



GHCL LIMITED

INVESTOR PRESENTATION

July 2017



We believe – Respect, Trust, Ownership and Integrated Teamwork lead to Business Success

Handwritten signature in blue ink.

Safe harbor



This presentation and the accompanying slides (the “Presentation”), which have been prepared by GHCL Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections

Handwritten signature

GREAT
PLACE
TO
WORK®



BEST COMPANIES
TO WORK



Amongst Top 100 companies
in 1st attempt

— 2021/22

Agenda

01

Business Overview

02

Inorganic Chemicals Segment

03

Textiles Segment

04

Financials

05

Business Philosophy



— Zorin

01

Business Overview

— Zorich

➤➤ Cost leadership in the industry

Inorganic Chemicals (59%*)

- **Among top 3 soda ash players with 9.50 MT capacity**
 - Catering 1/4th of Indian soda ash demand
 - Margin leader in the industry; one of the highest capacity utilizations
- **Sodium Bicarbonate of 0.30 Lakh MT**
- **Strong FMCG presence in South India with edible salt**
 - Expanding market reach by adding new geographies and product basket

➤➤ Presence across the value chain

Textiles Segment (41%*)



Spinning

1,75,000 Spindles

3,340 Rotors



Weaving/Knitting

12 Mn metres pa

162 air jet looms



Processing

36 Mn metres pa



Finished Product

30 Mn metres pa

Handwritten signature

Robust year on year growth in Q1FY18



10% ↑

Revenue
Rs 804 crore

15% ↓

EBITDA
Rs 167 crore

6% ↓

EBITDA Margin
21%

21% ↓

Profit Before Tax
Rs 111 crore

54% ↑

Profit After Tax
Rs 158 crore

Rs. 6 ↑

EPS
Rs. 16/Share

Handwritten signature

....With improving financial indicators



Net Debt / EBITDA

1.92 ↓

From 1.93 in Mar'17

Net Debt / Equity

0.91 ↓

From 1.04 in Mar'17

Total Debt (Rs cr)

1350 ↓

From 1431 cr in Mar'17

Return on
Capital Employed*

20%

Return on Equity*

30%

Cash Profit after Cash
tax (Rs cr)

121

- ROCE calculated as - Trailing 12 Months (TTM) EBIT/ (Total Debt + Shareholders Equity)
- ROE calculated as - Trailing 12 Months (TTM) PAT/ Shareholders Equity

Handwritten signature

02

Inorganic Chemicals

— 2007/08

Leading manufacturer of soda ash



9.5L MT

Soda ash capacity;
25%+ market share
of domestic demand

**Cost
leadership**
Captive sources
of raw material

90%+

Capacity utilization;
amongst highest in
industry

30%*

EBITDA Margins;
consistent high
margins

Captive sources of raw materials

- Captive control on fuel (largest cost component)
 - Only company having its own lignite mines
 - Coal /lignite ratio at 30:70, one of the best in industry
- Innovatively replaced imported met coke with in-house developed briquette coke.
- Other captive raw materials - salt and limestone
 - All limestone mines located within 40 km distance from the plant

Captive
Consumption

Salt
45%

Limestone
30%

Briquette
75%

Lignite
30%

Clients – major FMCG/ glass cos.

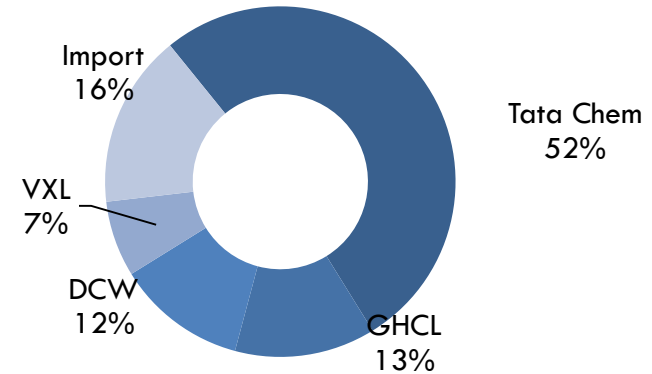


* Based on last 3 year's average

Handwritten signature

Sodium Bicarbonate

- » Generally named as baking soda, bread soda, cooking soda and bicarbonate of soda
- » Used in Cooking, Pharmaceuticals, Fire Extinguishers, pH balancer, and Cleaning agent
- » Specialization and experience in manufacturing of around a decade
- » Capacity of 30,000 MTP



FMCG

- » Premium edible Salt Manufacturer in South India
- » Size raw salt capacity is 1.50 Lakh MT spread over 3500 acres in Tamil Nadu; Refined Salt Capacity is 0.75 Lakh MT near Chennai
- » Brands: Sapan & i-FLO which are well accepted among Category A stores in Major Southern cities
- » Only company to launch Herbal Salt
- » Pioneering Initiative in securing Halal Certification

