

February 03, 2025

माघ शुक्लपक्ष, षष्ठी  
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,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda  
Building, P.J. Towers,  
Dalal Street, Fort, Mumbai – 400 001  
**BSE Code: 543918**

Dear Sir/Madam,

**Subject: Investors’ Presentation – Q3FY25- Business Update**

In continuation to our earlier communication dated January 22 , 2025 that a conference call to discuss the Q3FY25 results 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 **Tuesday, February 04, 2025 at 4.00 PM(IST)**, please find enclosed herewith copy of the financials and other business details for Q3FY25 (i.e. Business Update), which is going to be circulated for the scheduled investors’ conference for your reference and record.

Please note that copy of this communication shall also be available on the website of the company ([www.ghcltextiles.co.in](http://www.ghcltextiles.co.in)), BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).

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

Q3 FY25 Investor Presentation

February 2025

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Commenting on  
the performance,  
Mr. R. S. Jalan, said

*GHCL Textiles is a leading Indian yarn manufacturer and exporter, with advanced facilities in Tamil Nadu specializing in high-quality cotton and blended yarns. We have expanded into the fabric segment, leveraging our expertise in cotton coverage and maintaining a lean cost structure. With 62MW of green assets meeting 72% of our energy needs, we emphasize efficiency and sustainability.*

*With the arrival of new cotton crop, domestic cotton prices has slightly fallen. It is expected that the cotton prices will remain stable which shall support the domestic spinning industry. The sector should benefit with revival in demand from domestic and international markets, cotton availability and prices, and revival of FTA discussion with the UK.*

*We have a robust balance sheet and have committed over Rs. 1,000 crores of investments, of which Rs. 350 crores have already been deployed. Ongoing expansion of 25,000 spindles with a capital outlay of Rs. 215 Crores is progressing as per plan and is expected to be completed by June-2025. We are undertaking fresh investments in knitting with a capital outlay of Rs 38 Crore. We will further integrate into weaving and dyed fabric production. We are undertaking reorganization of some of our capacities which will enhance the operational performance and overall margins.*

*Driven by operational excellence and strong customer relationships, our consistent performance positions us advantageously. Our vision is to provide ready to cut fabric to our end customers.*

## Union Budget 2025-26

### Higher Allocation

The Ministry of Textiles has received a Rs. 5,272 Cr allocation for 2025-26, reflecting a 20% increase from FY25 (Rs. 4,400 Cr) and a significant rise from Rs. 3,400 Cr in FY24.

Sizable allocation of Rs.1,148 Cr towards the PLI scheme for textiles, up 58% over revised budget of 2024-25.

### Cotton Productivity

Allocation of Rs. 500 Cr towards a 5 year 'Mission for Cotton Productivity' to increase cotton yield especially of extra long staple varieties- crucial for high-value textile exports.

Initiative will stabilize raw material supply, reduce import dependence, and enhance India's textile competitiveness.

### Custom Duty

Import duty on knitted fabrics covering nine tariff lines from "10% to 20%" revised to "20% or Rs. 115 kg, whichever is higher".

Improve the competitiveness of Indian knitted fabric manufacturers and curb cheap imports.

### Other Key Initiatives

- Exports emphasis
- Increased credit, benefiting textile MSMEs.
- National Manufacturing Mission
- Export Promotion Mission
- Increased funding for ATUFS and skill development to drive industry transformation.

**We believe that the Union Budget has several measures aimed at enhancing competitiveness, boosting exports and modernizing the industry, which will have long term positive impact on the Indian textile sector.**

## Operational Excellence

- 98%+ utilization, even in tough markets.
- Lean cost structure with efficient power, labor, and admin management.
- 62MW renewable energy covers ~72% of energy needs.
- ~80% of the workforce consists of skilled women.

