



July 25, 2016

National Stock Exchange of India  
Limited  
"Exchange Plaza"  
Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400 051  
Fax# 022 26598237/38

BSE Limited  
1st Floor, New Trading Ring,  
Rotunda Building,  
P.J. Towers, Dalal Street,  
Fort, Mumbai - 400 001  
(Fax:022 22723121/2037/2041/3714/2039/2061)

Dear Sir / Madam,

**Re.: GHCL Limited (BSE Code: 500171 & NSE Code: GHCL)**

**Subject: Investors' Presentation – Q1FY 17 Business Update**

As informed on July 20, 2016 that a conference call to discuss the Q1FY17 results of the company with Mr. R S Jalan, Managing Director and Mr. Raman Chopra, CFO & Executive Director (Finance) is scheduled to be held on Tuesday, July 26, 2016 at 4.00 PM (IST). In this regard, copy of the financials and other business details for Q1FY 17 (i.e. Business Update), which is going to be circulated for the scheduled investors' conference, is enclosed herewith for your reference & record.

In line with the terms of Code of conduct and procedures for fair disclosure of unpublished price sensitive information read with SEBI (Prevention of Insider Trading) Regulations, 2015, we shall post relevant information, if any, on the website of the company promptly after the meeting and also send copy of the same to the stock exchanges.

You are requested to kindly acknowledge the receipt and please also take suitable action for dissemination of this information through your website at the earliest. In case you need any other information, please let us inform.

Thanking you

Yours truly

For GHCL Limited

**Manoj Kumar Ishwar  
Sr. Manager (Secretarial)**

*We believe – Respect, Trust, Ownership and Integrated Team Work leads to Business Success*



**GHCL Limited**



**Investor Presentation  
June 2016**

*Bonil  
25/7/2016*





- » **Company Overview**
- » **Q1 FY17 Financial Highlights**
- » **Inorganic Chemical Segment**
- » **Textiles Segment**
- » **Financial Annexure**

*Bunil*  
25/7/2016

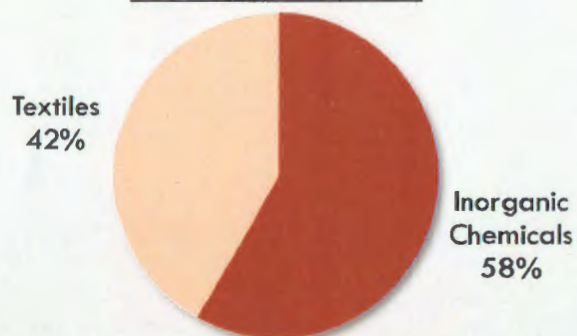
# Business segments overview

## Inorganic Chemicals

- Leading producer of soda ash in India which find use in detergents & glass industries
- Specializes in manufacturing Sodium Bicarbonate
- Annual production capacity of 850,000 MT of soda ash, ~23% of annual domestic requirement
- Manufacturing plant at Sutrapada, Gujarat
- Preferred supplier to HUL, Ghari, P&G, HNG, Piramal Glass, St Gobain and Phillips

## Revenue Break-up\*

**FY16 Total: Rs 2,564 cr**

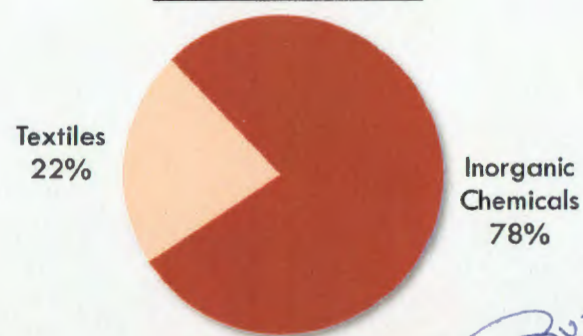


## Textiles

- Integrated home textile manufacturer in India
- Presence across spinning, weaving, continuous fabric processing, and cut & sew for premium quality bed linen
- Spinning capacity of ~ 175,000 spindles; Processing capacity of ~ 36 million meters
- State of the art manufacturing facilities: Spinning plant - Madurai, TN; Home textile - Vapi, Gujarat
- Preferred supplier to Bed Bath & Beyond, Target, Sears, JC Penny, House of Fraser and Kmart

