



May 22, 2017

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 – Q4FY 17 Business Update

As informed on May 16, 2017 that a conference call to discuss the Q4FY17 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 Monday, May 22, 2017 at 4.00 PM (IST). In this regard, copy of the financials and other business details for Q4FY 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In line with the terms of Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information read with the SEBI (Prohibition of Insider Trading) Regulations, 2015, we shall post relevant information, if any, on the website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

Bhuwleshwar Mishra
General Manager & Company Secretary



GHCL LIMITED

INVESTOR PRESENTATION MAY 2017



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



Safe harbor



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Agenda

01

Business Overview

02

Business Philosophy

03

Inorganic Chemicals Segment

04

Textiles Segment

05

Financials



- Zorishah

01

Business Overview

— Zorabich

➤➤ 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

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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.

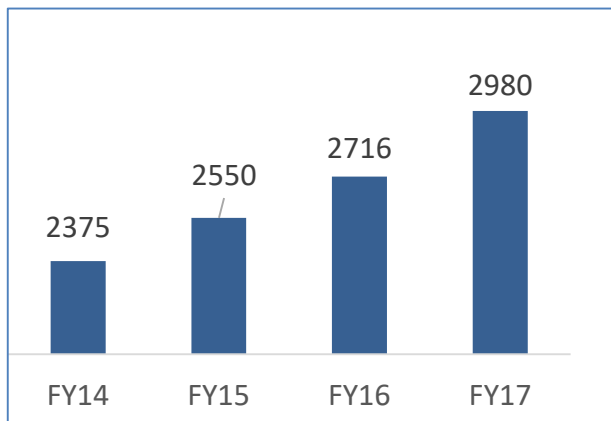
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Robust growth with improving profitability

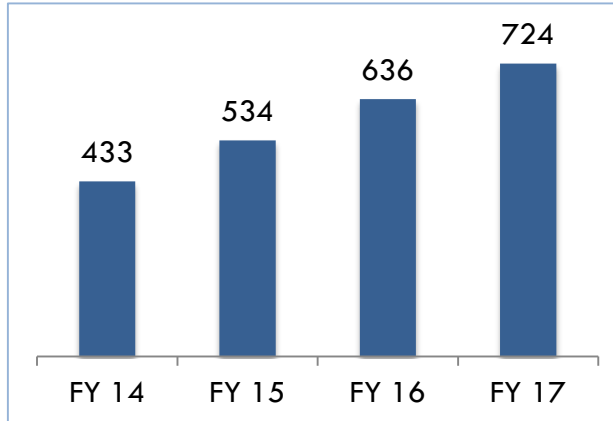


Rs Crs

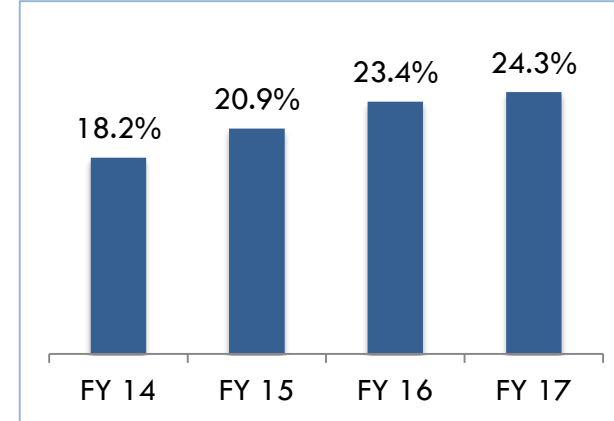
Revenue (8% CAGR)



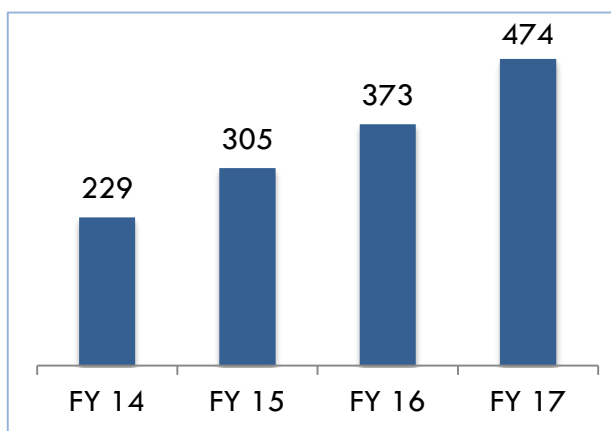
EBITDA (19% CAGR)