## Customer-Centric Approach

- Catering to strategic customers who require customized products

## Shift to Value-Added Segments

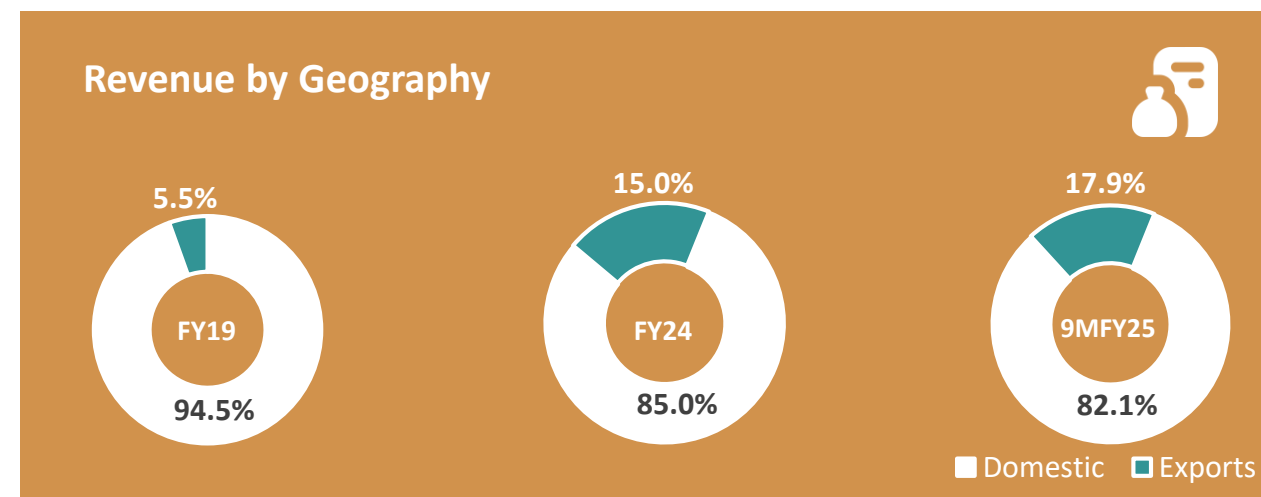
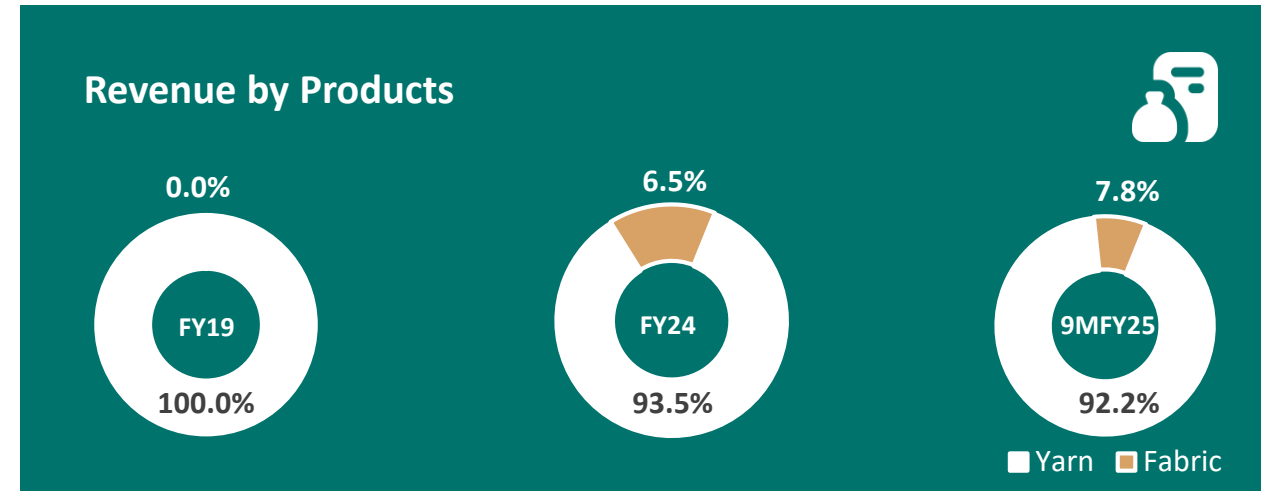
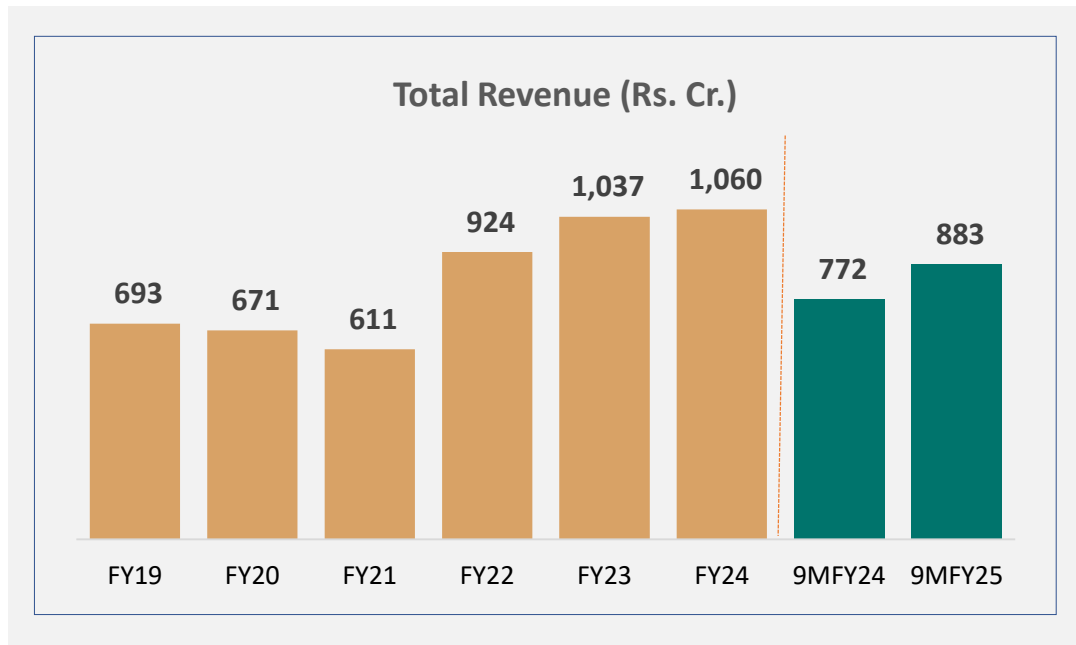
- Gradual transition from commodity yarn to higher-margin, value-added yarn segments