## EBITDA Break-up\*

**FY16 Total: Rs 635 cr**



*Junil*  
25/7/2016





# Professional management...



## Managing Director

**Mr. R. S. Jalan**

**30+ years experience**

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



## CFO & Executive Director

**Mr. Raman Chopra**

**25+ years experience**

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

## Marketing Head, Soda Ash

**Mr. Sunil Bhatnagar,**

**30+ years experience**

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

## COO, Soda Ash

**Mr. N N Radia**

**30+ years experience**

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

## SVP, Home Textiles

**Mr. Neeraj Jalan**

**18+ years experience**

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

## SVP, Spinning

**Mr. M. Sivabalasubramanian**

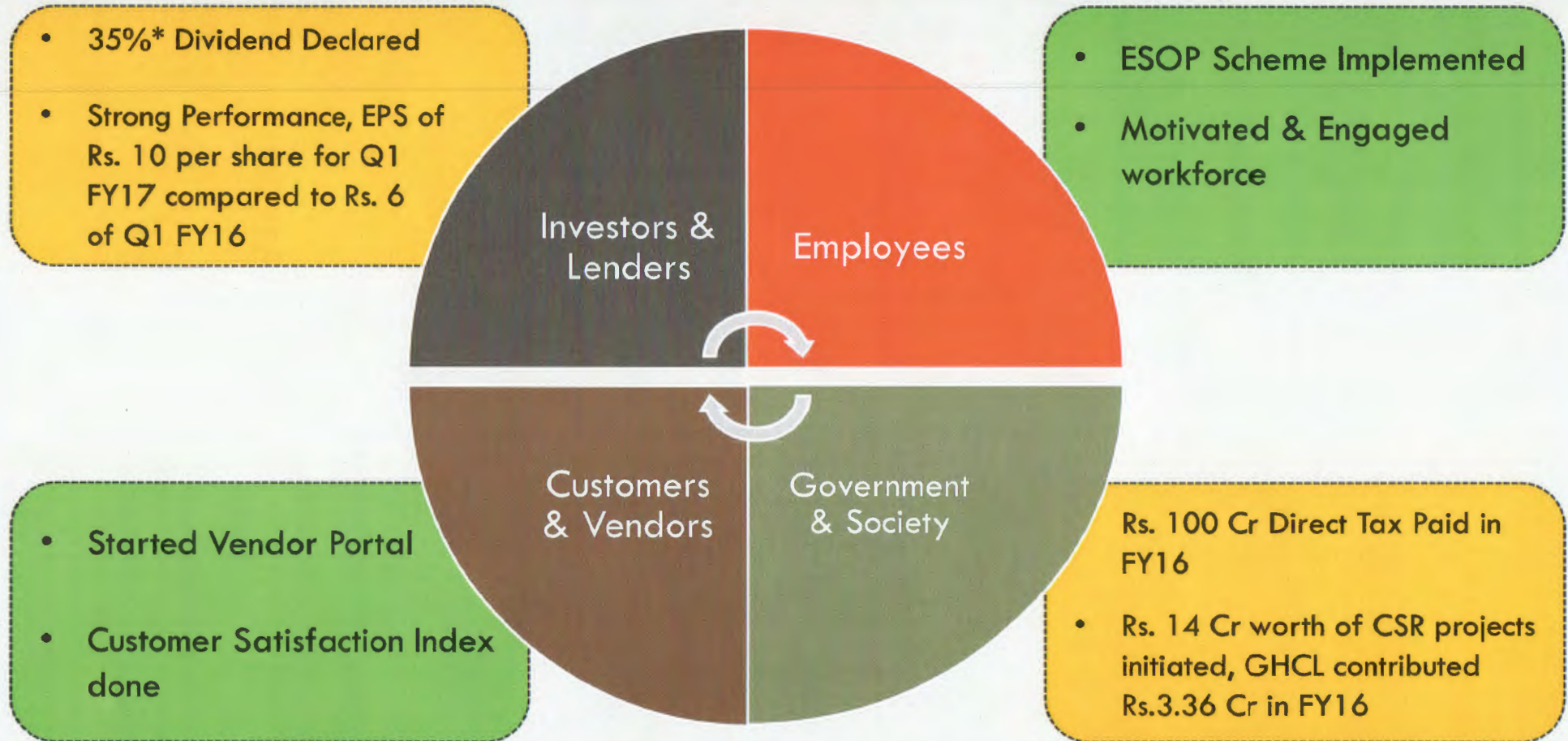
**20+ years experience**

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

Boni  
25/7/2016



# Committed towards growth of all stakeholders



\*35% Dividend is on Capital against last year of 22%

*(Signature)*  
25/7/2017





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*Sumit*  
25/7/2016

## Robust year-on-year growth in Q1 FY17

**17%** ↑

**Revenue**

Rs 734 crore

**29%** ↑

**EBITDA**

Rs 196 crore

**231 bps** ↑

**EBITDA Margin**

27%

**86%** ↑

**Profit Before Tax**

Rs 140 crore

**67%** ↑

**Profit After Tax**

Rs 103 crore

**Rs. 4** ↑

**EPS**

Rs. 10.25/Share

Standalone Financials based on IndAS

*Sanil*  
25/7/2016





# ... with improving financial indicators



Net Debt / EBITDA

