34th

ANNUAL REPORT 2016-2017

GHCL Limited

Contents

Annual General Meeting – Thursday, June 29, 2017

Time – 9:30 A.M.

Venue – The Institution of Engineers (India), Gujarat State Centre,
Bhaikaka Bhavan, Law College Road,
Ahmedabad - 380 006 (Opp. Gajjar Hall)

Book Closure Date - From Friday, June 23, 2017 to Thursday, June 29, 2017 (Both days inclusive)

Important Communication to Members

Ministry of Corporate Affairs had announced "green initiatives in the Corporate Governance" and permitted companies to service notices / documents including Annual Report to the members of the company on their email addresses. All those Shareholders who have not yet registered their email ids or holding shares in physical form are requested to register their email ids with NSDL/CDSL and/or our RTA.

COMPANY INFORMATION

BOARD OF DIRECTORS

Sanjay Dalmia	Non-Executive Chairman
Anurag Dalmia	Non-Executive Director
Neelabh Dalmia	Non-Executive Director
Dr. B C Jain	Independent Director
Lavanya Rastogi	Independent Director
G C Srivastava	Independent Director
Mahesh Kumar Kheria	Independent Director
K C Jani	Independent Director
Sanjiv Tyagi	Independent Director
Vijaylaxmi Joshi	Independent Director
R S Jalan	Managing Director
Raman Chopra	CFO & Executive Director (Finance)

SECRETARIES

Bhuwneshwar Mishra
General Manager & Company Secretary

Manoj Kumar Ishwar
Senior Manager (Secretarial)

Prabhakaran J. Mudaliar
Executive (Secretarial)

REGISTERED OFFICE

"GHCL HOUSE"
Opp. Punjabi Hall,
Navrangpura,
Ahmedabad -380 009 (Gujarat)

CORPORATE OFFICE

"GHCL House"
B-38, Institutional Area,
Sector - 1
Noida - 201 301 (UP)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
Website: www.ghcl.co.in

SUBSIDIARIES

1. Grace Home Fashions LLC
2. Dan River Properties LLC

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP
Rahul Gautam Divan & Associates

WORKS

SODA ASH

Village: Sutrapada Near Veraval,
Distt.: Gir Somnath,
Gujarat – 362275

SALT REFINERIES

(a) Port Albert Victor, Via Dungar,
Distt.: Amreli, Gujarat - 364555

(b) 713/B, Deri Road,
Near Diamond Chowk
Krishnanagar, Bhavnagar
Gujarat - 364001

(c) Ayyakaramulam, Kadinal Vayal,
Vedaranyam, Distt. Nagapattanam,
Tamil Nadu – 614707

(d) Nemeli Road, Thiruporur, Distt.:
Kancheepuram, Tamilnadu – 603110

TEXTILES

(a) Paravai, Samayanallur P.O,
Distt.: Madurai, Tamil Nadu – 625402

(b) Thiagesar Alai P.O, Manaparai,
Distt.: Trichy, Tamil Nadu – 621312

191 & 192, Mahala Falia, Village - Bhilad,
Distt.: Valsad, Vapi, Gujarat - 396191

ENERGY DIVISION

(a) Muppandal, Village: Irukkandurai, Post:
Sankaneri, Taluk: Radhapuram,
Distt.: Tirunelveli, Tamil Nadu

