

May 7, 2024

वैशाख - कृष्ण पक्ष, चतुर्दशी
विक्रम संवत्, २०८१

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCLTEXTIL

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 543918

Dear Sir/Madam,

Subject: Investors' Presentation – Q4FY24 Business Update

In continuation to our earlier communication dated May 01, 2024 that a conference call to discuss the Q4FY24 result with Mr. R S Jalan, Non-Executive Director, Mr. Raman Chopra, Non-Executive Director, Mr. R Balakrishnan, Chief Executive Officer and Mr. Gaurav V., Chief Financial Officer is scheduled to be held on **Wednesday, May 08, 2024 at 4.00 PM (IST)**, copy of the financials and other business details for Q4FY24 (i.e. Business Update), which is going to be circulated for the scheduled investors' conference is enclosed herewith for your reference and record.

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

You are requested to kindly note the same.

Thanking you

Yours faithfully

For GHCL Textiles Limited

Lalit Narayan Dwivedi
Company Secretary and Compliance officer
Membership No.: FCS10487



Encl: as above

Respect • Trust • Ownership • Integrated Team Work



GHCL TEXTILES LIMITED

Q4FY24 Investor Presentation

May 2024

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COMPANY OVERVIEW

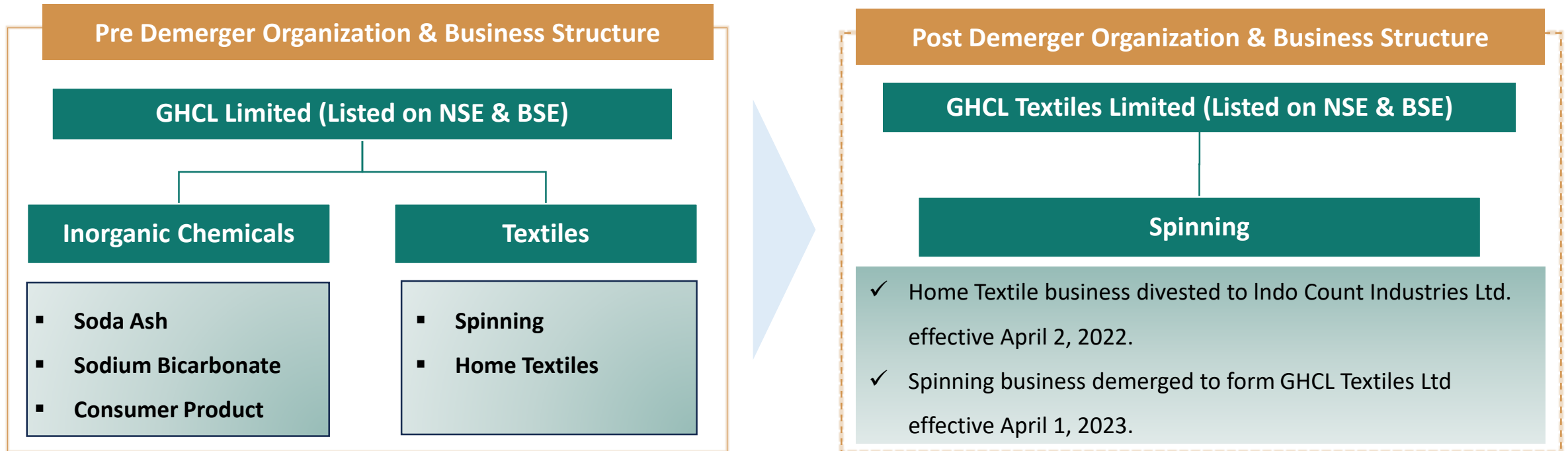


Emerging as a Prominent Player in the Industry

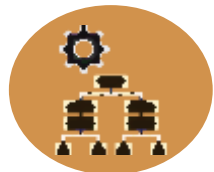


- Established as Sree Meenakshi Mills in 1927, journey started with acquisition of sick spinning unit in 2002, turnaround to one of India's leading yarn manufacturers and exporters.
- Currently operating with 2.25 Lakh spindles, 3,320 rotors, 5,760 TFO drums, and 5 air jet spinning machines, our production capacity stands at ~38K MTPA.
- Producers of high-quality yarns, including GIZA, SUPIMA, Australian, and CmiA Yarn, catering to domestic and international markets.
- State-of-the-art manufacturing infrastructure with cutting-edge textile machinery located in the state of Tamil Nadu.
- Committed to sustainability with substantial green energy assets providing cost benefits as well.
- Known for quality and customer-oriented focus.
- Strong Balance sheet to support future growth.

