SANGHI CEMENT

Turning Dreams into Concrete Reality

SANGHI INDUSTRIES LIMITED
Corporate Presentation

June 2015

Table of Contents

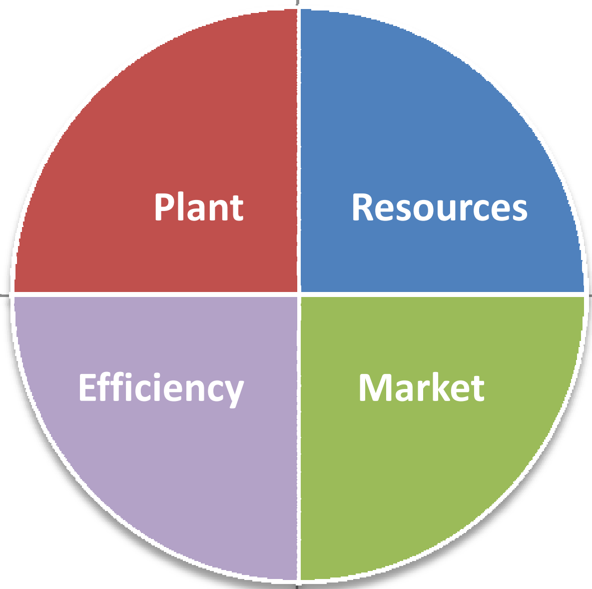
Section I

Overview

Key Highlights

- 3.3 MMTPA integrated plant
- State-of-the-art FLS technology
- 100% captive power
- Captive port, presently handling about 1 MMTPA cargo

- On the top of rich & vast limestone reserves of 1,000 MMT
- Proximity to Lignite source
- Opportunity to expand multifold