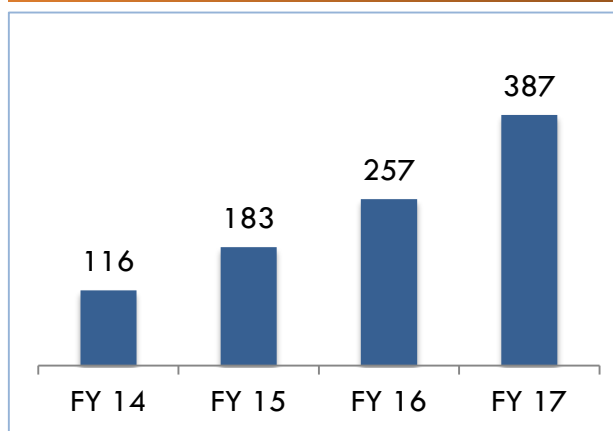
EBITDA Margin



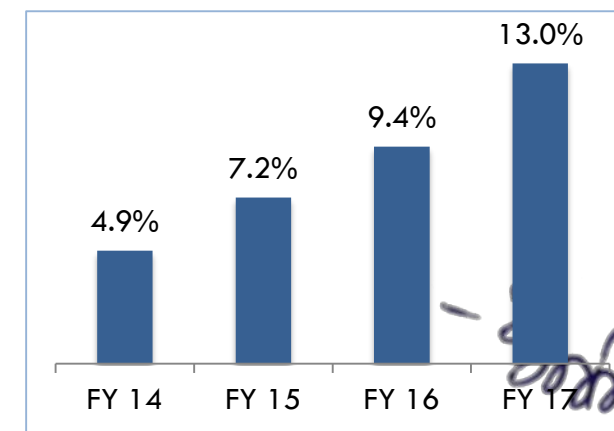
Cash Profit (28% CAGR)



PAT (49% CAGR)



PAT Margin

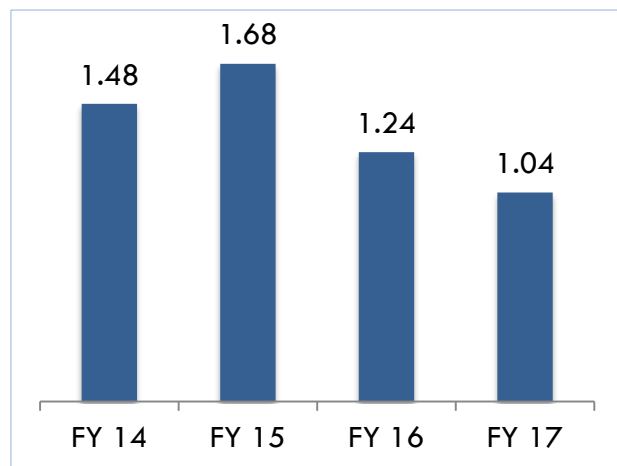


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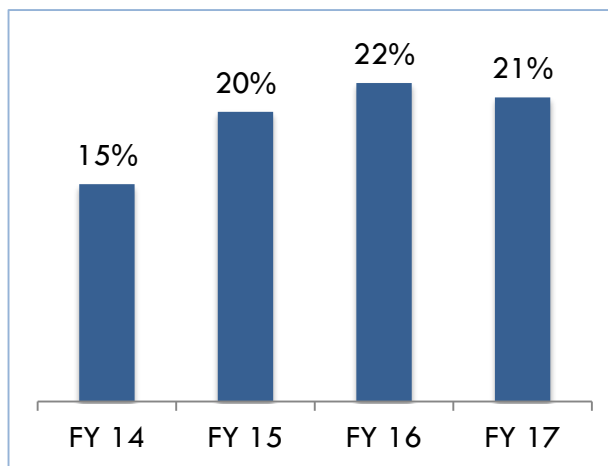
And improving return ratios