**1.72** ↓

From 1.90 in Mar'16

Net Debt / Equity

**1.03** ↓

From 1.17 in Mar'16

Total Debt (Rs crore)

**1,180** ↓

From 1,248 cr in Mar'16

Return on  
Capital Employed\*

**24%**

Q1FY17

Return on Equity\*

**26%**

Q1FY17

Cash Profit after Cash  
tax (Rs crore)

**131**

Q1FY17

## Standalone Financials

- ROCE calculated as - Trailing 12 Months (TTM) EBIT/ (Total Debt + Shareholders Equity)
- ROE calculated as - Trailing 12 Months (TTM) PAT/ Shareholders Equity
- March figures reclassified based on opening Balance sheet under Ind AS

*Junil*  
25/7/2016



# Way forward



## Continue profitable growth

- 1 lakh soda ash capacity expansion by FY17; sustained margins
- Volume growth in home textiles due to bottlenecking; margins to improve with capacity and cost optimization



## Sweat existing assets

- Focus on optimally utilizing capacities
- Operational efficiencies to improve return ratios
- Significant operating cash profit



## Focus on Textile marketing

- Strengthen presence in new geographies for home textiles like India, Australia, etc.
- Improve customer mix for higher volumes and better margins
- Value added products



## Strengthen balance sheet

- Improve debt/equity ratio with target to bring it down to less than 1 by FY17
- Robust free cash flow generation

*Donil*  
25/7/2016

Committed to driving consistent growth for all stakeholders





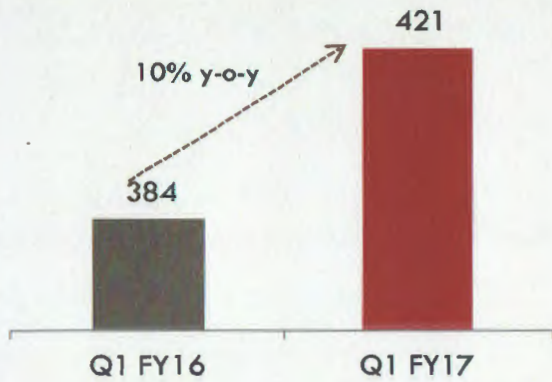


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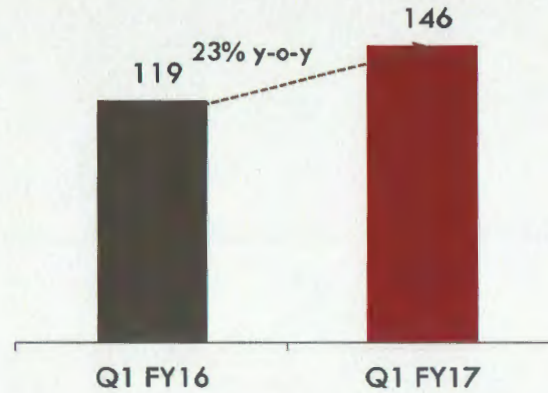
*Sumit*  
25/7/2016