## Strong Foundation for Growth

- Expertise in cotton inventory management
- Strong balance sheet supports sustainable growth

# Ongoing Revenue Diversification to Drive Future Growth

- Increasing revenue trend from value-added products (knitted and griege fabric); and exports
- Strategy aims to reduce market risks and ensure stable margins
- Focus on continued diversification for future growth



## Capex Commitment

Signed MoUs with Tamil Nadu Govt. for Rs. 1,035 Cr. investment; Rs. 360 Cr. already invested in 40k spindles and solar power, currently running at full capacity.

## Ongoing & Future Growth Plans

Adding 25k spindles and Knitting 40 machines in two phases; Thereafter, plans to setup weaving, and dyed fabric production capacities.

## Higher Margins & Returns

Expanding product portfolio to drive higher scale, better margins, and increased returns, benefiting shareholders.

## Capex – Capacity Additions

Project Description	Current Status	Project Cost (Rs. Cr)	Timeline	Implication
25k Spindles	Ongoing	215	Q2 FY2026	Expected to generate revenue of Rs. 250 Cr
Knitting	New	38	Q2 FY2026 & Q4 FY2026	Forward integration into own cotton yarn





- **Vertical integration** of the yarn manufacturing to include knitted, weaving and dyed fabrics, which yields superior margin and integration with existing business.
- **Enhancement of Green energy** portfolio to 75 MW (from 62 MW currently) to cater up to 85% of our energy requirement.
- These initiatives will be margin and return accretive. **Long term EBITDA margins** shall be in 17-20% range.