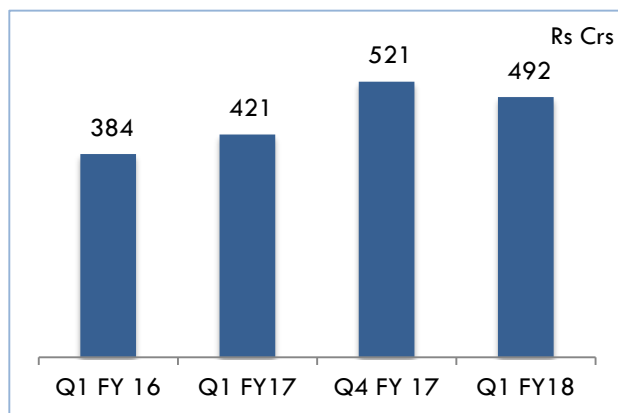


Handwritten signature

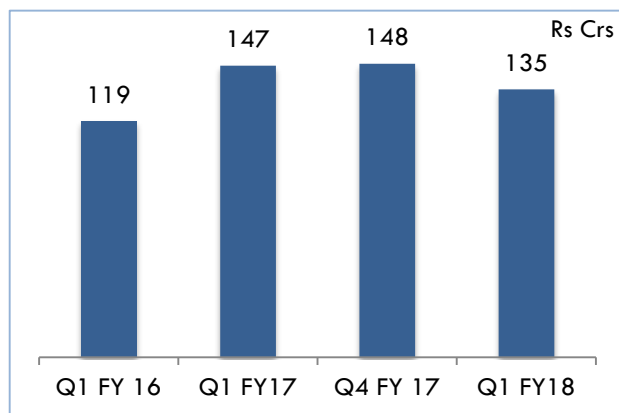
Robust financial performance



Revenue



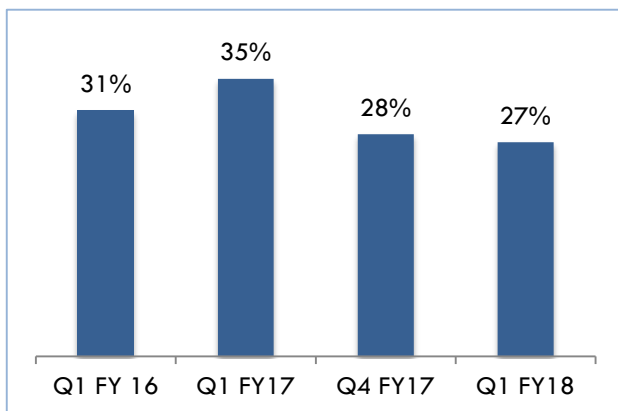
EBITDA



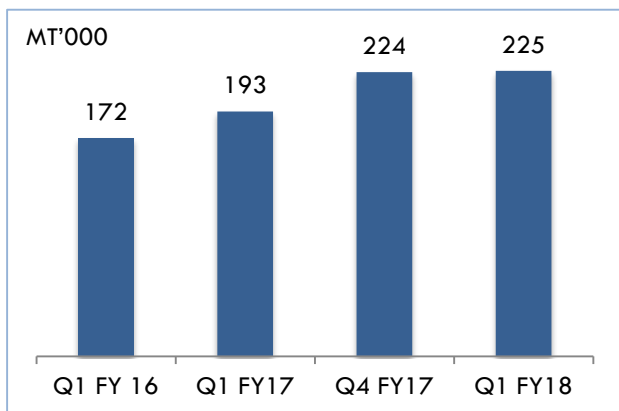
Key performance highlights

- » Revenue growth of 17% for Quarter ended June 2017 Y-o-Y led by
 - Expansion benefit leading to higher volumes.
- » Revenue down by of 6% for Quarter ended June 2017 Q-o-Q due to liquidation of opening inventory (Demo Period) of 13K in Q4 FY 17.
- » Maintained EBITDA Margins around Q4 FY 17.
- » EBITDA margins down from 35% to 27% Y-o-Y.
 - Impact of Realization drop from peak – 1.7%
 - Impact of Higher Cost – 5.7%

EBITDA Margin



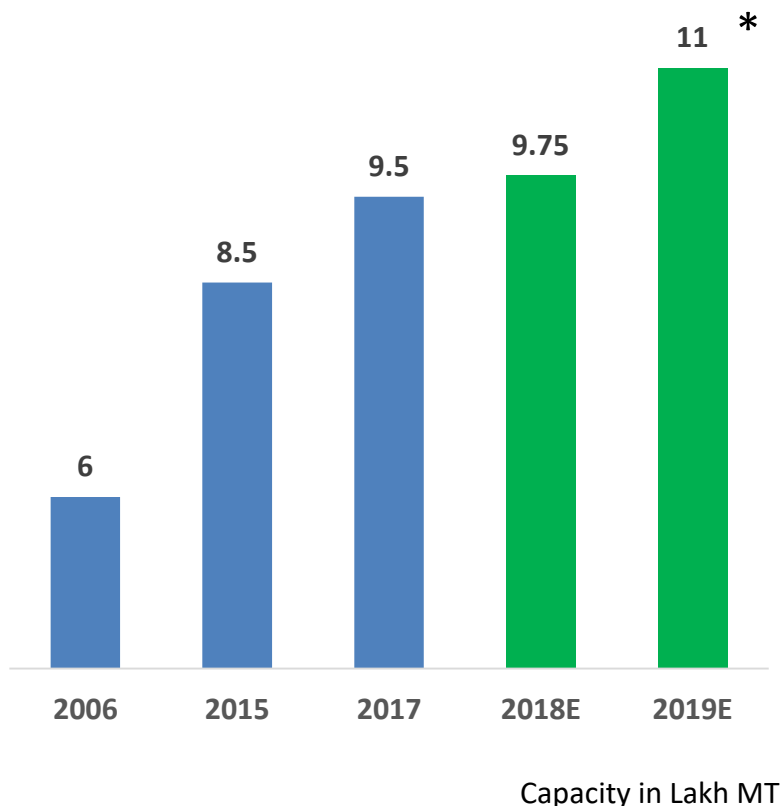
Production in MT



Capacity additions to spur growth



Steady capacity additions



* Will propel volume growth FY2020

Phase 1 expansion

- » Capacity expansion by 1 Lac MT of Soda Ash completed during March FY17
 - » Completion within timeframe and lower cost than expected, thus improving ROCE of the investment.