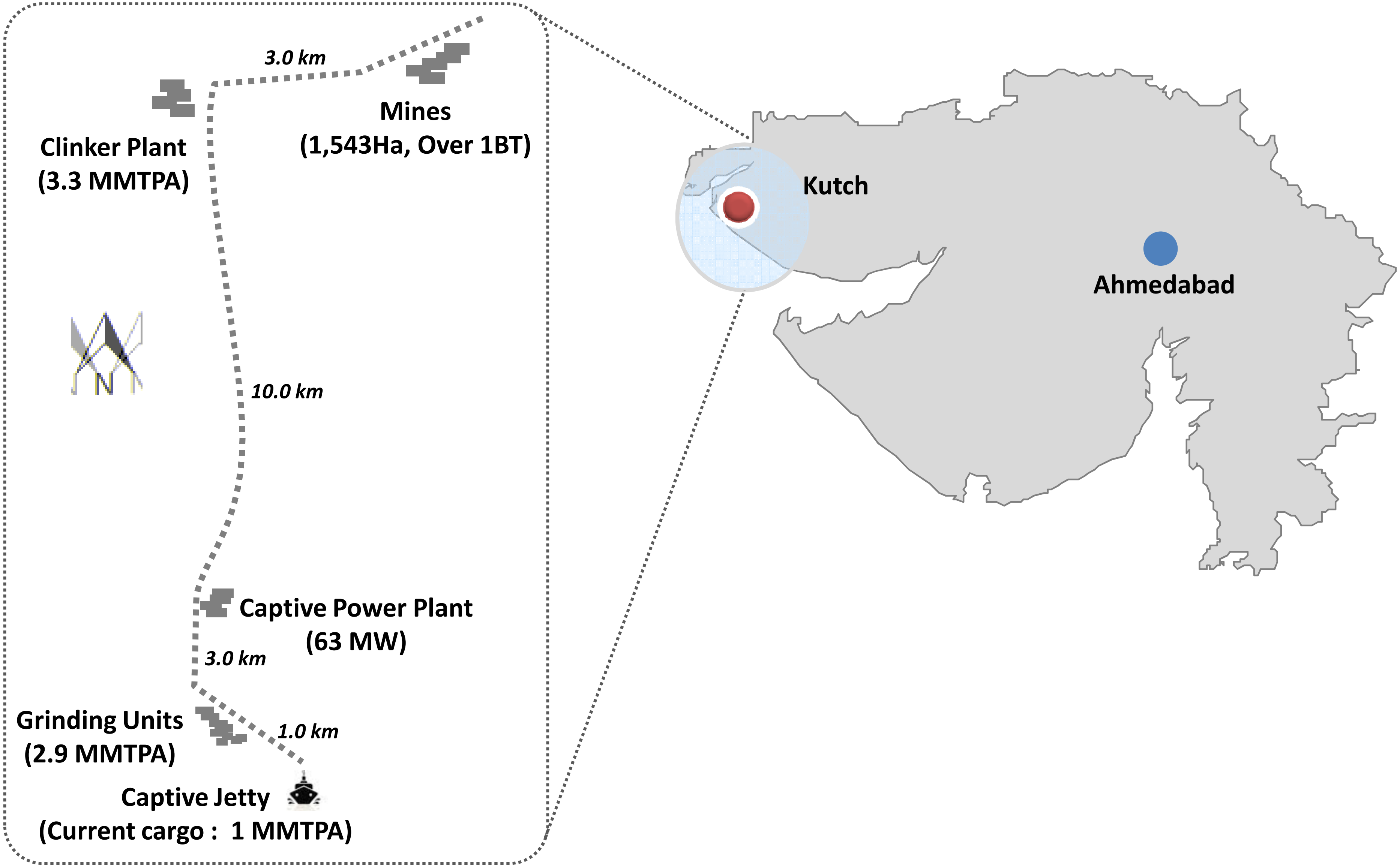


- Most Efficient in mid-size category – CRISIL Report
- 5 Star accreditation for best practices and multiple awards
- Experienced team

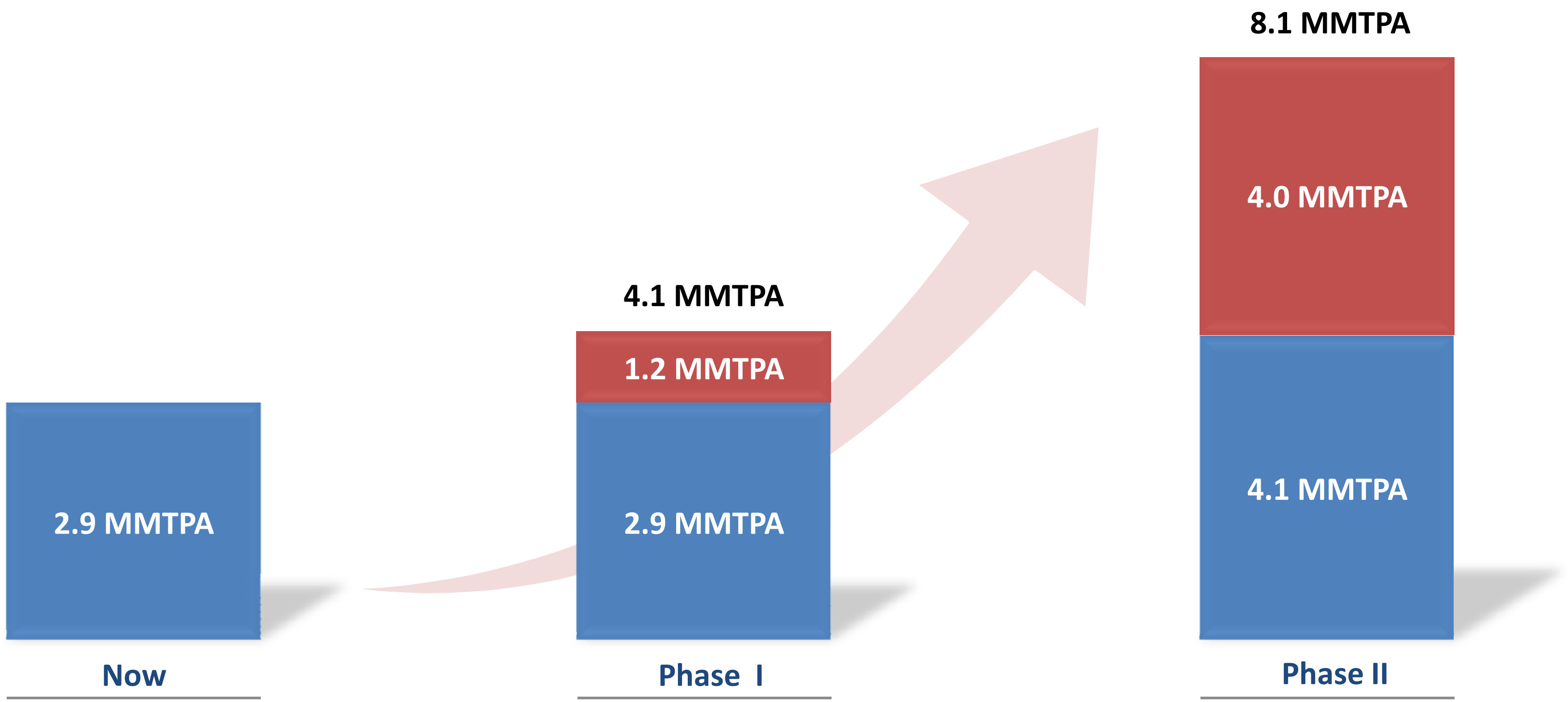
- Price and quality leader in consistently growing Western market
- Two sea terminals allowing easy access to distant markets
- Strong distribution network
- 30m^3 per hour RMC plant in Ahmedabad

