

More than a million plastic bottles are consumed globally each minute



GHCL Limited *ગ્રાહકો*

Investors Presentation- Apr'18

Safe Harbour



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

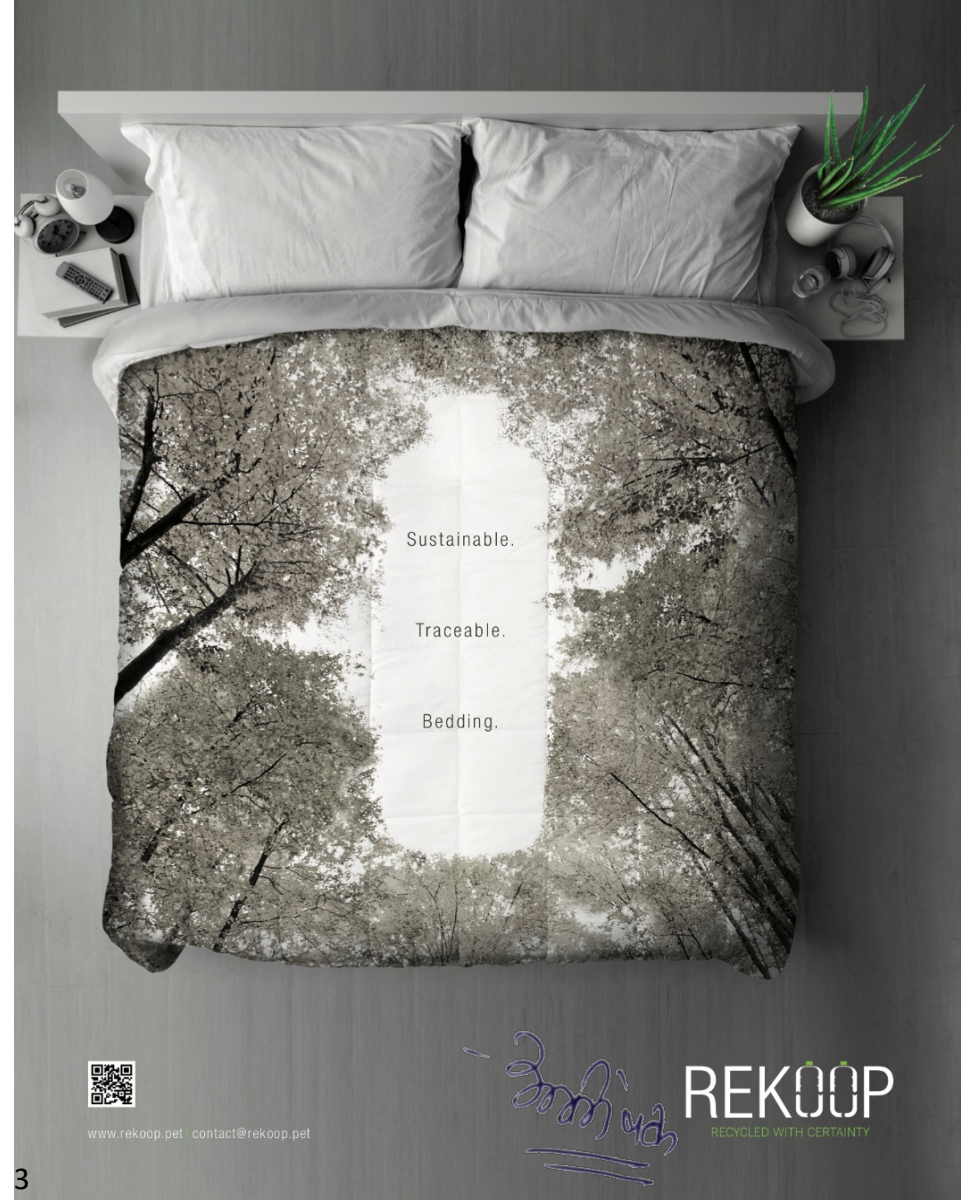
This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness 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

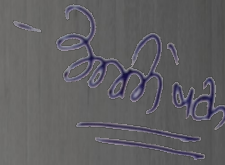
Handwritten signature

Agenda

1. Highlights
2. Company Overview
3. Inorganic Chemicals Segment
4. Textiles Segment
5. Financial Annexures



www.rekoop.pet contact@rekoop.pet



REKOOP
RECYCLED WITH CERTAINTY



Highlights

Handwritten signature

Management Address



- **We have completed the year at Rs. 367 crore PAT closer to last year levels, despite significant headwinds in textile industry.**
- As a conscious corporate citizen of the country, we implemented projects worth **Rs. 22 crore** along with our partners on various **CSR initiatives**, with **GHCL** contributing **Rs. 9 crore**.
- During the year, the company has paid **Rs. 104 crore** to its shareholders through **Dividend and buyback**. We have now recommended a dividend payout of **Rs. 59 crore** for FY17-18.
- Enabled by strong cash flows, apart from allocating **Rs. 281 crore** for Growth Capex, we have reduced our debt by **Rs. 117 crore** during the year.
- Our focus on Chemicals is paying rich dividends in terms of strong financial performance and sustainable future outlook.
- **Since 2016**, we have continued to augment our production capacities through brownfield expansion with a steady capital allocation of **around Rs. 1000 crore** to be **spent over 4 years till 2020**.
- Our team's operational excellence has resulted in a **benchmark** capacity utilisation of **97%** yielding extra volumes contributing to bottom-line.

Signature

Management Address

- We have surpassed our previous **highest production** and **sales** in any quarter along with highest EBITDA in Inorganic Segment achieving an overall revenue growth of 21% for the year.
- We have been well supported by buoyant domestic demand growth of 11% and stable Global markets despite Turkey's 2Mn additional volumes. We expect the buoyancy to continue in the coming year.
- In the Textile segment, despite lower performance due to sectoral headwinds, we have launched a sustainable, traceable bedding concept, christened **REKOOP** in the New York Home Fashions Week held last month with encouraging response from many international retailers.
- This environment friendly product is made by blending cotton with recycled polyester from **PET bottles** in partnership with **Reliance Industries Ltd** and **Applied DNA sciences** New York for tagging of fibre.
- Building a sustainable organization on a strong footing of culture of core values, the testimony of which is various awards conferred during the year.
- **We are Confident of achieving our vision of +20% Profit growth on a long term horizon creating value for our stakeholders.**

- R. S. Jalan, MD GHCL



Financial Highlights – FY18



In Rs. crore

Particulars	Q4FY18	Q4FY17	YoY	Q3FY18	QoQ	FY18	FY17	YoY
Revenue	733	826	-11%	738	-1%	2942	2791	5%
EBITDA	185	185	-	158	17%	649	724	-10%
EBITDA %	25.2%	22.4%		21.5%		22.1%	26%	
PBT	120	130	-8%	105	15%	415	502	-17%
PAT	82	113	-27%	71	15%	364	387	-6%