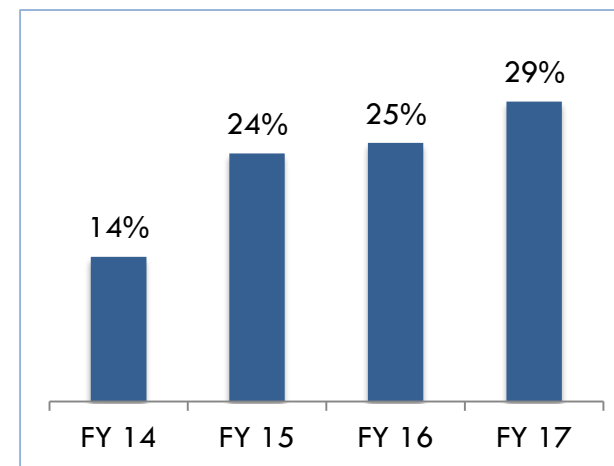
Net Debt/Equity



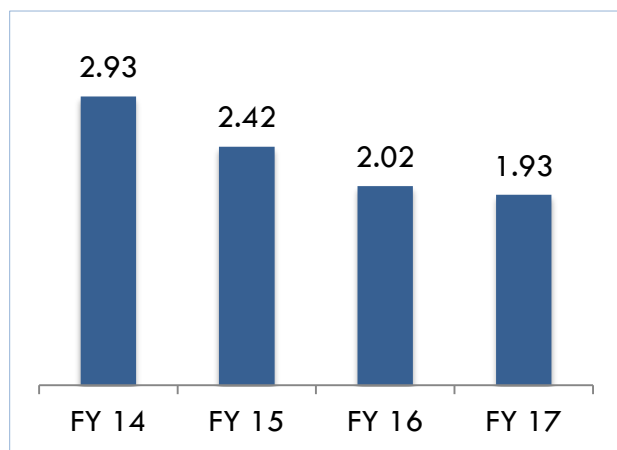
ROCE



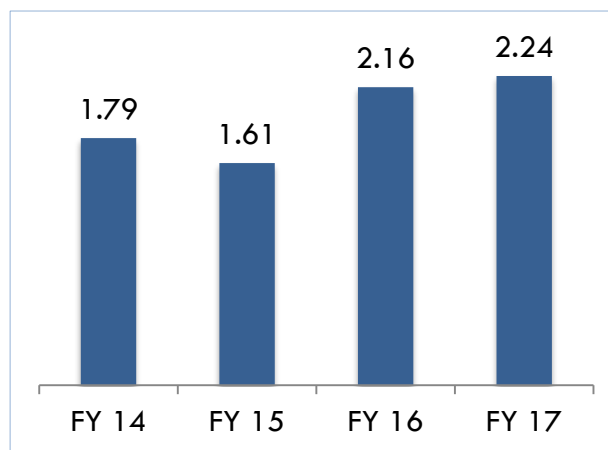
ROE



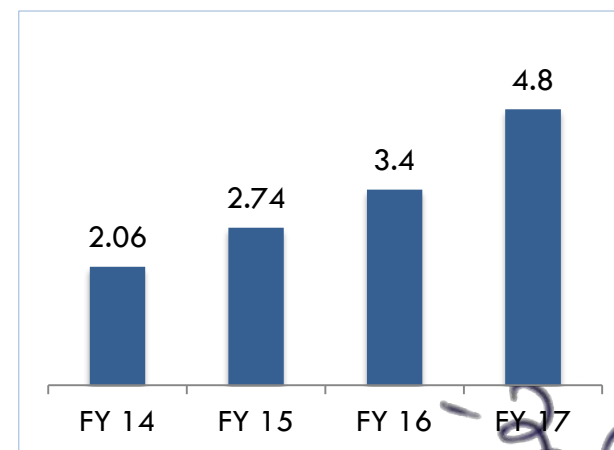
Net Debt/EBITDA



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.

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- 50% Dividend Proposed (15.27% of PAT) in line with Dividend Policy of 15%-20% on PAT Rolled out last year.
 - In addition, Upto Rs. 80 crore allocated towards Share buyback
 - Bought Back 18.72 Lakh Shares till 19th May 2017 – amount spent : Rs. 49 crore
-

- Investment Plan of 700 crore in core business of Soda Ash for 2.5 Lakh MT expansion – Already spent Rs. 300 crore (completed 1 Lakh MT)
- Expanding in Spinning in Value added segment
- Processing Capacity expansion of 9 Mn Mtr under implementation. To be completed



financial

Discipline

- Investing for Growth
 - Higher Payout to shareholders in terms of Dividend and Buyback
 - Maintaining financial ratios - Debt : Equity/Debt : EBITDA by focus on borrowing levels
-

Prashant

Business Philosophy

02

— 2024/2025

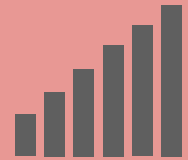
Business philosophy going forward...



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



— 2023/24

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.

2023/11/14



**Dun & Bradstreet
Top 500 Indian companies
2017**

- » Moved to 211 Ranking against last year 246 in Dun & Bradstreet's publication "Top 500 Indian companies 2017"
- » Been consistently included in Top 500 Companies since many years.



**Great Place to Work
Certification**

- » In Survey 2016, GHCL has been certified as "Great place to work"
- » Scored immensely in all 5 categories (Credibility, Respect, Fairness, Pride and Camaraderie)
- » Exceeded the score of the average of the India Top 50 companies in some criteria



**Frost & Sullivan
India Manufacturing Excellence
Awards - 2016**

- » Awarded "SILVER category" in Manufacturing Excellence Award 2016 conducted by Frost & Sullivan
- » The award aims to recognize the efforts of Indian manufacturing companies in enhancing their manufacturing and supply chain excellence to meet global standards

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Recognitions (Continued..)



A-

Credit Rating
Upgraded to A -
from BBB +.



- Our two Spinning units were conferred with prestigious SIMA award for the year 2015-16 for best operating units in south.
- One of the Unit in our textile/spinning was ranked 2nd position.
- Selected out of 100+ Mills across the country.



- Spinning unit received **“GOLD Award”** in International convention on **Quality Control Circles 2016** held in Thailand.
- Apprentice rural girls presented this project on global platform in English which was highly appreciated.

— 2015/16

03

Inorganic Chemicals

— Zorah'ych

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: Briquette costs 46% lower than coke cost
- 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%

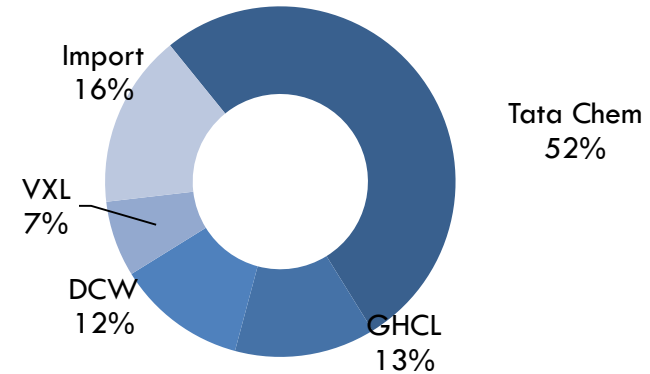
Lignite
30%

Clients – major FMCG/ glass cos.



