



GANESHA ECOSPHERE LTD.

# AN IDEA WHOSE TIME HAS COME



32<sup>ND</sup> ANNUAL REPORT 2020-21

# CONTENT

01	An Idea Whose Time has Come
02	The Journey of Turning Waste into Wealth
04	Our Value Proposition
06	Our Product Portfolio
10	Key Performance Highlights
12	Chairman's Letter
14	Sustainable Innovation
16	Responsible Footprints
18	Committed Towards Inclusive Growth
20	Board of Directors
22	Management Discussion and Analysis
29	Directors' Report
47	Corporate Governance Report
69	Business Responsibility Report
78	Standalone Financial Statements
131	Consolidated Financial Statements
181	AGM Notice

## FORWARD-LOOKING statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report contains forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried to identify such statements wherever possible by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or underlying assumptions prove to be inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# AN IDEA WHOSE TIME HAS COME



The world is awakening to the pressing need to save the Mother Earth from drowning into the plastic pollution. People and countries across the globe are looking at alternatives to reduce the impact on the environment, and become more sustainable and greener.

Today, plastic waste has become a major environmental concern. While on one hand, industries are looking at plastic as a more flexible, convenient and cost efficient material for products, on the other hand plastic products and packaging have been creating environmental hazard around the world. According to UN Environment, 1 million plastic drinking bottles are purchased every minute around the world and 5 trillion single-use plastic bags are used worldwide every year. Interestingly, around half of all plastic produced in the world is designed to be used only once and then thrown away, which most of the time end up in landfills or pollute our water resources.

At the rate that we are moving ahead, it is believed that our oceans will be flooded with more plastic than fishes by 2050. Hence, it is a wakeup call for all of us to introspect, reimagine and act towards embracing recycling as **An Idea Whose Time Has Come**. The future is of reduce, recycle and reuse. Businesses and countries are working towards finding ways to become more sustainable and greener. The recent COVID-19 pandemic has further sealed the thought of restoration of nature and its resources to keep mankind and the Earth healthy.

It is a defining time for sustainable development and circular economy. And at Ganesha Ecosphere, we are optimistic of our mission of recycling every PET bottle disposed of as waste in the world. We are evolving to look at alternate or virgin materials to produce sustainable products out of PET bottle waste that enable our partners achieve their sustainability goals and the global mission to make world a better place to live.

# GANESHA ECOSPHERE

## The journey of turning waste into wealth

Initiating our journey in 1987, we stepped into the unconventional business of sustainability and environmental care back in 1995 with our modest PET bottle recycling plant at Kanpur Dehat, Uttar Pradesh. From then and now, the world has moved fast and so has the usage, production and need for recycling of PET bottles.

Today, Ganesha Ecosphere is the leading recycler of PET bottles in India with more than 6 billion PET bottles recycled annually. Driven by the aim of turning waste into wealth, we have been innovating and producing value-added RPSF (Recycled Polyester Staple Fibre) that find application in the manufacture of textiles (T-Shirts, body warmers etc.), functional textiles (non-woven air filter fabric, geo textiles, carpets, car upholstery) and fillings (for pillows, duvets, toys) across the world. We have been helping some of the largest and renowned brands in achieving their sustainability goals through our products.

We are one of the pioneers in manufacturing of rPET Fibre and rPET Yarn from pre and post-consumer PET plastic scrap in India. We have been collecting and recycling PET bottles through our pan-India network of scrap dealers and contractors, who in turn work through rag pickers for supplying the PET plastic waste to us.

Our manufacturing units at Kanpur Dehat (Uttar Pradesh), Rudrapur (Uttarakhand), and Bilaspur, Rampur (Uttar Pradesh) have a cumulative capacity of 1,18,800 MTPA (1,08,600 TPA of RPSF and 7200 TPA of RPSY and 3000 TPA of Dyed and Texturised/ Twisted Filament Yarn) of rPET Fibre and Yarn. Ganesha Group is also in the process of setting up a plant at Warangal, Telangana that is expected to be operational by Q1FY23. In addition to this, we plan to setup a washing and chips unit in Nepal by December 2021.