Debottlenecking – By FY18

- » Next phase of Capex (Phase-II) by FY18
 - » Debottlenecking in Soda Ash by 25K MT
 - » RBC by 30 KMT expected in Middle of FY18
 - » Estimated capex outlay Rs. 50 Crores.

Phase 2 – By FY19

- » Next phase of Capex Expansion (Phase-II) to be completed by March 2019.
 - » Brownfield expansion of 1.25 Lakh MT
 - » Estimated capex outlay Rs. 300 Crores (24K/MT)

Handwritten signature

Soda Ash Industry



Capacity 67 Mn MT
Production 57 Mn MT

- Plant Maintenance in China resulted in tight situation
- US production on lower side
- Turkey's additional 2.5Mn is expected to come in Q3FY18
- Demand growth of 3.1% expected during the year.



Capacity 3.4 Mn MT
Production 3.0 Mn MT

- Healthy demand growth of 5-6% expected during the year.
- Additional supplies from domestic producers absorbed
- Soda Ash Pricing currently stable, however Turkey's volumes may have temporary impact.

Handwritten signature

**Home Textile
Segment**

03

— Zorich

Integrated Home Textile Player

- » State-of-the-art home textiles facility at Vapi with weaving, processing and made ups
 - Best of plants and equipment sourced from Germany and Japan - Beninger, Kuster, Monforts
 - Flexibility to process both cotton and blended fabrics
- » Best in Class spinning integration with close to double the requirement of home textile giving an opportunity to benefit from expansion of sheeting capacity
 - Compact spinning and valued added yarn capacity
 - 175k spindles
 - 27.2 MW windmill capacity

Product Range

» Sheeting

- Sheets
- Duvet
- Bed Skirt

» Filled Articles

- Quilted Flat Sheets
- Comforter and
- Comforter Shells

» Pillows

- Pillows
- Shams
- Cushions

Innovative Products



- » Perfect fit sheets fit perfectly to the size of the bed
- » Reduces Bed making Process



- » Softer than cotton
- » Better moisture absorption and ventilation



- » 100% cotton
- » Fitted

Handwritten signature

Creating Fibres recovered from PET bottles

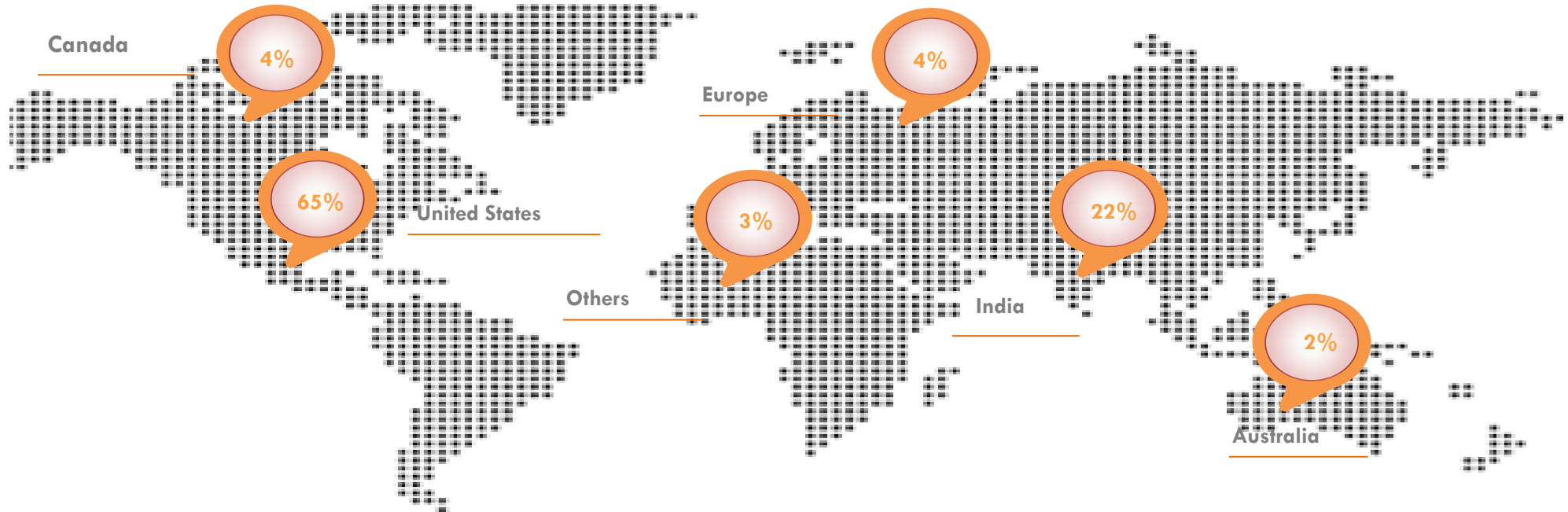
- Every 100 K Sheet set would make below impact
- Reduction in Crude Oil Consumption
- Reduction in Carbon Emission
- Reduction in Land Fill

