



March 18, 2016

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National Stock Exchange of India
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Dalal Street, Fort, Mumbai - 400 001
(Fax: 022 22723121/2037/2041/3714/2039/2061)

Dear Sirs,

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

Subject: Updates on Corporate Presentation

In continuation to our earlier communications on various dates, we are pleased to attach copy of updated corporate presentation for your reference and record.

You are requested to kindly acknowledge the receipt of this communication and also let us know in case you need any other information.

Thanking you

Yours truly

For GHCL Limited

Bhuwleshwar Mishra
General Manager & Company Secretary



GHCL Limited

Corporate Presentation



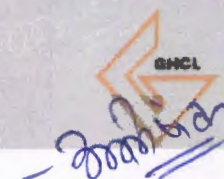
2020

Company Overview

- Incorporated in 1983, the Company is in existence for over three decades.
- Led by team of Professional Managers, GHCL is one of the leading player in both Soda Ash & Home Textiles.
- GHCL has embarked topline of around Rs. 2,400 Crores with EBITDA of Rs. 534 Crores in FY 15.
- Consistent Track Record of Dividend Payment for past 20 years.
 - Last 10 years, maintained dividend of 20% plus.
- Employs around 6000 people.



With a strong focus on operational efficiencies, we are a cost leader in our businesses



Professional management

Mr. R. S. Jalan, Managing Director



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

Mr. Raman Chopra, CFO & Executive Director



- Spearheading GHCL's Finance and IT functions
- Experience of 25 years in Merger & Acquisitions, Taxation, Finance and Project implementation
- Qualified Chartered Accountant with sharp financial acumen, negotiation skills and a great passion for technological advancements and specialisation in Greenfield expansion

Mr. Sunil Bhatnagar, Marketing, Soda Ash

- Three decades of marketing experience.
- Associated with the Company for over 22 years
- Degree in law and diploma in management

Mr. N N Radia, COO, Soda Ash

- Three decades of experience in soda ash operations.
- Associated with the Company since 1986
- Bachelor in mechanical engineering

Mr. Neeraj Jalan, SVP, Home Textiles

- A self motivator, he is instrumental in building this vertical
- Associated with Company for over 17 years
- Qualified Chartered Accountant

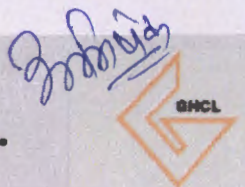
Mr. M. Sivabalasubramanian, SVP, Spinning

- Vast experience in cotton procurement and manufacturing operations
- Associated with Company for over 20 years
- Bachelor in textile engineering

Our Core values...

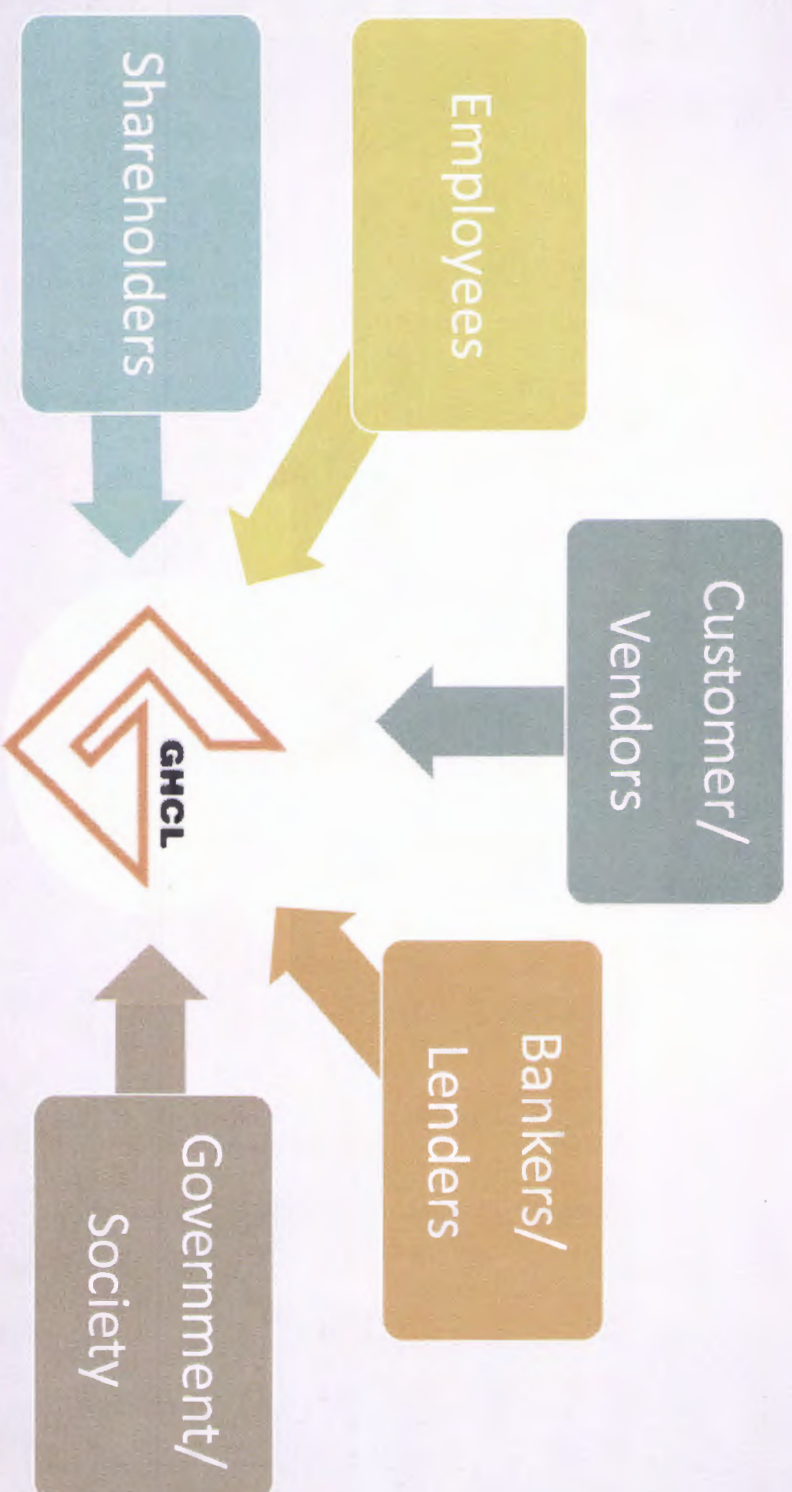


We Believe Respect, Trust, Ownership and integrated team work lead to business success..



Business Philosophy

Work Towards Value Maximization for all our Stakeholders



Our Mission & Vision



GHCL Mission

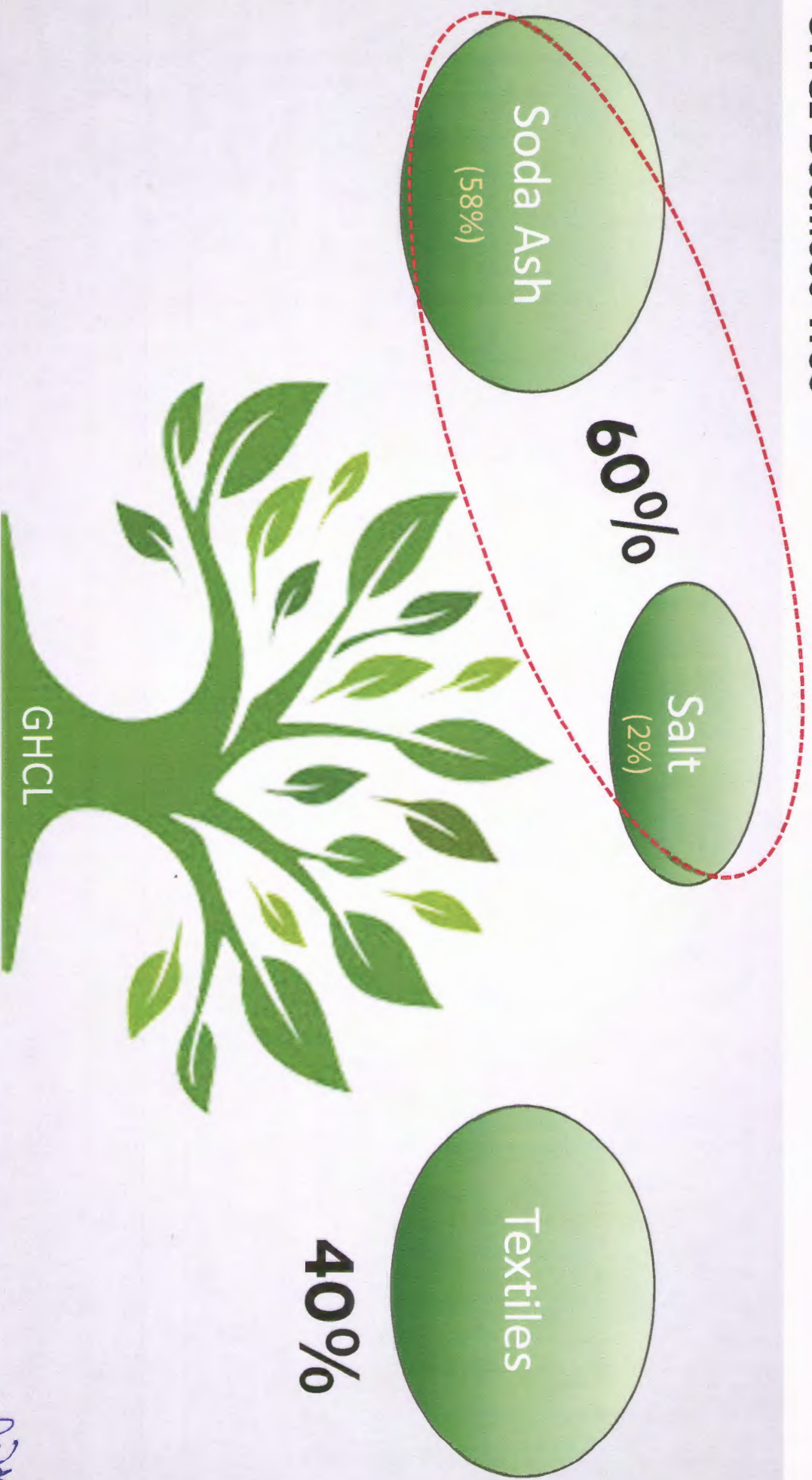
Our Core values at the forefront; we shall strive to engage with all our business associates for continuous product and process innovation, enabling ourselves in achieving customer delight through serviceability and quality.