# Margin leadership in the industry

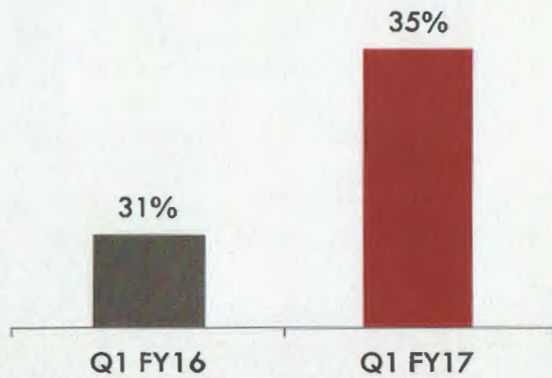
## Revenue



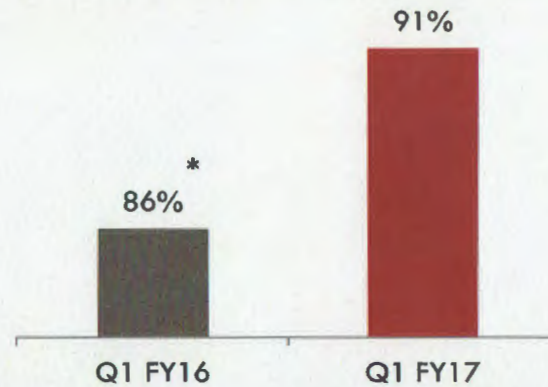
## EBITDA



## EBITDA Margin



## Capacity Utilization



**Higher Capacity Utilization (91%)**

Higher Production by 21,500 MT  
Higher Sales by 23,300 MT

Operational Efficiencies Leading to Margin Improvement

\* Excluding shutdown effect for "Like for Like" comparison

*30/01/2016*  
*25/7/2016*

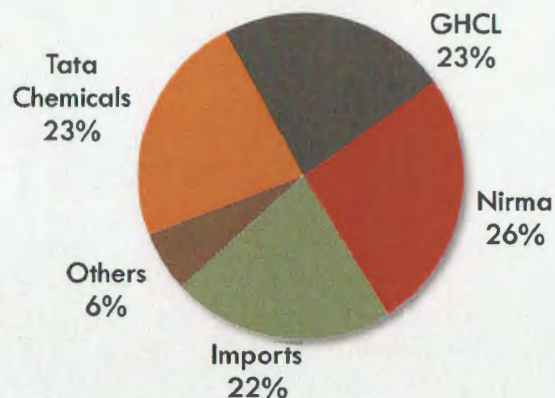


# Leading manufacturer of soda ash with 8.5 L MT capacity

## Key Highlights

- ✓ Capacity of 8.5 Lakh MT (27% of domestic capacity)
- ✓ Highest capacity utilization – 88% (91% in Q1 FY16)
- ✓ Best EBITDA margins in industry
- ✓ Built operational efficiencies – six sigma projects, cost reduction initiatives, process innovation methods
- ✓ Brownfield expansion of 1 Lakh MT in progress to complete by Q4FY17 - 12% volume growth at higher margins