(b) Village: Chinnaputhur, Taluk: Dharapuram,
Distt.: Erode, Tamil Nadu

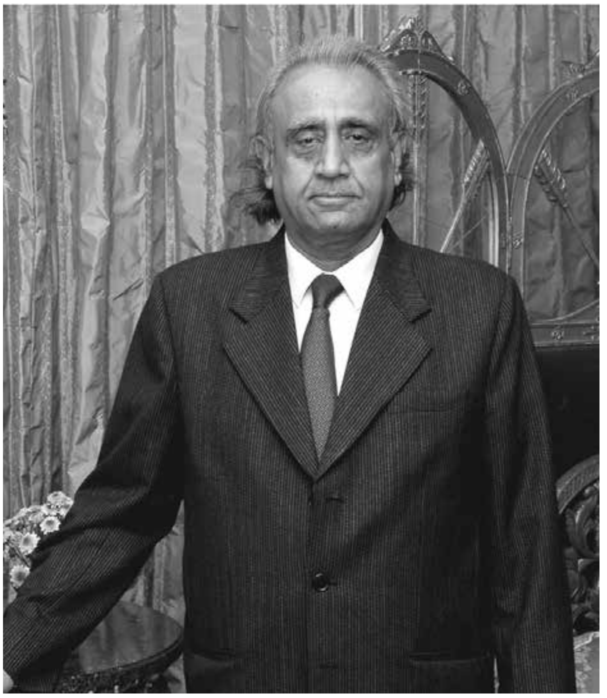
BANKERS / FINANCIAL INSTITUTIONS

State Bank of Travancore
(Since merged with SBI w.e.f. 01.04.17)
State Bank of Hyderabad
(Since merged with SBI w.e.f. 01.04.17)
IDBI Bank
State Bank of Mysore
(Since merged with SBI w.e.f. 01.04.17)
Export Import Bank of India
State Bank of Patiala
(Since merged with SBI w.e.f. 01.04.17)
Canara Bank
State Bank of Bikaner and Jaipur
(Since merged with SBI w.e.f. 01.04.17)
Oriental Bank of Commerce
State Bank of India
Andhra Bank
Dena Bank
Union Bank of India

SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, Vikhroli (West)
Mumbai - 400 083
Tel: 022-49186000/49186270
Fax: 022-49186060

CHAIRMAN'S STATEMENT



With global economic activity now picking up steam after a long-awaited cyclical recovery in investment, manufacturing and trade, the world growth is expected to rise from 3.1 percent in 2016 to over 3.5 percent in 2017 and 3.6% in 2018.

Stronger activity, expectations of robust global demand, reduced deflationary pressures, and optimistic financial markets are all upside developments that we are now witnessing in key economic zones. But at the same time, structural impediments to a stronger recovery and balance of risks that remains tilted towards the negatives is a challenge in the short to medium term. We surely need sound economic strategies and policy framework in both advanced economies as well as emerging and developing markets to tackle a number of common challenges in a global economy that is now increasingly becoming integrated.

In India, the doomsday scenario projected by most economic think tanks notwithstanding, the impact of demonetization on the Indian economy has been ephemeral. The demonetization exercise has ushered in several benefits. India has added 91 lakh more tax payers and there is marked shift to digital and online transactions. The resultant increase in tax collection should aid infrastructure spending, job creation, funding of welfare schemes, and directly as well as indirectly, in the equitable distribution of wealth. More importantly, there is a mindset change with an increasing aversion to corruption, which augurs well for the future of the Indian economy.

With demonetization truly behind us, it is time for the Indian economy to focus on the next big bang reform – the implementation of Goods and Service Tax. When viewed in conjunction with demonetization, the twin measures are fundamental for transparency and growth. Demonetization was a trigger and with GST coming later this year, this whole process of formalization of economy will get accelerated. Once introduced, GST will create one unified national market and cut down the current bottlenecks that lead to higher transaction costs and hurt efficiency.

With the renewed optimism in the economy and despite the short term disruption caused by demonetization, your company witnessed good demand for its products in the economy and that has translated into satisfactory financial performance. We also managed to maintain our profitability despite an increase in prices of raw materials. Importantly, we expect this buoyancy to continue in the coming quarters.

Revenues for the financial year ending 31st March 2017 have risen by 10% to Rs. 2,980 Crore as compared to Rs. 2,716 Crore for the financial year 2015-2016. EBIDTA for the year grew by 14% to Rs. 724 Crore compared to Rs. 636 Crore. The net profit for the financial year 2016-2017 grew a robust 51% to Rs. 388 Crore from Rs. 257 Crore in the previous financial year.

Going forward, your company will continue to scout for growth opportunities as the domestic economy gains momentum and a more stable economic outlook boosts consumer confidence and leads to higher spending. We will continue to drive expansion in our key verticals.