GHCL Vision

We aim to achieve leadership in profit margin in all our businesses independently by the year 2018 through nurturing entrepreneurship among our people, harnessing natural resources, maximizing value to all stakeholders and protecting the environment, we operate in.



GHCL Business Tree



*FY15 Revenue contribution

Business segments overview

Inorganic Chemical (60%*)

- ☐ 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

Home Textile (40%*)

- ☐ 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

*FY15 Revenue contribution

Steadily expanding capacity across segments

Production of Soda Ash commences with an installed capacity of 420,000 tones / year

Production capacity increased to 525,000 tones / year

1988-2000

2001-03

Soda Ash production capacity increased to 600,000 tones/year

Entered Spinning business - 65,000 spindles

Spindles capacity increased to 83,000

Soda Ash production capacity increased to 850,000 tones / year

Spindles capacity increased to 83,000 and subsequently to 140,000

Home Textiles production commences with 36 mn meters processing capacity and 8 mn meters weaving capacity

2006-08

2012-15

Spindles capacity increased to 175,000

Air jet looms capacity increased to 134 and subsequently to 162 looms (present weaving capacity – 12 mn meters)

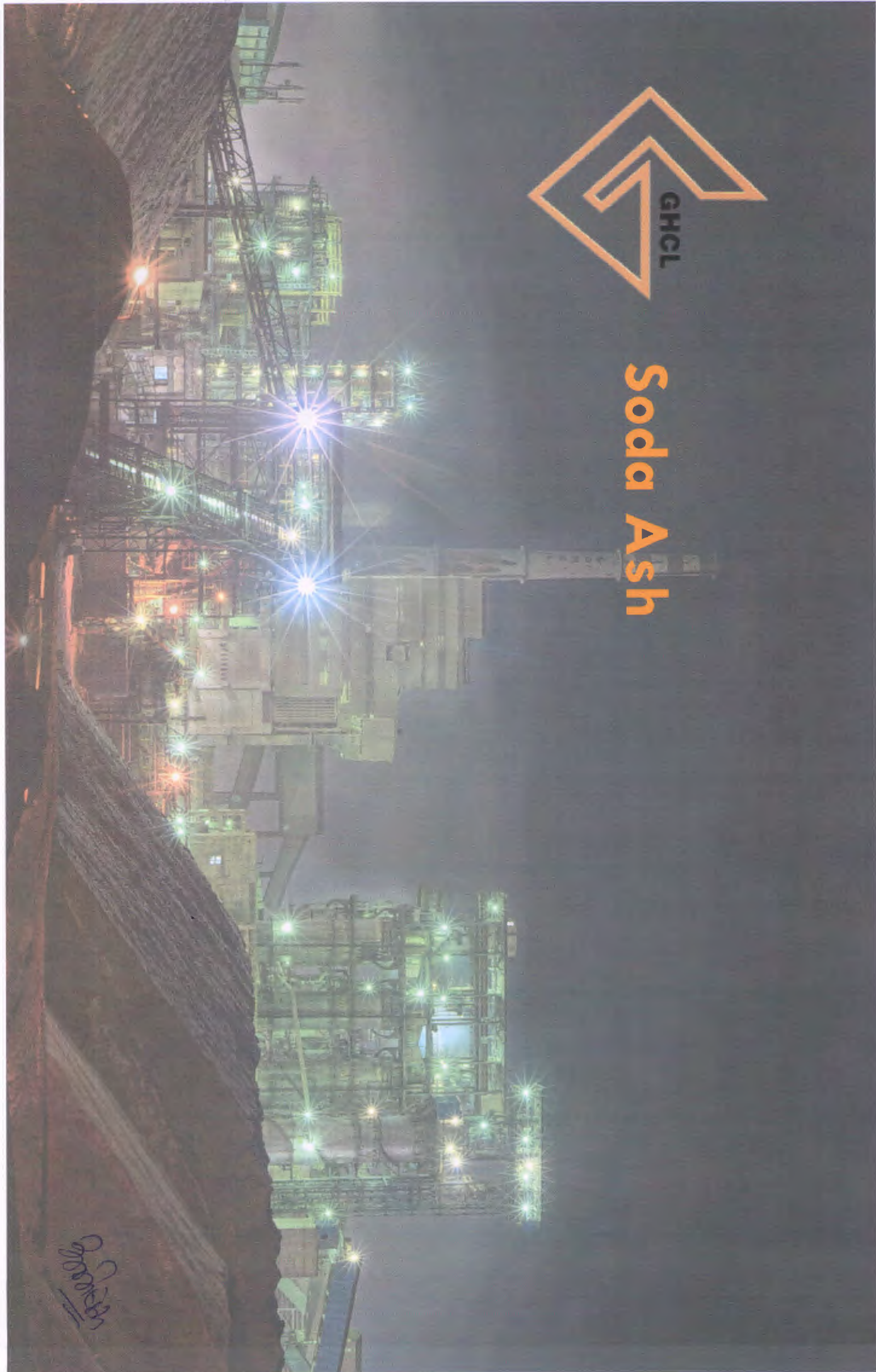
Soda Ash capacity expansion by 1 lac MT

De-bottlenecking at Home Textiles and increase in cut and sew capacity

2016-18

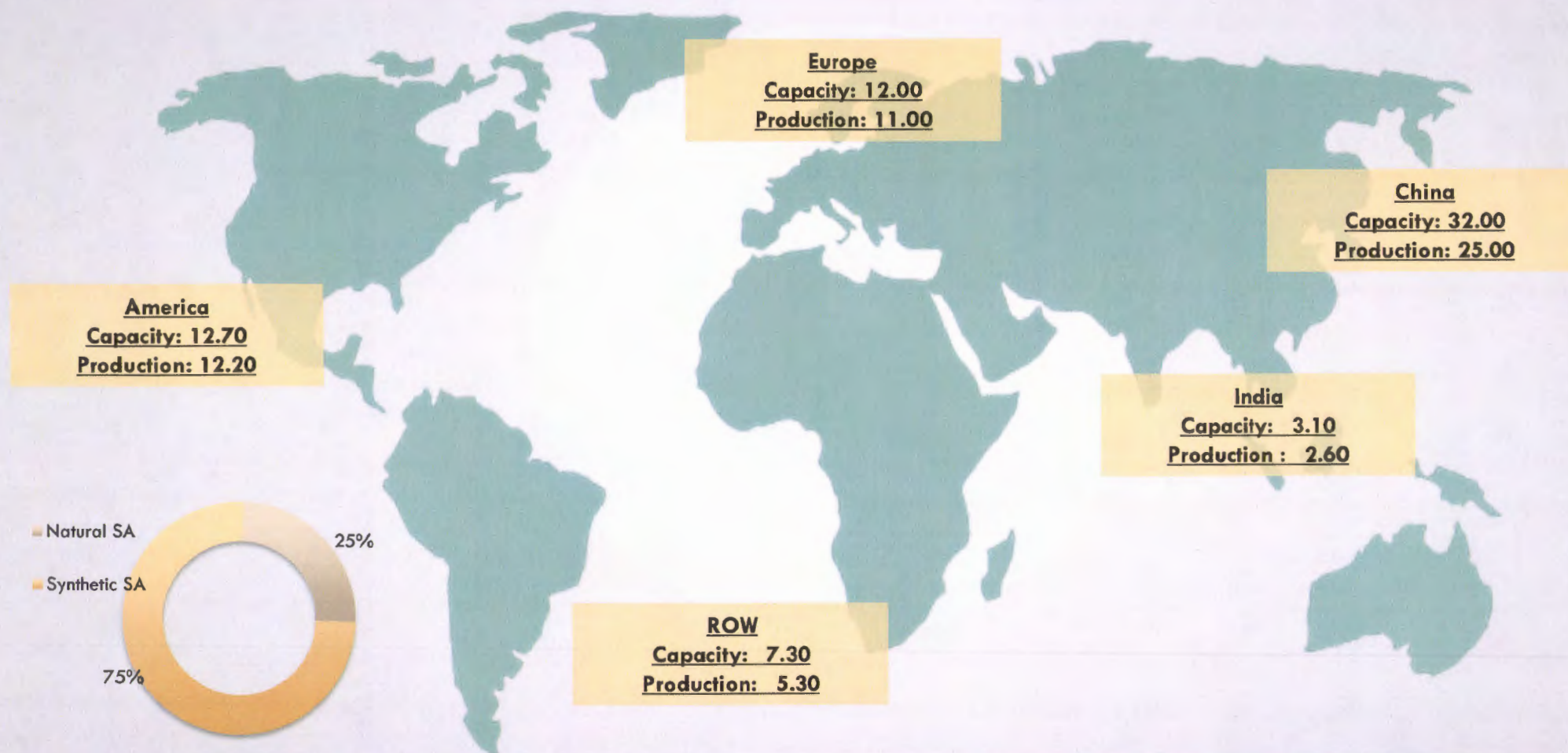


Soda Ash



GHCL

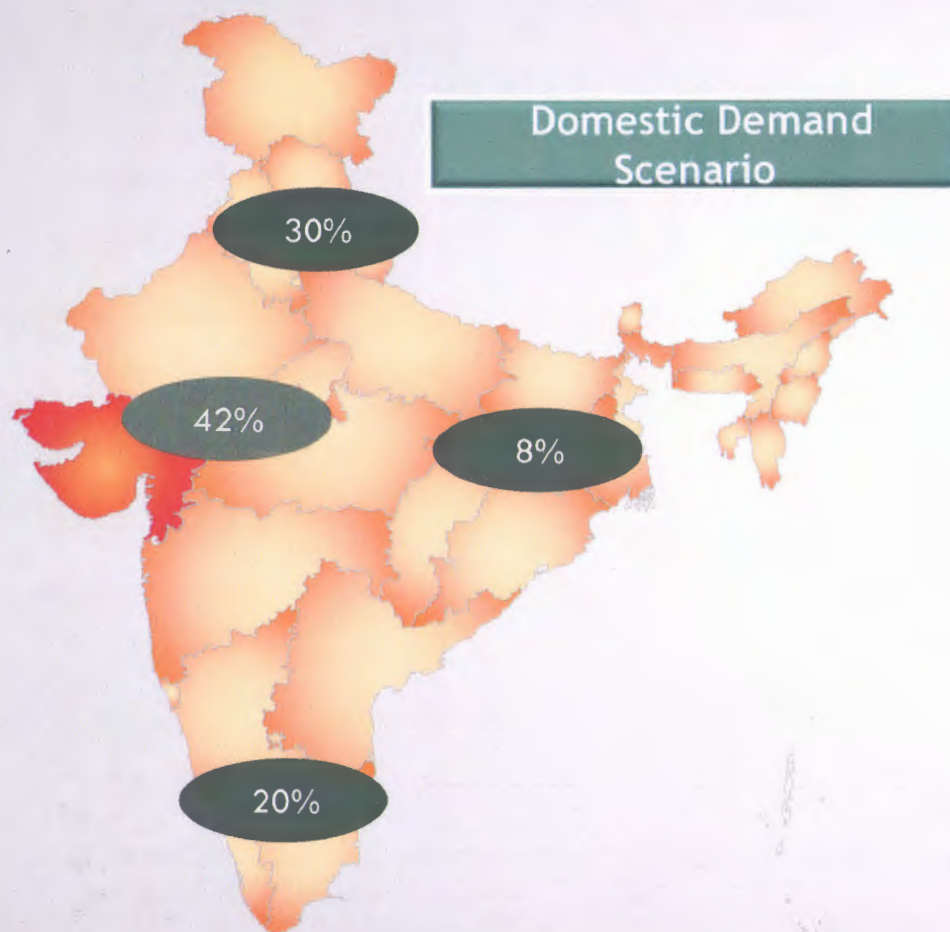
Soda ash – Global market



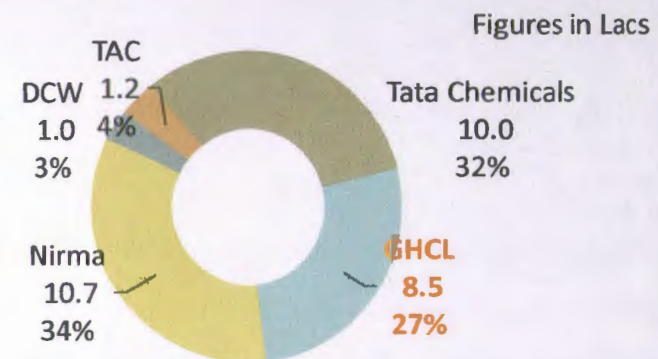
Global Capacity: 67 MMT, Global Production: 56 MMT

Figures In Million MT (MMT)

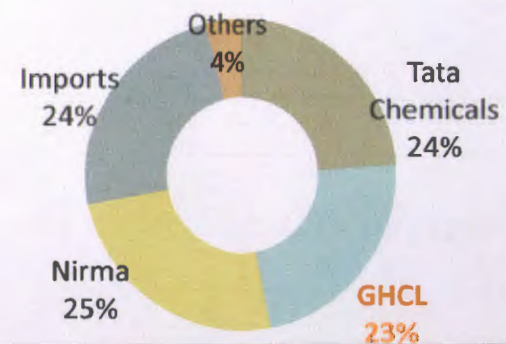
Soda ash – Domestic scenario



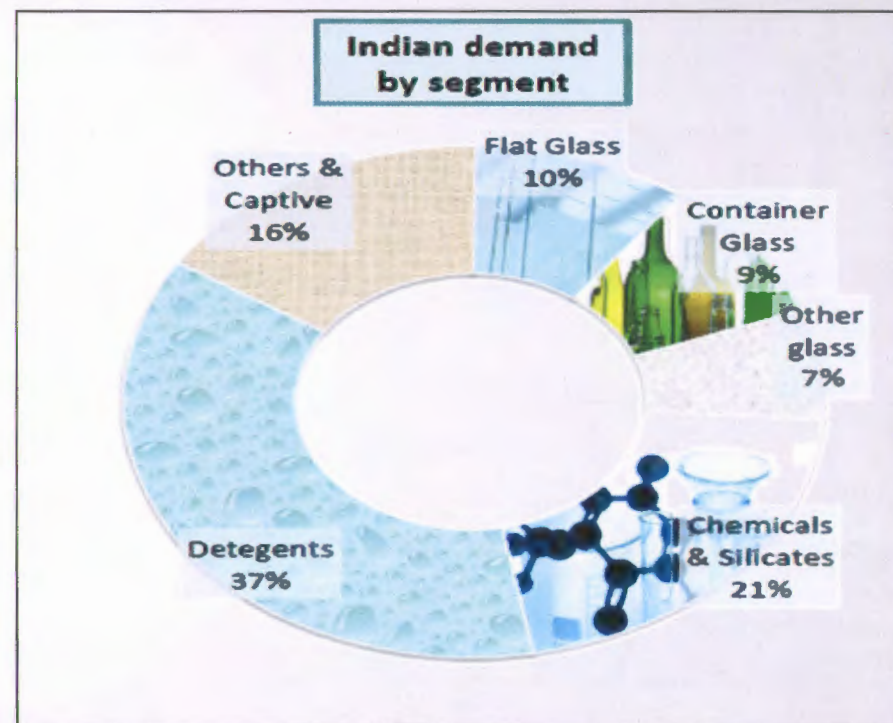
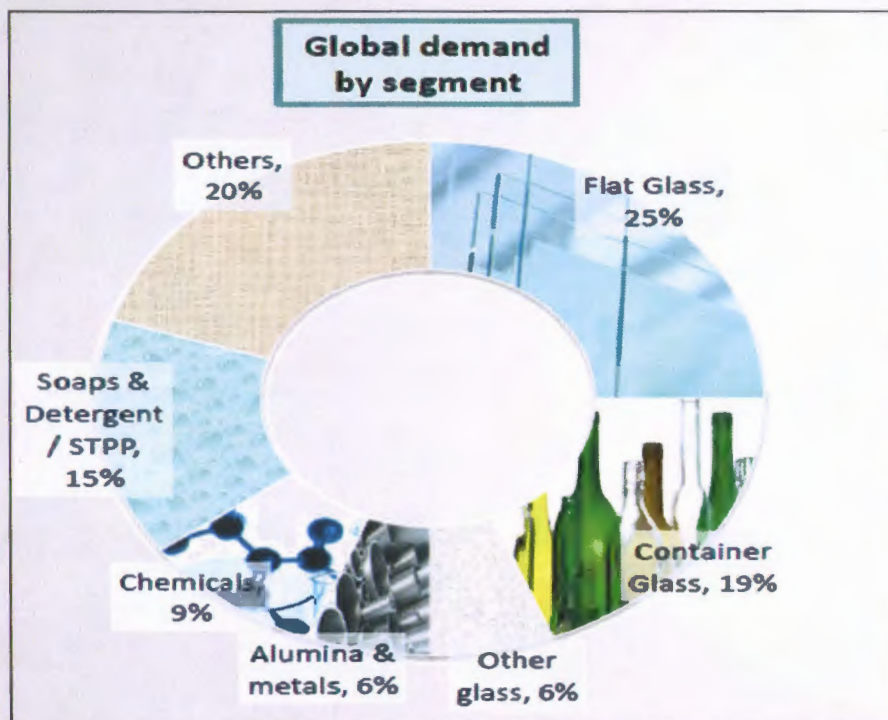
3.1MMT capacity in India....