Company has strong financial parameters and low leverage. Now pursing growth…

One of the Largest Integrated Single Stream Cement Plant



Growth Plans



Grinding Capacity

Adding one Grinding Mill for maximum cement production

Low cost brownfield expansion to take SIL in big league

Section II

Infrastructure and Supply Chain in Place for Long Term Growth

State-of-the-Art, Fully Automated Plant

Main Plant	▪ FLS state-of-the-art, fully automated multi-fuel plant ▪ 10,000 TPD clinker unit ▪ 2 Grinding Mills of 180 TPH each ▪ Completely controlled from Central Control Room ('CCR')
Ancillary Facilities	▪ Online input and output quality check ▪ High capacity in-house infrastructure such as automated material handling through stacker and reclaimers, high efficiency cranes, in-house fabrication capability ▪ Water desalination plant, RO plant, water treatment plants installed
Strong Team and CSR Infrastructure	▪ Strong operations team with aggregate cement experience of over 200 years ▪ Large green cover created including Mango orchard and vegetable nursery ▪ Housing colony accommodating more than 700 families ▪ CBSE affiliated school up to class XII with more than 600 students currently ▪ Highly respected in local community due to active CSR comprising free water supply, school, medical facilities, vocational training and direct & indirect employment generation

Facilities at a Glance

Clinker Plant

Grinding Unit, as viewed from the Jetty

Central Control Room ('CCR')

Water Desalination and Standby DG Power Plant

Easy Access to High Quality Raw Material at a Low Cost

- High quality, soft marine limestone
- Mine just 3 kms from the Clinker Plant
- 1,543 Ha of mining lease with estimated reserves close to 1,000 MM, now valid up to 2046
- Only surface mining is required, no overburden
- **Low cost of limestone extraction**
- **Other Raw Materials are easily available**
  - Captive mine of Pozzolana Clay: 5 kms Captive mine of Laterite: 14 kms
  - Fly ash procurement from the UMPP at Mundra: 170 kms

Actual site photographs

Power and Fuel

Power

- 63 MW Captive Thermal Power Plant
- Internal Transmission lines and grid connectivity
- Peak power requirement is ~42 MW, surplus of 20 MW
- Grid lines enable evacuation of excess power as well as drawing of power, if needed
- Diesel Generator ('DG') also available as standby
- Power plant designed to use lignite and coal
  - Lignite is procured from GMDC; distance of about 40 Km

Fuel

- Clinker plant designed to use any proportion of lignite and alternate fuels
- Imported Indonesian-coal, blended with lignite, used for the Clinker plant