Organization & Business Structure



Demerger Rationale



Simplified Corporate Structure



Maximizing Shareholders Value



Focused Growth Prospects



FY24

Revenue: ₹ 1060 Cr
Gross Margin: 31%
EBITDA Margin: 8%
5 Yr. Avg. Margins: 14%



Capacities

Ring Spindles: 2.25 lac
Rotors: 3,320
Vortex: 480
TFO Spindles: 5,760



48%

Revenue from Value
Added Products



₹ 60 Cr
Net Debt



2

Manufacturing Units



98%+

Capacity Utilisation



300+

Customers



2,800*

Team size

Note: *People employed including all categories

What Set Us Apart



Vision: Strategic Plan

- Vertical integration of textile manufacturing to include knitted and woven finished fabrics which yields superior margins and integration with existing business
- Product basket expansions and increase the spinning capacity by ~1.5x
- Enhancement of Green energy portfolio to 75 MW (from 62 MW currently) to cater up to 85% of our energy requirement.
- Long term margins shall remain in the 17-20% range



Innovation



Sustainability

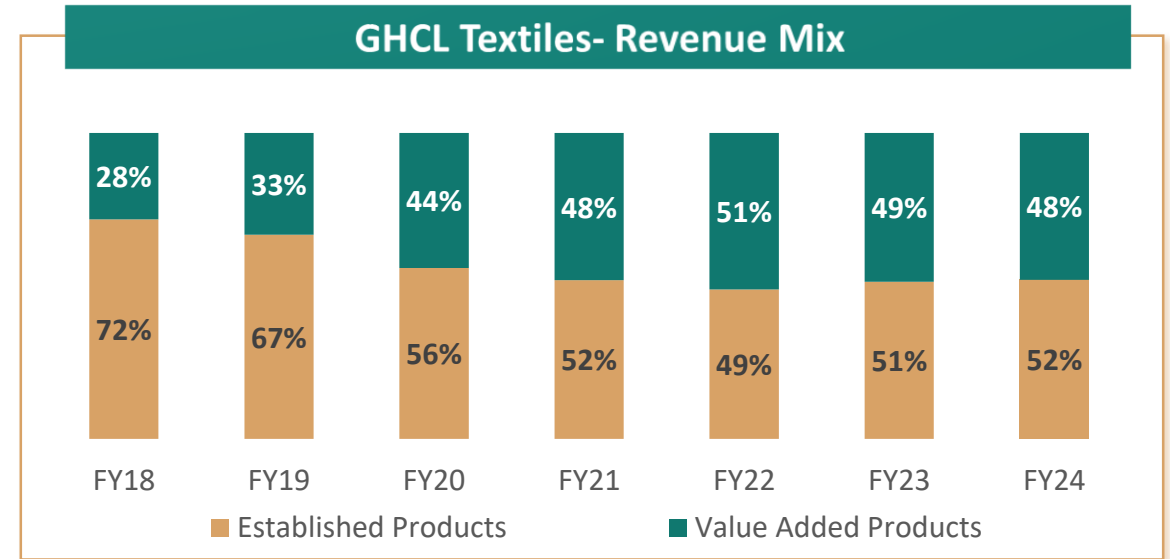
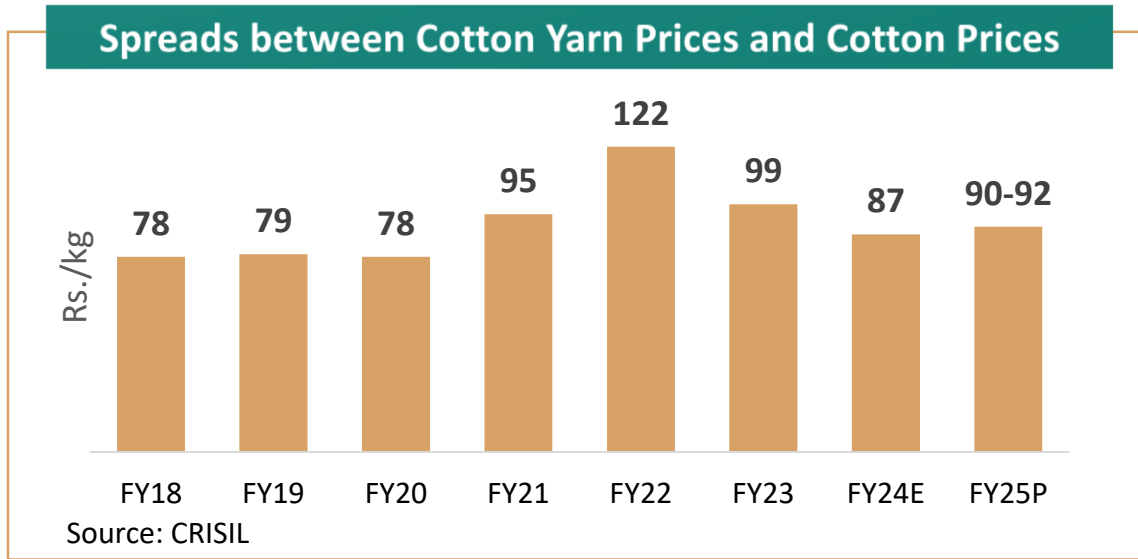


Traceability



Giving back to the society

Recovery in Cotton Yarn Spreads



- 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
- Strategically increased the revenue mix of value-added products to 48% of total revenue, to effectively mitigate market fluctuations and enable a stable margin visibility