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

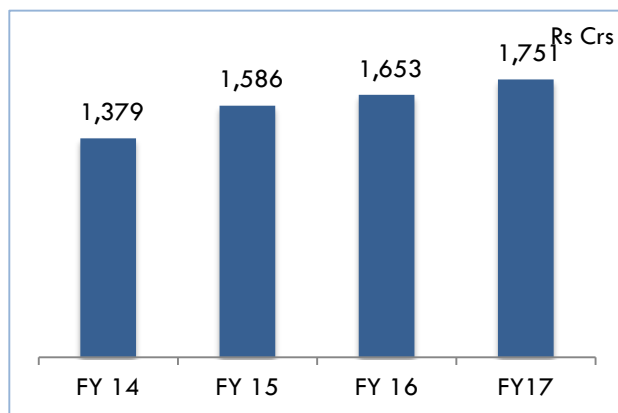


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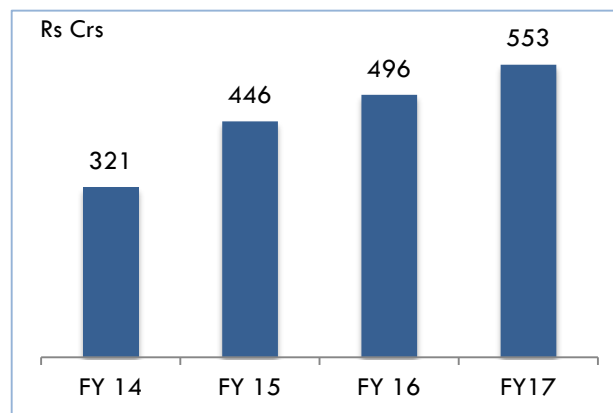
Robust financial performance



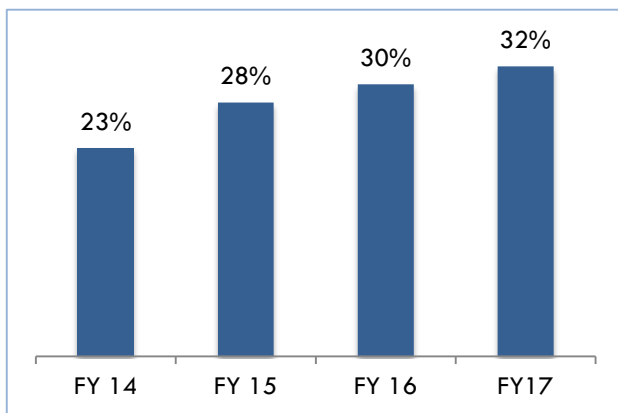
Revenue



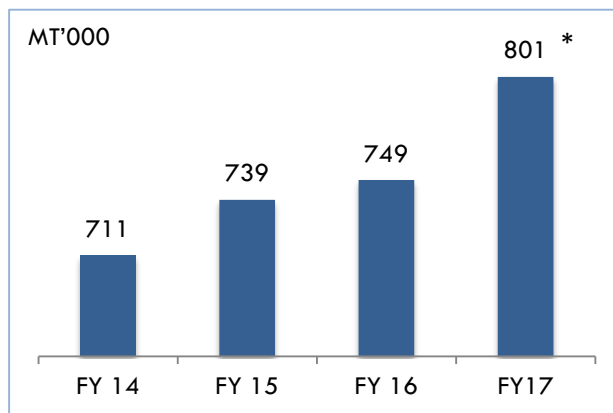
EBITDA



EBITDA Margin



Production in MT



Key performance highlights

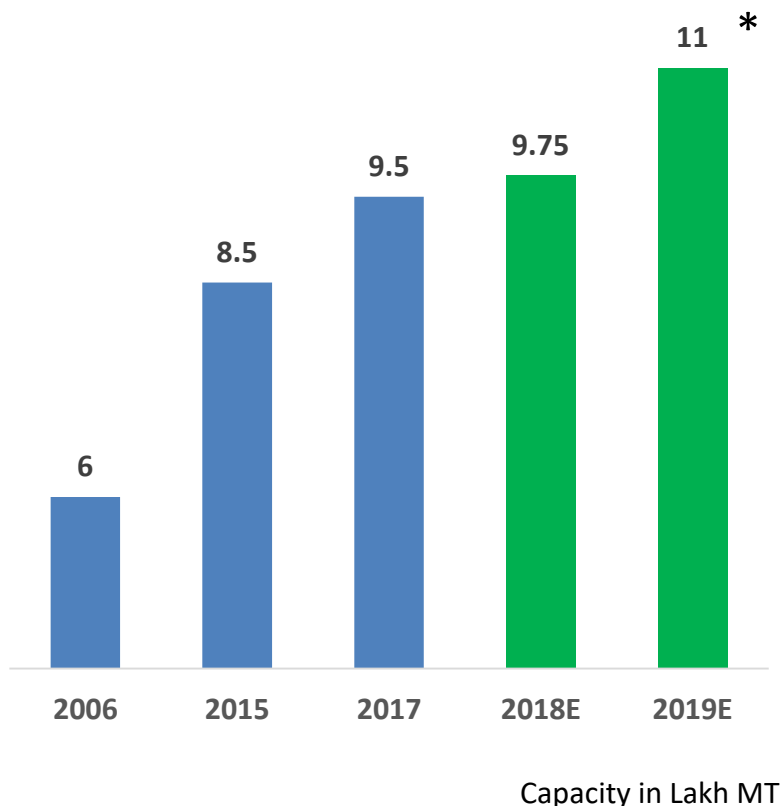
- » Revenue growth of 21% for Quarter ended March 2017 led by
 - 12% Volume Growth in the quarter
 - 7% Volume Growth for the year (Better than Industry Average)
- » EBITDA up by Rs. 57 crore in FY17 (11% YoY growth)
 - » For the Quarter EBITDA up by Rs. 7 Crore registering a growth of 5%
- » EBITDA margins up from 30% to 32% for the year.