Actual site photographs

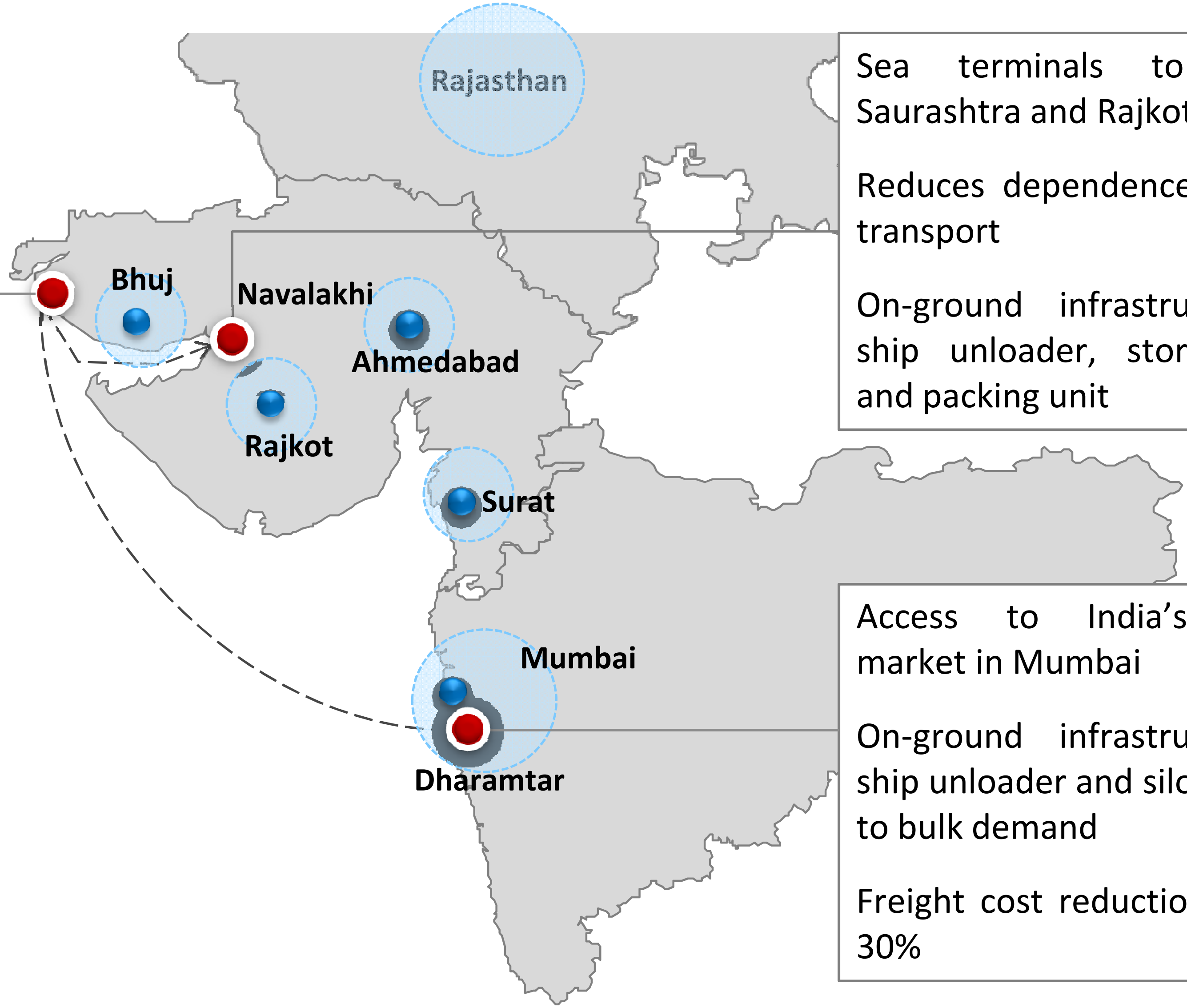
Captive Jetty in Kutch and Sea Terminals Near the Market

Present cargo handling is about 1 MMTPA

Already handles entire import of coal in cost efficient manner

Gives opportunity to cater to export markets in quickly and economically

Enables domestic coastal shipping, thus cutting freight cost



Sea terminals to service Saurashtra and Rajkot market

Reduces dependence on road transport

On-ground infrastructure of ship unloader, storage silos and packing unit

Access to India's largest market in Mumbai

On-ground infrastructure of ship unloader and silos to cater to bulk demand

Freight cost reduction by 15 - 30%

Distribution Capabilities

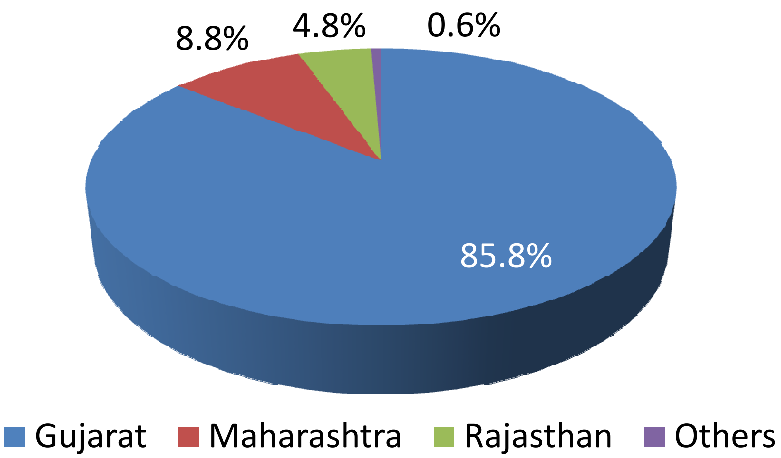
Unique Brand Building

- Brand is positioned as a market leader based on quality assurance, resulting in price advantage
- Focussed on Trade Sales, forming about half the sales through network of more than 1,500 dealers
- Developed 39 unique Customer Care Centers - One Roof Service for house construction providing advice on architecture to 'Vastu' and finance tie-up to concrete mix
- Provides free onsite quality test through its 'Shakti Rath'
- Ability to provide Bulk Cement for Mumbai market and RMC for Ahmedabad