-----Key Financial Ratios-----

Debt (Rs. Cr.) Net Debt: Equity Net Debt/EBITDA ROCE ROE EPS

1314

0.79

1.99

17%

22%

37.3

Handwritten signature

Growth with Debt Reduction – Efficient Capital Allocation



Generated Cash
Profits (net of Tax) of Rs.
464 Crores

OPERATIONS

Decrease in
Working Capital of
Rs. 38 crore



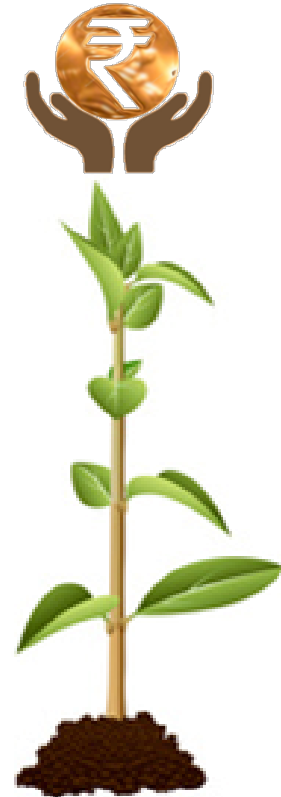
SHAREHOLDERS
Buyback & Dividend
Rs. 104 crore



DEBT
Rs. 117 crore
debt repaid



CAPEX
Rs. 281 crore



— 2023/24

Profit & loss statement



Rs. In Crores

Particulars	Q4 FY18	Q4 FY17	% Change	Q3 FY18	FY18	FY17
Sales*	733	826	- 11 %	738	2,942	2,791
Operating Expenses	548	641	-15%	580	2,293	2,067
EBITDA	185	185	-	158	649	724
<i>EBITDA Margin</i>	25.2%	22.4%	+ 2.8%	21.5%	22.1%	26%
Depreciation	34	21	+ 65%	25	109	85
EBIT	151	164	- 8%	133	540	639
Interest	31	34	- 9%	28	125	134
Exceptional Items	-	-	-	-	-	3
Profit Before Tax	120	130	- 8%	105	415	502
Tax	38	17	+ 124 %	34	51	115
Profit After Tax	82	113	- 27%	71	364	387
<i>PAT Margin</i>	11.2%	13.7%	- 2.5%	9.6%	12.4%	13.9%

*Note :- Revenue Figures are considered net off Excise/GST impact.

Handwritten signature

Balance Sheet



Rs. In Crores

Particulars	March-18	March-17
Net fixed & other non current assets (A)	2,619	2,470
Current Assets	1,006	998
Less: Current Liabilities	488	444
Working Capital (B)	518	554
Capital Employed (A+B)	3,137	3,024
Share Capital	98	100
Reserves & Surplus	1,524	1,251
Net Worth (A)	1,622	1,351
Deferred Tax & ORS (B)	201	242
Debt		
Long Term Debt (Including Current Maturities)	914	917
Short Term Debt (Including Buyer Credit)	400	514
Total Debt (C)	1,314	1,431
Total (A + B + C)	3,137	3,024

Handwritten signature

Segment Highlights – Q4 FY18

Inorganic Segment



Particulars	Q4 FY 18	Q4 FY 17	Y-o-Y	Q3 FY 18	Q-o-Q	FY 18	FY 17	Y-o-Y
Production (Lac MT)	2.43	2.24	8%	2.43	-	9.37	8.01	17%
Sales (Lac MT)	2.41	2.30	5%	2.33	3%	9.04	7.78	16%
Revenue (Rs. Crores)*	513	466	10%	497	3%	1,896	1,565	21%
EBITDA (Rs. Crores)	173	148	17%	157	10%	600	553	9%
EBITDA %	33.6%	31.7%	1.9%	31.6%	2%	31.7%	35.3%	- 3.7%

- ✓ Achieved highest ever production and sales in a quarter.
- ✓ Volume growth due to expansion - 80 K MT tons, benefit from efficiency improvement - 56 K MT additional production
- ✓ Soda Ash Prices remained firm with increase of 2% in Feb 2018.
- ✓ Recorded Highest EBITDA in any quarter.

*Note :- Revenue Figures are considered net off Excise/GST impact and include trading turnover.

Handwritten signature

Segment Highlights – Q4 FY18

Textiles Segment



Particulars	Q4 FY 18	Q4 FY 17	Y-o-Y	Q3 FY 18	Q-o-Q	FY 18	FY 17	Y-o-Y
Revenue (Rs. Crores)*	219	360	- 39%	241	- 9%	1,046	1,227	- 15%
EBITDA (Rs. Crores)	12	37	- 66%	1	830%	49	171	- 71%
EBITDA %	5.7%	10.2%	-4.5%	0.6%	5.1%	4.7 %	14 %	-9.3%

- ✓ Decline in revenue is primarily due to reorganisation of customer mix in home textiles. Also Q4FY17 accounted for carry over Inventory of Q3FY17 due to demonization and shipment rescheduling (Revenue Impact – 26)
- ✓ Launched environment friendly product made from recycled PET “REEKOOP”, with great response in recent market week in US.
- ✓ Yarn demand in domestic market is looking to be buoyant
- ✓ Air jet spinning project and Processing capacity addition (9Mn Mtr) completed in March 18.

*Note :- Revenue Figures are considered net off Excise/GST impact.

Handwritten signature


Awards & Recognitions




Referred as **Great Place to work** in two consecutive years of participation
Among 100 in first attempt, 16th in Manufacturing Industries (last year) .



Awarded trio of Golden Peacock awards for **Corporate Governance**, **Corporate social responsibility** and **National Quality**

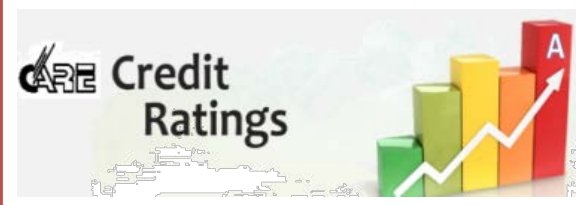




Mr. R S Jalan,
MD GHCL *(8th in Sectoral ranking)*

Ranked 29th
in the
"India's
Best CEOs"
ranking by
Business
Today





Enhanced Credit Ratings -
Upgraded to A with Stable outlook

Dhruv



Company Overview

Handwritten signature

GHCL Overview



3 decades of Indian Manufacturing experience



Slated to be single largest soda ash plant at one location in India



Professionally managed with 6000 strong workforce



Listed on 2 premier stock exchanges of India



Focus to emerge as a sustainable business organization



Business Philosophy of Inclusive growth of all stakeholders

Handwritten signature

Core Business Segment Presence

Inorganic Chemicals (64 %*)

Textiles Segment (36 %*)

Margin leadership in the industry

- » Among top 3 soda ash players.
 - Catering 1/4th of Indian soda ash demand
 - Margin leader in the industry; with highest capacity utilization of 97%
- » Sodium Bicarbonate of 0.60 Lakh MT
- » Strong FMCG presence in South India with edible salt, Honey & Spices
 - Expanding market reach by adding new geographies and product basket

Presence across the value chain

- » Spinning
 - 1,76,488 Spindles
 - 3,320 Rotors
 - Air jet Spinning
- » Weaving
 - 12 mn meters pa
- » Processing
 - 45 mn meters pa
- » Finished Product
 - 30 mn meters pa



*FY18 Revenue contribution

Handwritten signature

Journey till date and future roadmap

1988-2000



Commenced Soda Ash Production with 4.2 Lakh MTPA which was further increased to 5.25 Lakh MTPA

Commenced Edible Salt Production and Launched 'Sapan' salt

2001-2008



Soda Ash capacity increased to 8.5 Lakh MTPA

Entered Spinning business with 65 K spindles subsequently increased to 140 K

Commissioned Home Textile plant with 36 mn meters processing capacity and 96 air jet looms

Commissioned Refined Sodium Bicarbonate plant

2009-2015



Spindles capacity increased to 175 K, Installed 3320 rotors in spinning.