Cotton Leads Program

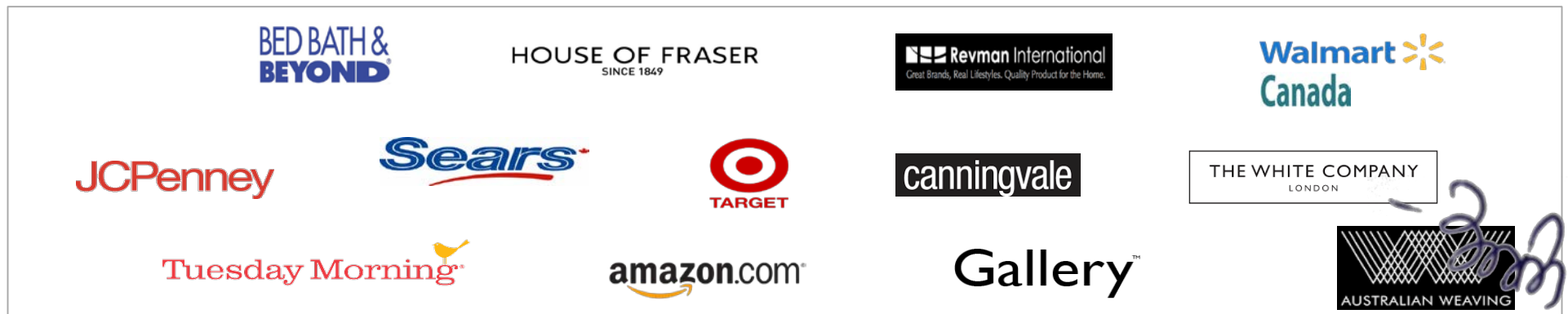
- Responsible Cotton Cultivation
- Sustainable farming practices – use of GPS with farm & soil mapping resulting in reduction of fertilizer usage by 70 – 75% & water consumption up to 80% in best cases.
- Complete traceability of Cotton
- Target is already featured Partner , GHCL partnered in 2017 and is committed to increased use of Leads[®] certified US grown cotton mainly Pima Cotton.

Handwritten signature

Global presence in sheeting



Marquee home textile clients across the globe



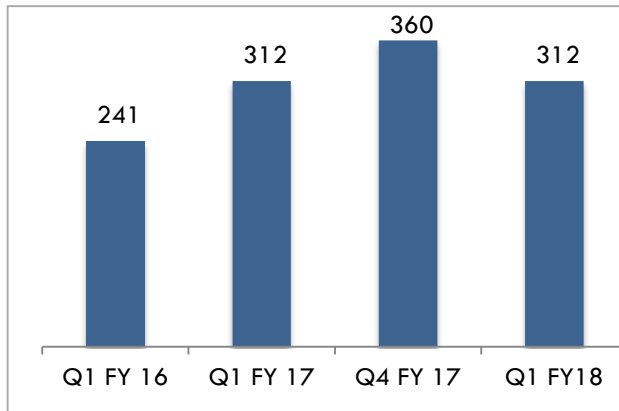
* Based on FY17 sales mix

Consistently improving utilization and margins

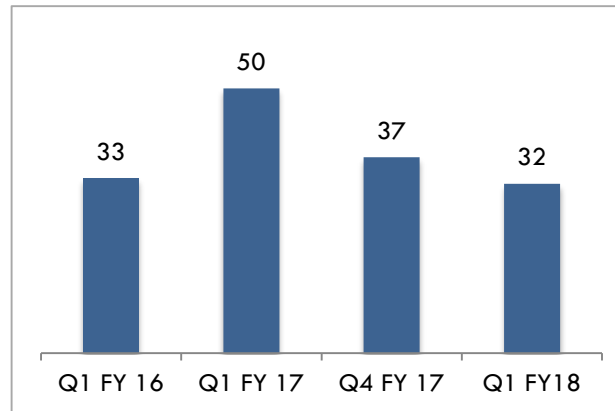


Rs Crs

Revenue



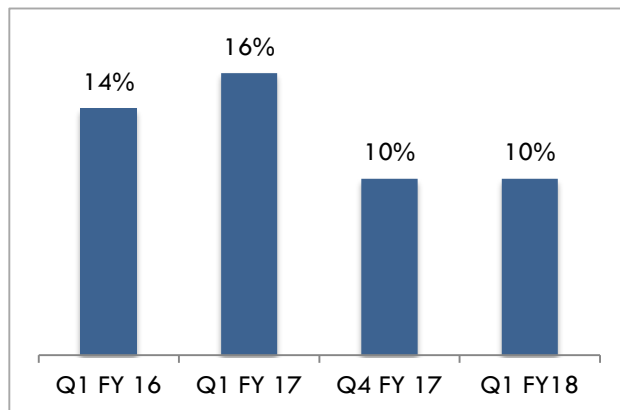
EBITDA



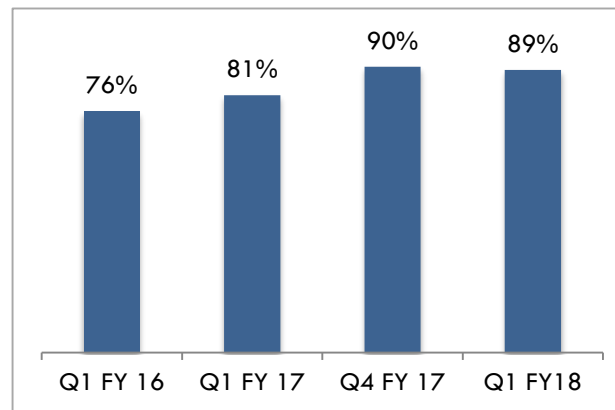
Key performance highlights

- » Textile industry is witnessing tough times :
 - » Dollar devaluations.
 - » Uncertainty due to GST.
 - » Oversupply situations.
 - » Stiff competition in US between Brick n 'Motor stores with E-commerce

EBITDA Margin



Capacity Utilization



» Revenue

- Maintained at Q1 FY 17 level.
- Drop compared to Q4 FY 17 is mainly on account of Q3 shipment dispatched in Q4.