Customer Care Centre

Shakti Rath

FY14 Sales Distribution

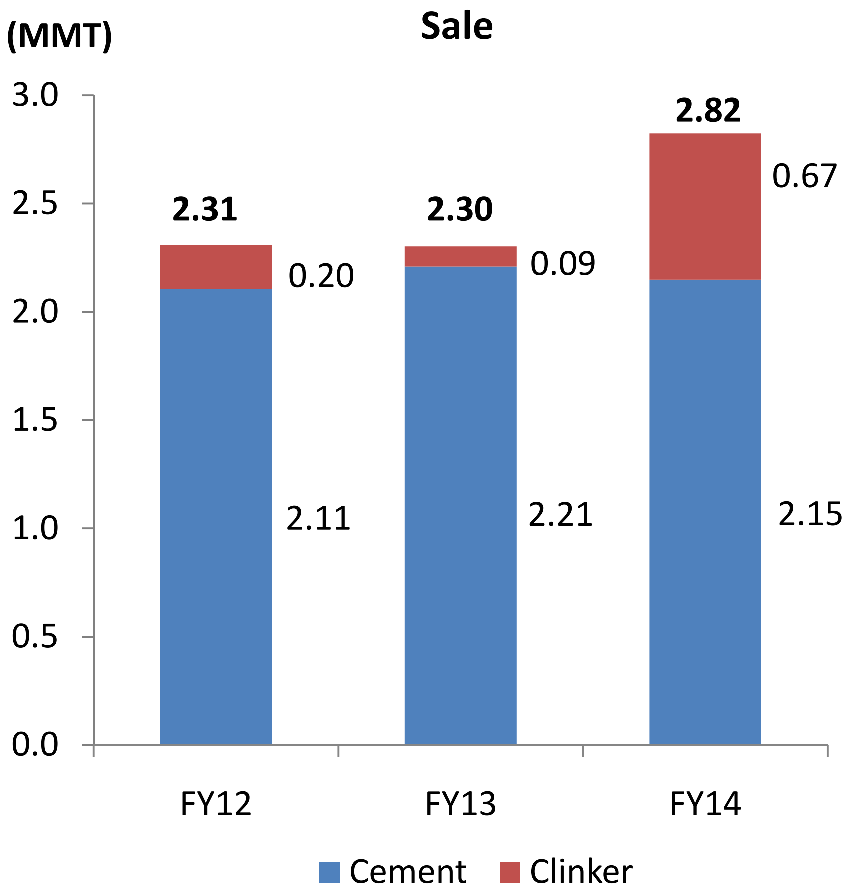


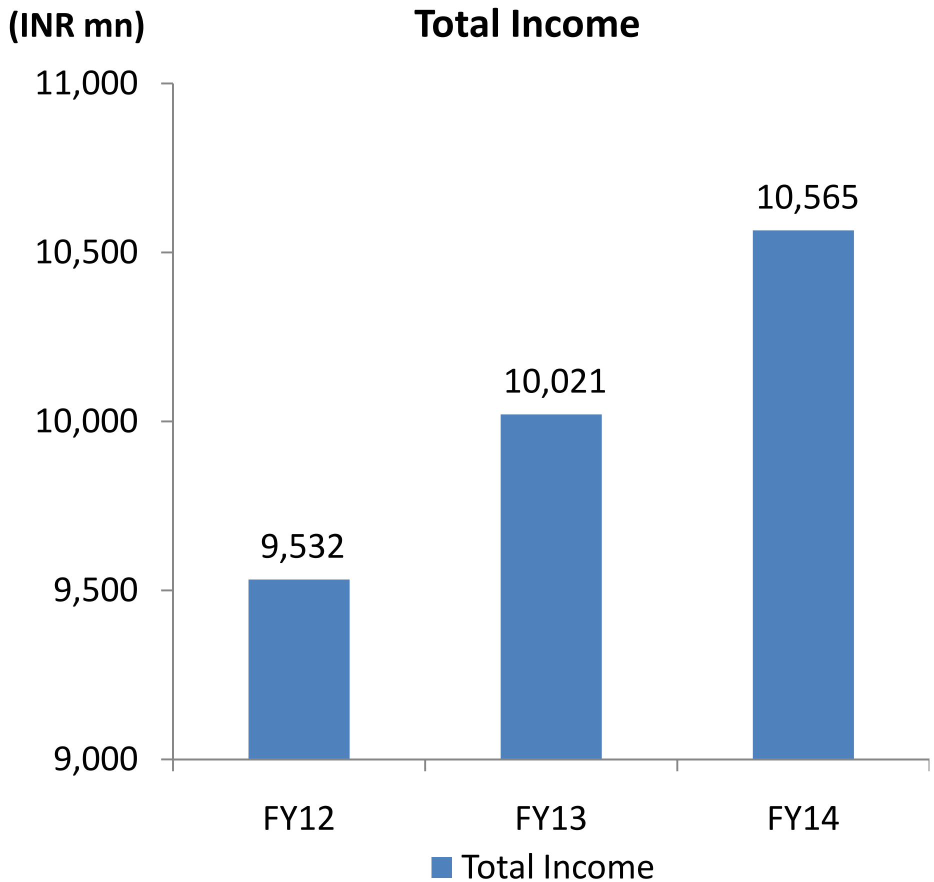
Section III

Financial Performance

Growing Volume and Sales…

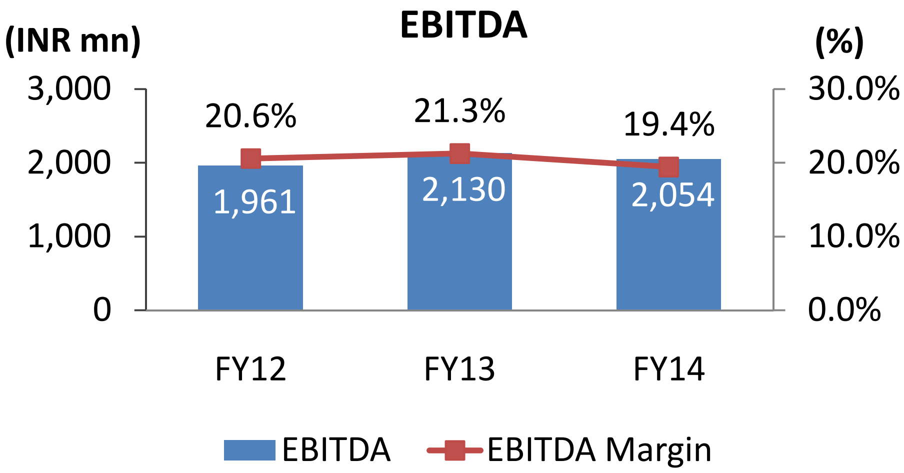
Firm footing in the Western region and ability to export Clinker enables Company to expand volume and sales

