

BASIS OF THE COMPANY:-

GLS are one of the leading manufacturers and marketers of surfactants and specialty chemicals in India for the Personal and Home Care (“PHC”) industry. GLS produces a range of vital cosmetic ingredients including active ingredients, UV protection and functional products. GLS’s products cater to some of the largest global brands in the FMCG sector and find applications in skin care, hair care, oral care, body wash, sun care, household cleaners and fabric care segments.

From a modest beginning in 1980 with two products by their Promoters, GLS have today transformed their business into a value based, technology driven, environment conscious and customer oriented organization with a portfolio of 66 products and with sales spread over 70 countries. GLS are certified supplier and preferred vendor for leading companies in the field of personal and home care. Few of their global customers are Beiersdorf, Colgate Palmolive, Ecolab, Henkel, Diversey, L’Oreal, Reckitt Benckiser and Unilever. GLS’s domestic customers include Ayur, CavinKare, Dabur, Emami, ITC, Marico, Procter & Gamble Home Products Limited to name a few. GLS’s growth has been aided by their approach of strategic partnership with their customers. Customer intimacy, innovation and competitiveness form their value triangle.

GLS’s registered and corporate office is located at TTC Industrial Area, Pawne, Navi Mumbai. They have regional offices in New Delhi, Thailand and USA. They presently have three manufacturing units at Tarapur, two manufacturing units at Taloja, Maharashtra and one manufacturing unit in USA. Both the units at Taloja are continuous process plants and one of the units is a 100% Export Oriented Unit (EOU). The manufacturing facility in USA is owned by their 100% step-down subsidiary Maybrook Inc. All their existing manufacturing units in India are certified for ISO 9001:2008 Quality Management Systems by Bureau Veritas Certification (India) Private Limited and have also obtained TPM awards from Japan Institute of Plant Maintenance. Further, they are in the process of setting up manufacturing units at Jhagadia, Gujarat which will be operational by May 2011 and at Suez, Egypt through their 100% step down subsidiary GC Egypt which will be operational by August 2011.

R&D programmes is key to successful innovation GLS business. GLS’s R&D Centre is recognized by the Department of Science and Technology, Government of India. Their R&D efforts are driven by ‘Consumer-to-Chemistry’ strategy. This involves understanding the changing consumer trends and tuning our R&D efforts in line with their customer’s product development initiatives. GLS have a well-equipped R&D centre at Navi Mumbai to develop new products, technologies and applications for the personal and home care industry. GLS R&D efforts also comprise of standardizing new analytical methods and identifying substitutes for certain raw materials. GLS have to their credit 18 patents in India and 10 patents in USA. In addition, they have applied for 12 patents in India and 1 patent in Europe.

KEY POINTS OF THE COMPANY:-

- Global brands as their customers
- Wider Range of Product Offering in PHC Ingredients
- Strong Management Team
- Strong presence in India – A growth market
- In-house competence for setting up plants

Issue Highlights:

Books Open : 13/05/2011
Books Close : 19/05/2011
Face Value : Rs. 10
Bid Lot Size : 20 EQ. SHRS.
Price Band : ₹ 325 to ₹ 340

Issue Details:

Issue Size : 5,930,000 EQ SHRS
QIB Portion : 2,965,000 EQ SHRS
Retail Portion : 899,500 EQ SHRS
HNI Portion : 2,075,500 EQ SHRS
Lead Managers: Motilal Oswal
Invst. Advisory Pvt. Ltd.,
Centrum Capital Ltd.

- Strong R&D capabilities to drive Innovation
- Quality Management Systems
- Locational Advantage

OBJECTS OF THE ISSUE:-

- Fund the capital expenditure of their step down subsidiary GC Egypt, through investment in their subsidiary, GHML
- Fund the capital expenditure for setting up new manufacturing facility at Jhagadia, Gujarat
- Expand the capacities at their existing manufacturing units at Tarapur
- Expand the capacities at their existing manufacturing units at Taloja
- General corporate purposes

FINANCIALS:

(₹. In Million)

PARTICULARS	2008	2009	2010	31/12/2010
TOTAL INCOME	3821.10	5560.19	6442.57	6480.28
TOTAL EXPENDITURE	3889.55	5693.25	6497.97	6823.51
PAT	262.84	267.73	360.32	427.95
FIXED ASSETS	1255.74	1559.24	2198.75	2773.42
NET WORTH	920.62	1142.30	1508.12	1685.31
EPS (₹)	15.28	15.59	23.55	23.98
RONW (%)	32.28	25.96	28.58	25.37

DISCLOSURE: The information in this document has been printed on the basis of publicly available information; internal data and other reliable sources believed to be true and is for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action. LKP Shares & Securities Ltd., LKP Securities Ltd. and affiliates, including the analyst who have issued this report, may, on the date of this report, and from time to time, have long or short positions in, and buy or sell the securities of the companies mentioned herein or engage in any other transaction involving such securities and earn brokerage or compensation or act as advisor or have other potential conflict of interest with respect to company/is mentioned herein or inconsistent with any recommendation and related information and opinions. LKP Shares & Securities Ltd., LKP Securities, and affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.