing trend or flat in nature?
- R.S. Jalan:** Your question is relating to home textile?
- Pankaj Bobade:** Yes realizations in home textile.
- R.S. Jalan:** The home textiles the prices are I would say slightly on the upward side because the raw material prices has gone up, yarn prices has gone up, of course retailers are little reluctant of increasing the price but the industry is pursuing with the customers for increasing the price similarly we also, some of the retailers has agreed to increase the price and some of the retailers still we are negotiating for the price increase, but overall prices are better than the last year; however, cost of the raw material has also gone up.
- Pankaj Bobade:** As you mentioned about raw material do Indian textile makers get benefit of Indian cotton as compared to others?



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- R.S. Jalan:** Yes, definitely.
- Pankaj Bobade:** In terms of pricing too?
- R.S. Jalan:** The Indian cotton prices are cheaper than the international cotton prices.
- Pankaj Bobade:** So we are at the advantage as compared to the global players right?
- R.S. Jalan:** Yes.
- Pankaj Bobade:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Jason Soans from Monarch Network Capital. Please go ahead.
- Jason Soans:** Very simple question actually you mentioned that demand for textiles has been diverting from China to countries such as India, Vietnam, Bangladesh just wanted to know what are the main reasons for the same there is definitely an anti-china sentiment due to the COVID and everything, but are there any other reasons which you find for the shift?
- R.S. Jalan:** No, as you rightly said first reason is the anti-sentiment and second is that like I said there is a province Xinjiang where the cottons are being grown 70% or 75% of the cottons are grown there and there child labor issue is there and because of that lot of retailers they have refused to buy any product, which contains the Chinese cotton of that region.
- Jason Soans:** So there is a child labor issue there fine great. That is all from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Alisha Mahakavya from Envision Capital. Please go ahead.
- Alisha Mahakavya:** While most of my questions have been answered just wanted to understand that whatever soda ash realizations have declined about 4% YoY could you give us the number for full year FY2021 on FY2020?
- R.S. Jalan:** Yes, Raman can you give the FY what is the drop?
- Raman Chopra:** Year-on-year it is 4% but for the full year it is 10%.



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**Alisha Mahakavya:** I believe earlier in answer to another participant you said that you are expecting volume is about 10.5 next year can you tell us what was the volume growth for the full year in the soda ash business for FY2021 on 2020?

**R.S. Jalan:** There is a drop because of the pandemic the first six months was a drop; overall my understanding is 7% down Raman?

**Raman Chopra:** Around 9% drop.

**Alisha Mahakavya:** Okay thank you so much.

**Moderator:** Thank you. The next question is from the line of Rohit Nagraj from Sunidhi Securities. Please go ahead.

**Rohit Nagraj:** Thank you so much for the followup. Sir one question is on in terms of our debottlenecking so after we go ahead with soda ash from 11 lakh to 11.5 lakh and bicarb from 60000 to maybe 120000 do you have further scope for debottlenecking as our existing launch for soda ash or bicarb and is there further scope for any other chemicals to manufacture we indicated in terms of a diversification initiative?

**R.S. Jalan:** At this point of a time in terms of the Brownfield expansion no at the current location; however, like I said we are making an investment and journey towards IOT and that will definitely improve our utilization that will also improve our overall efficiency and that can lead it to the increase in the production. In terms of the other chemical no at this location probably we will not be able to make any other chemicals also because of the space constraint and that is all we thought which we have is that we will be making an investment into the new location, which we are in the process of acquisition.

**Rohit Nagraj:** Sir just to add what you said is another question was can we add more capacity beyond this 120 I think there some scope is there?

**R.S. Jalan:** Yes, there we have some scope.

**Rohit Nagraj:** Thank you so much and best of luck Sir.

**Moderator:** Thank you. The next question is a followup from the line of Saket Kapoor from Kapoor Company. Please go ahead.



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**Saket Kapoor:** Precisely sir everything has been answered, but on the Greenfield project part as you are already interesting on the fact that there would be two separate companies and they would be taking their growth separately so on this Greenfield project side definitely they are slow on it because of COVID effect, but still are we looking for any kind of M&A activity as JV partner using some bit of equity giving us some valuation, giving us some gap on the valuation part something on that anvil is there or we are going to go solo on the project sir, we have seen it earlier that many of the companies coming up with project are partnering with their consumer itself for an offtake agreement so anything of that is there in the anvil and what is the timeline for expanding the product basket as you told that have you only scratching the surface now or some work has been done and now we are taking further strikes going forward and one more point was on this Sir this reduction in royalty on soda ash for the US producer what would have been the reason from 6% to 2% and what has that impacted the market that is all?

**R.S. Jalan:** Mr. Saket first let me answer your last question first. The US natural producers and the mining community has been logging for the government of US to reduce the loyalty on the mining soda. Now at the time of the outgoing government some government they have agreed and they have reduced the royalty on to the soda ash and that had got an advantage to that and obviously that will enhance their competitiveness or that will enhance their kind of profitability. The first question which you said in terms of the opportunity of merger and acquisition partnership every opportunity is we are keeping our eyes open and we are looking at all those opportunities, which can be possible. At this point of a time something is on our place no at this point of time we do not have in place, but we are open for any such kind of options and we are exploring those options. Now coming back to the third point which you said what was the third question you have?

**Saket Kapoor:** Sir even I forgot.

**Raman Chopra:** No, basically said when you are exploring the product basket?

**Saket Kapoor:** Yes product basket thank you Raman.

**R.S. Jalan:** SaketJi you can say very rightly that right now we are scratching the surface only. The thought that come into our mind because the growth is imperative and the kind of a balance sheet we have, we have definitely an inspiration that we should look at, but yes we do not want to give rough and kind of make an investment, we want to properly evaluate and see which is a synergy our core competency where the opportunity of the growth in the future is



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also there, we will be going with that and not in a rough. So it is a thought I am discussing at this point of a time, but surely we will be working hard towards this goal.

**Saket Kapoor:** Lastly Sir if you could give the volume data for December quarter and March quarter for our volume production and sales number?

**R.S. Jalan:** As you know SaketJi we are not sharing the data.

**Saket Kapoor:** All the best Sir. Stay healthy and please take care. Thank you.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you Sir!

**R.S. Jalan:** Thank you very much all the shareholders who have participated and ask us the various questions. As I have always been saying your questions always put us a lot of thoughts in our mind and lots of challenges in front of us and we are happy to kind of address those advice of the challenges and in the last I would say that please take care of yourself, be safe we are passing a very difficult time and I hope that all of you will be well along with your family. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen on behalf of Emkay Global Financial Services that concludes this conference. Thank you all for joining us and you may now disconnect your lines.