Launch of 'i-FLO' salt and 'i-Flo Honey'

Air jet looms capacity increased to 162

2016-2018



Soda Ash production capacity increased to 9.75 Lacs MTPA.

Doubled Sodium bicarbonate capacity to 60 K MTPA.

Added TFOs for value added yarn and Air jet Spinning

Home textiles, Processing capacity increased to 45 Mn meters with total 190 Air jet weaving looms.

2019-2020



Soda Ash production capacity to be increased to 11 Lacs MTPA tons / year by FY2019.

GHCL will be the single largest manufacturer of soda ash in India at a single location.

Increase Soda Ash production by another 1.25 Lacs MT by Mar '20

Envisaged Rs. 150 Crore capital allocation for Volume growth and modernization in spinning.

2021-2022



Soda Ash Greenfield project will be operational with 5,00,000 tons/year.

Handwritten signature

Business philosophy going forward



**Robust & Profitable
Growth**

To grow profits at
CAGR 20% on long
term horizon

**Focus on Value
Systems**

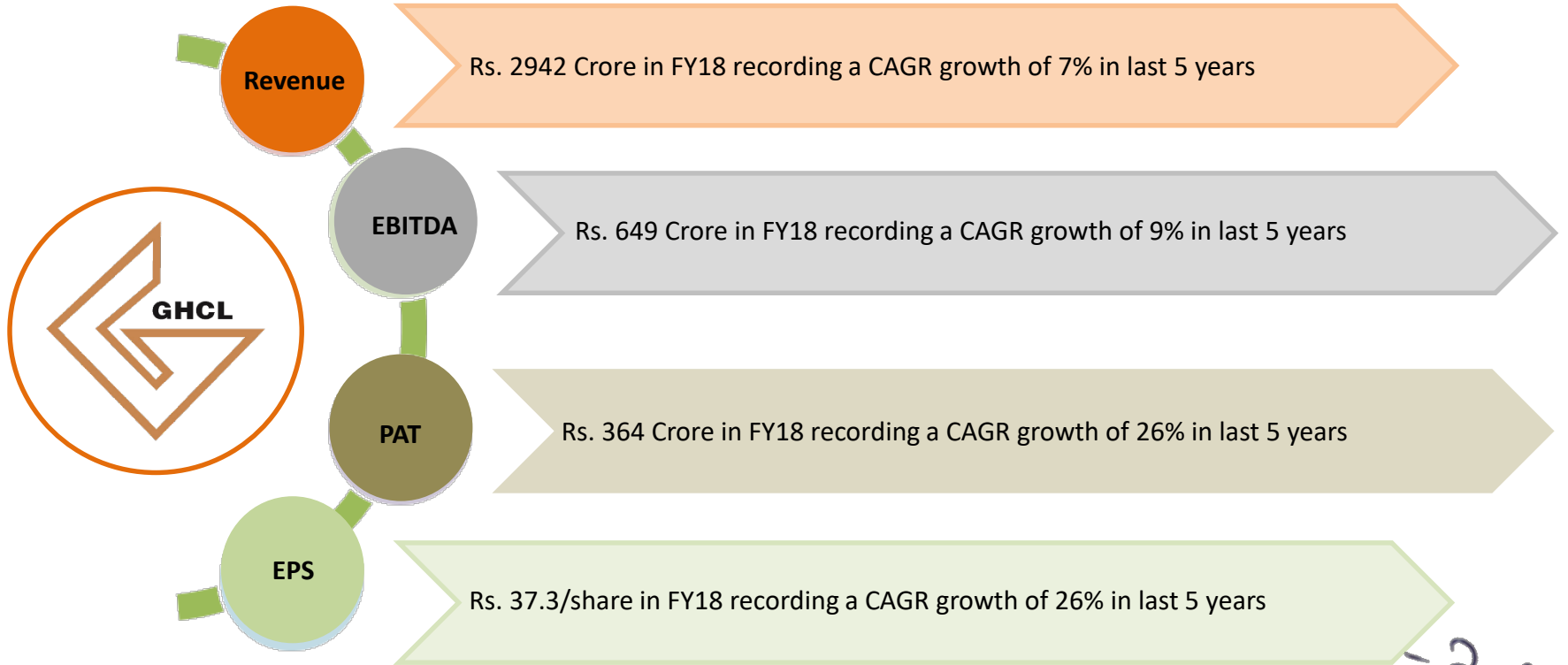
To create a value systems that
defines our Culture

**Sustainable Inclusive
Growth**

Business Philosophy of "Sustainable
Inclusive Growth" involving all the
stakeholders

Handwritten signature

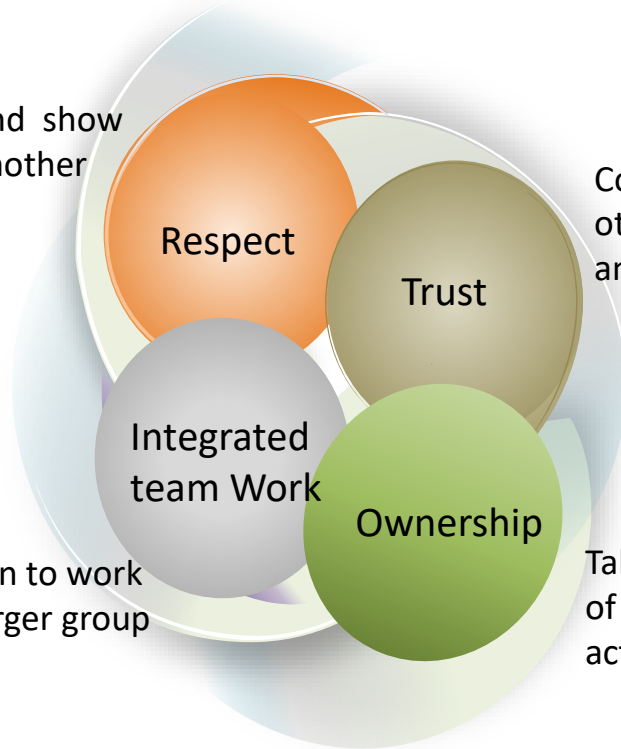
Robust & Profitable growth..