3.3MMT demand



Demand Dynamics in User Segment



Growth Indicators in User Segment



DETERGENTS

5%



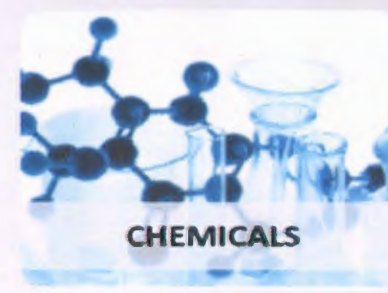
FLAT GLASS

8-10%



CONTAINER GLASS

5-7%



CHEMICALS

8%

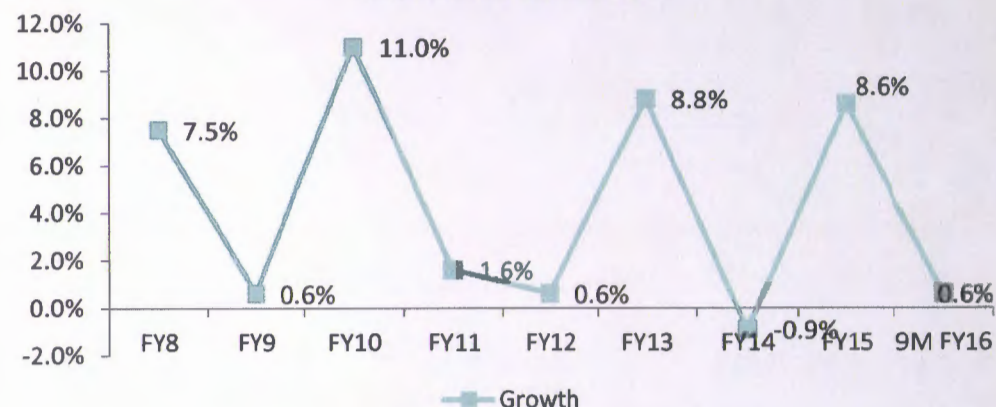
Based on buoyancy in consuming Segment, Soda Ash is expected to grow at 5%p.a.

Industry Trend and Projections

- Demand growth at about 5% CAGR in last 10 years
- Demand likely to improve with economic growth and “Make in India” campaign
- Pricing has tapered down during last 2 quarters however likely to remain stable in the coming year.
- Total Imports in India around 7 Lakh MT, China accounts for 16%-18%

- With a projected demand growth of 5%, incremental demand of 7-8 Lakh MT will get created.

Demand Growth



Particulars	15-16	16-17	17-18	18-19	19-20
Capacities*	3.1	3.1	3.1	3.1	3.1
Production	2.6	2.6	2.6	2.6	2.6
Demand	3.3	3.5	3.7	3.9	4.1
Deficit	0.7	0.9	1.1	1.3	1.5

Well placed as high entry barriers in industry



Highly capital intensive - CAPEX of Rs. 50,000 PMT

Long gestation period (4-5 Years)



Soda ash a game of logistics –
Input : Out Ratio > 5:1



Requires nearness to raw material availability (95% in Gujarat)

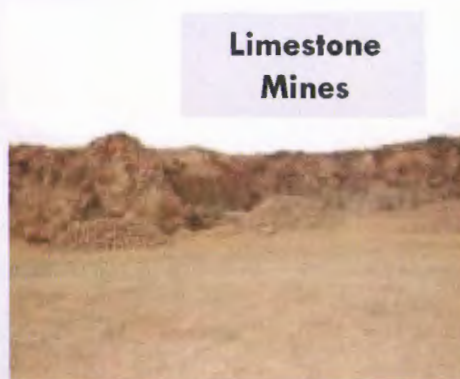


Requires control over raw materials like salt, limestone & fuel

Leading manufacturer of soda ash with 8.5 L MT capacity

Presence in light and dense soda ash

- ▶ Soda Ash manufacturing experience of more than 25 years
- ▶ Flexible manufacturing facilities provides shifting possible between dense and light soda ash
- ▶ **The Gujarat advantage:**
 - ▶ 53% of India's manufacturing capacity of chemicals
 - ▶ Closer to sources of raw material, business friendly, good infrastructure



Cost Leader in the industry... setting new benchmarks

Highest Capacity Utilization

- FY 15 87%
- Q2FY16 91%

Best Margins in Industry

- FY 15 32%
- 9MFY16 33%

Built Operational Efficiencies

- Six Sigma Projects
- Cost Reduction Project
- Process Innovation

Captive control of raw material and fuel

- ▶ Captive control on fuel - Only company having its own lignite mines
- ▶ Innovatively replaced imported met coke with in-house developed briquette coke resulting in higher efficiency and cost advantage
- ▶ Key control over salt and limestone

New initiatives at soda ash facility to optimize production

Innovation in Carbonation Tower

- Tested in one tower with successful results
- To be implemented in 6 more towers
- Likely to result in additional production of 4,000 MT p.a.

Innovation in Filtration

- Reduction in moisture leading to lower utility cost
- Also enabling reduction in carbon foot print
- Potential saving of Rs. 10 crore

Lowering Internal consumption

- Active Focus on quality salt procurement with utilization of Nano water technology
- Achieved 1% reduction in internal soda ash consumption
- Additional soda ash availability of around 5,000 MT

Waste Management

- Formulating bricks from fly ash from boilers
- Enabling environment protection by reducing air pollution
- Will result in reduction in civil cost

Catering to reputed companies across end user segments



Hindustan Unilever Limited

P&G

SAINT-GOBAIN

HMG

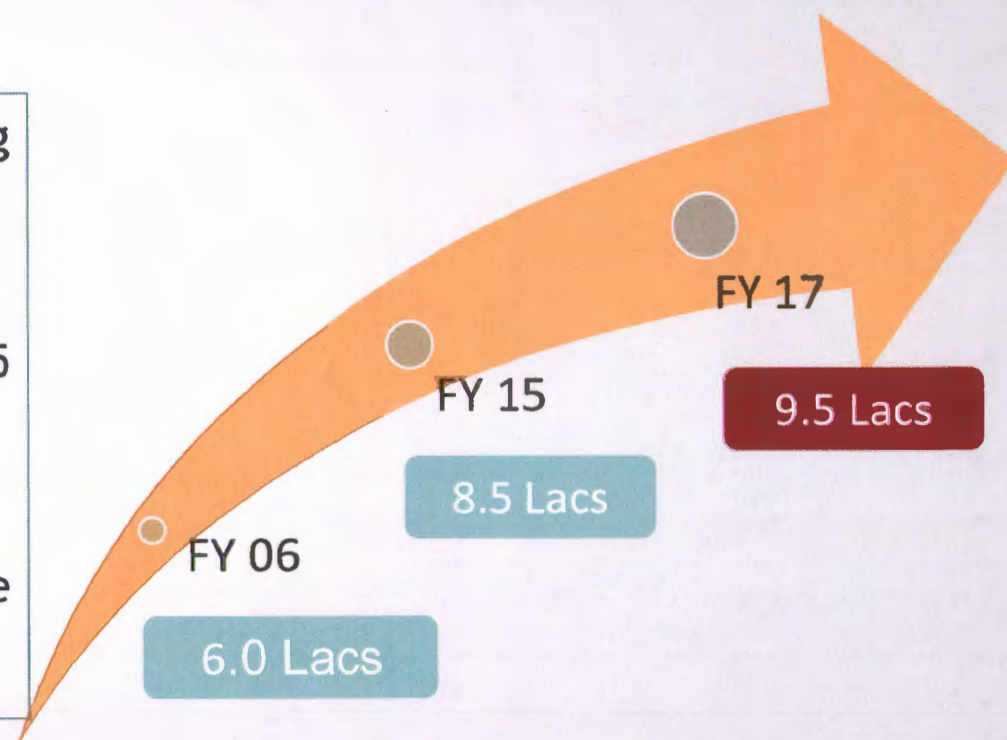


GUJARAT
BOROSIL
LIMITED



Growth strategy - Soda ash capacity expansion

- ▶ Initiated brownfield expansion at existing location for 1 Lakh MT.
- ▶ Total capital outlay estimated at Rs. 375 crore
- ▶ Expansion going at full swing and likely to be completed by March 2017