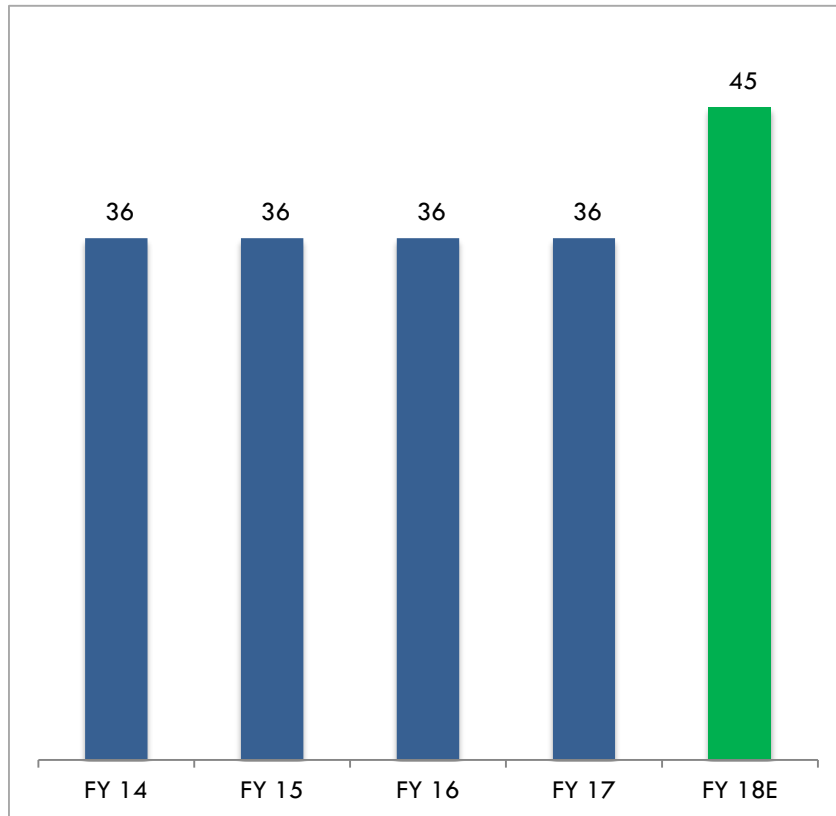
» Maintained Q4FY 17 EBITDA Margins

Handwritten signature

Growth to be led by capacity addition



Sheeting Capacity (Mn metres)



Phase 1 - Completed

- » Modernisation of spinning unit along with enhancement of value added spinning capabilities
- » Investment in cut and sew facility
- » Wind mill capacity enhanced to 27 MW

Phase 2 – By FY 18

- » Processing capacity expansion by 25% (i.e 45 Mn Meter from 36 Mn Meter) by FY18
 - » Volume & margin improvements
- » Total capex of 45 crs

Handwritten signature

04

Financials

— 2007/08

Profit & loss statement



Rs. In Crores

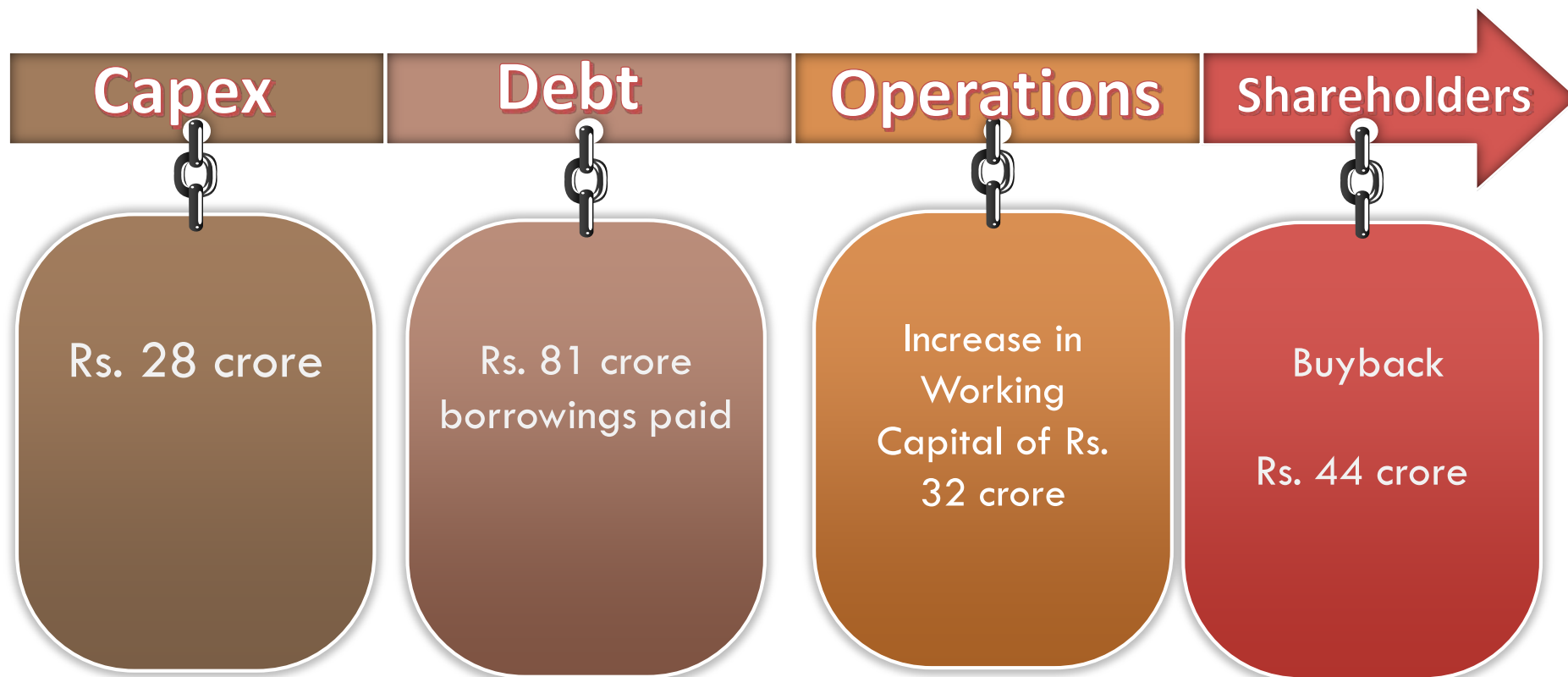
Particulars	Q1FY18	Q1FY17	% Change	Q4FY17	FY 17
Sales	804	734	10%	881	2980
Operating Expenses	637	538	18%	696	2256
EBITDA	167	196	(15%)	185	724
<i>EBITDA Margin</i>	20.8%	26.8%	6%	21.0%	24.3 %
Depreciation	25	21	19%	21	85
EBIT	142	175		164	639
Interest	31	35	(19%)	34	134
Exceptional Items	-	-	-	-	3
Profit Before Tax	111	140	(21%)	130	502
Tax	-47	37		17	115
Profit After Tax	158	103	54%	113	387
<i>PAT Margin</i>	20%	14%	6%	12.8%	13%