Innovation



Sustainability



Traceability

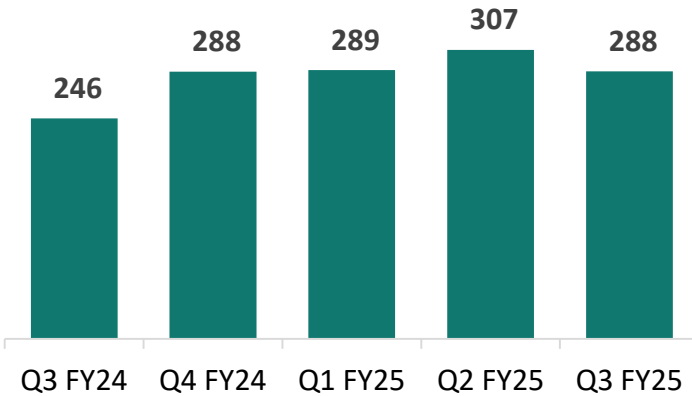


Giving back to the society

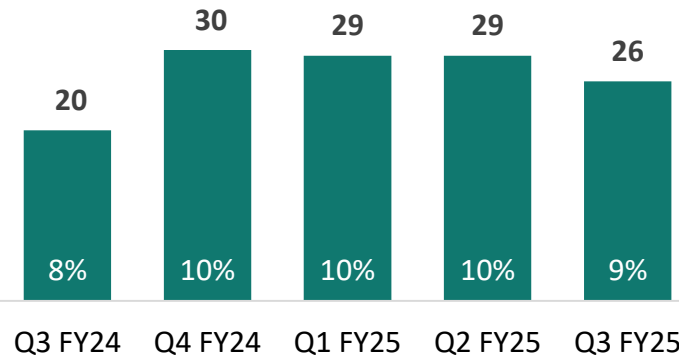
# Financial Performance

## Revenue

Quarterly Trend

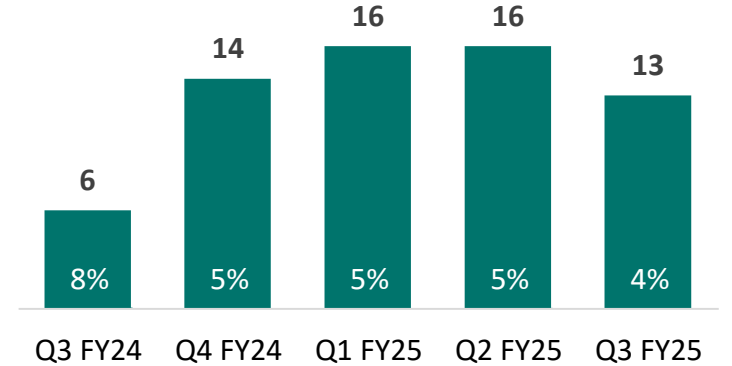


## EBITDA & Margin (%)

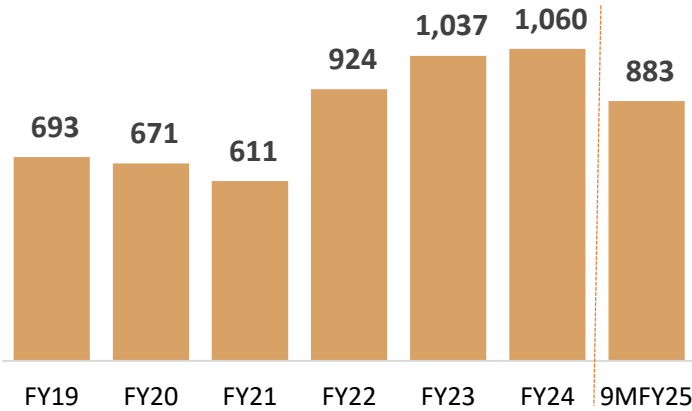


## PBT & Margin (%)

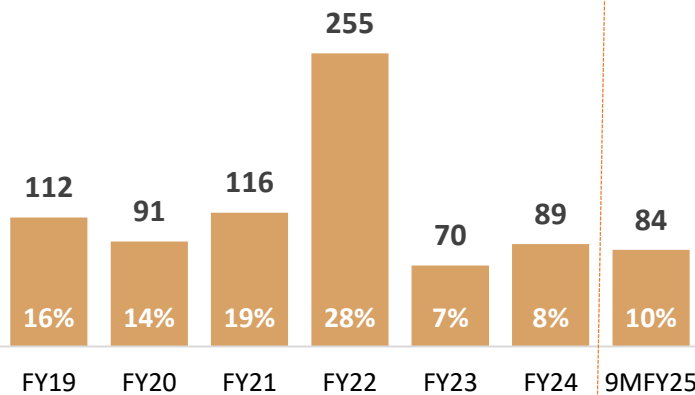
In Rs. Cr



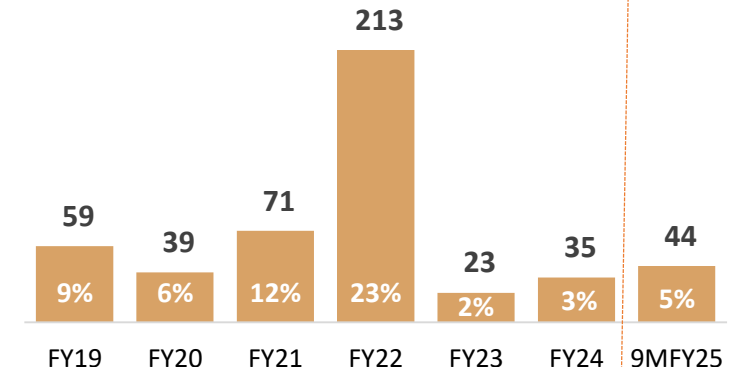
Long Term Trend



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%)

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

# Q3 & 9M FY25 Results



In Rs. Cr

Particulars	Q3FY25	Q2FY25	QoQ	Q3FY24	YoY	9MFY25	9MFY24	YoY
<b>Total Income</b>	<b>288</b>	<b>307</b>	-6%	<b>246</b>	17%	<b>883</b>	<b>772</b>	14%
COGS	194	211	-8%	166	17%	599	536	12%
<b>Gross Profit</b>	<b>94</b>	<b>95</b>	-2%	<b>80</b>	17%	<b>284</b>	<b>236</b>	20%
<i>Gross Profit (%)</i>	<i>32.6%</i>	<i>31.1%</i>	<i>150 bps</i>	<i>32.6%</i>	<i>0 bps</i>	<i>32.2%</i>	<i>30.6%</i>	<i>160 bps</i>