*Cotton yarn spreads refer to the difference between the prices of raw cotton (average of domestic and international cotton prices) and domestic cotton yarn

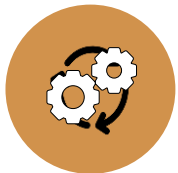
Committed for Future Expansions

New Project

Project Description	Current Status	Project Cost (Rs. Cr)	Timeline	Implication
25k Spindles capacity addition	Ongoing	215	Q2 FY2026	Expected to generate revenue of Rs. 250 Cr

Projects Completed in Last 2 Years

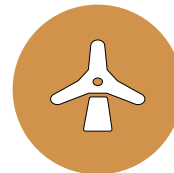
Project Description	Current Status
40k Spindles	Completed
15MW Renewable Energy	Completed



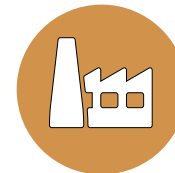
De-risking Business Model with Vertical Integration



Value- Added Product Basket Expansion



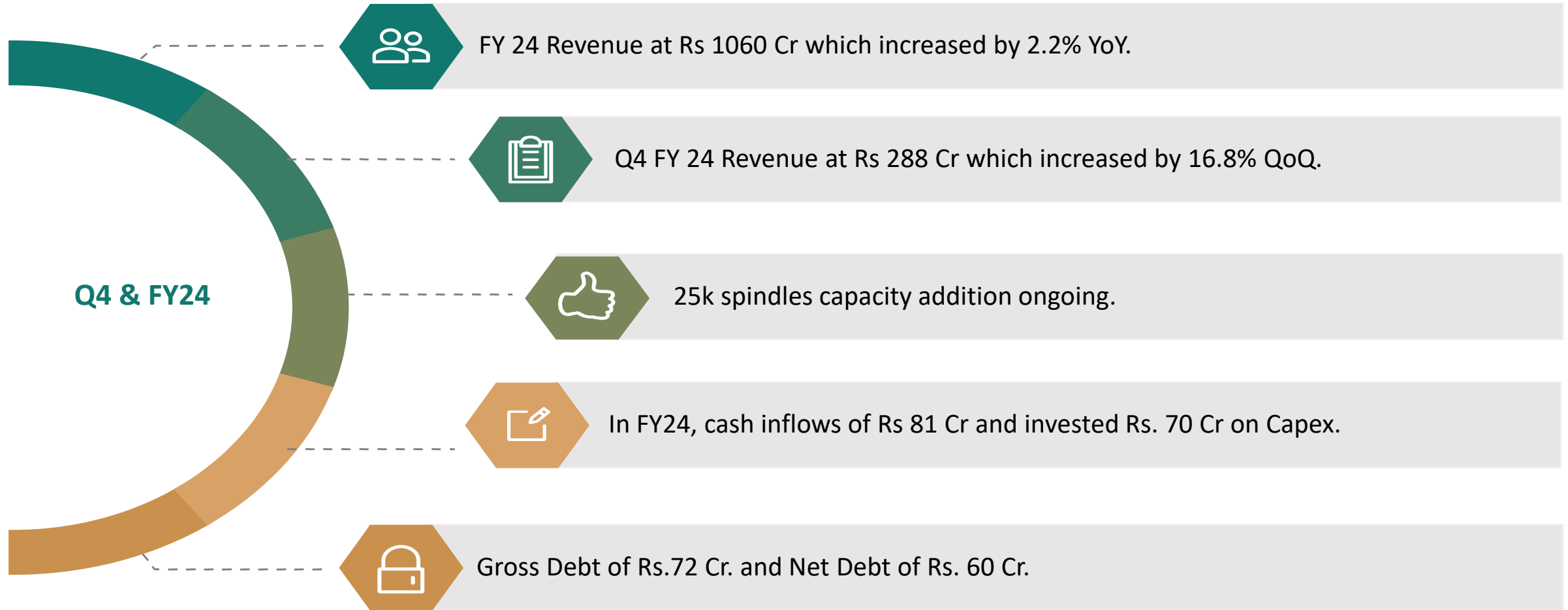
Renewable Energy Portfolio Expansion



Earnings & Margin Expansion

FINANCIAL PERFORMANCE





Financial Performance

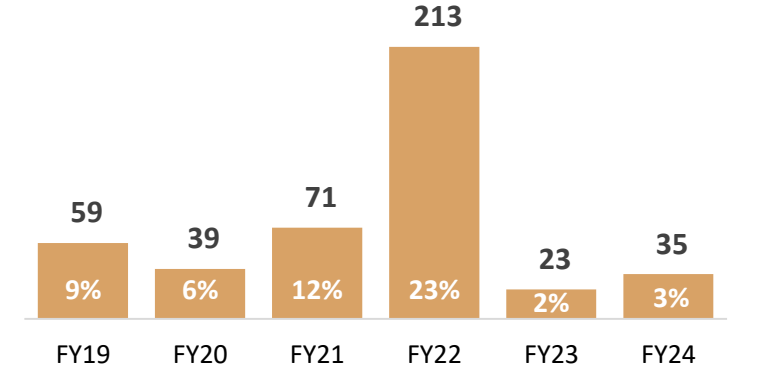
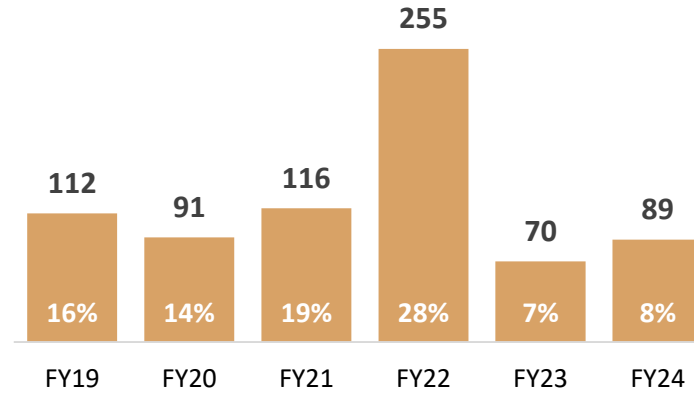
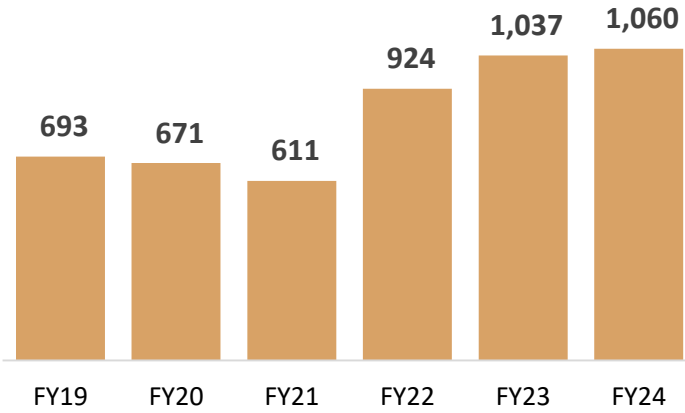


Revenue

EBITDA & Margin (%)

PBT & Margin (%)

Long Term Trend



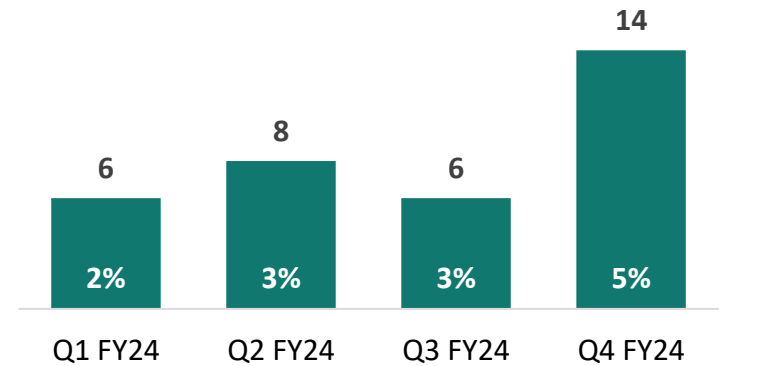
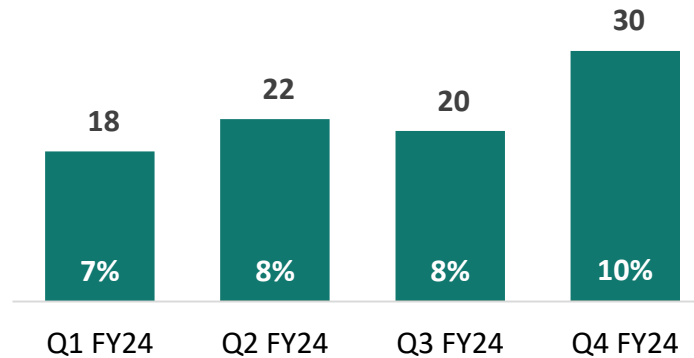
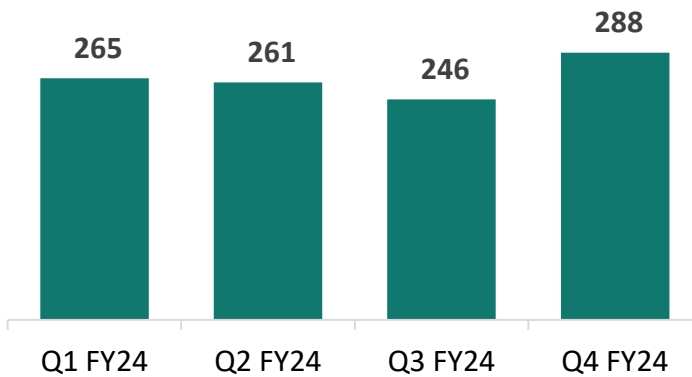
In Rs. Cr

Avg. Revenue of 5 Years: Rs. 861 Cr

Avg. EBITDA of 5 Years: Rs. 124 Cr (14%)

Avg. PBT of 5 Years: Rs. 76 Cr (9%)

Quarterly Trend



Note: (1) Before demerger, GHCL Textile was part of the merged entity. (2) Revenue and EBITDA numbers include other income.