Textiles Segment

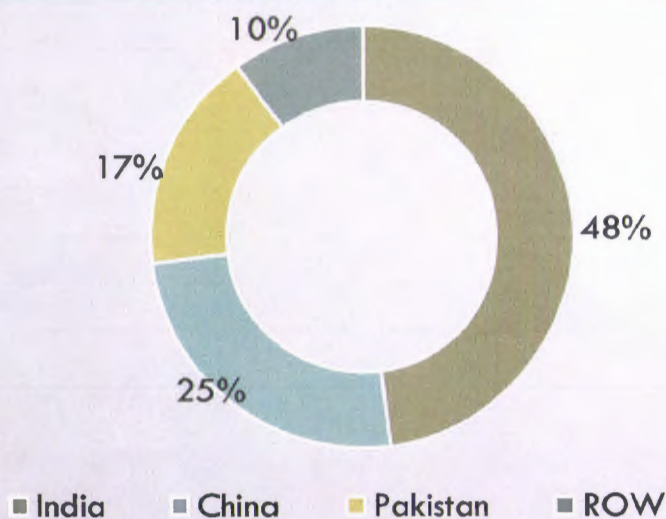


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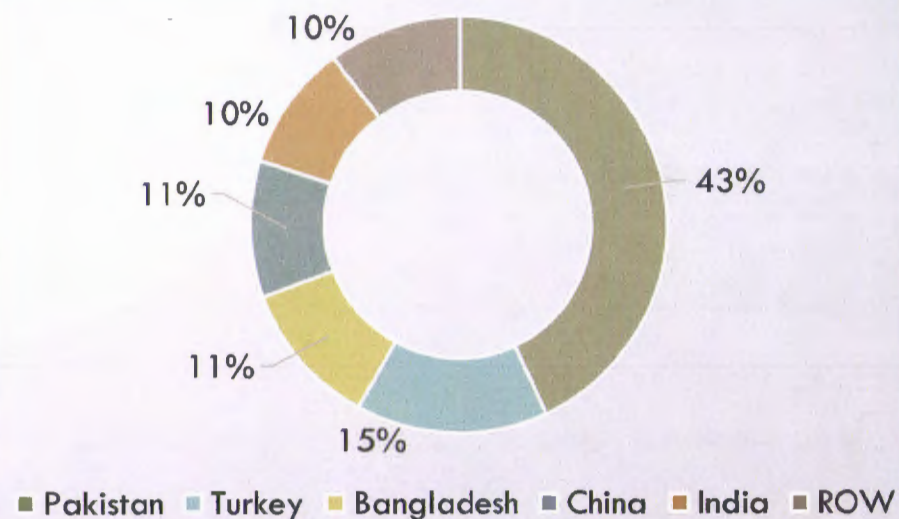
Home textile market outlook

- ▶ Global Bed Linen & Bath constitutes US\$ 45 Bn, Bed linen accounts for 62%
- ▶ Major Markets being US, Europe & Japan