Operating Expenses	68	66	2%	60	13%	200	177	13%
<b>EBITDA</b>	<b>26</b>	<b>29</b>	-11%	<b>20</b>	29%	<b>84</b>	<b>60</b>	42%
<i>EBITDA Margin (%)</i>	<i>9.1%</i>	<i>9.5%</i>	<i>(40 bps)</i>	<i>8.2%</i>	<i>90 bps</i>	<i>9.6%</i>	<i>7.7%</i>	<i>190 bps</i>
Interest	1	0	27%	2	-66%	2	5	-59%
Depreciation	13	13	0%	12	4%	38	34	11%
<b>PBT</b>	<b>13</b>	<b>16</b>	-20%	<b>6</b>	105%	<b>44</b>	<b>20</b>	119%
Tax Expenses *	3	-5	-170%	2	94%	2	5	-54%
<b>PAT</b>	<b>9</b>	<b>21</b>	-55%	<b>4</b>	109%	<b>42</b>	<b>15</b>	182%
<i>PAT Margin (%)</i>	<i>3.3%</i>	<i>6.7%</i>	<i>(340 bps)</i>	<i>1.8%</i>	<i>150 bps</i>	<i>4.7%</i>	<i>1.9%</i>	<i>280 bps</i>

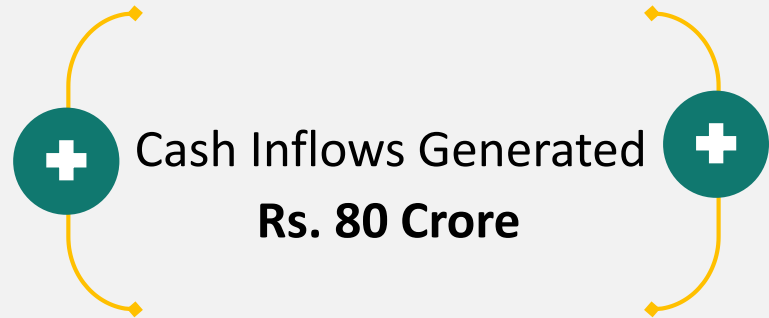
Note: Before demerger, GHCL Textile was part of GHCL Limited. (2) Revenue and EBITDA numbers include other income.

\* Tax expenses includes reversal of deferred tax liability of Rs.8.62 Cr. on account of removal of indexation benefits and change in tax rate on long term capital gains.