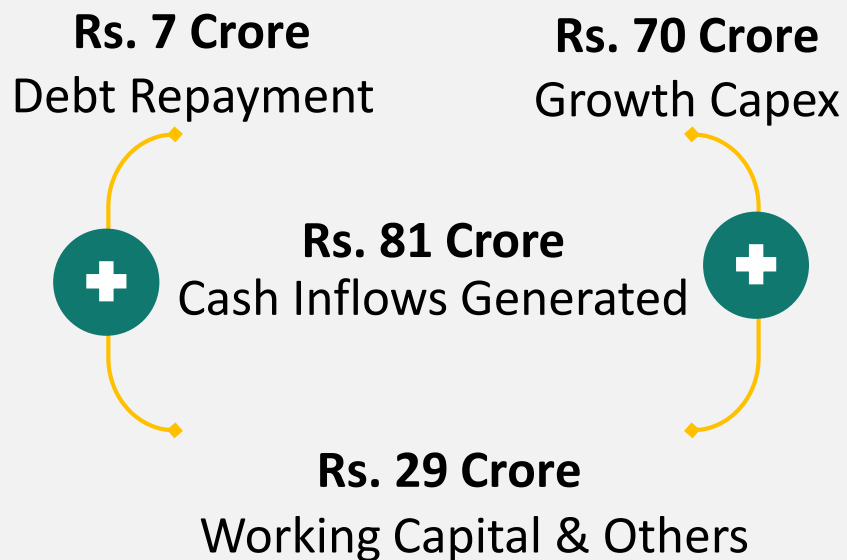
Efficient Capacity Utilisation with Increasing Exports



Volume and Utilisation					
Sales Volume	UoM	FY21	FY22	FY23	FY24
Yarn	MT	26,388	28,826	28,590	33,140
Knitted Fabric	MT	-	-	44	336
Griege Fabric	Meters ('000)	-	920	5,047	11,400
Capacity Utilization	%	95	98	94	98

Geographical Split					
Particulars	UoM	FY21	FY22	FY23	FY24
Domestic	Rs. Cr	571	809	903	901
Exports	Rs. Cr	39	115	134	159
<i>% of Total Revenue</i>	<i>%</i>	<i>6</i>	<i>12</i>	<i>13</i>	<i>15</i>
Total Revenue	Rs. Cr	611	924	1,037	1,060

Efficient Capital Allocation – FY24



Decrease in cash & cash equivalents*
Rs. 25 Crore

Gross Debt
Rs. 72 Crore

Net Debt
Rs. 60 Crore

Net Debt to Equity
0.04x

Closing cash & cash equivalents*
Rs. 12 Crore

*Note: *Cash and cash equivalents consists of cash, bank and current investments.*

Balance Sheet Extracts



Rs in Crore

Particular	As on March 31, 2024
Assets	
Non-Current Assets	1101
Current Assets	532
Total Assets	1633
Liabilities	
Net Worth	1386
Borrowing	72
Other Non-Current Liabilities	129
Current Liabilities	47
Total Equity and Liabilities	1633

Note: GHCL Textile has been demerged from GHCL Limited effective 1st Apr, 2023.

Q4 & FY24 Performance - Results



In Rs. Cr

Particulars	Q4FY24	Q3FY24	QoQ	Q4FY23	YoY	FY24	FY23	YoY
Total Income	288	246	<i>17%</i>	269	<i>7%</i>	1060	1037	<i>2%</i>
COGS	194	166	<i>17%</i>	219	<i>(11%)</i>	729	759	<i>(4%)</i>
Gross Profit	94	80	<i>18%</i>	50	<i>88%</i>	331	278	<i>19%</i>
Gross Profit (%)	33%	33%	<i>0 bps</i>	19%	<i>1400 bps</i>	31%	27%	<i>400 bps</i>
Employee Cost	17	15	<i>13%</i>	16	<i>6%</i>	62	54	<i>15%</i>
Power, Fuel & Water Exp.	17	17	<i>0%</i>	21	<i>(19%)</i>	71	61	<i>16%</i>
Other Expenses	31	28	<i>11%</i>	41	<i>(24%)</i>	107	92	<i>16%</i>
Total Expenditure	64	60	<i>8%</i>	77	<i>(16%)</i>	240	207	<i>16%</i>
EBIDTA	30	20	<i>50%</i>	(27)	<i>--</i>	89	70	<i>27%</i>
EBIDTA(%)	10%	8%	<i>200 bps</i>	(-10%)	<i>--</i>	8%	7%	<i>100 bps</i>
Interest	2	2	<i>0%</i>	2	<i>0%</i>	7	7	<i>0%</i>
Depreciation	13	12	<i>8%</i>	14	<i>(7%)</i>	47	40	<i>18%</i>
PBT	14	6	<i>133%</i>	(43)	<i>--</i>	35	23	<i>52%</i>
Tax Expense	4	2	<i>100%</i>	--	<i>--</i>	10	--	<i>--</i>
PAT	10	4	<i>150%</i>	--	<i>--</i>	25	--	<i>--</i>
NPM (%)	4%	2%	<i>200 bps</i>	--	<i>--</i>	2%	--	<i>--</i>

Note: Before demerger, GHCL Textile was part of the merged entity.