Major Exporters to US Market

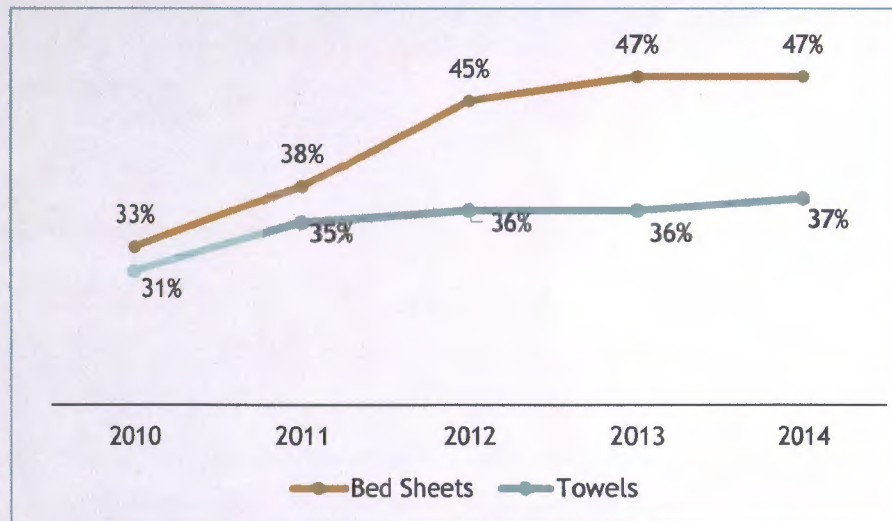


EU 27 Bed Linen Market

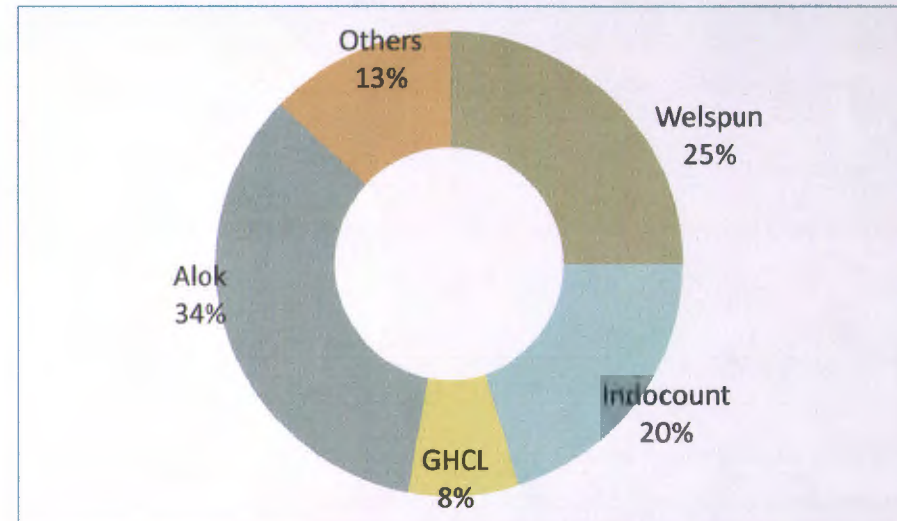


US home textile market – increasing share of India

India's Increasing Share in US Textile Market



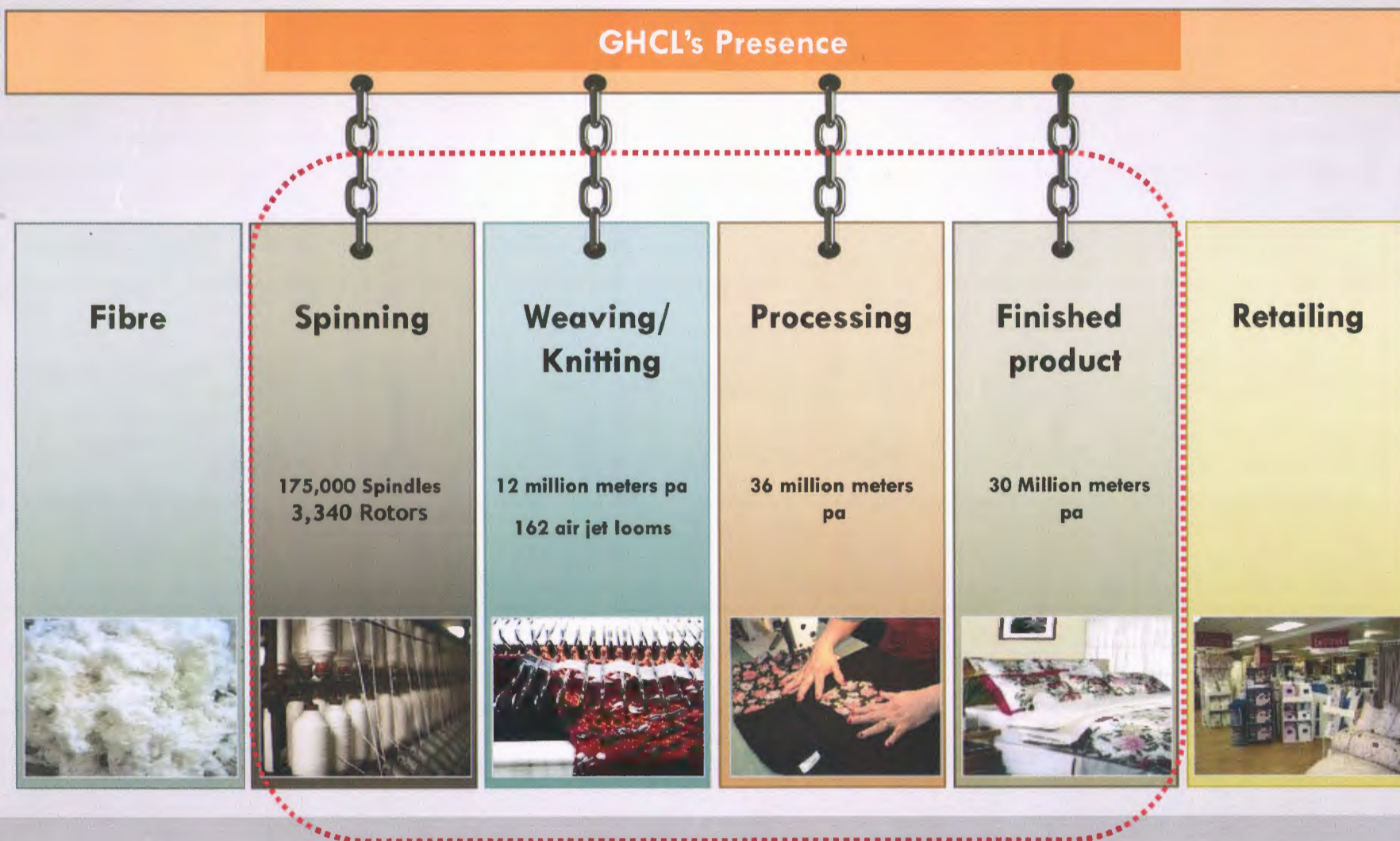
GHCL among major suppliers to US Market



India Advantage

- Biggest Cotton Producer
- 2nd Largest Exporter of Cotton
- Major Yarn Exporter
- Cost Competitive
- Supportive Government Policies

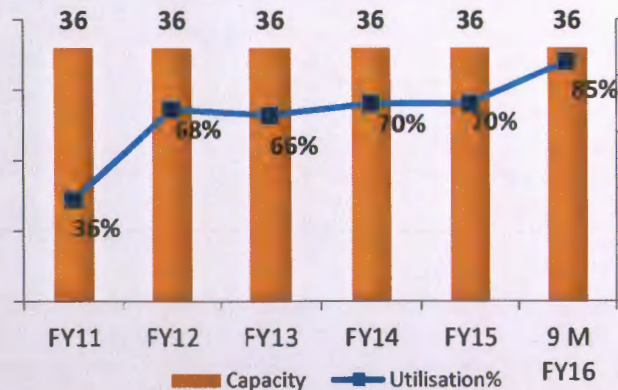
Presence across the textile value chain



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
- ▶ 36 mn meters of dyeing and printing capacity of wide width fabric; In-house weaving facility of 12 mn meters; Cut & Sew capability of 30 Mn meters

Increasing capacity utilization



Increasing stitching capacity



Product range

Sheeting

- ▶ Sheet
- ▶ Duvet
- ▶ Bed Skirt



Filled Articles

- ▶ Quilted Flat Sheets
- ▶ Comforter and Comforter Shells



Pillows

- ▶ Pillows
- ▶ Shams
- ▶ Cushions

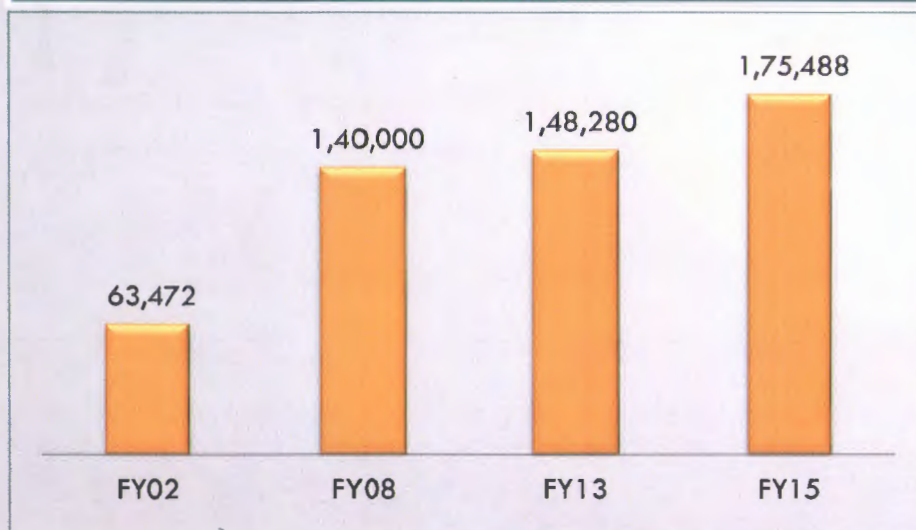


Handwritten signature

Integrated with best in class spinning facility and captive power

- ▶ Installed one of the best yarn manufacturing facility in the country with compact spinning and valued added yarn capacity
- ▶ 50% of the capacity is for Compact Spinning
- ▶ In last 2 years, added 34,000 spindles and open end with 1000 rotors
- ▶ Installed 2 windmills of 4.2 MW in FY 15 followed by 6.3 MW installed in H1FY16 towards green energy initiative. 40% of power requirement met through this, which will further enhance to 55%

Spindles capacity



GHCL home textiles export – expanding reach



- ▶ 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

Based on H1FY16 Export mix

Recent Initiatives textile segment

Expanding customer band reach with new additions

Moving to premium category

Moving to branded segment with new brands in portfolio

THE WHITE COMPANY
LONDON



canninqvale



LAUNDRY



Expanding wind capacity; reducing carbon footprint

Consciously reducing carbon foot print by moving to Green Energy



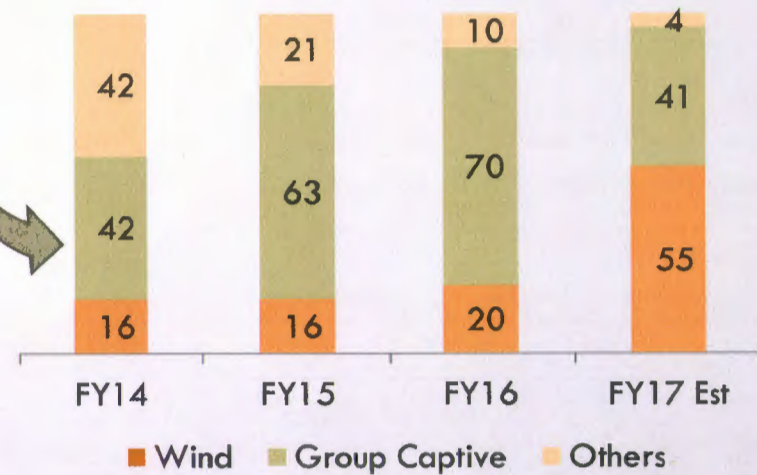
Wind Turbine Capacity

FY14 8.5MW

FY15 13MW

FY16 25MW

Energy Matrix in %



Product innovations



Supplying to marquee home textile customers

**BED BATH &
BEYOND®**

HOUSE OF FRASER
SINCE 1849

Walmart 
Canada



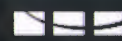
Sears 

Gallery

JCPenney

amazon.com 

Tuesday Morning 

 **Revman International**
Great Brands. Real Lifestyles. Quality Product for the Home.



Robust year-on-year growth in FY15..

7% ↑

Revenue

Rs 2385 crore

23% ↑

EBITDA

Rs 534 crore

290bps ↑

EBITDA Margin

22.4%

72% ↑

Profit Before Tax

Rs 258 crore

57% ↑

Profit After Tax

Rs 183 crore

250bps ↑

PAT Margin

7.7%

Strong year-on-year growth in 9M FY16

10%↑

Revenue

Rs 1913 crore

24%↑

EBITDA

Rs 460 crore

272bps↑

EBITDA Margin

24%

41%↑

Profit Before Tax

Rs 262 crore

35%↑

Profit After Tax

Rs 179 crore

170bps↑

PAT Margin

9.3%

... with improving financial indicators



Net Debt / EBITDA

2.12 ↓

Dec'15 from 2.48 in
Mar'15

Net Debt / Equity

1.37 ↓

Dec'15 from 1.72 in
Mar'15

Net Debt (Rs crore)

1,297 ↓

Dec'15 from 1324 cr in
Mar'15

Return on
Capital Employed*

22%

Q3FY16

Return on Equity*

24%

Q3FY16

Cash Profit after tax
(Rs crore)

86

Q3FY16

Standalone Financials

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

Profitability highlights – Segment wise

Revenue Growth 10% YoY

Rs Crore	9M FY 16	9 FY 15	YoY
Inorganic	1106	1042	6%
Textiles	807	699	15%
GHCL	1913	1741	10%

❖ Robust growth driven by :-

- ▶ Healthy sales volume riding on higher productivity, despite drop in pricing by 1.5% in inorganic segment
- ▶ Strong presence in USA with new orders driving growth in textile segment

EBITDA Growth 24% YoY

Rs Crore	9M FY 16	9M FY 15	YoY
Inorganic	356	312	14%
Textiles	104	59	76%
GHCL	460	371	24%

❖ Robust growth driven by :-

- ▶ Inorganic Chemicals: Volume growth (8% y-o-y), process & production efficiencies and lower commodity prices (mainly coal & coke)
- ▶ Home Textiles: Volumes growth (14% y-o-y), customer and product rationalization and lower input cost

Profitability highlights

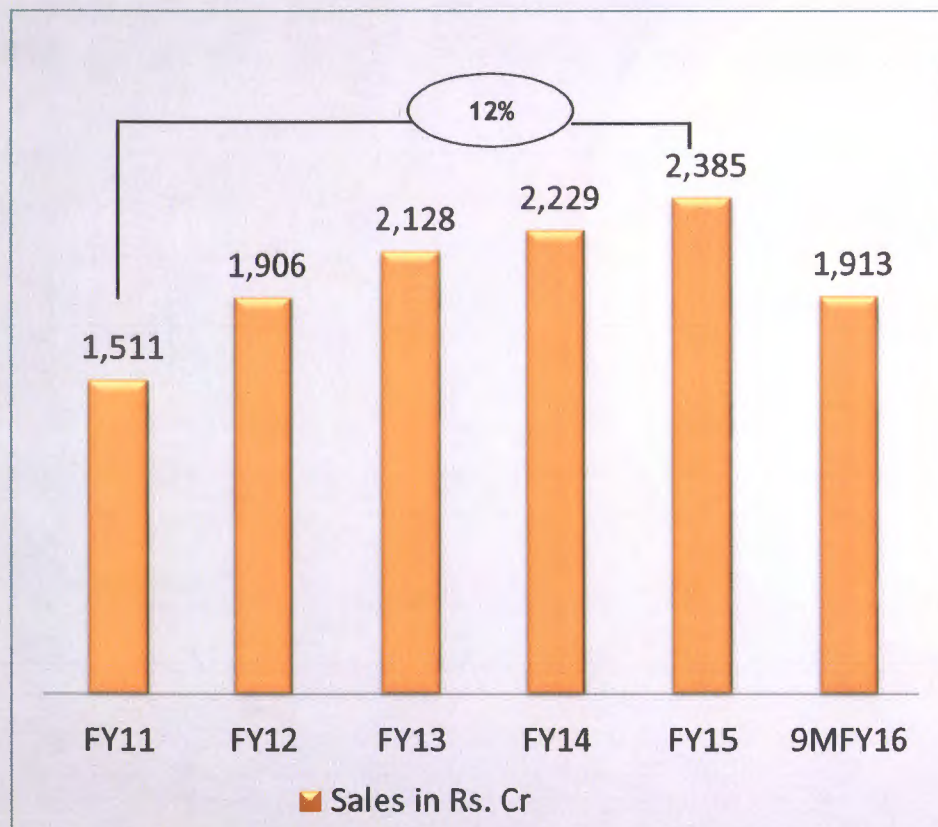
In Rs Crore	9M FY 16	9M FY15	YoY %	FY15	FY14	YoY %
Revenues	1913	1741	10%	2385	2229	7%
Cost of Material Consumed	730	701	4%	952	911	5%
Utility Cost	274	292	-6%	390	386	1%
Man Power Cost	102	96	6%	126	122	4%
Other Operating Expenses	348	281	24%	383	377	2%
Total Cost	1454	1370	6%	1851	1796	3%
EBITDA	459	371	24%	534	433	23%
EBITDA Margin	24.0%	21.3%	270BPS	22%	19%	294PS
Depreciation	60	57	5%	84	82	3%
Interest	123	128	-4%	164	170	-4%
Profit Before Exceptional Items	276	186	48%	285	181	57%
Exceptional Items	14	-		27	31	
Profit Before Tax	262	186	41%	258	150	72%
Tax Expense	83	53	57%	75	34	121%
Net Profit	179	133	35%	183	116	57%
Net Profit Margin	9.3%	7.6%	170BPS	7.7%	5.2%	250BPS
Earning Per Share (EPS)	17.88	13.43		18.43	11.57	

Growth in Revenue has been driven by strong market foothold in home textiles and higher soda ash volumes

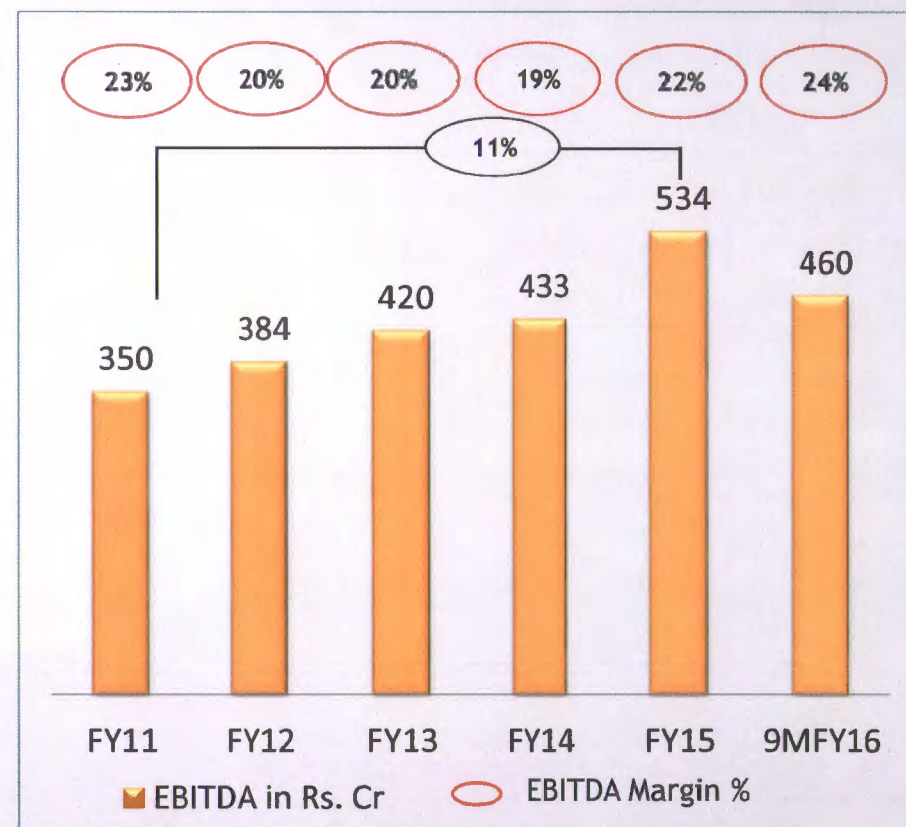
Both the segment have contributed equally to the increase in EBITDA over last year's quarter

... driving consistent profitable growth

Revenue

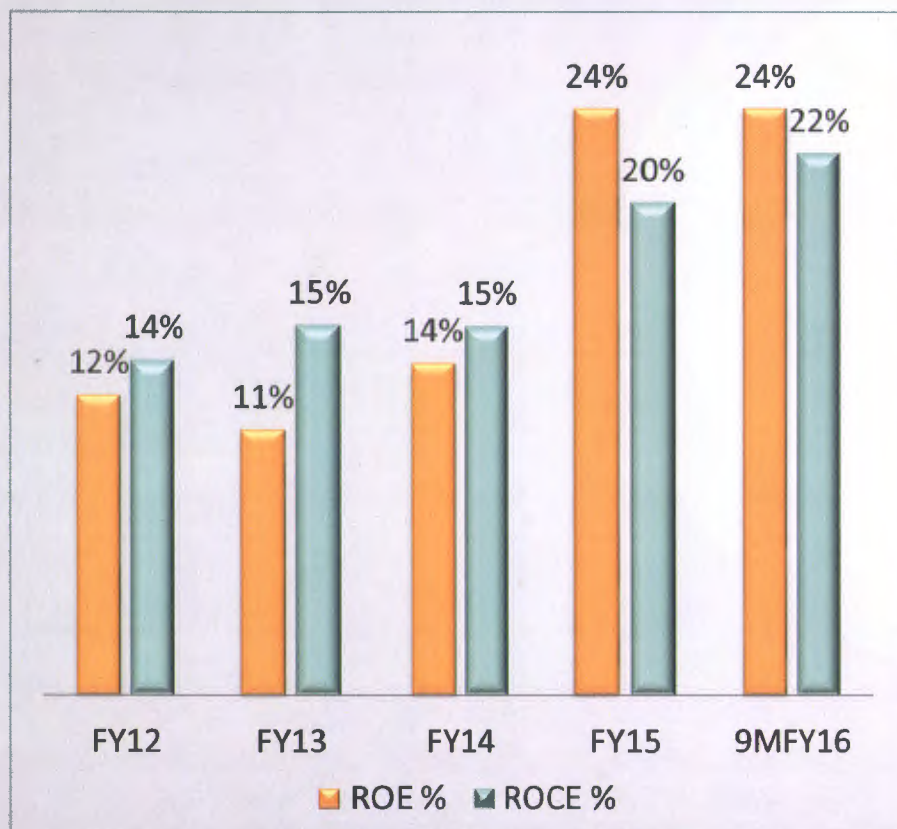


EBITDA and Margin

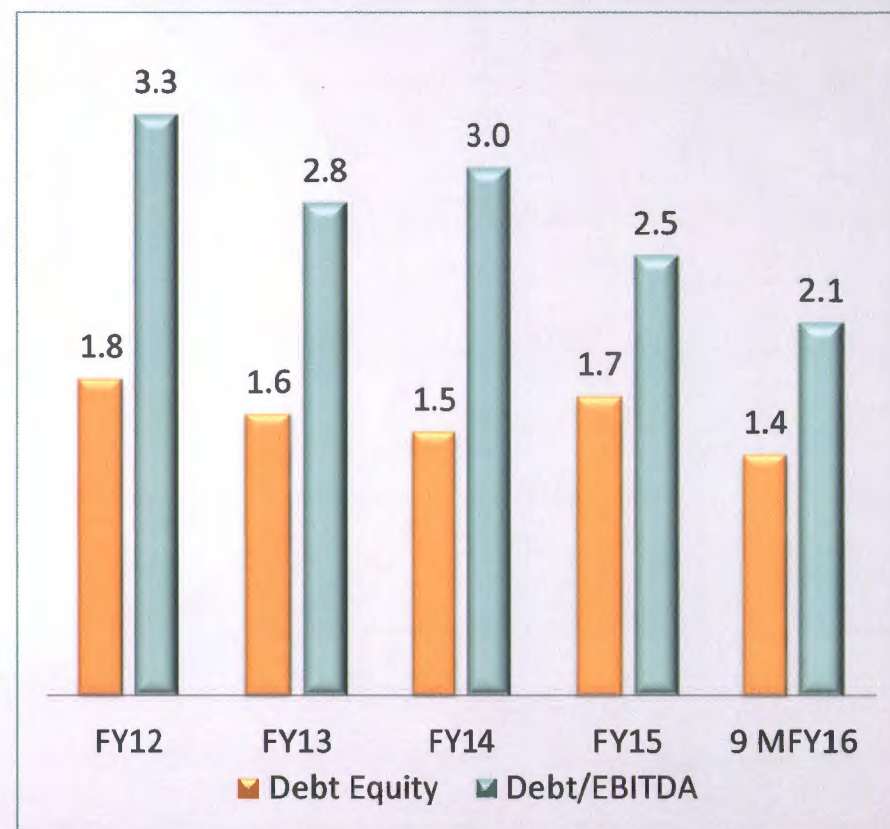


...with improving return ratio and leveraging

ROE and ROCE

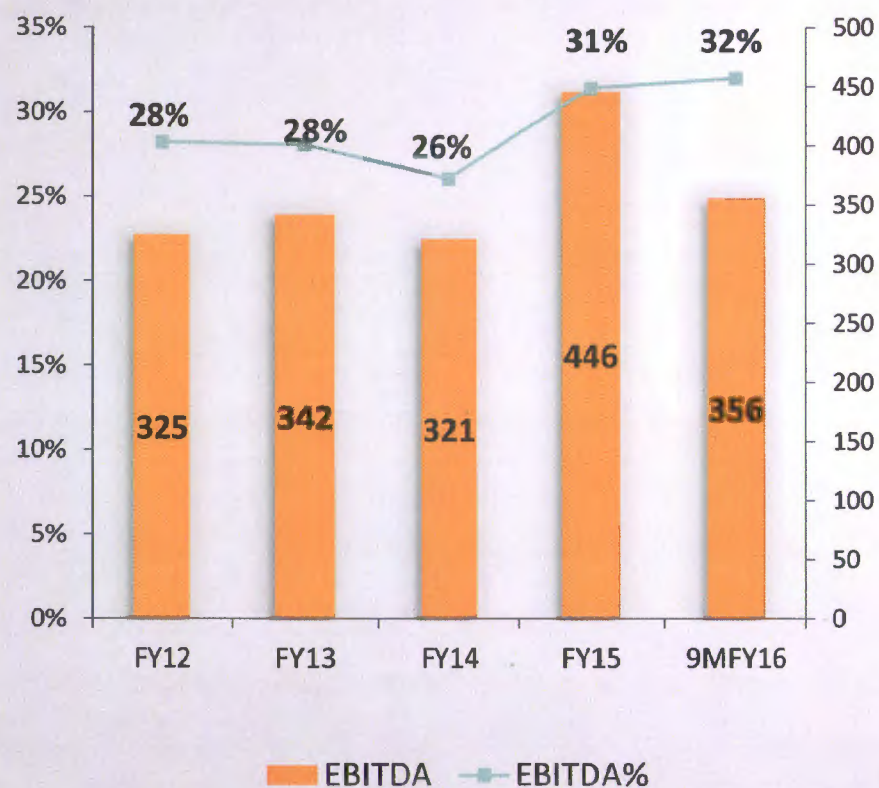


Debt : Equity and Debt : EBITDA

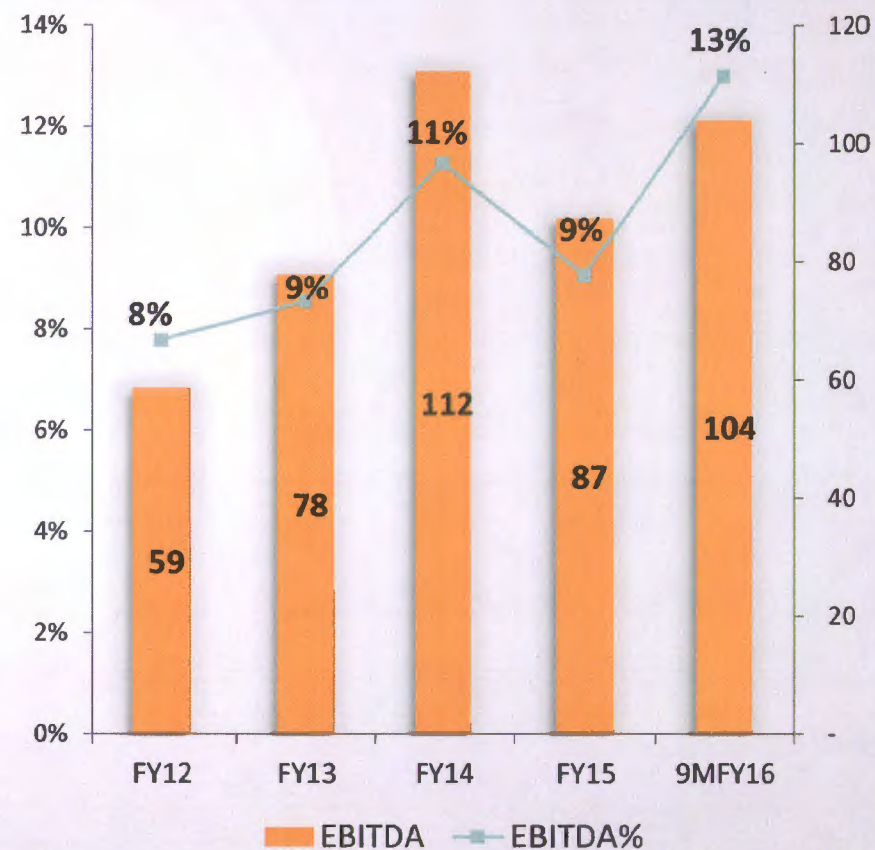


Segment Wise Margin Trend

Inorganic



Textiles



Standalone Financials

Strong Cash flows with Growth Opportunities

Strong Operating Cash flow of Rs. 308 cr in FY 15

- ▶ Committed Growth capex of Rs. 525 crore from Operating Cash flows
- ▶ Deleverage through lowering debt and improved profitability - from 1.72 in Mar15 to 1 by FY17

Opportunities in 2 Years

Soda Ash

- Expansion by 1 Lakh MT
- Volume growth by 12% from FY 17

Textiles

- Utilization from 70% to 95%
 - Debottlenecking in Processing
 - Improving Customer Mix
 - Wind Mill addition
- Revenue growth by 30%
EBITDA to 18%

For more information, please contact

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