## Capital Allocation for 9M FY25

Debt Repayment  
**Rs. 61 Crore**

Growth Capex  
**Rs. 75 Crore**



Dividends Paid  
**Rs. 5 Crore**

Working Capital Release  
**Rs. (84) Crore**

**Increase in cash & cash equivalents\***  
**Rs. 24 Crore**

Gross Debt  
**Rs. 11 Crore**

Net Cash Surplus  
**Rs. 25 Crore**

Net Debt to Equity  
--

Return on Capital Employed\*\*  
**5%**

Return on Equity\*\*  
**5%**

**Closing cash & cash equivalents\***  
**Rs. 36 Crore**

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

\*\* RoCE and RoE excludes Rs. 332 Cr. on account of capital reserves from demerger and surplus non-operating assets. Without this adjustment RoCE is 4% and RoE is 4%.

# Efficient Capacity Utilisation with Increasing Fabric Sales & Exports



Particulars	UoM	FY19	FY20	FY21	FY22	FY23	FY24	9M FY24	9M FY25
<b>Sales Volume:</b>									
Yarn	MT	28,426	29,293	26,388	28,826	28,590	33,140	23,947	27,207
Knitted Fabric	MT	-	-	-	-	44	336	277	368
Griege Fabric	Lakh Meters	-	-	-	9	50	114	83	114
<b>Capacity Utilization</b>	<b>%</b>	<b>98%</b>	<b>98%</b>	<b>95%</b>	<b>98%</b>	<b>94%</b>	<b>98%</b>	<b>98%</b>	<b>98%</b>

Total Revenue	Rs. Cr	693	671	611	924	1,037	1,060	772	883
<b>Revenue by Products:</b>									
Yarn	Rs. Cr	693	671	611	914	1,005	991	721	813
Fabric	Rs. Cr	-	-	-	10	32	69	51	69
% of Revenue	%	-	-	-	1.1%	3.1%	6.5%	6.6%	7.8%
<b>Revenue by Geography:</b>									
Domestic	Rs. Cr	655	613	571	809	903	901	664	724
Exports	Rs. Cr	38	58	39	115	134	159	109	158
% of Revenue	%	5.5%	8.6%	6.4%	12.4%	12.9%	15.0%	14.1%	17.9%

Note: Before demerger, GHCL Textiles was part of GHCL Limited

# Financial Performance - Annual

In Rs. Cr

Particulars	FY19	FY20	FY21	FY22	FY23	FY24
<b>Total Income</b>	<b>693</b>	<b>671</b>	<b>611</b>	<b>924</b>	<b>1037</b>	<b>1060</b>
COGS					759	729
<b>Gross Profit</b>					<b>278</b>	<b>331</b>
<i>Gross Profit (%)</i>					27%	31%
Employee Cost					54	62
Power, Fuel & Water Exp.					61	71
Other Expenses					92	107
<b>Total Expenditure</b>					<b>207</b>	<b>240</b>
<b>EBITDA</b>	<b>112</b>	<b>91</b>	<b>116</b>	<b>255</b>	<b>70</b>	<b>89</b>
<i>EBITDA (%)</i>	16%	14%	19%	28%	7%	8%
Interest					7	7
Depreciation					40	47
<b>PBT</b>	<b>59</b>	<b>39</b>	<b>71</b>	<b>213</b>	<b>23</b>	<b>35</b>
Tax Expense					--	10
<b>PAT</b>					--	<b>25</b>
<i>NPM (%)</i>					--	<b>2%</b>

Note: (1) Before demerger, GHCL Textiles was part of GHCL Limited. (2) Total Income and EBITDA numbers include other income.

# COMPANY OVERVIEW



# An Introduction to GHCL Textiles

## 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

300+

Customers

98%+

Capacity Utilisation

- Journey started with acquisition of sick spinning unit in 2002, turnaround to one of the most reputed mills.
- Spinning business demerged to form GHCL Textiles Ltd effective April 1, 2023.
- 2 State-of-the-art manufacturing infrastructure with cutting-edge textile machinery located in the state of Tamil Nadu.
- Producers of high-quality tailor made yarns, catering to domestic and international markets.
- Committed to sustainability with substantial green energy assets providing cost benefits as well.