ANNEXURE



Decade-long Expertise in Spinning: Focused on Value Creation



2002 - 2008

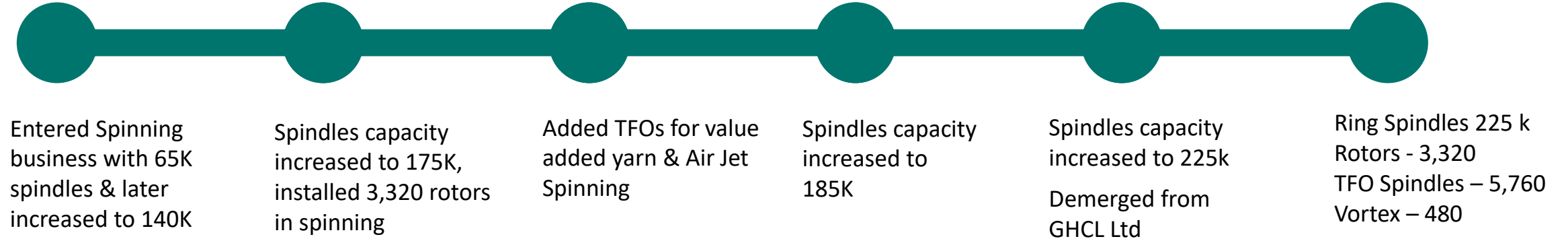
2009-2015

2016-2018

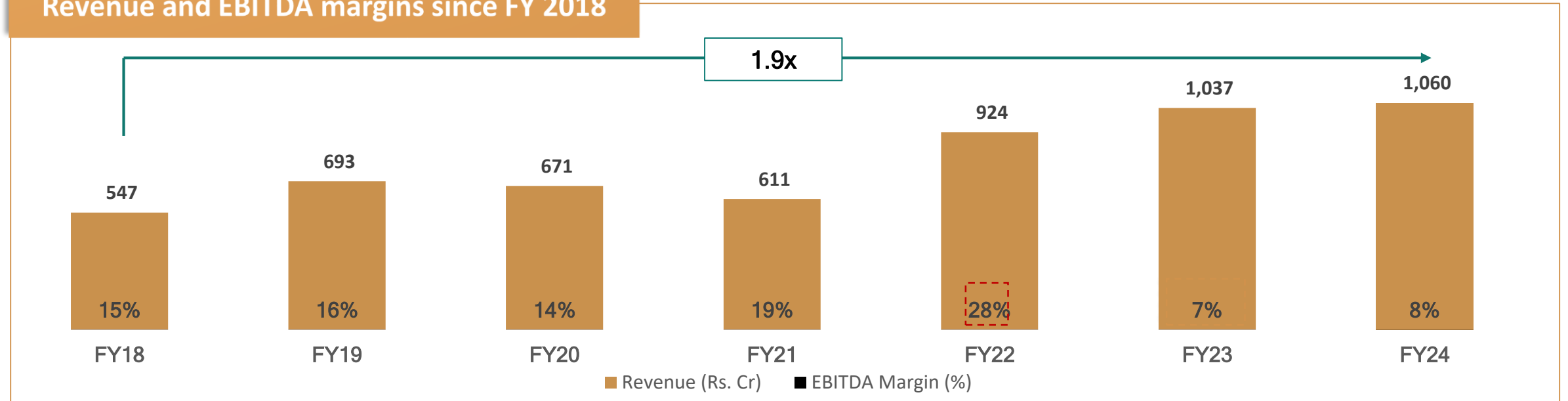
2019-2020

2022-2023

Current Capacities



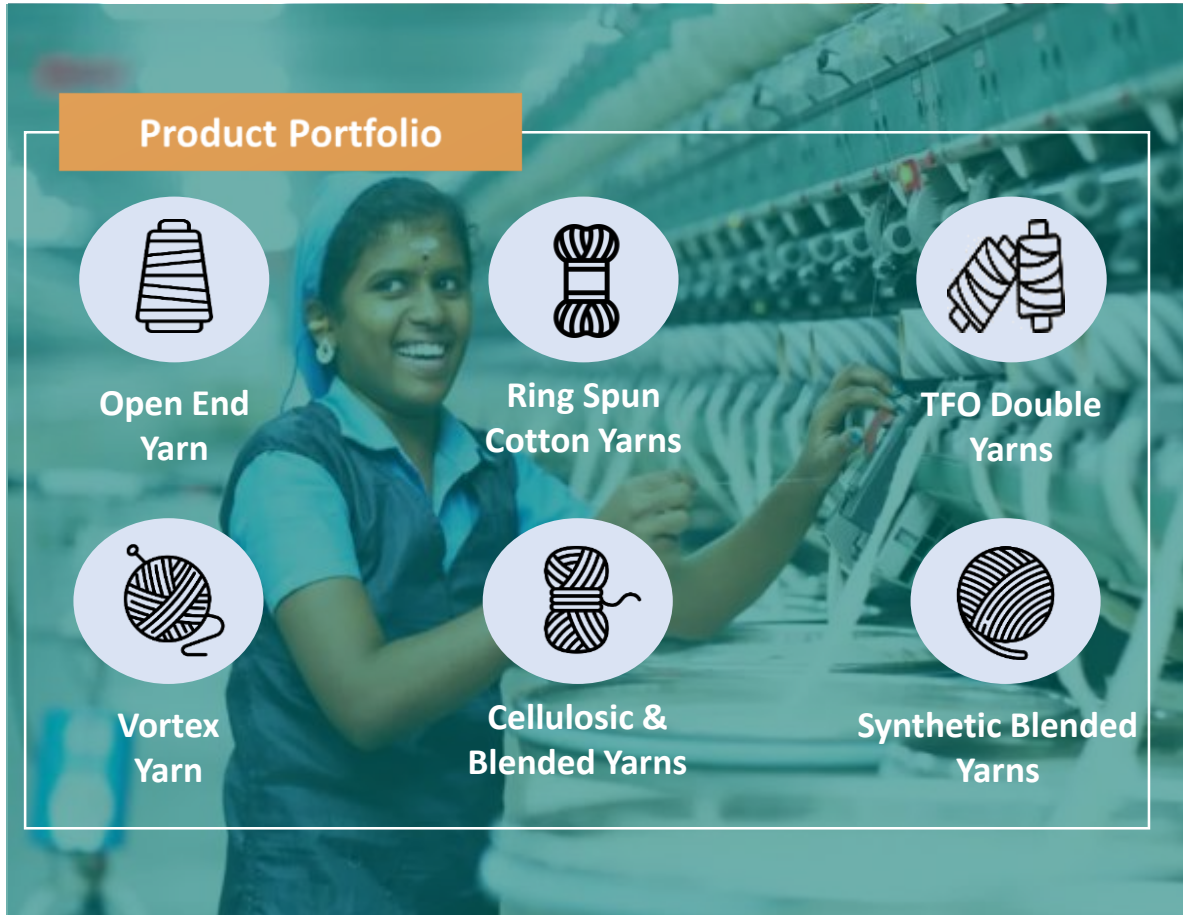
Revenue and EBITDA margins since FY 2018