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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

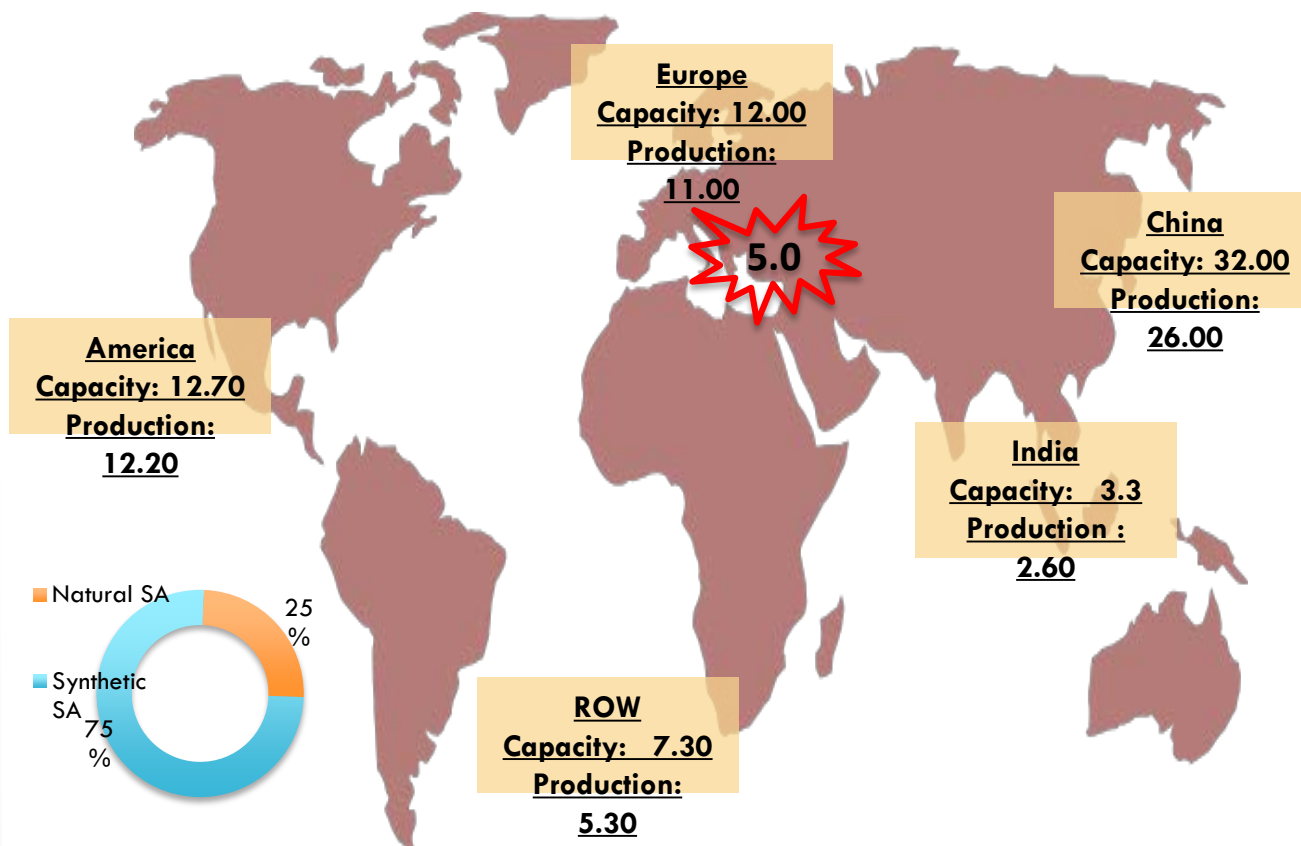
- » Next phase of Capex Expansion (Phase-II) to be completed by March 2019.
 - » Brownfield expansion of 1.25 Lakh MT
 - » Estimated capex outlay Rs. 300 Crores (24K/MT)

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Global Soda Ash Scenario



Global Capacity: 67 MMT, Global Production: 57 MMT



- » Half of the global capacity is present in China.
 - » Balanced demand supply scenario observed in china last year.
 - » Settled a natural market as south east Asia in absence of major manufacturing capability in said region.
 - » Huge decline of around 75% in import from china observed in India during FY 17
- » Stable US demand and Supply.
- » New capacities of 5Mn Mt in Turkey
 - » 0.5 Mn MT started and rest 2.5 Mn MT will be operative in second half of FY 18.