# Decade-long Expertise in Spinning: Focused on Value Creation



2002 - 2008

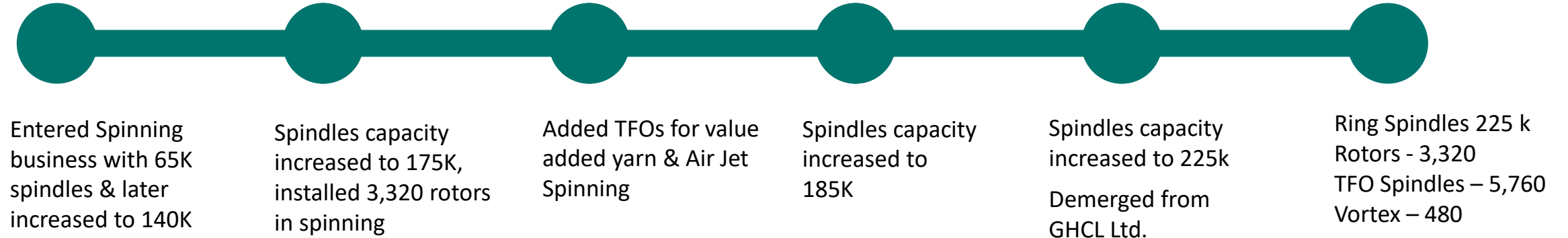
2009-2015

2016-2018

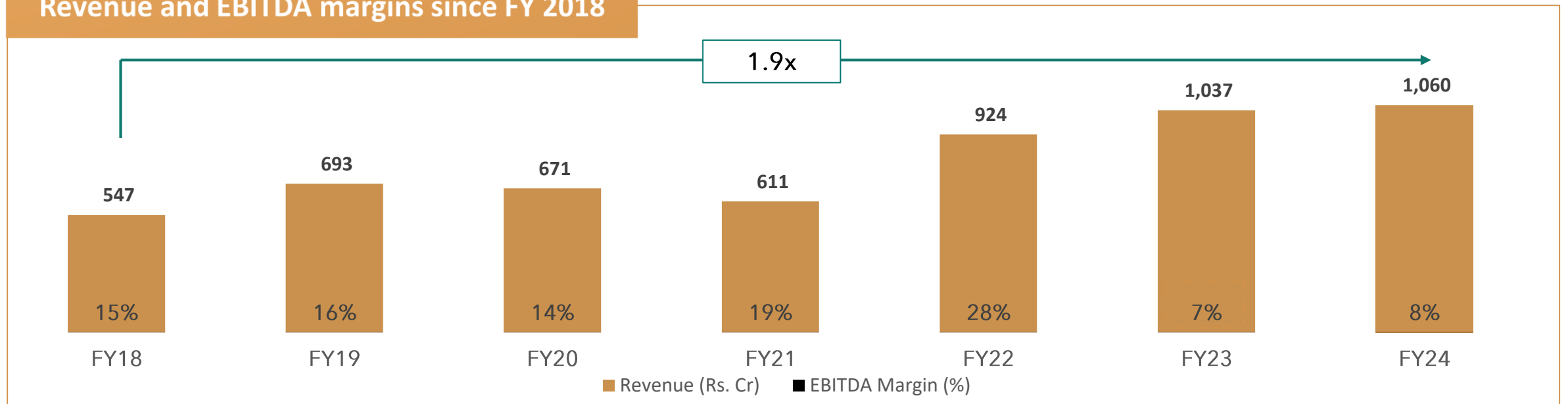
2019-2020

2022-2023

Current Capacities



## Revenue and EBITDA margins since FY 2018



Note: 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 Textiles was part of GHCL Limited

# 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

**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
- Cost benefits driven by a deeply ingrained cost-conscious culture

## 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



# Superior Credibility Through Several Certifications



*“ 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:** caters to 72% of energy consumption
- **Environment:**
  - Significant savings in purchased electricity through usage of renewable electricity
  - Saving from water recycling and rain water harvesting
- **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.



# Experienced Leadership Team

## Resilient and Skilled Management Team



**MR. R. BALAKRISHNAN**  
CEO



**MR. GAURAV V**  
CFO



**MR. D. RAMESH BABU**  
OPERATIONAL HEAD



**MR. N. RAJAGOPAL**  
TECHNICAL HEAD



**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

## Contact Us:

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**Investor Relations**

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# THANK YOU