Handwritten signature

Efficient cash flow management



Generated Cash Profits of **Rs 121 Cr.**



WORKINGCAPITAL

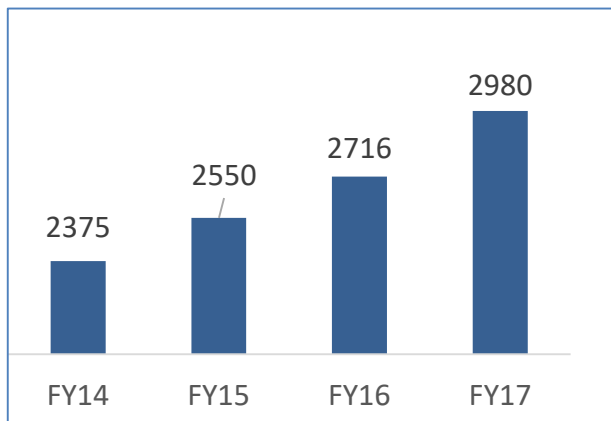


Robust growth with improving profitability

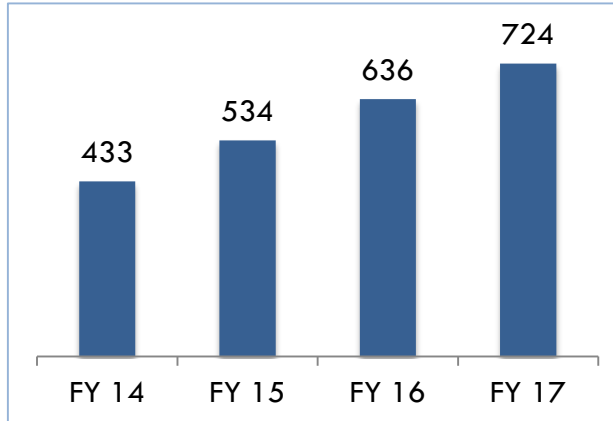


Rs Crs

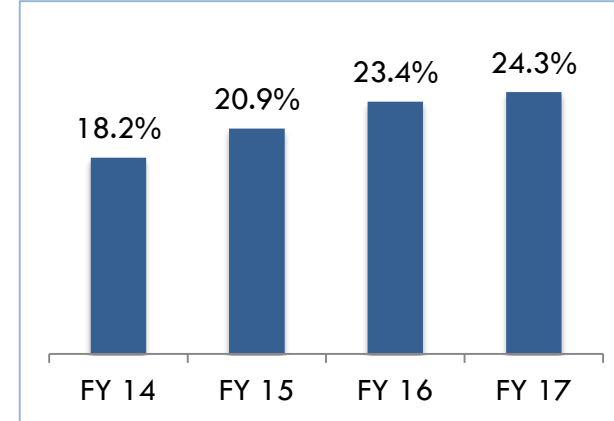
Revenue (8% CAGR)



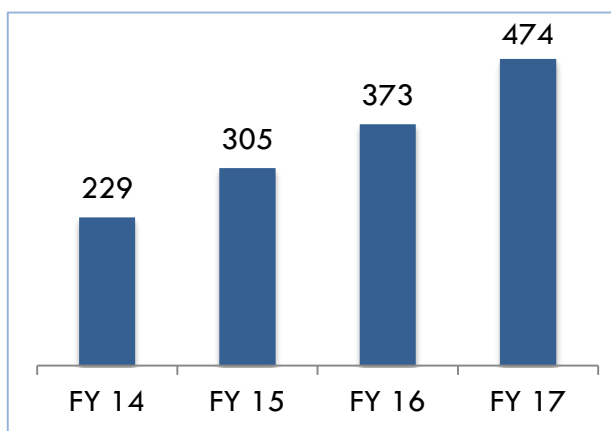
EBITDA (19% CAGR)