**300<sup>≡</sup>** Customers

**250<sup>≡</sup>** Suppliers

**500<sup>≡</sup>** Product Variants

**3** Manufacturing Sites

**20<sup>≡</sup>** Export Countries

**6BN<sup>≡</sup>** PET bottles recycled per year

**108,600 MTPA**  
**PET waste is converted into high-quality r-PET fibre (recycled polyester)**

# OUR VISION

To become a Global Corporate citizen committed to recycle every PET bottle which is thrown into waste with world class recycling facilities and to create wealth for our stakeholders through conducting business around social and environmental concerns.

# OUR MISSION

» To be a **HIGH-PERFORMANCE** organization by making the best use of resources and empowering people.

» To be the **PREFERRED** choice of our customers by providing world class customer services.

» To maintain **HIGH LEVELS OF QUALITY** in our products through innovative research and technology development in our processes, products and applications.

» To build **RELATIONSHIPS** with stakeholders based on trust, transparency and ethical business conduct.

» To **CONTRIBUTE** to the cause of making our planet a better place to live in for the present and future generations.

With an increasing growth and rapid progress in technology, we focus on to give our clients the best we can in terms of recycled products.

# OUR VALUE PROPOSITION

## RICH LEGACY

### & LEADERSHIP POSITION

- GESL has been among the largest Indian PET recyclers for the last 25 years.
- GESL is India's leading rPET Fibre manufacturer.
- Enhanced capacity and expansion plans to reinforce market position, portfolio and footprint.
- A new production facility in Warangal, Telangana to be operational by Q1FY23.
- A washing & chips unit in Nepal- to be Operational by December, 2021.
- Repeat business across a stable eco-system (customers and suppliers).

## DIVERSIFIED

### PRODUCT PORTFOLIO

- More than 500 product variants.
- Portfolio comprising hollow, conjugated, trilobal, short cut and coloured fiber.
- Used in woven and non-woven segments (technical and non-technical), apparel, hosiery and upholstery.

## STRONG R&D

### & SUPERIOR QUALITY

- Strong focus on R&D and development of sustainable value added innovative products – expanding the current value-added product portfolio from 25% to 50% over next 2-3 years.
- ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 (OH&S) certifications, ensuring conformance with superior quality norms.
- Certification for Antimicrobial Protection.
- International certifications like Global Recycle Standard (The Control Union Certification) and Oeko-Tex Standard 100, Product Class 1 certification from the Hohenstein Textile Testing Institute (Germany).

# WIDE REACH

- Pan-India presence; 300+ customers.
- Presence in global textile hubs.
- More than 250 Suppliers.
- Marketing rPET Fibre to 100+ Indian spinning units.
- Exporting to 20+ countries.
- A brand synonymous with credibility, reliability and efficiency.

# STRONG FINANCIALS

- Cash balance of ₹ 2.10 Crore as on March 31, 2021.
- Debt-equity ratio of 0.24 in 2020-21.
- Enhanced liquidity profile.
- Long term credit rating of 'A' (stable) and short term credit rating of 'A1' by ICRA & CARE as on 31<sup>st</sup> March, 2021.

# GLOBAL COLLABORATIONS

- Partnership with global brands to supply premium products for their operations.



# OUR PRODUCT PORTFOLIO





## rPET FIBRE

- **Yarn Spinning**
- **Non-woven fabric**
- **Non-woven carpets / felts / scrubbers**
- **Fibre filling**

## PRODUCT APPLICATIONS

- **Clothing & Sportswear**
- **Padding Insulation**
- **Carpets**
- **Needle Punch fabrics**
- **Cushions, Pillows, Bedding & Quilts**