Handwritten signature

Core values at forefront..

Thoughtful and show regards for another person.



Confidence in each others capabilities and intentions.

Each person to work towards larger group objectives.

Take Responsibilities of own decisions and actions.

GHCL is an unique work place which is dotted with its Core Values, defining its culture. Every employee in the company is expected to imbibe its Core Values and interact within the business ecosystem with all its stakeholders accordingly.

Here we have established the link for performance appraisals of every employee with core value surveys conducted twice a year.

In FY 2018, More than 500 employees are beneficiaries and rewarded for core values.

Signature

Inclusive growth of stakeholders



INVESTORS

7x growth in market capitalisation in last 4 years. (Rs. 341 Cr. in FY 14 to Rs. 2584 Cr. in FY 18).

Multifold shareholders payouts (Rs. 30 Cr in FY 14 to Rs. 104 Cr during FY 18).

Announced Dividend policy (15%-20% of PAT).



EMPLOYEES

Implemented **Pay for Performance** and **Pay for Behaviour**.

Wide Allotment of **ESOP's** till middle management.

360 Core value propagation across organisation.

Participative culture through platforms such as Disha, Incarnation, Milap, Committees.

Established **Various employee friendly** policies like Leave, Exigency support, Vikas



SOCIETY

Touching more than a **million lives** through our CSR initiatives,

Spent Rs. 22 Cr during the year with other partners. (GHCL Spent Rs. 9 Cr.)

Prime focus on **Education n vocational training, Health, animal husbandry and livelihood.**

One of **largest taxpayer** in Gujarat.



CUSTOMERS

Regular **Distributors / Customer meets** for two way knowledge Sharing.

Complete alignment of distributors with GHCL growth objectives.

Conduct **customer index survey (CSI)** for monitoring our services.

Feedback and complaints are promptly addressed to ensure **customer satisfaction.**



VENDORS

Encouraging Strategic partnerships for sustainable product development, Process improvement and Quality focus.

Regular interactions through vendor meets.

Implementing **Vendor Portal** for smooth workflow.

Prerna

Company's strong core comes from **Pre-eminent Professionals**



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

President Marketing, Soda Ash

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



NN Radia

President & COO, Soda Ash

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



Manu Kapur

President & CEO, Home Textiles

- Industry veteran with more than 2 decades experience
- His vast experience in Home Textiles Sourcing in previous assignments with Ikea and J C Penny



M. Sivabalasubramanian

CEO, Spinning

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

Handwritten signature



Inorganic Chemicals

Handwritten signature

Commanding a leadership in manufacturing of Soda Ash

<p>97% Capacity utilization; Highest in industry</p>	<p>9.75L MT Soda ash capacity; 25% market share of domestic demand</p>
<p>Margin leadership Captive sources of raw material</p>	<p>+30%* EBITDA Margins; consistent high margins</p>

Captive sources of raw materials

- » Captive control on fuel (largest cost component)
 - Only company having its own lignite mines
- » 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



*Based on last 3 year's average



GUJARAT BOROSIL LIMITED



Marquee Clients



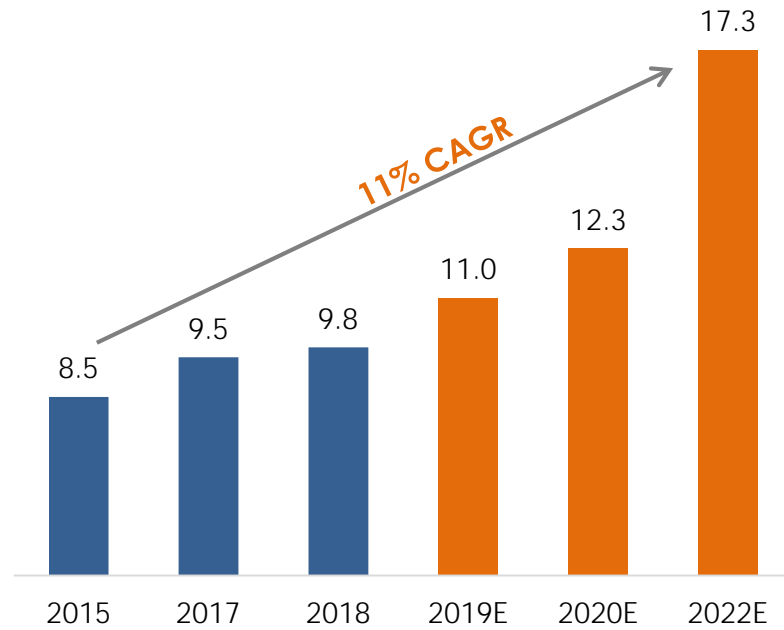
Key Differentiators



Handwritten signature

Consistent and Sustainable capacity additions to spur growth

Steady capacity additions



Capacity in lakh MT

1.25 Lacs Brownfield SA – 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).

1.25 Lacs Brownfield SA – By FY20

- » Next phase of Capex expansion (Phase-III) to be completed by March 2020.
 - Brownfield expansion of 1.25 Lakh MT
 - Estimated capex outlay Rs. 300 Crores (24 K/MT)