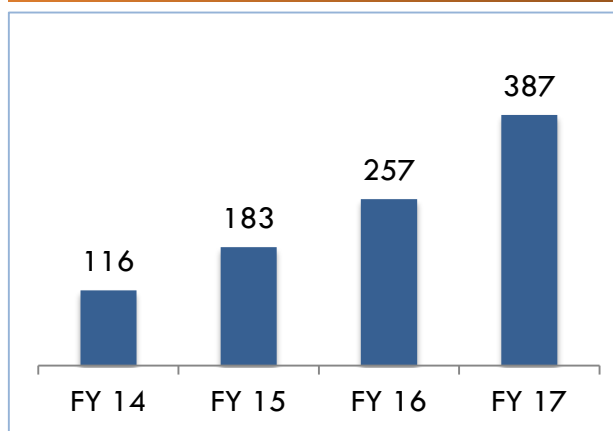
EBITDA Margin



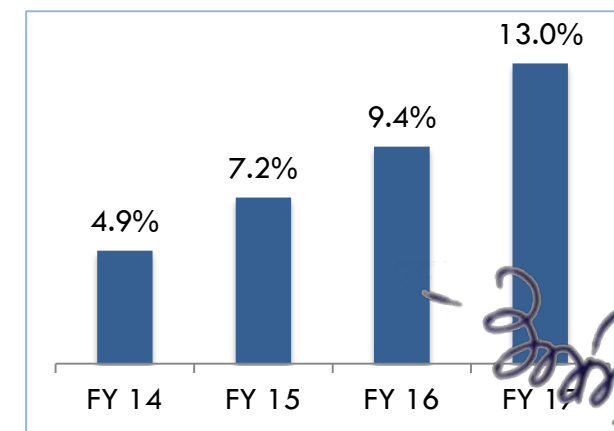
Cash Profit (28% CAGR)



PAT (49% CAGR)