EBITDA margins in FY22 was robust at 28% while in FY23 and FY24 was lower on account of headwinds faced by the industry.

Note: Before demerger, GHCL Textile was part of the merged entity.

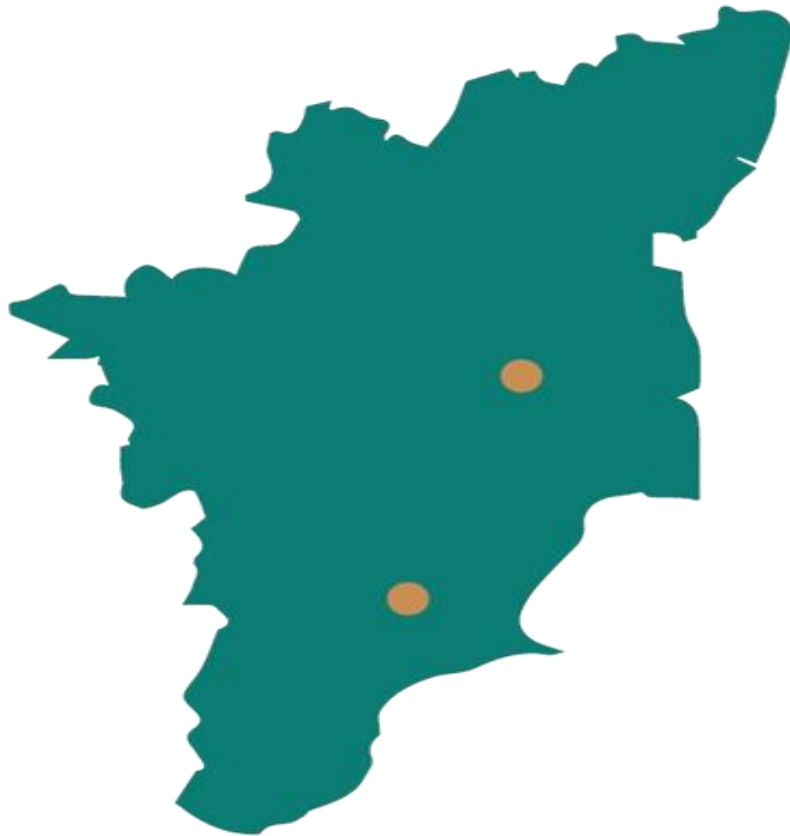
Diverse Product Basket: Key Product Offerings