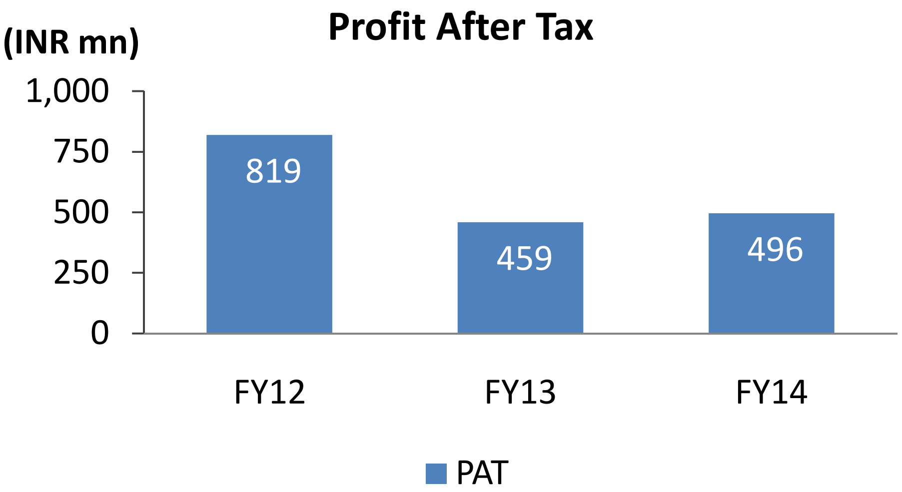




… While Sustaining High Margins

Company has been successful in keeping stable margins

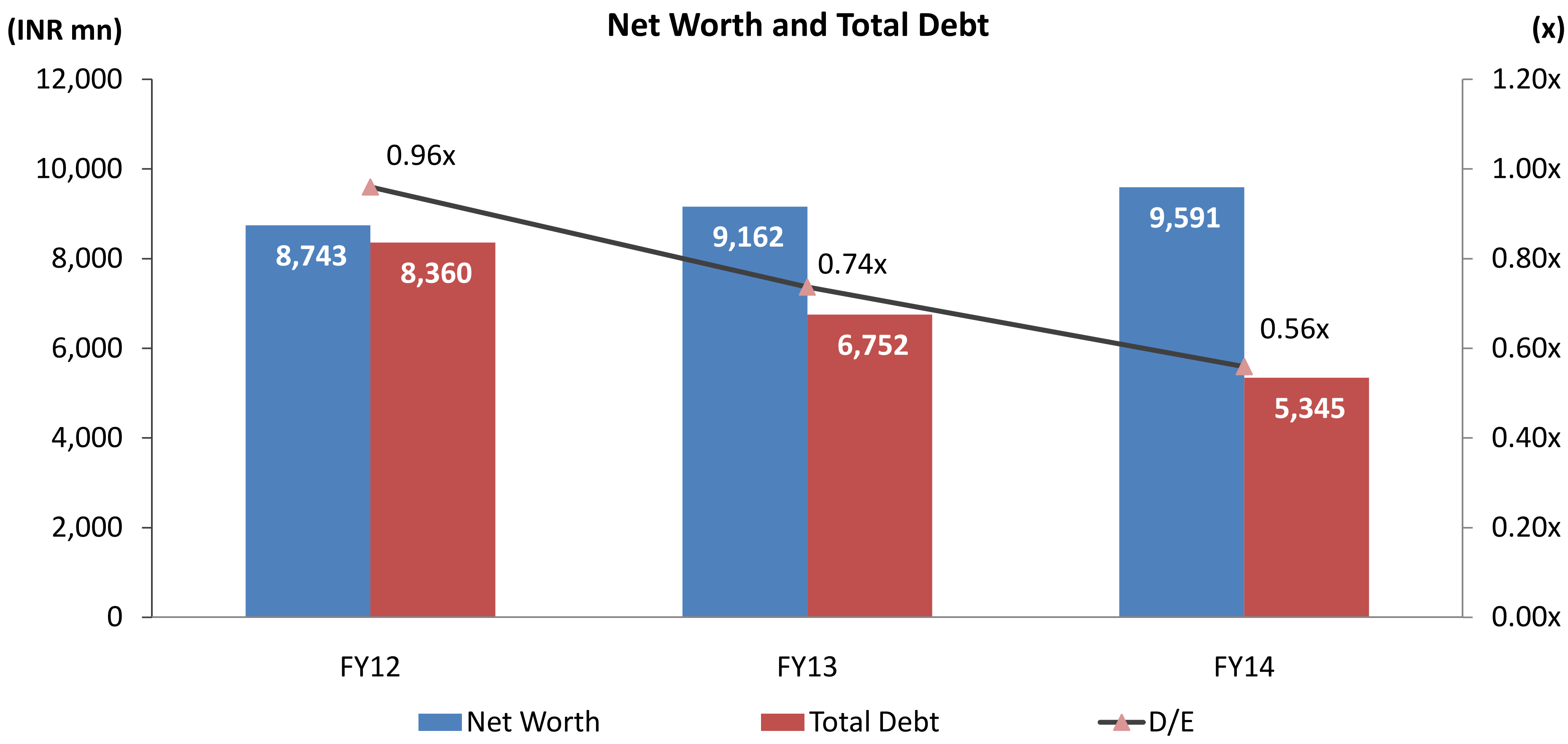




- Consistently high EBITDA margins
- Operating performance in FY14 improved significantly. However, as VAT exemption was exhausted in FY13, EBITDA remained flat after absorbing additional ~INR 796mn of VAT
- **Margins in the near future are expected to improve with upcoming higher PPC sales**
- PAT margins were subdued in FY13 & FY14 due to accelerated depreciation of ~**INR 437mn p.a.** being charged on certain assets for 3 years from FY13-FY15

… and Improving Leverage

Company has been consistently deleveraging over the years



Section IV

Growth Plans

Phase I – Adding 1.2 MMTPA Cement at Low Cost

- Additional 1.2 MMTPA grinding unit
- **Location:** At existing grinding unit at Kutch
- **Investment:** INR 550mn is required
- **Timeline:** Mill delivered at site in March 2015, commissioing in June 15
- **Benefit:**
  - Higher grinding capacity of 4.1 MMTPA can fully utilize the existing clinker capacity of 3.3 MMTPA
  - PPC production can now go up significantly
  - **PPC margins are higher due to Fly Ash substituting Clinker**

Phase II – Adding a New Line of 4 MMTPA

- With Limestone and land available and high capacity support infrastructure already in place, Company is well poised for adding a new line of 4 MMTPA at the existing plant at Kutch
- **Configuration :**
  - 3.3 MMTPA of Clinker Plant
  - 4.0 MMTPA of Grinding Facility at Kutch or outside
  - 60 MW Waste Heat Recovery/Thermal Power Plant
- **Total capex** of INR 12,000mn
- **Integrated capacity at an average cost of under ~USD 50 per tonne**