## Market Share (Total Demand 3.3MMT)



## Clients

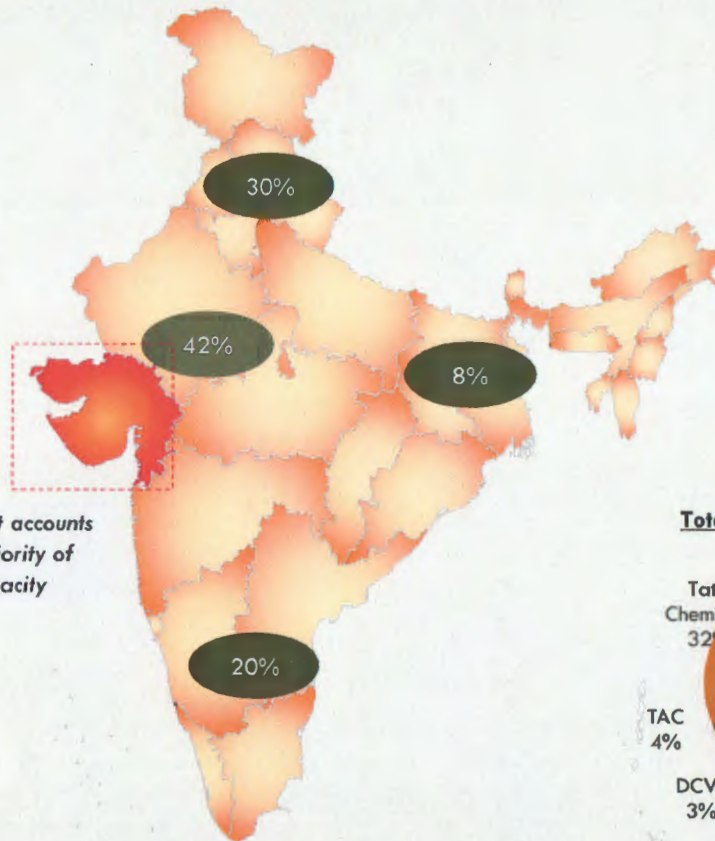


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# Soda ash industry overview

## Domestic Demand and Supply

**72 % of demand from North and West India**



## Unlike Commodity

### Global Market

Production: 4% CAGR

Demand: 4% CAGR

In Million MT (MMT)



### Indian Market

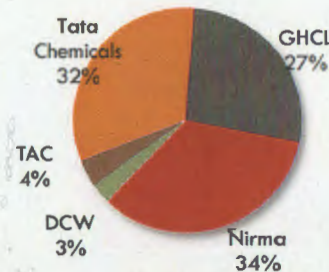
Production: 4% CAGR

Demand: 4% CAGR

In Million MT (MMT)



### Total Capacity 3.1MMT



**New Capacities of 0.8 MMT are coming in next 3-4 years.**

**Expected soda ash demand growth of 4-5% to absorb additional supplies**



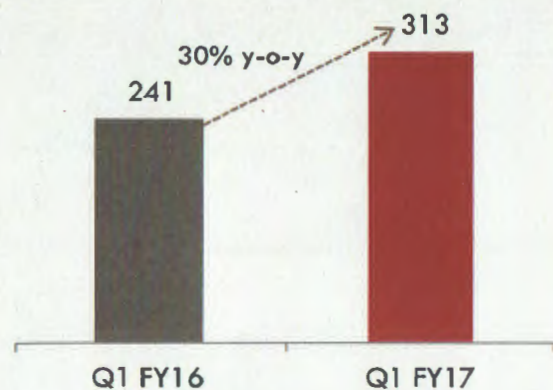


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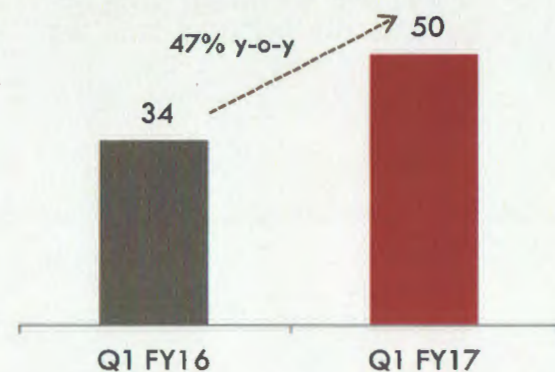
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# Consistently improving margins