Yarn Type	Range	End Use
100% cotton combed Compact Hosiery yarn from Indian, US and Australian Mix	25s to 60s	Knitting
100% cotton combed compact yarn from Indian, US, Australian, Supima and Giza Mix	30s to 170s	Weaving
Polyester /Cotton & Cotton/Polyester blended Hosiery yarn	25s to 40s	Knitting
PV/PC/100% Polyester normal and Fancy Yarns	25s to 70s	Weaving
100% cotton open end Indian/Contamination Free Yarn	10s to 32s	Knitting / Weaving
100% VSF Vortex and Ring Spun Yarn	30s to 40s	Knitting / Weaving
Micro Modal, Tencel SIRO and its blend yarn	40s to 80s	Knitting / Weaving
100% Cotton TFO yarn in all Mix	2/30s to 2/170s	Weaving

Preferred supplier to premium customers both at domestic and international level with varied portfolio offerings

Best-in-class Manufacturing Capability at Tamil Nadu



- Journey started with acquisition of sick spinning unit in 2002, turnaround to one of the most reputed mills in southern India
- Yarn operation sites are in Paravai, Madurai district & Manaparai, Tiruchirappalli district in the state of Tamil Nadu
- Utilizing advanced machinery from leading global brands like LMW, Rieter, Schlafhorst, Savio, Murata and Truetzschler

Map not to scale. Only for representation purpose

10+ Years

Long Standing Relationship
with Several Key Customers

Fully Equipped

- 38,000 MTPA yarn production
- Culture for developing value-added products leading to value creation

Product Basket

- Wide range of products form commodity to value-added
- Tailor-made products to suit specific applications
- Further expanding product portfolio to be one stop shop

Premium Quality

- Producers of high-quality yarns, including GIZA, SUPIMA, Australian, & CmiA Yarn, catering to domestic & international markets.
- Adhering to global standards & international best practices

Quality Assurance

- Machines equipped with latest on-line quality monitoring systems
- Certified member of USTERIZED brand which is a symbol of excellence in spinning

Serviceability

- Single-step service process for Customers while following the problem through to its resolution
- Outstanding customer service experience to build trusting relationships

Traceability

- Developed a traceability platform for premium products, offering details on source locations, environmental and social impact to customers.

Superior Customer Base



“ We strive to become a responsible steward and aim to reduce the overall environmental footprint of the organisation and will continuously monitor our journey ”

Several Initiatives Focused on ESG:

- **Renewable Energy:** 72% of energy consumption catered through green power
- **Environment:**
 - Green belt initiatives through trees plantation
 - Significant savings in purchased electricity through usage of renewable electricity
- **Water Reclamation:**
 - 46 mn litres of rain water harvested each year
 - Saving from water recycling
- **Impactful CSR Initiatives by GHCL Foundation Trust:**
 - Promoting sustainable Agriculture and Animal Husbandry practices.
 - Prioritizing Health initiatives for community well-being.
 - Dedicated to Women Empowerment and Education in Madurai and Manapparai regions.



Superior Credibility Through Several Certifications



Textiles Industry Overview

Critical sector contributing over 2% to total GDP & more than 12% to manufacturing sector GDP

Second-largest employment provider in India, engaging around 45 mn people directly & 60 mn indirectly. Spinning is the basic foundation for the textile industry

Pandemic Impact & Recovery

Robust demand during & post-pandemic, driven by home-bound consumers focusing on health & hygiene.

Cotton & yarn prices surged, benefiting the textile industry, but a fall in end-user demand later impacted spinning mills

Policy-Driven Turnaround

Government initiatives & measures like technical textile support, PLI scheme, PM MITRA textile parks, international collaborations via FTAs & MoUs are set to catalyze the industry's rebound

Consolidation in the industry leading to emergence of larger mills (>1 lakh spindles) over traditional family run mills

Resilient and Skilled Management Team



MR. R. BALAKRISHNAN
CHIEF EXECUTIVE OFFICER



MR. N. RAJAGOPAL
HEAD - TECHNICAL



MR. D. RAMESH BABU
OPERATIONAL HEAD



MR. GAURAV V
CHIEF FINANCIAL OFFICER



MR. LALIT DWIVEDI
COMPANY SECRETARY

Experienced and Accomplished Board of Directors

MR. ANURAG DALMIA
CHAIRMAN

MR. R. S. JALAN
NON- EXECUTIVE DIRECTOR

MR. RAMAN CHOPRA
NON- EXECUTIVE DIRECTOR

MR. NEELABH DALMIA
NON- EXECUTIVE DIRECTOR

MR. ARUN KUMAR JAIN (Ex-IRS)
INDEPENDENT DIRECTOR

DR. MANOJ VAISH
INDEPENDENT DIRECTOR

MR. RAVINDRA SINGH (Justice Rtd.)
INDEPENDENT DIRECTOR

MRS. VIJAYLAXMI JOSHI (Ex-IAS)
INDEPENDENT DIRECTOR

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Investor Relations

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THANK YOU