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Home Textile Segment

04

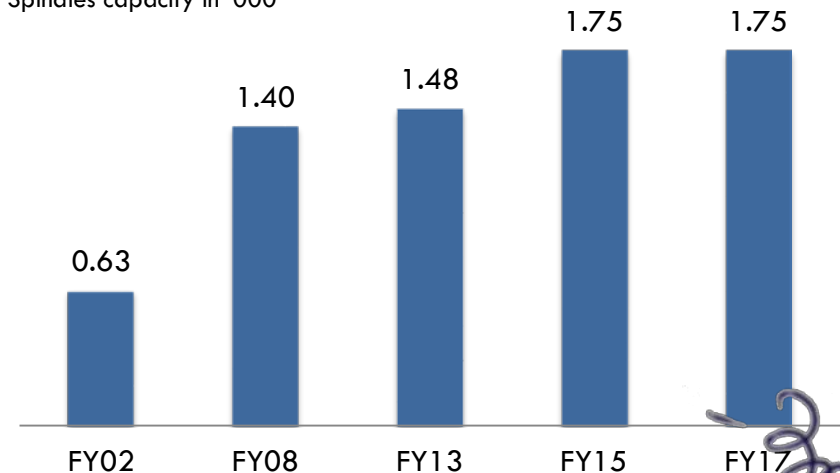
— 2021/22

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



Spindles capacity in '000



Pravin

Diversified product portfolio



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



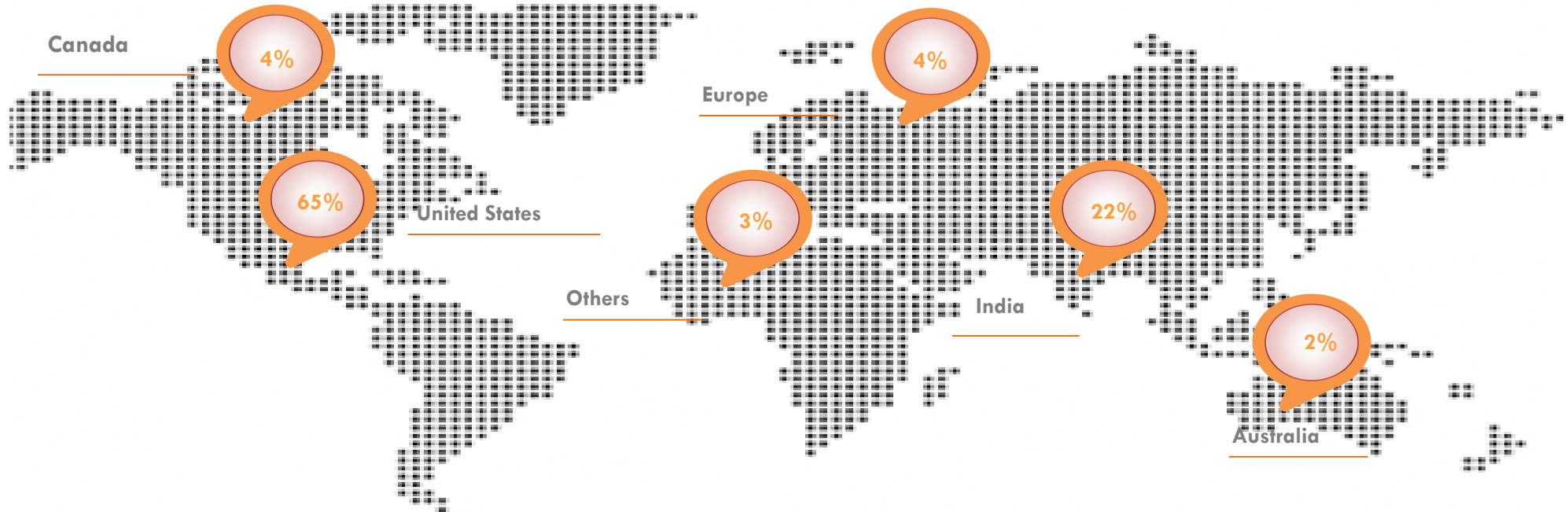
- » Softer than cotton
- » Better moisture absorption and ventilation



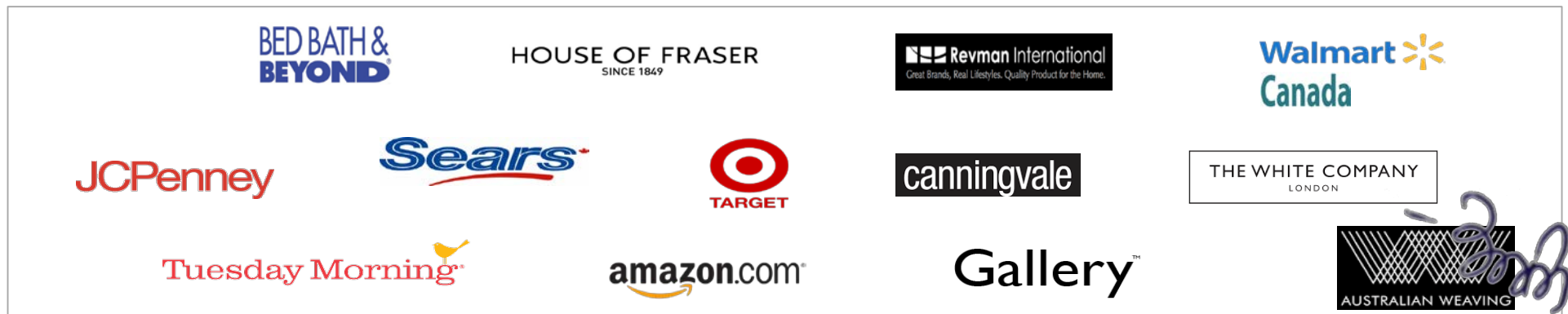
- » 100% cotton
- » Fitted

— 2023/24

Global presence in sheeting



Marquee home textile clients across the globe



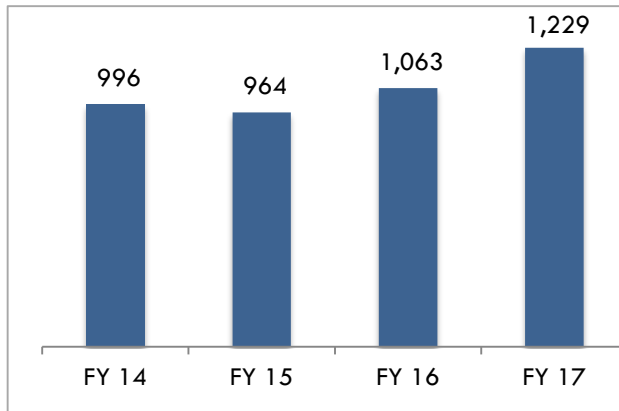
* Based on FY17 sales mix

Consistently improving utilization and margins

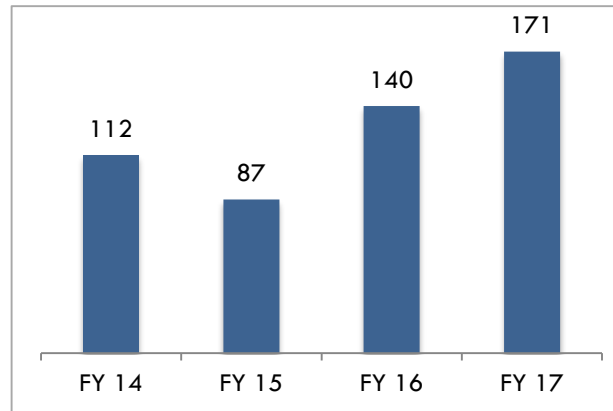


Rs Crs

Revenue



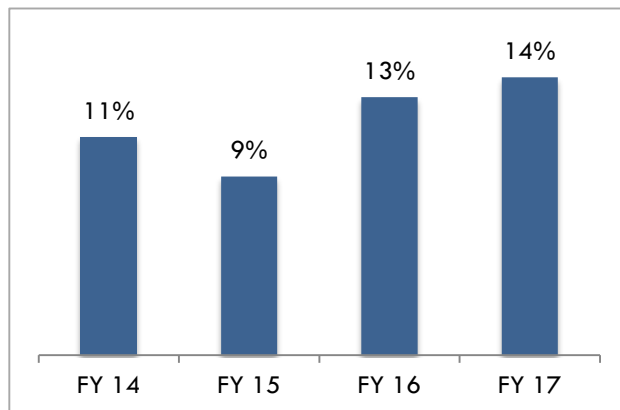
EBITDA



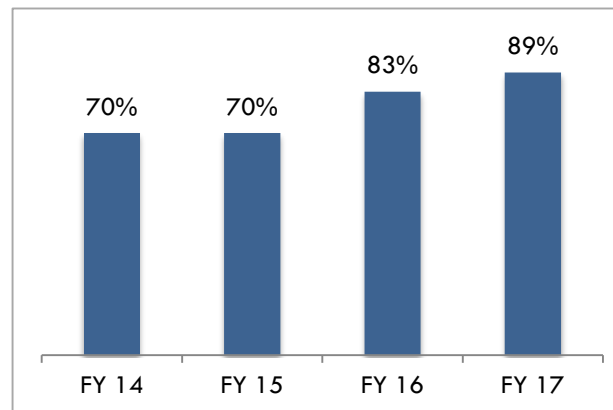
Key performance highlights

- » Revenue growth of 16% in FY17 led by higher volumes.
- » EBITDA up by Rs. 32 crore in FY17 (23% YoY growth)
- » EBITDA margins up from 13% to 14%

EBITDA Margin



Capacity Utilization

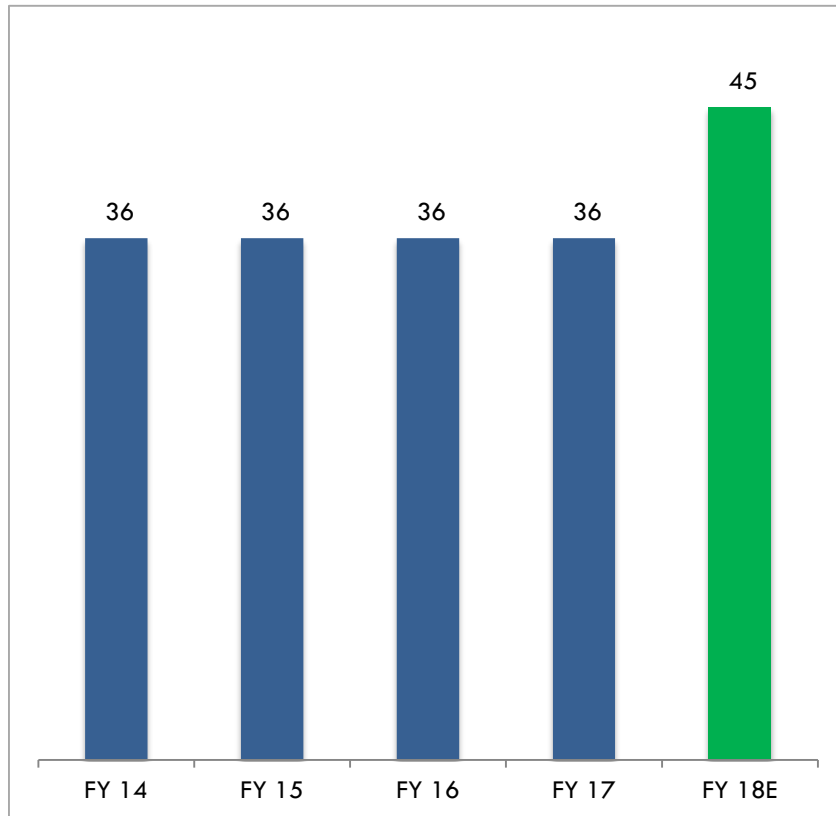


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Growth to be led by capacity addition



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

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

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05

Financials

- Zorich

Profit & loss statement



Rs. In Crores

Particulars	FY 16	FY 17	% Change	Q4FY16	Q4FY17	%Change
Sales	2716	2980	9.5%	690	881	27%
Operating Expenses	2080	2256	8.4%	515	696	34%
EBITDA	636	724	13.7%	175	185	4.5%
<i>EBITDA Margin</i>	23.4 %	24.3 %	0.9%	25.4%	21.0%	- 4.4%
Depreciation	82	85	4.9%	22	21	9%
EBIT	554	639	15%	153	164	6.5%
Interest	163	134	-17%	37	34	5.5%
Exceptional Items	14	3	-78%	-	-	-
Profit Before Tax	377	502	32%	116	130	10.1%
Tax	121	115	5.7%	38	17	56%
Profit After Tax	256	387	50%	78	113	43%
<i>PAT Margin</i>	9.4%	13%	3.6%	11.3%	12.8%	17%

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Balance sheet



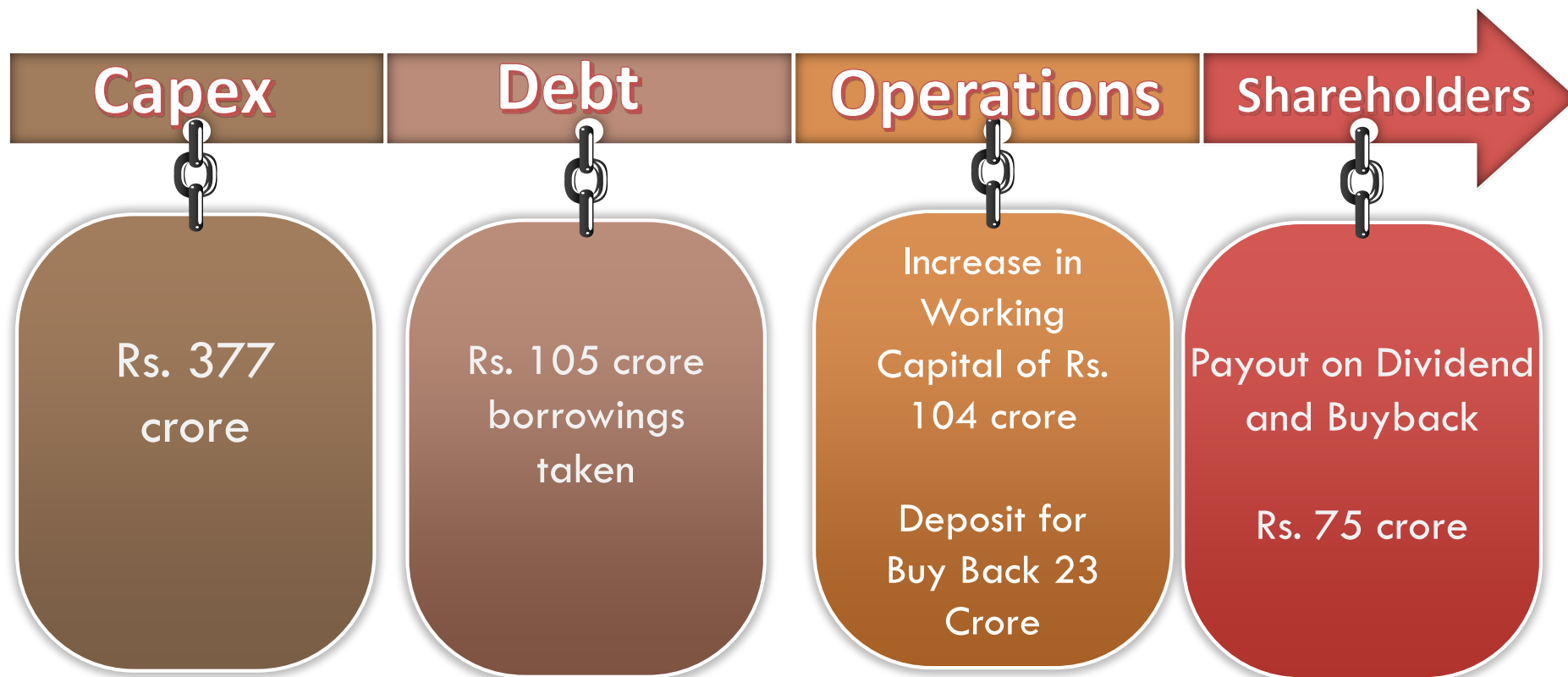
Particulars	Mar-16	Mar-17	Change
Net fixed & other non current assets (A)	2,151	2,472	321
Current Assets	757	995	238
Less: Current Liabilities	349	443	95
Working Capital (B)	408	552	144
Capital Employed (A+B)	2,559	3,024	465
Share Capital	100	99	- 1
Reserves & Surplus	933	1,252	319
Net Worth (A)	1,033	1,351	318
Deferred Tax & ORS (B)	201	242	42
Long Term Debt	675	698	23
Short Term Debt (Including Buyer Credit)	408	514	106
Due in 1 Yr	242	219	-23
Total Debt (C)	1,325	1,431	106
Total (A + B + C)	2,559	3,024	465

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Efficient cash flow management



Generated Cash Profits of **Rs 474 Cr.**



Growth



WORKINGCAPITAL





CIN: L24100GJ1983PLC006513

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