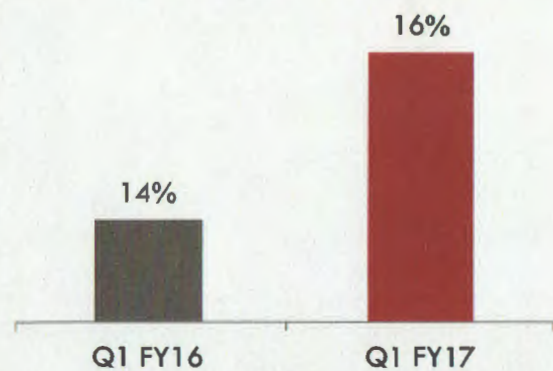
## Revenue



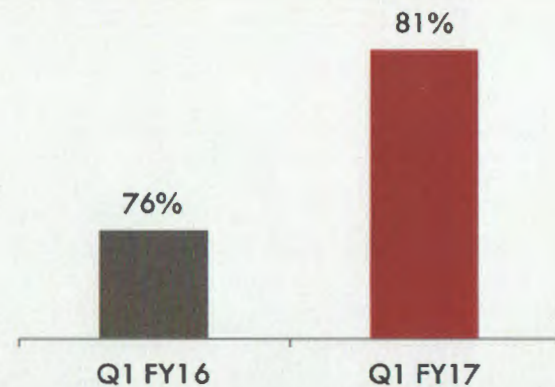
## EBITDA



## EBITDA Margin



## Capacity Utilization (Sheeting)



30% volume growth due to capacity optimization

Benefiting from cotton coverage and investment in wind turbine lowering the cost



# Emerging home textiles player

## Vertically Integrated

- Presence across the value chain from spinning to processing
- State-of-the-art home textiles facility at Vapi
  - Best of plants and equipment sourced from Germany and Japan - Beninger, Kuster, Monforts
  - Flexibility to process both cotton and blended fabrics
- Integrated with best in class spinning facility and captive power
  - Compact spinning and valued added yarn capacity
  - 175k spindles
  - 25MW windmill capacity

## Diversified Product Range

### Sheeting

- ▶ Sheet
- ▶ Duvet
- ▶ Bed Skirt



### Filled Articles

- ▶ Quilted Flat Sheets
- ▶ Comforter and Comforter Shells



### Pillows

- ▶ Pillows
- ▶ Shams
- ▶ Cushions



*Capacity - 36 mn meters of processing; 12 mn meters of weaving; 30 mn meters of cut & sew*



*Improving capacity utilization – 83% in FY16 from 70% in FY15*



*Improving EBITDA margins – 13% in FY16 up from 9% in FY15*



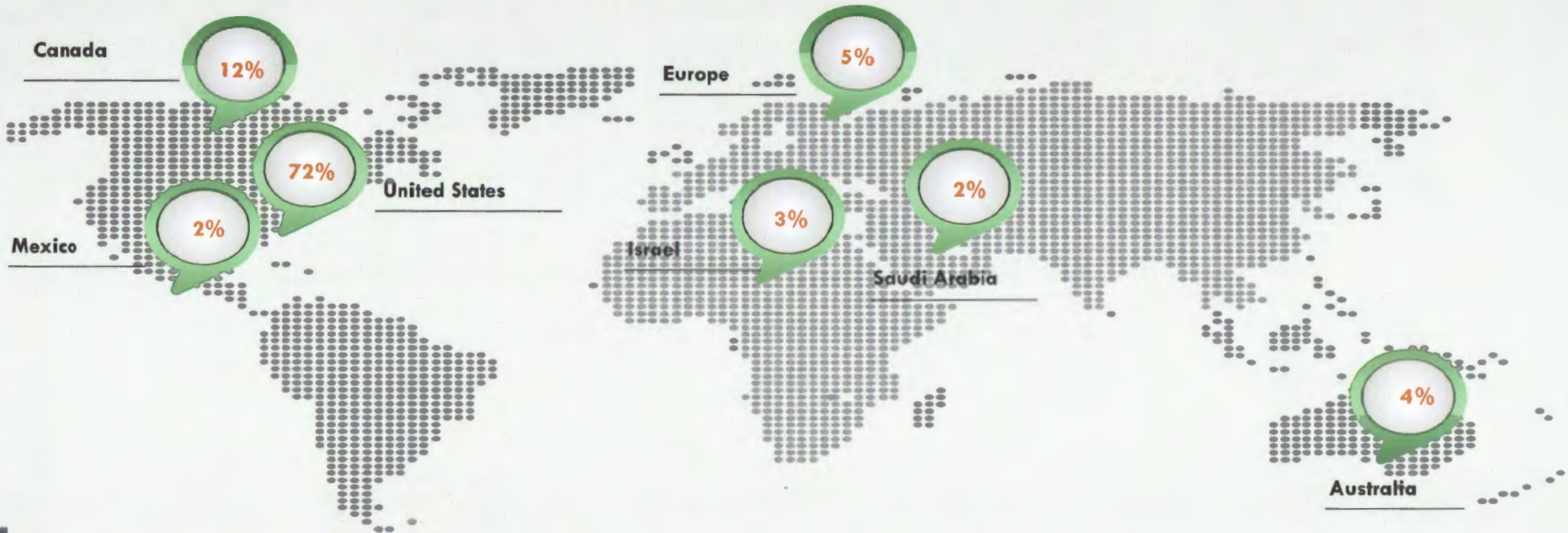
*Building operational efficiencies – 12MW windmills installed, 400 stitching machines installed*



*Focus on de-bottlenecking, increase in in-house cut & sew capacity for capacity and margins optimization*



# Geographical spread (exports)



## Marquee Home Textile Clients across Globe



HOUSE OF FRASER  
SINCE 1849



JCPenney



Sears

canningvale

THE WHITE COMPANY  
LONDON

Tuesday Morning

amazon.com

Gallery



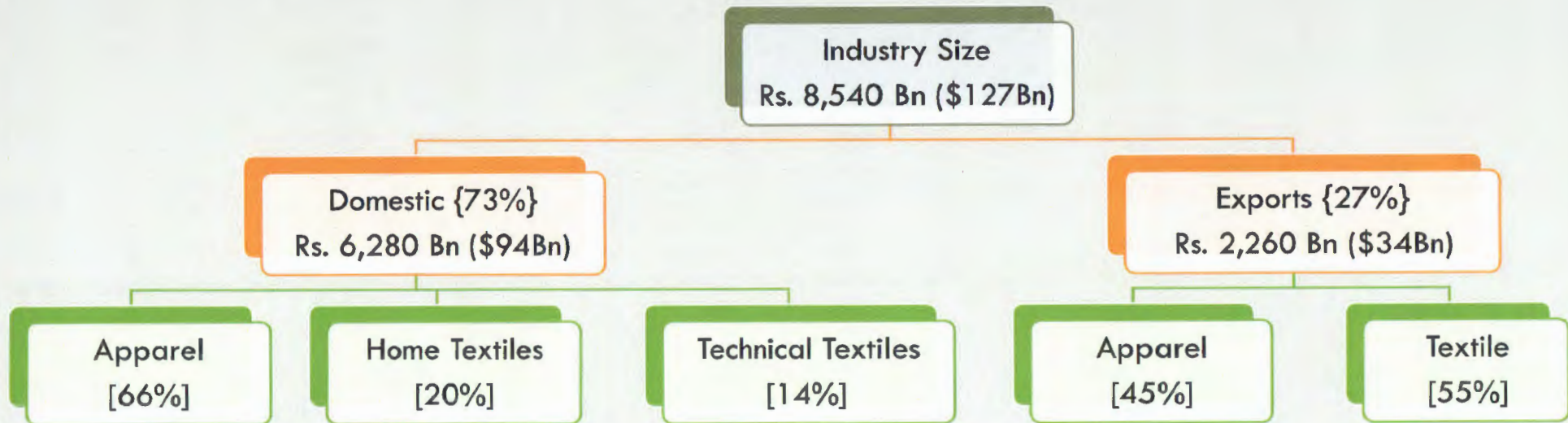
✓ With continued focus in US Market, target to expand in other geographies like Australia and Europe

✓ Plan to realign customer mix and introduce value added products

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ENCL



# Indian textile industry



- ✓ 2<sup>nd</sup> Largest Employer in India, Employs > 35 Million Workforce.
- ✓ 14% Contribution to Industrial production in India.
- ✓ 4% Contribution to GDP, 17 % Contribution to export earnings.
- ✓ 22% of Global Spindle capacity , Highest # of looms in the World.
- ✓ World largest producer of cotton and Jute, 2<sup>nd</sup> Largest producer of Silk.



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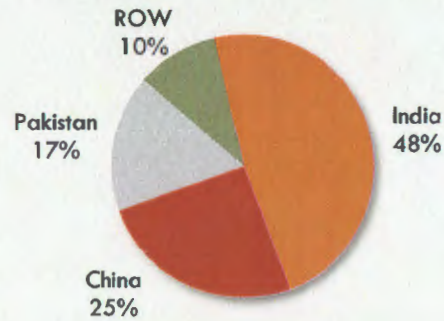
# Home textile market overview

## Global Market

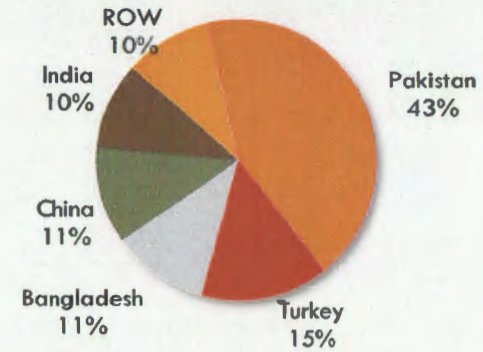
Global home textile market totals \$45Bn

Bed linen & bath constitutes \$27Bn (60%)

Major Exporters to US Market

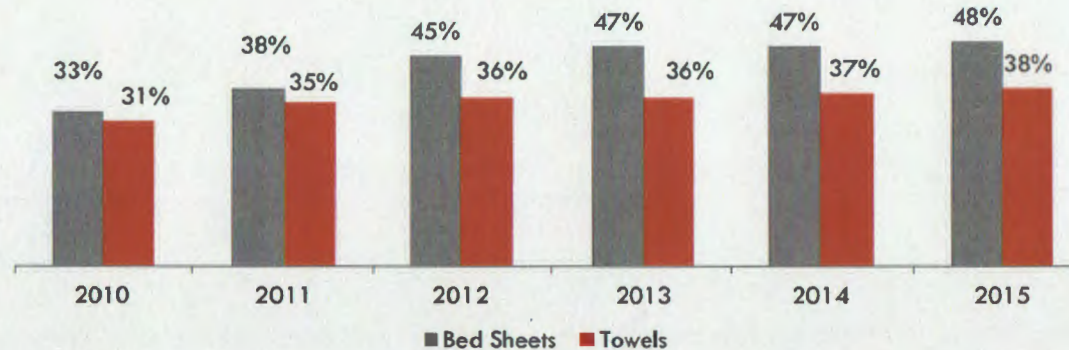


EU 27 Bed Linen Market



## US Home Textile Market – Increasing Share of India

US & Europe accounts for 65% of global demand



India, China & Pakistan accounts for 55% of world supply

Source : Otexa

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 Logo: GHCL





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# Profitability highlights

In Rs crore

Particulars	Q1 FY17	Q1 FY16	% Change
Sales	734	625	17%
Operating Expenses	537	472	
<b>EBITDA</b>	<b>196</b>	<b>153</b>	<b>29%</b>
<i>EBITDA Margin</i>	<b>26.8%</b>	<b>24.5%</b>	<b>231 BPS</b>
Depreciation	21	20	5%
<b>EBIT</b>	<b>175</b>	<b>133</b>	<b>32%</b>
Interest	35	43	-20%
Exceptional Items	--	14	-100%
<b>Profit Before Tax</b>	<b>140</b>	<b>76</b>	<b>86%</b>
Tax	38	14	169%
<b>Profit After Tax</b>	<b>103</b>	<b>62</b>	<b>67%</b>
<i>PAT Margin</i>	<b>14%</b>	<b>10%</b>	<b>415 BPS</b>

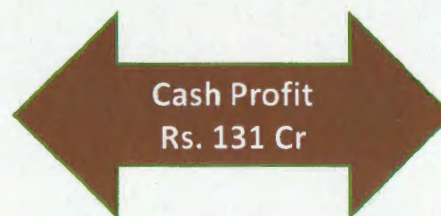
Standalone Financials



*Sonil*  
25/7/2016



# Efficient cash flow management



Soda Ash : Rs. 49 cr  
Textiles : Rs. 14 cr  
**Total : Rs. 63 cr**

Long Term : Rs. 28 cr  
Short Term: Rs. 40 cr  
**Total : Rs. 68 cr**

## Safe Harbor

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