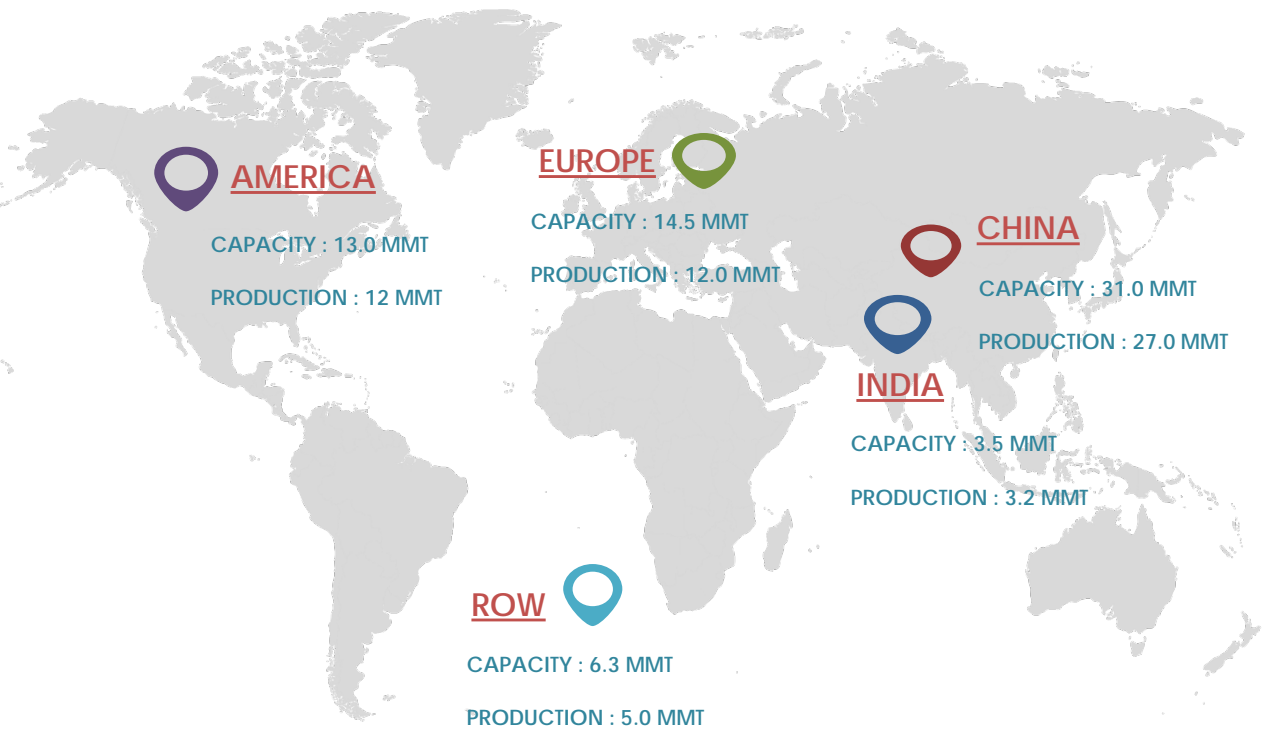
Greenfield Inorganic Complex

- » Likely to come up by FY 2022 with initial 5 Lacs MT soda ash facility
 - Moving ahead as per schedule.
 - Will act as a major catalyst in growth Journey.

Signature

Global outlook on the soda ash industry

GLOBAL SIZE: CAPACITY : 68 MMT, PRODUCTION : 59 MMT



GLOBAL

- » Global markets expected to grow at around 2.5% CAGR
- » Demand Supply is balanced at the moment
- » EU market is showing positive trends.
- » Turkey's balance 1 mn MT is expected to arrive in a phased manner. Only major capacity expansion in world

INDIA

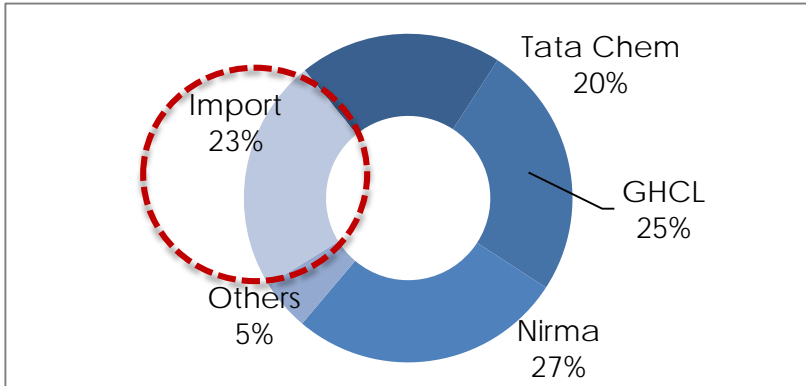
- » With Urbanisation and thrust on Infrastructure, both user segments (Glass and Detergent) rapidly growing.
- » Prices remained firm with little inventory/pipeline stocks
- » Currently buoyant market with demand growth of 11% this year. Buoyancy likely to continue next year as well.

Globally market is growing @ **2.5% pa** requiring around 1.5Mn MT additional supplies every year

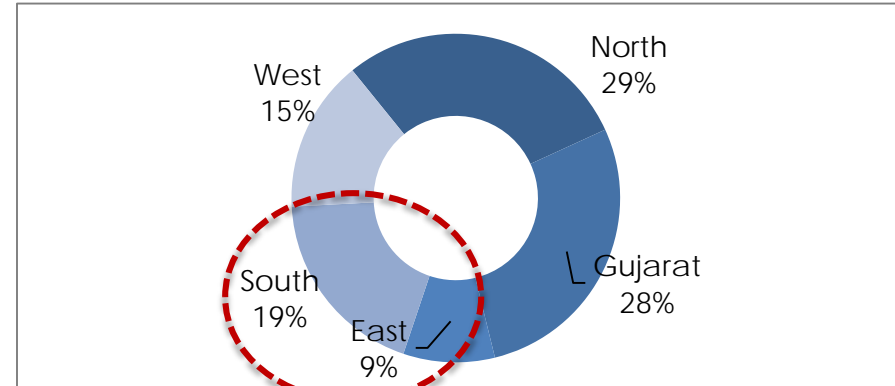
Handwritten signature

Soda Ash Dynamics (Domestic Industry)

Domestic market share.* (up by 1%)

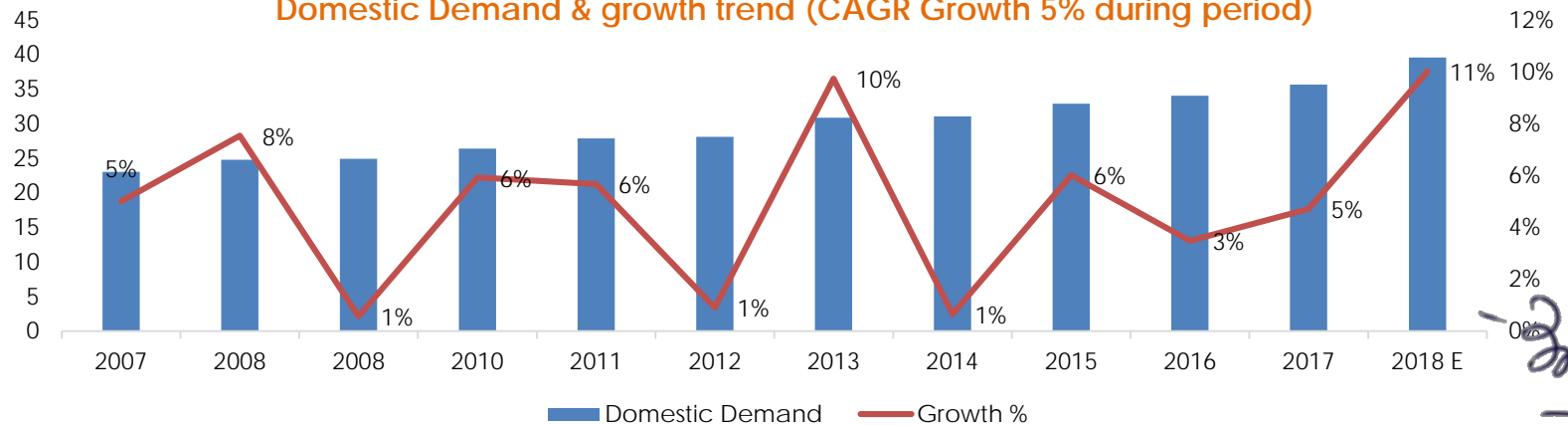


Domestic Demand Concentration.



* Based on External demand (Source : IMA)

Domestic Demand & growth trend (CAGR Growth 5% during period)



Handwritten signature

Inorganic Chemicals - Other products



Sodium Bicarbonate

- » **Doubled capacity from 30,000 to 60,000 MT** in December 2017, Our market share will accordingly go up from current market share of 13%
- » **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



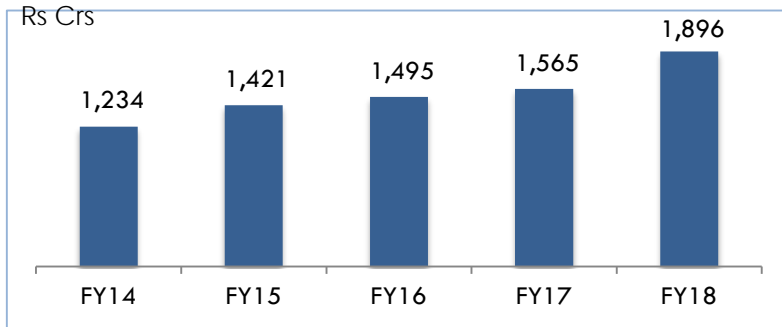
Consumer Products

- » **Premium edible Salt Manufacturer** in South India
- » **Expanding product portfolio** i.e. Salt, Honey, Spices and Powder Spices under the brand i-FLO.
- » Ventured into **the Premium Honey Category** by pioneering the entry of Jujube Honey
- » Under powdered spices category, Turmeric, Chilli, Coriander & Black Pepper Powder SKUs were introduced.
- » Now adding complete basket of Blended spices in powder category
- » Entered into Maharashtra and Goa market.
- » Brands: Sapan & i-FLO which are well accepted among Category A stores in Major Southern cities.

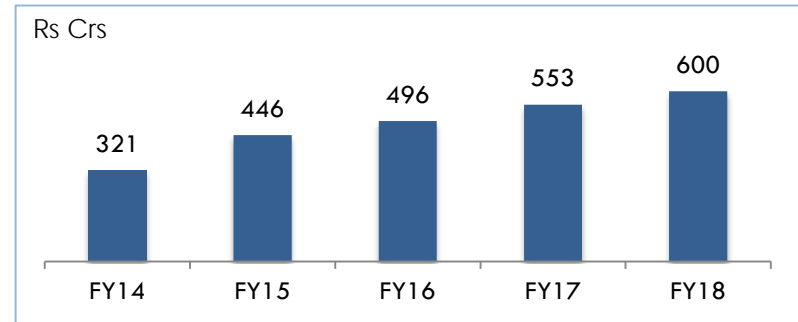
Handwritten signature

Robust financial performance – Inorganic Chemicals

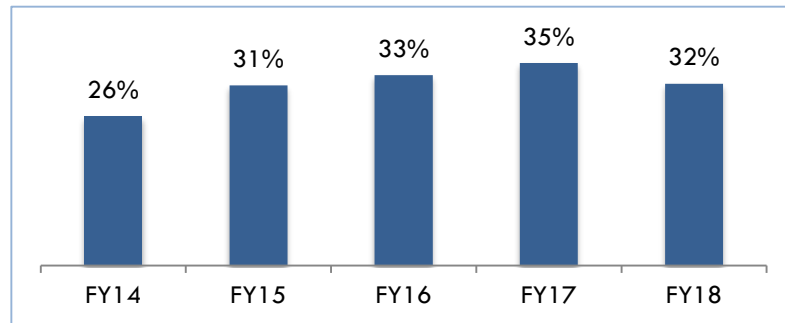
Revenue*



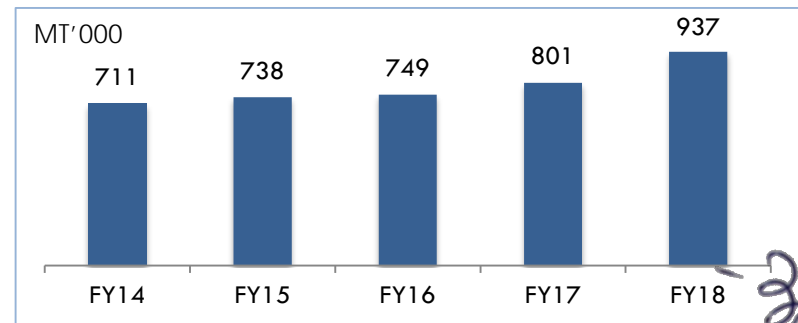
EBITDA



EBITDA Margin*



Production in MT



Handwritten signature

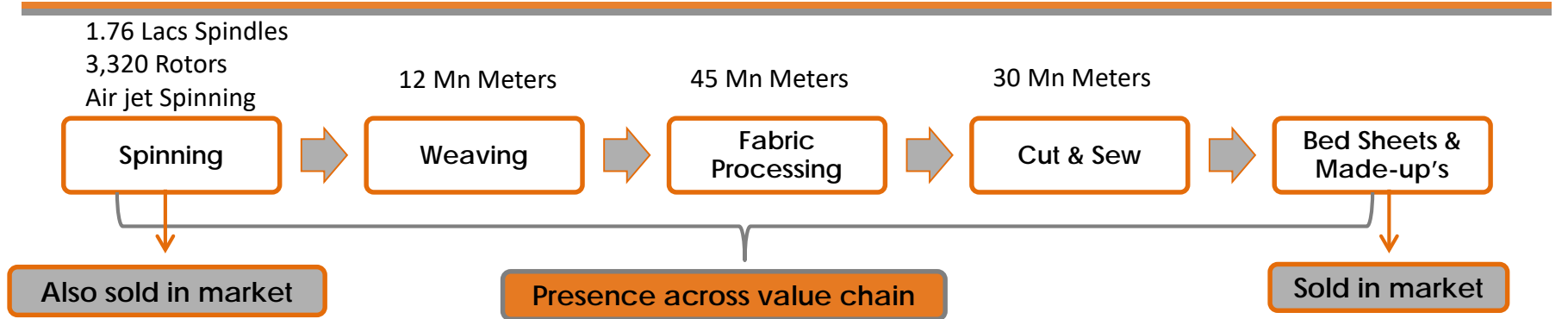
*Note :- Revenue Figures are considered net off Excise/GST impact.



Home Textile Segment

Handwritten signature

Complete Integration improving the efficiency



» **Spindle capacity close to double** of home textile requirement giving an opportunity to benefit from expansion of sheeting capacity

- Spinning unit located near **Madurai in Tamil Nadu**
- Yarn ranging from **16s to 32s** in open end, 30s to **120s in ring spun compact counts** in 100% cotton and **24s to 70s counts** in blended yarns
- 27.2 MW windmill capacity

» **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.

Marquee Clients



Handwritten signature

Every day is Earth day
for GHCL with
“REEKOOP”

“REEKOOP”, Our sustainable, traceable bedding line is made using recycled PET fibre, with molecular tagging for complete Traceability.