Resource/ Approval Required	Status
Land	✓✓
Raw Material	✓✓
Ancillary Infrastructure	✓✓
Approvals	✓
Contracts	✓
Funding	✓

✓✓ *Already in place* ✓ *Advance stages*

Section V

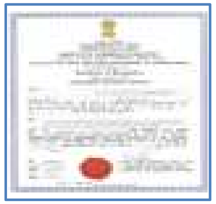
Awards, CSR and Management

Awards and Accreditations

- Greentech Environment Excellence Gold Award in 2008 & 2013 for outstanding performance in Environment Management

- Recipient of Special Award of Export Recognition from CAPEXIL for years 2002-03, 2003-04 & 2005-06, in recognition for outstanding performance in Export of Cement & Clinker

- Motiber Silica Mine was awarded First prize in overall performance in 4th Gujarat Metalliferous Mines Safety Week 2013-14



- Trading House Certificate from the office of the Joint Director General of Foreign Trade, Government of India

- Business Excellence in Waste Management Initiatives award given by the Chief Minister of Gujarat on 3rd August, 2014

- Young Entrepreneur of Kutch Award from the Chief Minister of Gujarat

- Awarded First prize for four consecutive years, for Best Mining operations, from Indian Bureau of Mines & Directors of Mines Safety, Government of India on various aspects of Mining operations

- ISO 9001:2008 (Quality Management System Standard)
- ISO 14001:2004 (Environmental Management System Standard)
- OHSAS 1800:2007 (Occupational Health & Safety Management System Standard)
- SA 8000:2008 (Social Accountability System Certificate) (earlier SA:8000:2001)
- ISO/ IEC 17025:2005 (NABL accreditation for Chemical and Mechanical Testing)

Nurturing the Ecosystem

Company has not only been providing employment at the remote area of Kutch but also nurturing the ecosystem in and around its Facilities

CBSE affiliated school up to class XII at Plant

Nursing Home at Plant

Green Belt - Mangoes, Chikkus & Vegetables

Rain Water Harvesting

Sanghi Industries – Senior Management

- **Mr. Ravi Sanghi - Chairman and Managing Director of the Company**, is a first generation entrepreneur and the visionary behind the establishment of one of the world's largest integrated single-stream cement plant in Kutch, leading it since its conception to completion. He has vast experience in conceptualizing and directing projects across diverse industries and magnitudes.

- **Mr. Aditya Sanghi - Whole Time Director,** holds a Masters Degree in Industrial Engineering from Rochester Institute, USA and has worked with leading American companies. He has rich experience in management of the clinker and cement operations, and the establishment of CPP. He successfully implemented many best manufacturing practices and executed diverse projects for the company. He expertly guides the production, project and corporate strategy.

- **Mr. Alok Sanghi - Whole Time Director,** is an MBA in Finance and Management from Kelley School of Business, Indiana University, Bloomington, USA, has worked with leading financial services companies. He has been instrumental in successfully launching the company's products in domestic and international markets. He possesses acumen in corporate, commercial, shipping and marketing strategies and corporate affairs of the company.

- **Mrs. Bina Engineer - Whole Time Director,** is a qualified Chartered Accountant having rich and wide-range experience of more than two decades in the areas of Project and Corporate finance. She has successfully managed project funds, finance and working capital requirements. Currently she heads Corporate and Project Finance Affairs at the Company.

- **Mr. N. B. Gohil - Whole Time Director,** has more than 37 years of rich industrial experience in various activities pertaining to Thermal Power Plants. He specializes in Pollution Control Norms, Factory Regulations and other administrative matters.

Disclaimer

This presentation does not constitute or form or deem to constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Sanghi Industries Limited (the "Company"), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefore. This presentation and its contents are not and should not be construed to be an offer document or prospectus.

This presentation contains statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company, its directors and officers with respect to the results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects" "plans" "will" "estimates" or other words of similar meaning, and speak only as of the date of this presentation. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.

The information contained in this presentation has not been independently verified. No representation, warranty, guarantee or undertaking, express or implied, is or will be made as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information, opinions etc. contained in this presentation. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. Any opinions expressed in this presentation are subject to change without notice. None of the Company, its representatives, its advisors, its subsidiaries, its associates, the placement agents, promoters or any other persons that may participate in any offering of any securities of the Company shall have any responsibility or liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

This presentation is not for publication or distribution or release in any country where such distribution may lead to a breach of any law or regulatory requirement. The information contained herein does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for securities for sale. The distribution of this presentation in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions.