GHCL Limited

May 19, 2016

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Vice President
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(Fax: 022 22723121/2037/2041/3714/2039/2061)

Dear Sirs,

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

Subject: Investors' Presentation – Q4FY 16 Business Update

As informed on May 16, 2016 that a conference call to discuss the Q4FY16 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 Friday, May 20, 2016 at 4.00 PM (IST). In this regard, copy of the financials and other business details for Q4FY 16 (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In line with the terms of Code of conduct and procedures for fair disclosure of unpublished price sensitive information read with SEBI (Prevention of Insider Trading) Regulations, 2015, we shall post relevant information, if any, on the website of the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

Bhuwneshwar Mishra
General Manager & Company Secretary



GHCL Limited

Q4FY16 Business Update







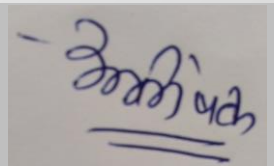


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Key Initiative

Rolled out dividend policy





Proposed appointment of S R Batliboi (E&Y) as Auditors*

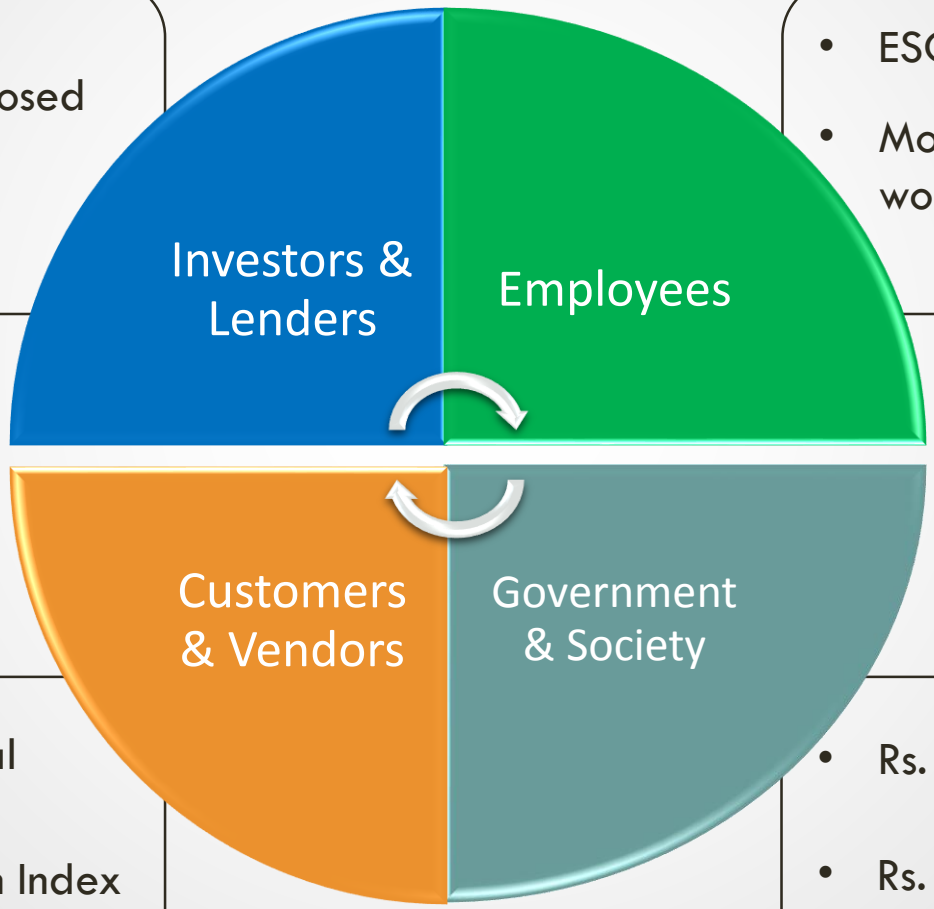
ESOPs Granted to Employees



*Joint auditors

Growth for all stakeholders

- 35%* Dividend Proposed
- Strong Performance



- ESOP Scheme Implemented
- Motivated & Engaged workforce

- Started Vendor Portal
- Customer Satisfaction Index done

- Rs. 100 Cr Direct Tax Paid
- Rs. 14 Cr worth of CSR projects initiated, GHCL contribution Rs. 3.36 Cr.

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

Dividend distribution policy

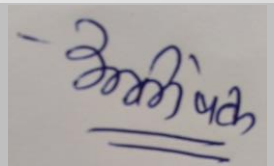
Dividend Distribution Policy

To maintain 15%-20% Gross Payout* of Standalone Profit after Tax

FY15-16 Proposed Dividend

- Rs. 3.5 Pre Equity Share against share last year. Rs. 2.2 per
  - Gross Payout : Rs. 42 Cr
  - Gross Payout % : 16.42%

* Gross Payout = Dividend + Dividend Distribution Tax



ESOP scheme for employees

Allocation at Rs. 100/share

Granted to wider base of employees

1.2% of share capital allocated in 1st year

Inclusive and Participative Growth

CSR – Inclusive growth and value creation



Rural Health



Drip Irrigation



Education



Reclaiming waste land



FY16 Financial Highlights

Robust financial performance in FY 16

EBITDA Rs. 635cr

Increased by Rs. 101 cr : 19% Growth

Higher Margins @ 24.8% : up 242 BPS

CASH PROFIT*

Doubled operating cash profit in 2 years to Rs. 460 cr

PAT Rs. 257cr

Increased by Rs. 74 cr : 40% Growth

Higher PAT Margins @ 10% : up 233 BPS

* Operating Cash flow = PBT + Depreciation

Standalone Financials

Robust year-on-year growth in Q4 FY16

8% ↑

EBITDA
Rs 176 crore

178 bps ↑

EBITDA Margin
27%

62% ↑

Profit Before Tax
Rs 116 crore

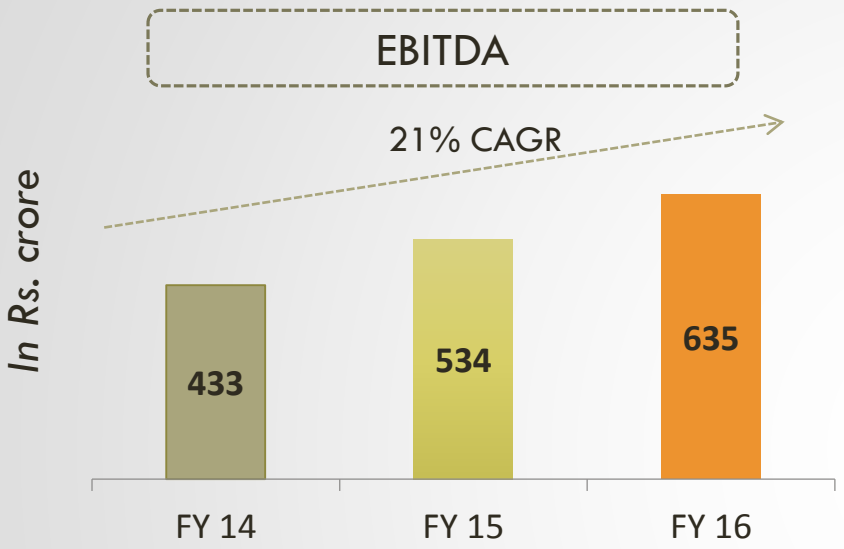
56% ↑

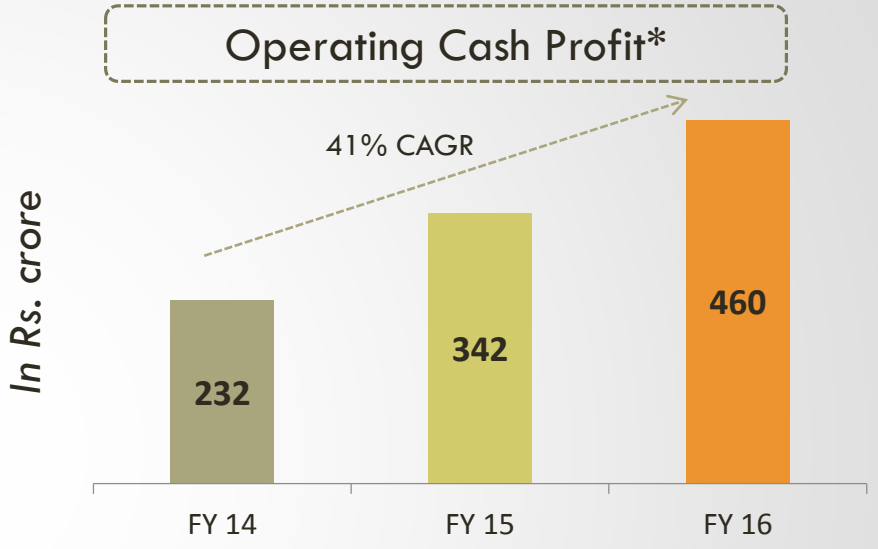
Profit After Tax
Rs 78 crore

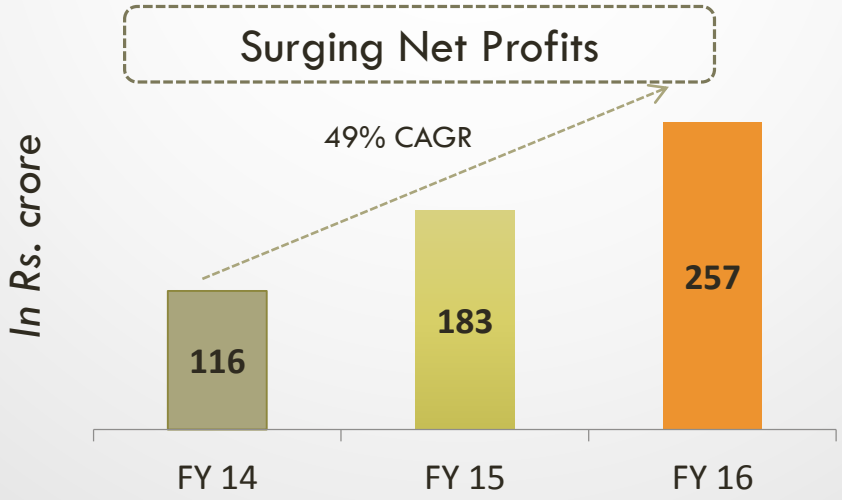
421 bps ↑

PAT Margin
12%

Strong growth and better margins…





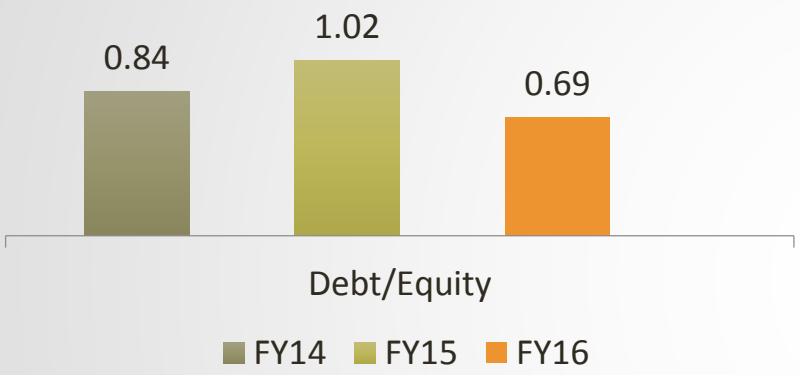


* Operating Cash flow = PBT + Depreciation

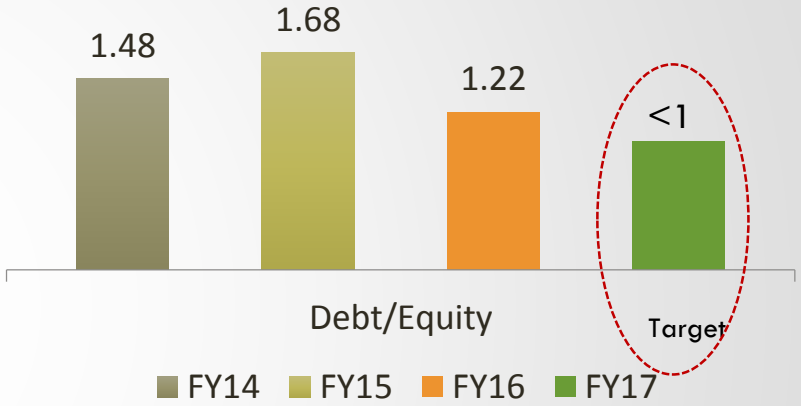
Standalone Financials

....With focus on deleveraging

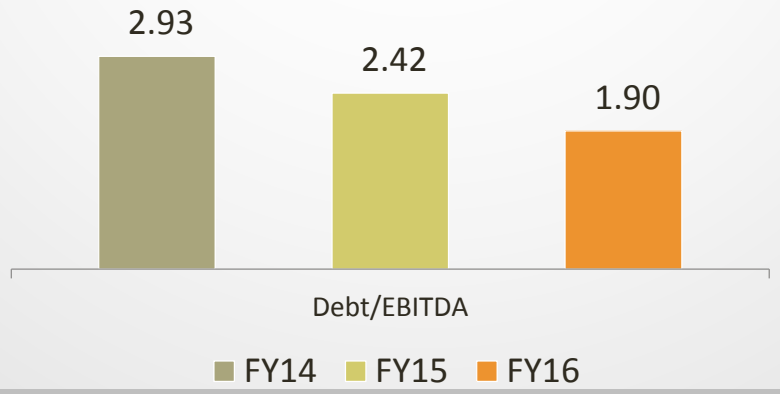
Long Term Debt : Equity



Net Debt : Equity



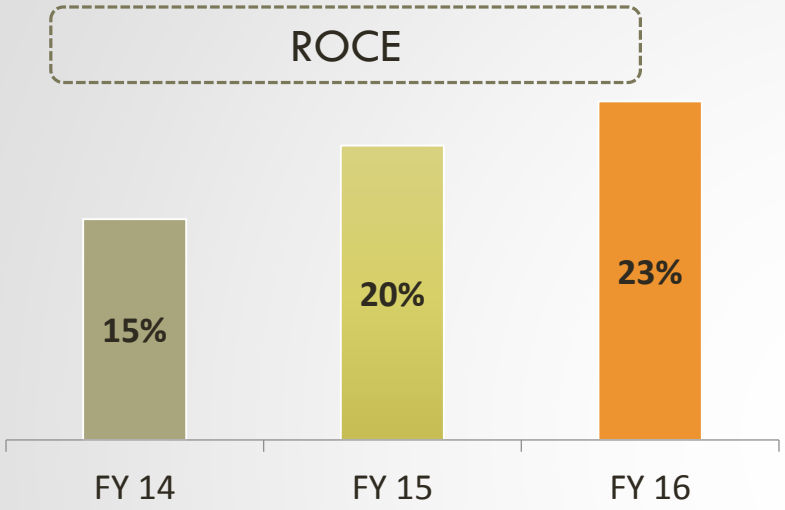
Net Debt : EBITDA

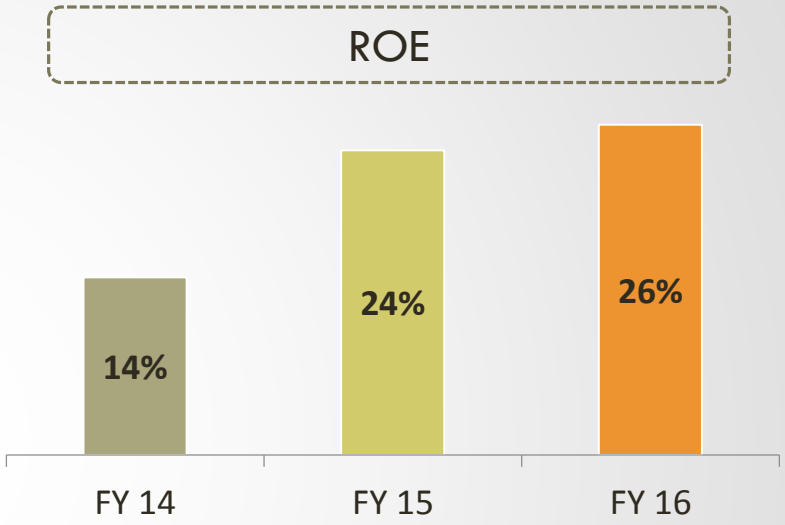


** Net Total Debt = Total Debt – Cash in Hand*

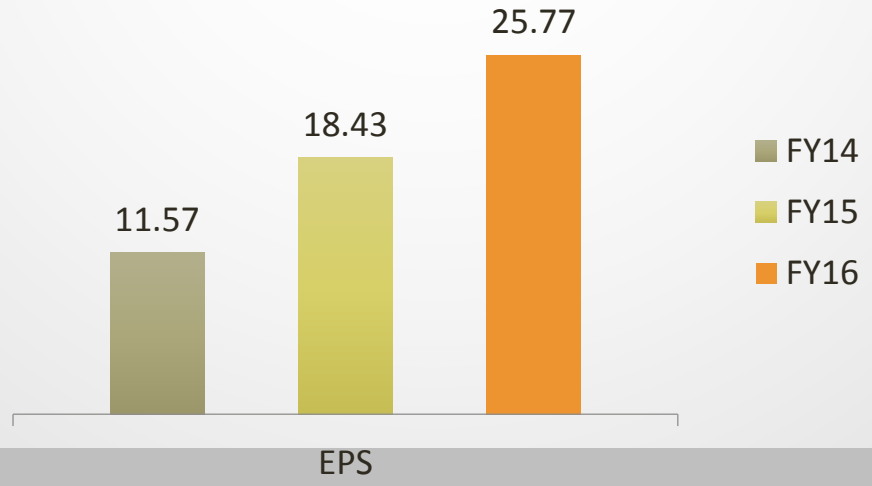
Standalone Financials

Strengthening return ratios

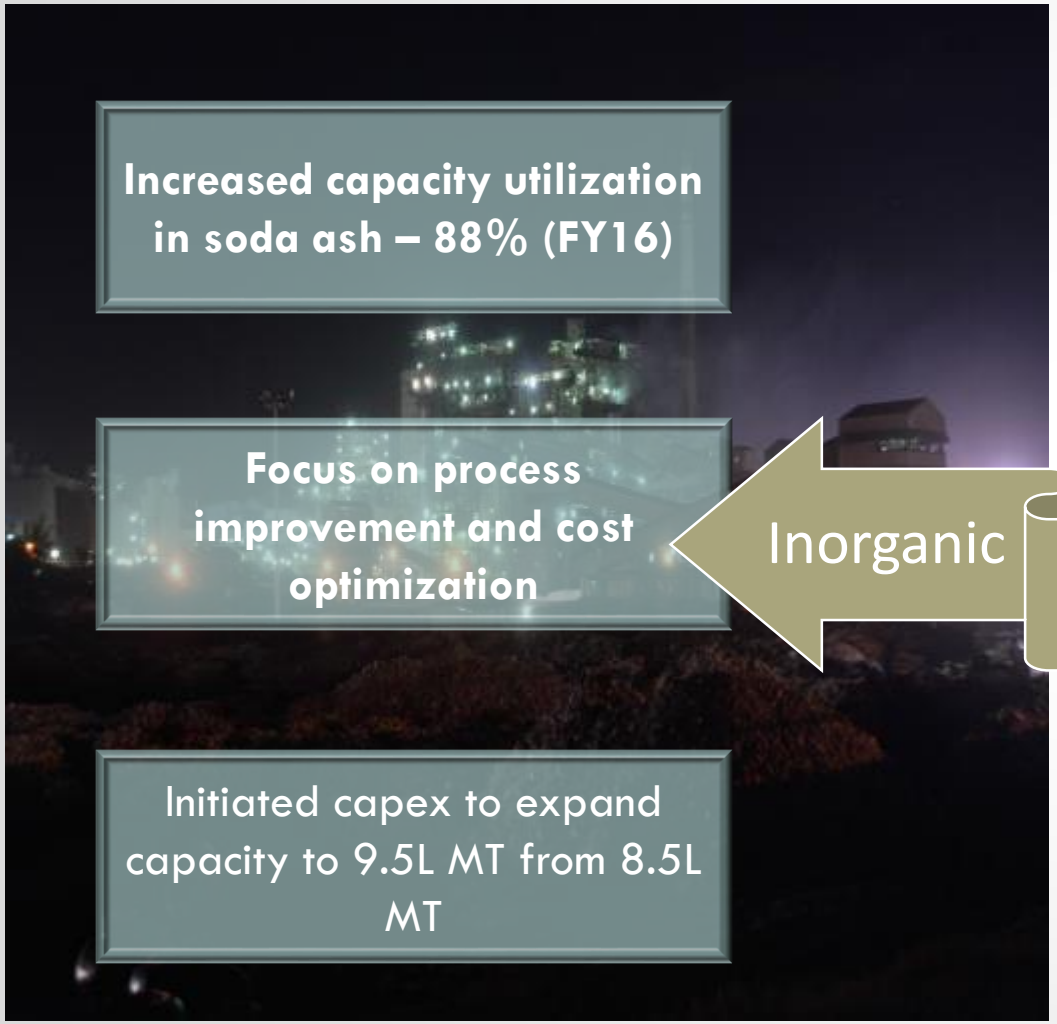




2.2x EPS Growth in 2 years



Improving operating parameters



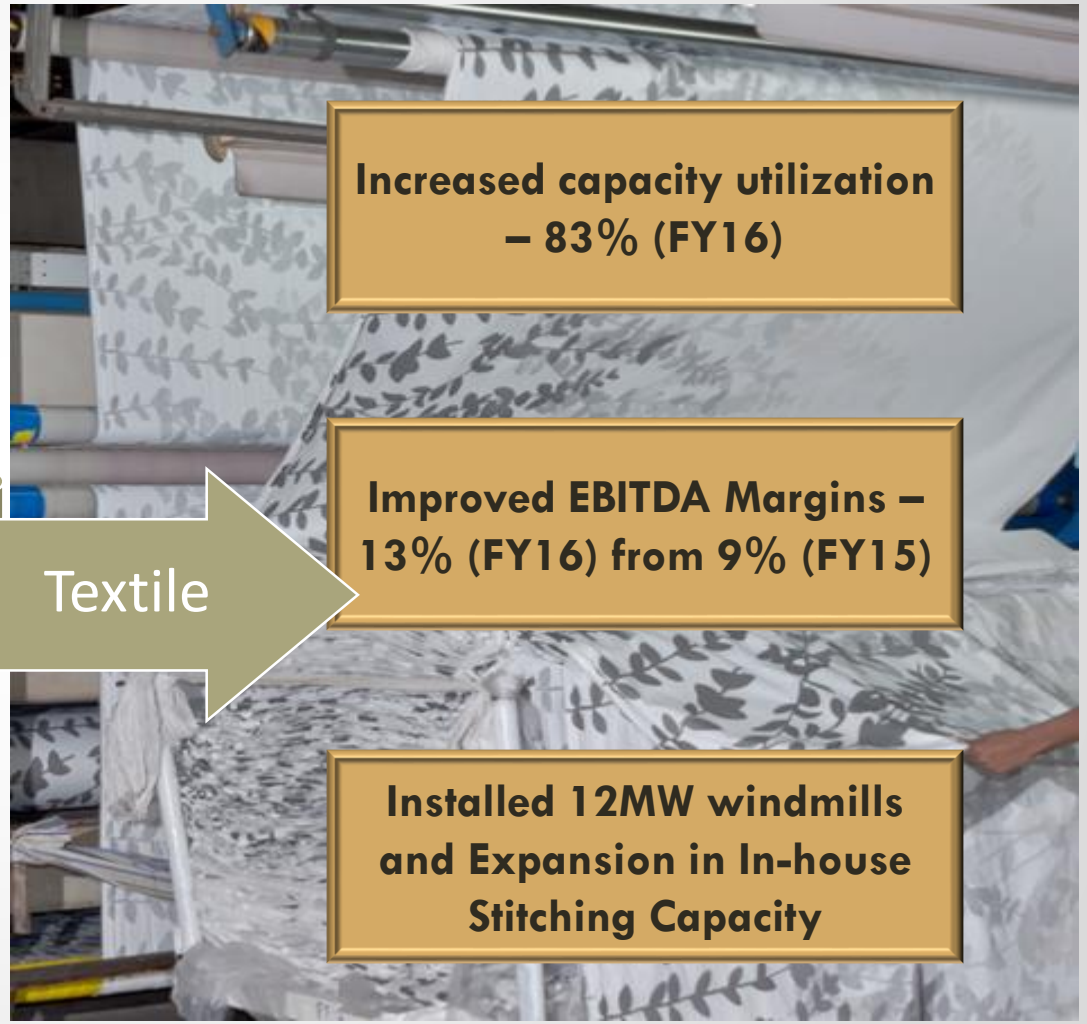
Increased capacity utilization in soda ash – 88% (FY16)

Focus on process improvement and cost optimization

Initiated capex to expand capacity to 9.5L MT from 8.5L MT

Inorganic

Textile



Increased capacity utilization – 83% (FY16)

Improved EBITDA Margins – 13% (FY16) from 9% (FY15)

Installed 12MW windmills and Expansion in In-house Stitching Capacity

Profitability highlights

In Rs. Crore

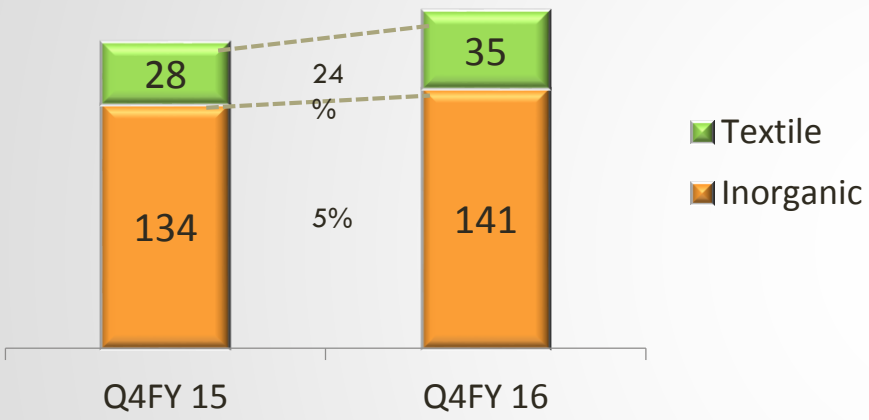
Particulars	FY2014	FY2015	FY2016	CAGR
Sales	2,229	2,385	2,564	7%
EBITDA	**433**	**534**	**635**	**21%**
EBITDA %	*19.4%*	*22.4%*	*24.8%*	
Depriciation	82	84	82	
EBIT	**351**	**449**	**554**	**26%**
Interest	170	164	162	
Exceptional Items	31	27	14	
Profit before Tax	**150**	**258**	**378**	**59%**
Tax	34	75	122	
Profit After Tax	**116**	**183**	**257**	**49%**
PAT %	*5.2%*	*7.7%*	*10.0%*	

EBITDA :

Margin improved by 534 BPS over 2 years by higher capacity utilization and operating efficiencies

Improving profitability across segments

Q4 FY16 EBITDA Growth 8% YoY



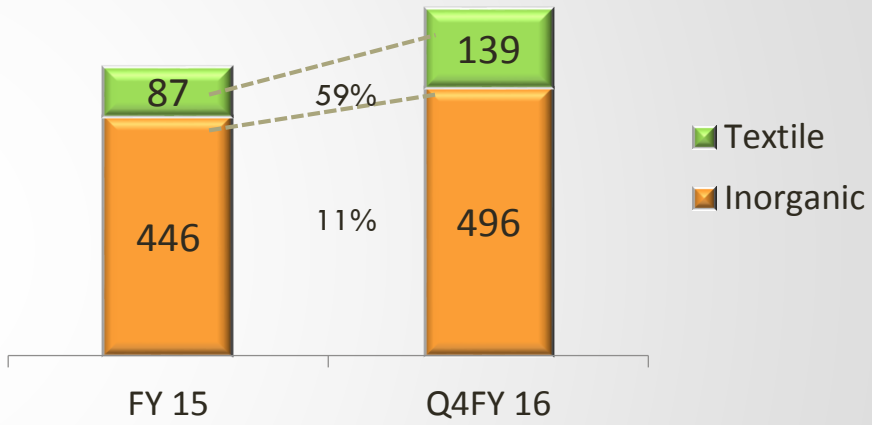
Inorganic – EBITDA Increase by Rs. 7 crore

- Higher sales volume of 6438 MT over FY15
- Improved Margin from 35% to 36%

Textile – EBITDA Increased by Rs. 7 crore

- Improved Margin from 11% to 13%

FY 16 EBITDA Growth 19% YoY



Inorganic – EBITDA Increase by Rs. 50 crore

- Higher sales volume of 15423 MT over FY15
- Improved Margin from 31% to 33%

Textile – EBITDA Increased by Rs. 52 crore

- Higher sales volume of 5.4 mn mtrs (21%)
- Improved Margin from 9% to 13%

Balance sheet

Particulars	Mar-15	Mar-16	Change
Net Fixed Assets and other Non current assets (A)	**1955**	**2128**	**173**
Current Assets	836	777	-59
Less : Current Liabilities	516	466	-50
Working Capital (B)	**320**	**311**	**-9**
Capital Employed (A+B)	**2274**	**2439**	**164**
Share Capital	100	100	0
Reserves & Surplus	670	885	216
Net worth (A)	**770**	**985**	**216**
Deferred Tax & Ors (B)	**181**	**205**	**24**
Long Term Debt	784	677	-107
Short Term Debt	454	490	36
Due in 1 Yr	86	81	-4
Total Debt (C)	**1324**	**1248**	**-76**
Total (A+B+C)	**2274**	**2439**	**164**

→ Inorganic : Rs. 50cr

→ Textile : Rs. 123cr

Committed towards Deleveraging and Growth Capex

What is in store for FY17



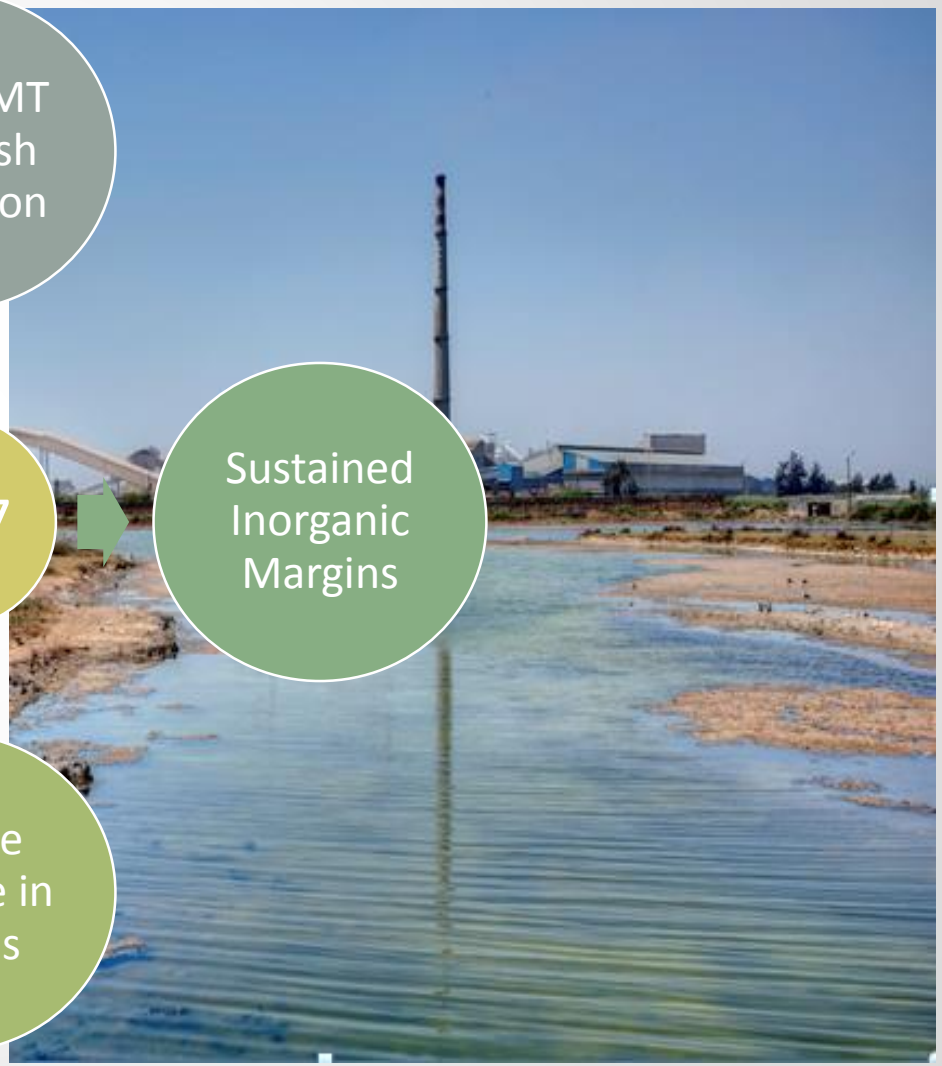
1 Lakh MT Soda Ash Expansion

Margin Improvement in Textiles

FY17

Sustained Inorganic Margins

Volume Increase in Textiles




GHCL
Inorganic Chemical Segment

Cost Leader in the industry… setting new benchmarks

Highest Capacity Utilization

- FY 15 87%
- FY16* 88%

Best Margins in Industry

- FY 15 31%
- FY16 33%

Built Operational Efficiencies

- Six Sigma Projects
- Cost Reduction Project
- Process Innovation

Innovative Company

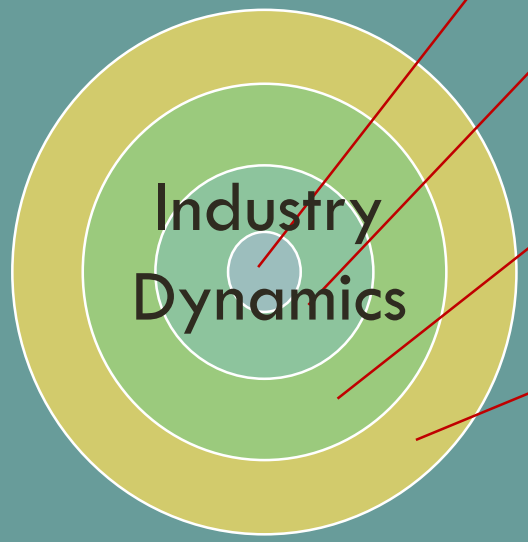
- Improved Carbonation Towers yielding higher production
- Reducing moisture in filtration resulting in reduction in utility cost
- Focus on raw material quality resulting 5000 MT additional Soda Ash
- Waste Management - Making bricks from fly ash

Brownfield Expansion of 1 Lakh MT in progress

- Expansion to complete in Q4FY17
- 12% Volume growth in FY 18 to match demand growth.
- Additional volumes to fetch higher Margins with little incremental fixed cost.

**Despite Shutdown in FY16 having impact of about 1.5%*

Soda ash industry perspective… unlike commodity!



- Supply follow Demand – No Major Mismatch
- High Logistic Cost Compared to Pricing- Distant travel becomes uneconomical
- Most of the Produce is consumed either locally or in natural markets
- Capital Turnover Ratio unfavorable

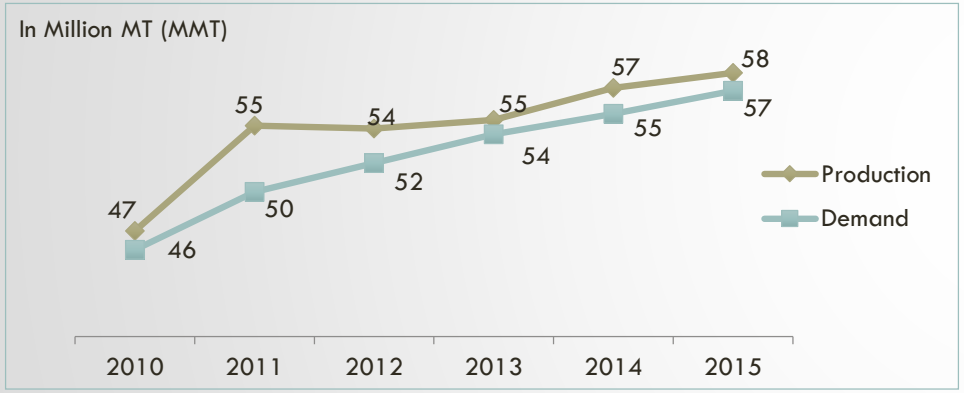
Thus Industry not affected by Price Volatility like other commodities

Soda ash industry perspective… unlike commodity!

Global market

Stable Demand and Supply

Production Growth : -4% CAGR
Demand Growth :- 4% CAGR

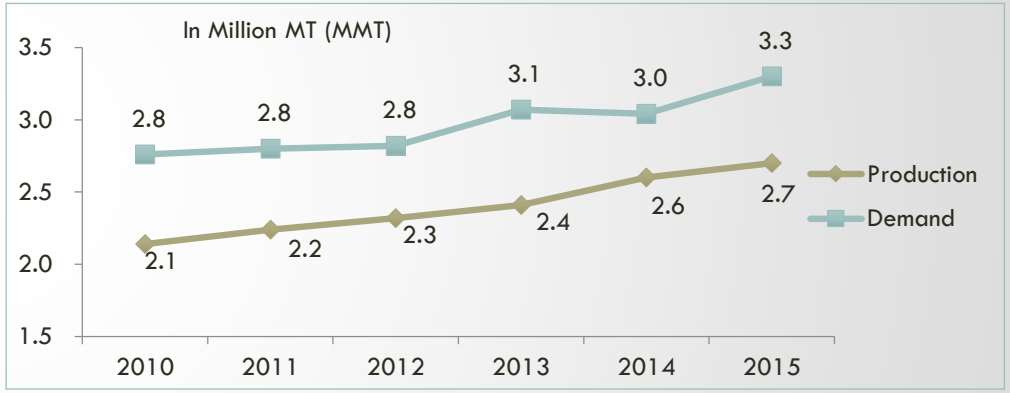


- No major capacity additions expected this year
  - Turkey adding 1.5 Mn that may come in FY18.
- Demand growing steadily
- US has announced increase of US$ 10-15 PMT in new contracts.

India market

Supply follows demand…

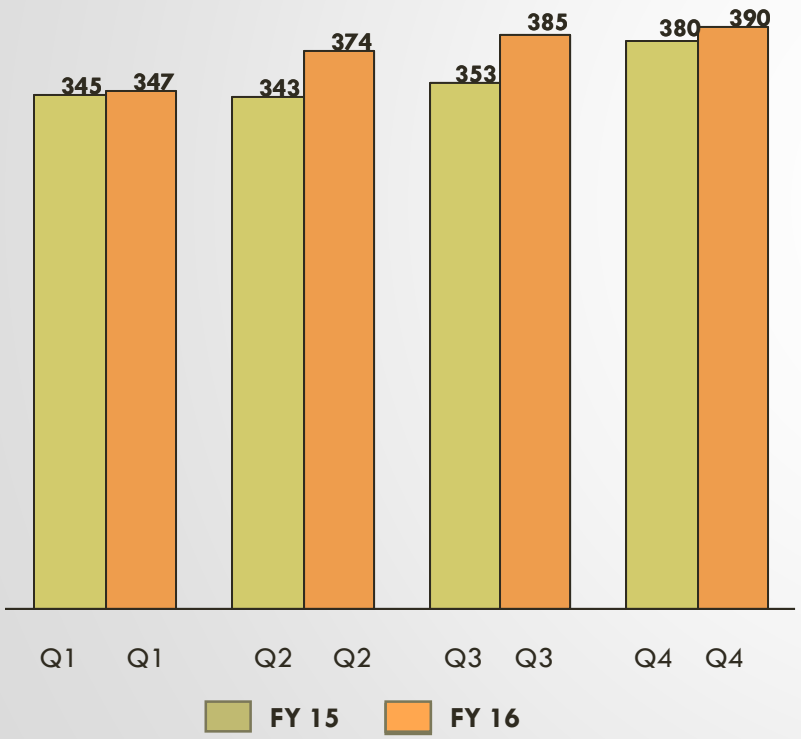
Production Growth : -4% CAGR
Demand Growth :- 4% CAGR



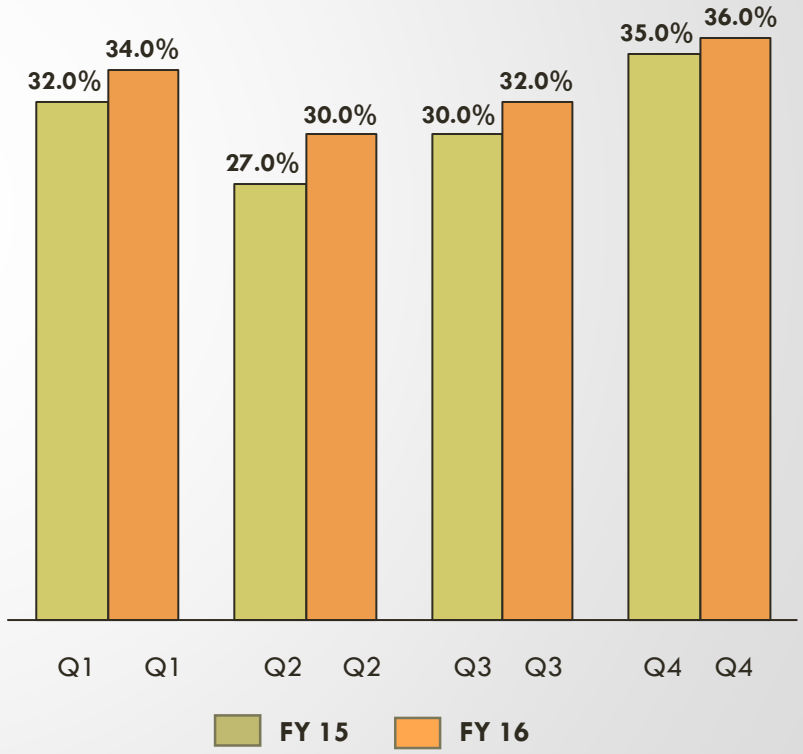
- New Capacity of 2 Lakh MT from Nirma coming this year, followed by 1 Lakh of GHCL next year.
- Demand growth of 4-5% will absorb additional volumes.
- Pricing looks stable

Inorganic Chemicals – consistently improving margins

Turnover (Rs crore)



EBITDA Margin

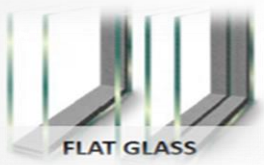


User Segment/Reputed companies being served

Soda Ash applications











....Some marquee clients

Hindustan Unilever Limited

P&G

FENA
BETTER PRODUCTS, CLEANER WORLD



HNG

MODIGUARD
GLASS • MIRROR

SAINT-GOBAIN

GUJARAT BOROSIL LIMITED


GHCL
Textiles Segment

Textile Segment….Making big leap

Improved Capacity Utilization	Improved Margins	Building Efficiencies
• FY 15 70% • FY16 83%	• FY 15 9% • FY16 13%	• 12MW Windmills installed • 400 stitching Machines installed

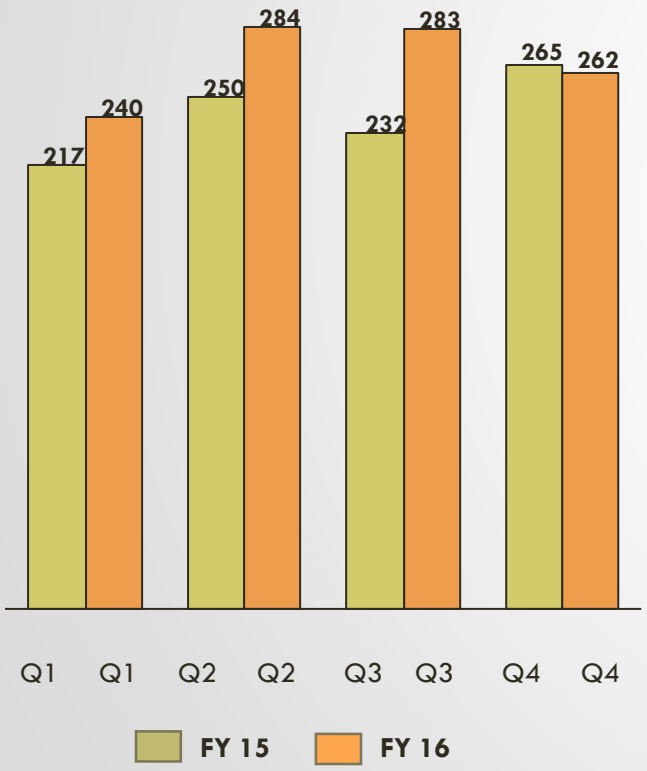
Journey of Margin Improvement to continue

- Improved customer mix for higher volumes and margins
- Benefit of Wind power - Reduction in power cost
- Focus on brand tie ups and private labels
- Positive outlook towards domestic market with established retailers

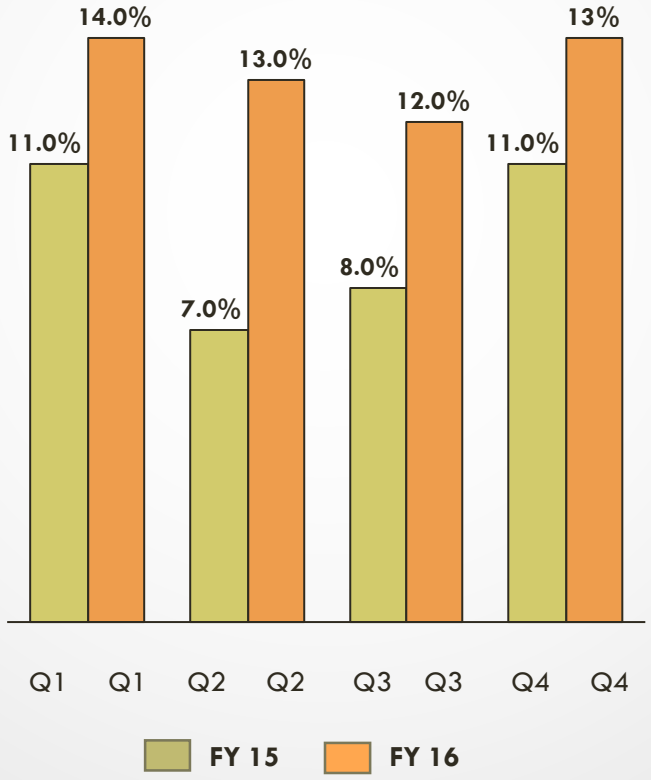


Textiles – Improving Margins Qtr on Qtr

Turnover (Rs crore)



EBITDA Margin



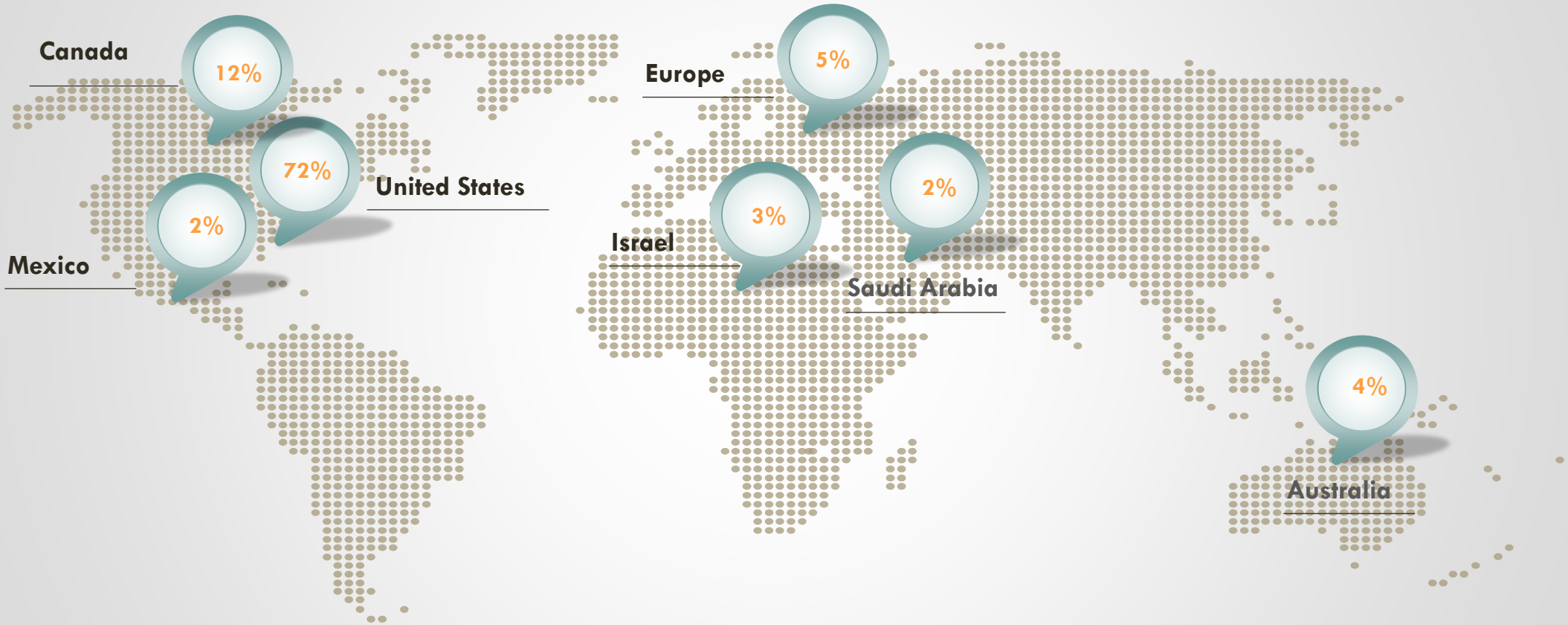
13%

EBITDA Margin in FY16; up from 9% in FY15

Rs 35cr

FY16 EBITDA; 24% Growth YoY

GHCL home textiles – Geographical Spread (Exports)



- 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

Supplying to marquee home textile customers

BED BATH & BEYOND®

HOUSE OF FRASER
SINCE 1849

Walmart Canada

Sears

JCPenney

TARGET

Gallery™

Tuesday Morning

amazon.com®

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

For more information, please contact

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