1000's sheet uses
36000 PET bottles,
corresponding to a
metric ton of PET.

Environmental
impact –

Reduction of landfill
space by 7.4 cubic
yards,

Reduction of crude oil
usage by 9 barrels

Reduction of Co2
emissions into the
atmosphere by 6.5
MT.

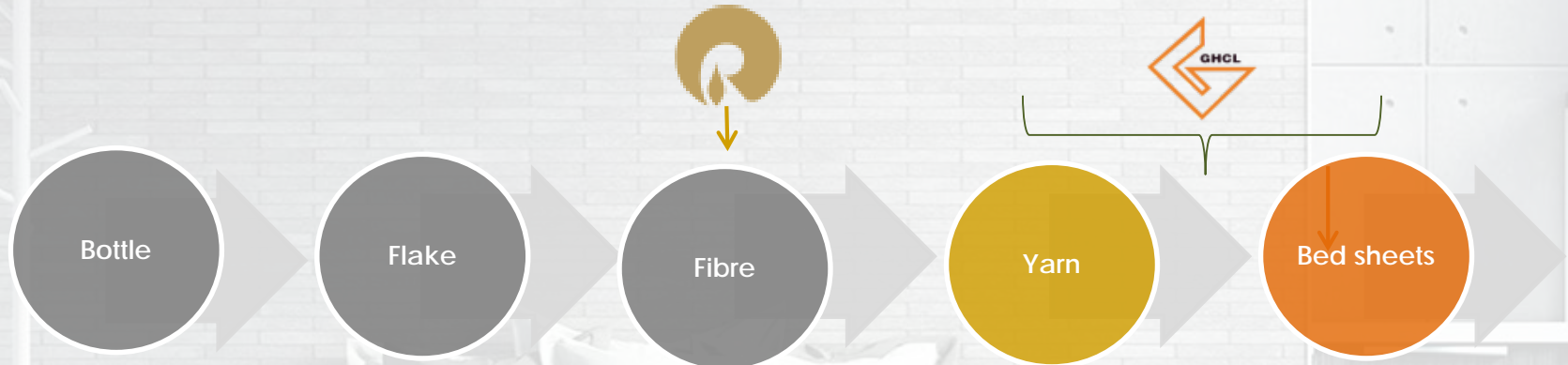
Sustainable. Traceable. Bedding.

REEKOOP
RECYCLED WITH CERTAINTY



www.rekoop.pet | contact@rekoop.pet | GHCL Ltd., GHCL House, B-38, Institutional Area, Sector 1, NOIDA, 201301 (UP), India.





Patented technology developed in association with Applied DNA Sciences(ADNAS) & GHCL.

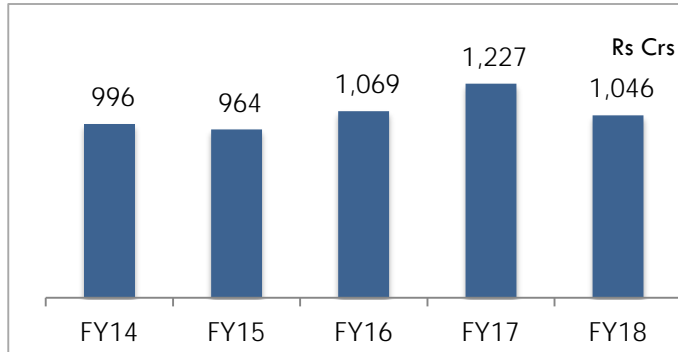
Fibre to be Manufactured and supplied by Reliance Industries

Manufactured and Sold by GHCL under REKOOP brand

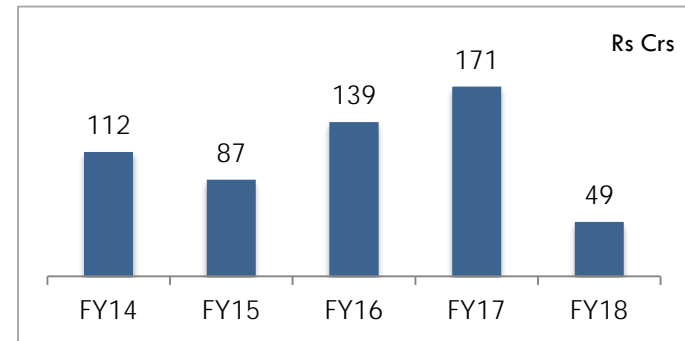
Handwritten signature

Yearly Performance - Textile Segment

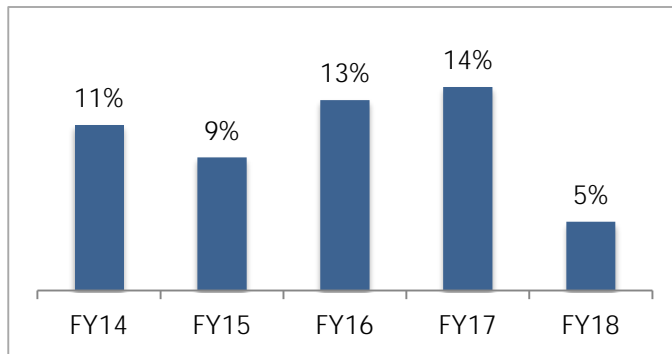
Revenue



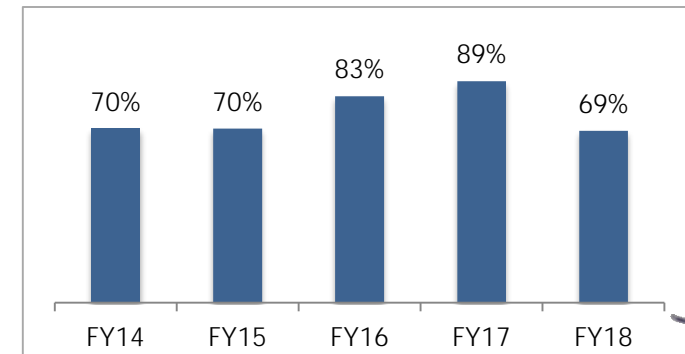
EBITDA



EBITDA Margin



Capacity Utilization



Handwritten signature

*Note :- Revenue Figures are considered net off Excise/GST impact.