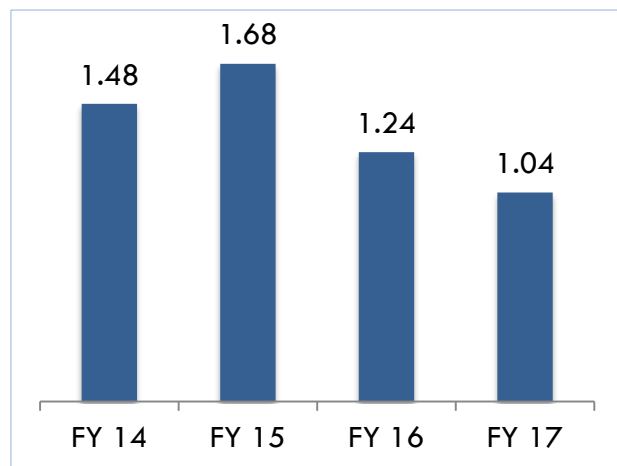
PAT Margin



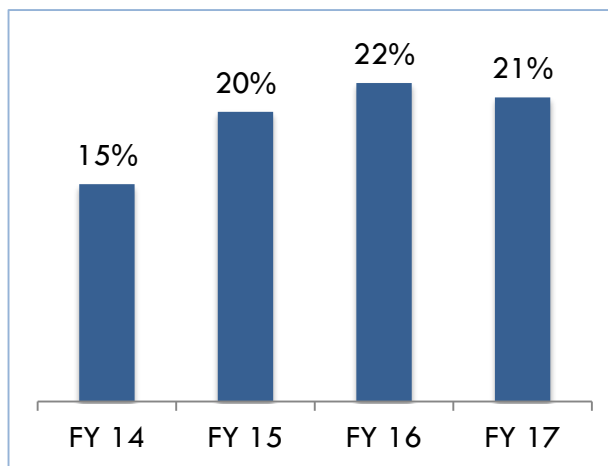
Handwritten signature

And improving return ratios

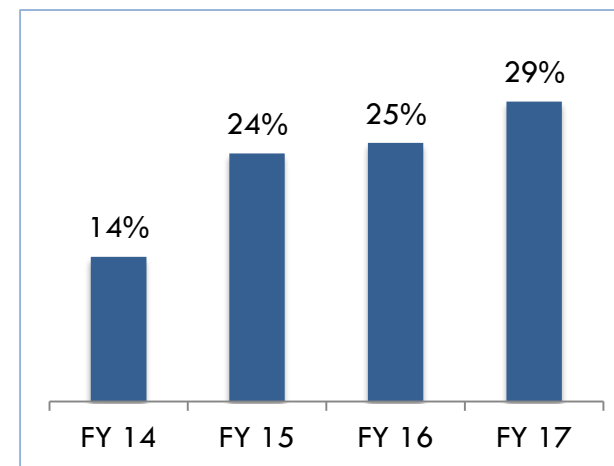
Net Debt/Equity



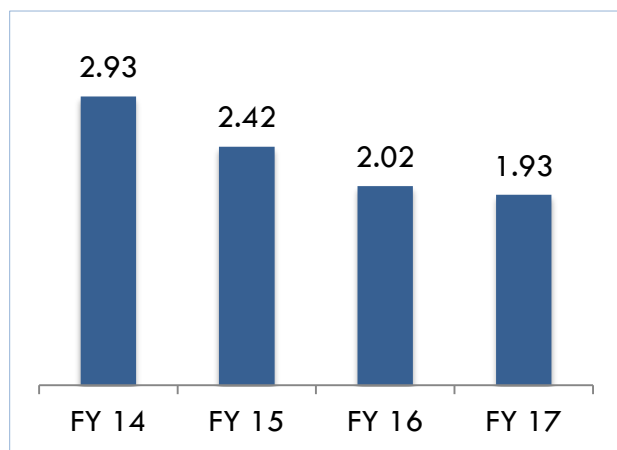
ROCE



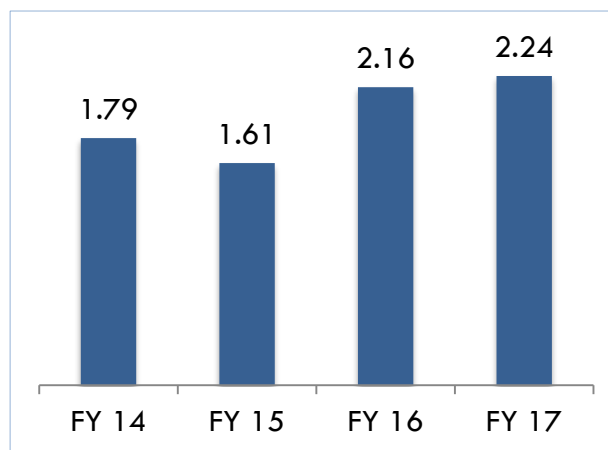
ROE



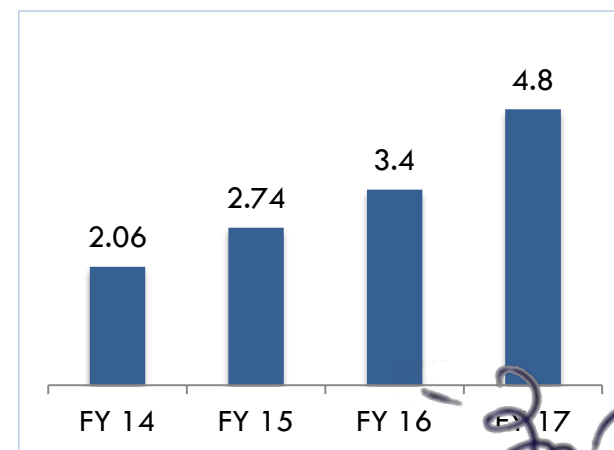
Net Debt/EBITDA



Current Ratio



Interest Coverage Ratio



Standalone Financials

- ROCE calculated as - Trailing 12 Months (TTM) EBIT/ (Total Debt + Shareholders Equity); ROE calculated as - Trailing 12 Months (TTM) PAT/ Shareholders Equity;
- Debt under IND AS is Rs. 1431 crore which would have been Rs.1309 crore under IGAAP. The increase is mainly due to classification of items like bill discounting/vendor finance as debt under IND AS.

Handwritten signature

Business Philosophy

05

— 2021/2022

Professional management



RS Jalan

Managing Director

- Unique leadership style with endeared managerial abilities drives all businesses alike.
- Qualified Chartered Accountant, profess deep business understanding and excellent analytical skills.



Raman Chopra

CFO & Executive Director

- Spearheading GHCL's Finance and IT functions.
- Qualified Chartered Accountant with sharp financial acumen, negotiation skills and a great passion for technological advancements and specialization in Greenfield expansion.



Sunil Bhatnagar

Marketing Head, Soda Ash

- Associated with the Company for over 22 years
- Degree in law and diploma in management



Neeraj Jalan

SVP, Home Textiles

- A self motivator, he is instrumental in building this vertical.
- Qualified Chartered Accountant.



NN Radia

COO, Soda Ash

- Associated with the Company since 1986.
- Bachelor in mechanical engineering.



M. Sivabalasubramanian

SVP, Spinning

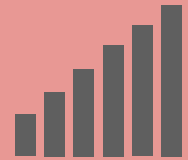
- Vast experience in cotton procurement and manufacturing operations .
- Bachelor in textile engineering.

Handwritten signature

01

Robust and Profitable Growth

To grow profits at CAGR 20%



02

Focus on Value Systems

To create a value systems that defines our Culture



03

Sustainable Inclusive Growth

Business Philosophy of “Sustainable Inclusive Growth” involving all the stakeholders



Handwritten signature

Sustainable Inclusive Growth



Education

- More than 4500 students being educated in 27 villages from pre-school to graduation
- Under Vidya Jyot Project, promoting education for village kids with LEP inputs

Environment & Sustainability

- Reclaimed more than 350 Hectares of waste lands.
- Creating water reservoirs on mined lands through water harvesting
- Creating agricultural growth through land refill on waste/mined land

Promoting Rural Health

- Impacted over 50000 lives through various health initiatives like Eye Camps, Cataract, Spectacles consultation and medicines
- Creating awareness for Cancer detection along with Gujarat Cancer Research Institute.
- Free Medical checkups every Sunday for rural health awareness.



Village Sanitation

- Promoting Tata Water Mission with "1 Day 1 Village Campaign".
- Constructed 5316 toilet units in 66 villages.
- Around 100 toilets under process in 30 villages.

Women

Empowerment

- 100+ women from 6 villages, taken to district level women empowerment seminar organized by WASMO.
- Organizing Industrial Tailoring Training in Bhilad, for skill development and better livelihood.

Healthy Agricultural Practices

- 650+ farmers in 43 villages were provided organic manure at 50% of cost.
- We make sure more than 1,600 hectare of land is free from harmful chemical.
- Drip/Sprinkler Irrigation implemented in 44 villages benefiting 1120 families.

शिक्षा



For more information please visit us at
www.ghcl.co.in

CIN: L24100GJ1983PLC006513

Mr. Raman Chopra
r Chopra@ghcl.co.in

Mr. Sunil Gupta
sgupta@ghcl.co.in

Mr. Abhishek Chaturvedi
abhishekchaturvedi@ghcl.co.in



CIN: U74900MH2014PTC259212

Ms. Pooja Dokania
dpooja@stellar-ir.com

Mr. Rajeev Menon
mrajeev@stellar-ir.com



Handwritten signature in white ink, possibly reading 'Rajeev Menon'.