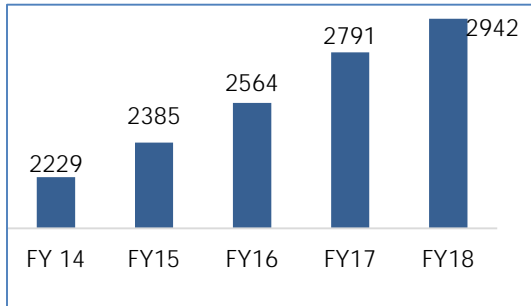
Financial Annexure

Handwritten signature

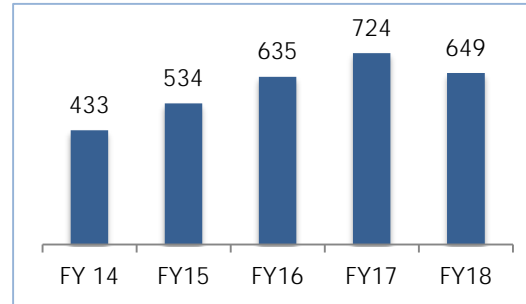
Robust growth with improving profitability

Rs Crs

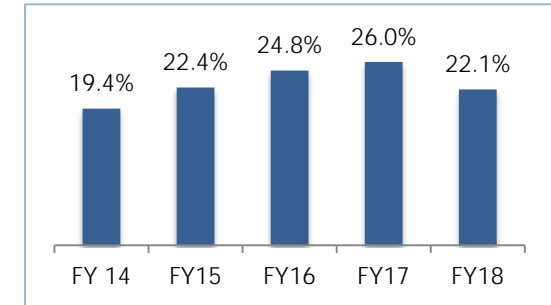
Revenue (7 % CAGR)



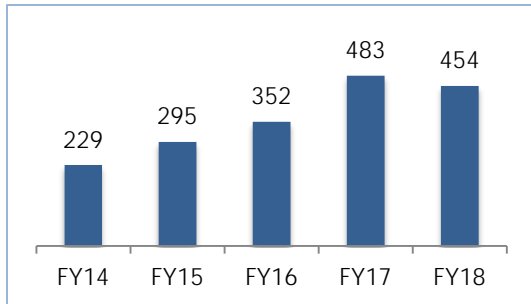
EBITDA (11% CAGR)



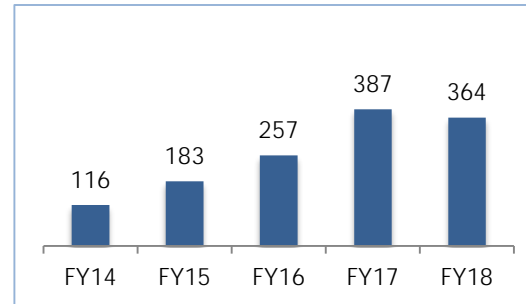
EBITDA Margin



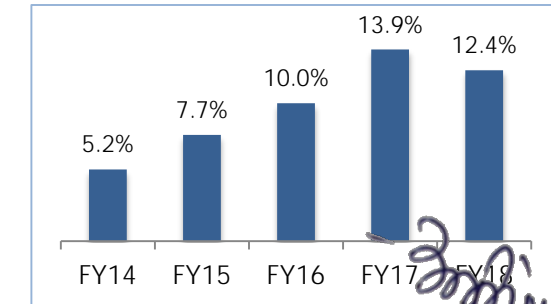
Cash Profit (19% CAGR)



PAT (33% CAGR)



PAT Margin

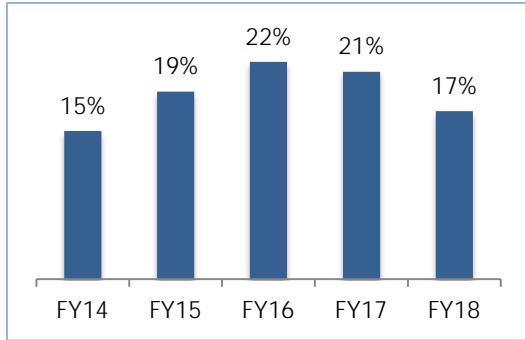


Handwritten signature

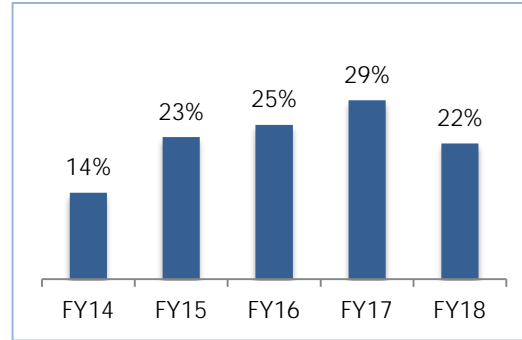
*Note :- Revenue Figures are considered net off Excise/GST impact.

And improving return ratios

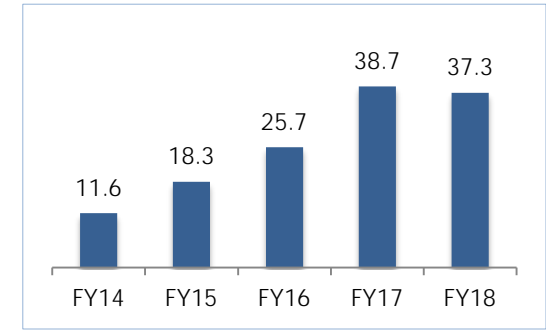
ROCE



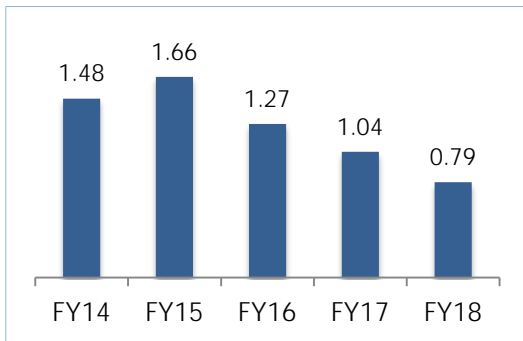
ROE



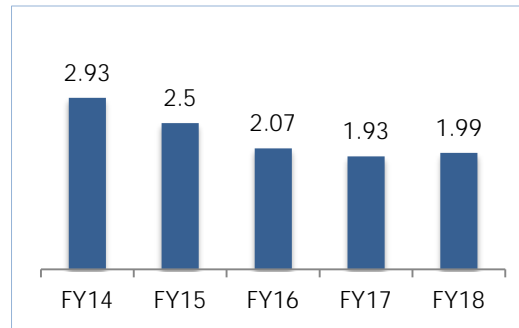
EPS



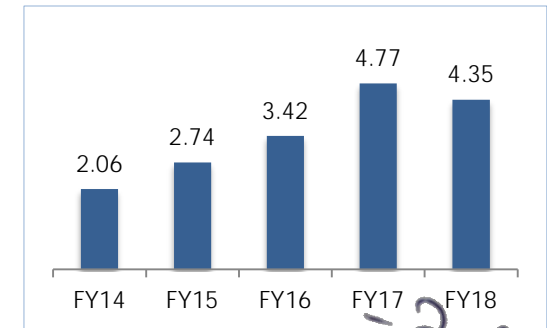
Net Debt/Equity



Net Debt/EBITDA



Interest Coverage Ratio



Handwritten signature



CIN: L24100GJ1983PLC006513

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

Mr. Sunil Gupta
sgupta@ghcl.co.in

Mr. Abhishek Chaturvedi
abhishekchaturvedi@ghcl.co.in

Let's Connect



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



CIN: U74900MH2014PTC259212

Mr. Vikash Verma
vikash.verma@stellar-ir.com

Mr. Abhishek Bhatt
abhishek@stellar-ir.com