The domestic Soda Ash demand witnessed a growth of 6% in FY 2016-17 compared to last year. All consuming segments including Detergents and Flat Glass, Chemicals & Silicates recorded a healthy rebound. The only exception was Container Glass segment that continues to be low key. Our market estimate indicates that downstream demand growth is gradually improving and 2017 is expected to be better than 2016. India's GDP growth in real terms is slated to be better in the coming Financial Year with the positive impact of reforms and as a result, it is expected that downstream sectors like Detergents and Glass should do better than last year.

The Indian Soda Ash market constitutes of two varieties – Light grade (used in detergent industry) & Dense grade (used in Glass industry) with a share of 60% and 40%, respectively. The total installed capacity in India was 3.4 million tonne per annum. With an estimated production of about 2.8 million tonne per annum in 2016-17, the capacity utilization was around 83%. Going forward, we expect the overall industry capacity to expand by 0.25 lakh tonne in 2017-18 and another 1.25 lakh tonne in 2018-19.

Almost all the major Soda ash players are located in the state of Gujarat due to ready availability of main raw materials, namely limestone and salt. However, sourcing of these key raw materials is posing a major challenge for the industry as the Gujarat government is currently not allocating any fresh Lime Stone mines or Land Bank for Salt Works. At the global level, the new low-cost Turkish supply with a competitive cost base and low transport costs – relative to the US producers – will continue to influence the market, especially with their forthcoming 2.0 Million tonne peer annum supply by 2017 end.

GHCL's soda ash business contributes about 60% of total Indian Standalone revenue. In India, the company has a significant advantage in maintaining firm control on cost of soda ash due to major captive source of some of the raw materials – Salt, Limestone & Lignite. GHCL shares highly successful client relationships and is the preferred supplier to all major soda ash consumers and some its marquee clients include Hindustan Unilever Limited, Ghari Group, P&G, Patanjali Ayurved Limited, Gujarat Borosil Limited, Piramal Glass Limited and Phillips.

Going forward, your company is planning to double its capacity of Sodium Bicarbonate from the current level of 32,500 tonne per annum to 65,000 tonne per annum to take advantage of the growing market for this product. GHCL has been able to maintain its domestic market share through a combination of market development, pro-active Direct Customer Relationship management Satisfaction Initiatives and the speedy response to the changing dynamics of the market place.

GHCL Limited has integrated textile manufacturing facilities with an installed spinning capacity of around 1.76 lakh spindles and 3320 Rotors (Open End), manufacturing 100% cotton, polyester cotton & other blended yarns, 162 Air Jet looms, 36 million meter of wide width processing capacity, 12 million meter of weaving capacity and 30 million meter of cut & sew facility for manufacturing world class quality merchandise.

We have state of-art plant at Vapi, Gujarat that integrates weaving, processing and cut & sew facilities. The Home Textiles division is investing to increase weaving capacity by 18% and processing capacity by 25%, which will be operational in 3rd quarter of financial year 2017-18. GHCL's spinning units in Tamil Nadu are considered to be one of the most efficient and modern yarn manufacturing facilities in India. Such excellent product development capabilities has put GHCL on the forefront of major global markets like North America, Australia, Middle East, UK and Europe. GHCL has also started to focus on domestic market and is now working with major organized retail stores and brands for domestic market.

Overall in the textile business of the company has posted satisfactory performance this year, which is despite the demonetisation impact. The home textiles business operations have done reasonably well mainly due to strong customer relations, product portfolio, consistent supply of quality products and strengthening organisational structure. This has led to an increase in capacity utilisation to 93% as compared to 85% last year.

I am glad to inform that there is significant improvement in the margins over last year. This has been made possible due to higher capacity utilisation and our relentless customer focus. This has enabled us to successfully strengthen our export markets and resulted in securing large replenishment orders from big global retailers and importers. Some of our valued customers in USA, Europe & Australia include Bed Bath & Beyond, Target, HBC Canada, Sears Canada, K-Mart, Revman International, TJX Group, QVC, House of Fraser, The White Company, Miles Home Fashions, Myer, and Pillow Talk. The market sentiment in USA looks better and the company is focusing on that market for large volume programs. We strongly believe that our focus on customer realignment along with innovative products & designs and enhanced product basket with tie ups with private labels will provide further impetus to both top line and margins. Going forward, we expect an increase in demand for yarn as well as prices. However, upward fluctuation in cotton price and strengthening of Indian Rupee are becoming a big concern.

India's competitive edge in USA market over Pakistan and China is likely to remain unchanged. With growing urbanisation and improving organised retail in India, the Indian textile industry should gain momentum with growth in domestic market as well. Technological advancement along with favourable Government policies should act as a catalyst in textile sector growth.

The FMCG segment is the 4th largest sector in the Indian economy, with food products being the leading segment, constituting 43% of the FMCG market. Going forward, GHCL's consumer products business will be focusing on research & development and innovation as means of growth, with major focus in the "Health and Wellness" platform. The new edible salt plant at Thiruporur became operational in March'17 with a capacity of approximately one lakh tonne per annum. This will be a big boost for sales and can address almost 75% of our southern market requirement directly.

The brand "i-FLO" has established a good brand image in the southern states of India, Maharashtra and Goa. The product portfolio of variants of salt, honey and spices has been well received. As a part of our expansion plan, we launched i-FLO spices (in sachets) and i-FLO Spices Combo in the market. The coming years will witness pan India expansion with more elaborate product portfolio.

GHCL has been committed to development of weaker sections of the society for over two decades now. Your company, through "GHCL Foundation Trust" has upgraded

its CSR activities to cover a larger section of the society and provide support to the downtrodden, needy and marginalized citizens. As part of initiatives under Corporate Social Responsibility, the Company has undertaken projects in the areas of Sanitation, Coastal Area Development, Education, Agro Based Livelihood, Health, Rain Water Harvesting, Woman Empowerment, and Animal Husbandry.

Your company believes that Indian economy is now at the cusp of a transformational change with a series of reforms, strong capital flow, ease of doing business and more spending power creating multiple opportunities. The recovery that we witnessed in 2016-17 is expected to further strengthen in 2017-18 and even beyond. The forecast of a normal monsoon in 2017 will only add to the overall buoyancy. GHCL is fully prepared to take advantage of the expected uptick in demand for our various products.

I would like to take this opportunity to once again thank all our stakeholders – our employees, our investors, governments of states where we operate, the central government and as they say last but not the least, all our valued customers.

Thank you

Sanjay Dalmia

GHCL Limited

(CIN: L24100GJ1983PLC006513)
Registered Office: GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380009 (Gujarat)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
Website: www.ghcl.co.in
Phone: 079- 39324100, Fax: 079-26423623

NOTICE

NOTICE is hereby given that 34th Annual General Meeting of the members of GHCL Limited (CIN: L24100GJ1983PLC006513) will be held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, June 29, 2017 at 9.30 AM to transact the following businesses:

ORDINARY BUSINESS:

Item no. 1: Adoption of audited financial statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2017

“RESOLVED THAT audited Financial Statements and audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2017 along with Directors’ Report, Independent Auditors’ Report thereon be and are hereby received, considered, approved and adopted.”

Item no. 2: Confirmation of Interim Dividend and Declaration of Final Dividend for the financial year ended March 31, 2017

“RESOLVED THAT total dividend of Rs. 5.00 per equity share (i.e. 50% on the paid-up equity share capital) of the Company for the financial year ended on 31st March 2017, including Final Dividend of Rs. 3.50 per equity share as recommended by the Board and Interim Dividend of Rs. 1.50 per equity share as approved by the Board and already paid in February 2017, be and is hereby approved.”

Item no. 3: Re-appointment of Mr. Neelabh Dalmia

“RESOLVED THAT Mr. Neelabh Dalmia (DIN 00121760), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

Item no. 4: Re-appointment of Mr. Raman Chopra

“RESOLVED THAT Mr. Raman Chopra (DIN 00954190 who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

Item no. 5: Ratification for the appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in line with the resolution passed by the shareholders in their 33rd Annual General Meeting (AGM) held for the financial year 2015-16 appointing M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 30100CE/E300005) for a period of five years and pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies their appointment as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 35th Annual General Meeting to be held for the financial year 2017-18, on a remuneration to be fixed by the Board of directors plus out of pocket expenses as may be incurred by them for the performance of their duties in connection with the audit of the company for the financial year ending March 31, 2018.”

SPECIAL BUSINESS:

Item No. 6. Re-Appointment of Mr. Ravi Shanker Jalan as Managing Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 196, 197 & 203 of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule V of the Act, Mr. Ravi Shanker Jalan (DIN: 00121260) be and is hereby re-appointed as Managing Director of the Company, for a period of 5 years with effect from June 7, 2017, liable to retire by rotation, on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as the Board may think fit.”

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem necessary, proper and expedient to give effect to this resolution.”

Item no. 7: Appointment of Mrs. Vijaylaxmi Joshi (Ex-IAS) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, and any other applicable provisions of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Vijaylaxmi Joshi (DIN: 00032055), who were appointed as an Additional Director of the Company in the category of Independent Director pursuant to the provisions of Section 149 and 161 of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office till April 19, 2022.”

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem necessary, proper and expedient to give effect to this resolution.”

Registered Office:	By Order of the Board
GHCL HOUSE	For **GHCL LIMITED**
Opp. Punjabi Hall	
Navrangpura,	Sd/-
Ahmedabad - 380009	Bhuwneshwar Mishra
	General Manager &
	Company Secretary
Dated: May 20, 2017	Membership No.: FCS 5330

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolutions or Power of attorney authorizing their representative to attend and vote on their behalf at the meeting.

3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the notice is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, June 23, 2017 to Thursday, June 29, 2017 (both days inclusive).

5. The final dividend as recommended by the Board of Directors will be paid to the members on or before 30th day from the date of declaration:

- **For equity shares held in physical form** - those shareholders whose names will appear in the Register of Members on the close of the day on Thursday, June 22, 2017.
- **For equity shares held in dematerialised form** - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on close of day on Thursday, June 22, 2017.

6. The relevant details of directors seeking re-appointment under Items No. 3 & 4, as required under Regulation 36(3) of the Listing Regulations, the Companies Act, 2013 and applicable Secretarial Standards are given herein below.

a. Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Non-executive Director (Promoter) of the Company. He is Bachelor of Science in Business from Indiana University, Kelley School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He had also completed Masters of Business Administration (MBA) from Kelley School of Business, Indiana University, USA. He is having expertise in the field of finance, marketing and textile industry. He is a member of Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Business Strategy & Planning Committee and Banking and Operations Committee of the Company. Mr. Dalmia is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Except Mr. Sanjay Dalmia and Mr. Anurag Dalmia, he is not related to any other director or key managerial personal of the Company. He does not hold any shares in the Company.

b. Mr. Raman Chopra (DOB – November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having 28 years of experience in the area of corporate finance, restructuring, strategy and general management. He is a member of Compliance Committee, Stakeholders Relationship Committee, Banking & Operations Committee, Business Strategy & Planning Committee and Risk Management Committee of the Company. Mr. Chopra is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. He is not related to any other Director/ KMP of the Company. He does not hold any shares in the Company. However, his wife is holding 18,000 equity shares and his son is holding 7000 equity shares of the Company.

7. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company in respect of their physical share folios, if any.

8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or / change in such bank details. Further instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depositories Participants.

9. **The Company will send the correspondence and documents including Annual Report etc. in electronic form, at the registered e-mail address of the members. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id by sending request letter to our Registrar and Share Transfer Agent (M/s Link Intime India Pvt. Ltd., Unit: GHCL Ltd.)**

Members whose e-mail id is not registered with the Company are being sent physical copies of the correspondence and documents including Annual Report etc., at their registered address through permitted mode.

The Annual Report along with Notice of AGM for financial year 2016-17 will also be available on the Company's website www.ghcl.co.in.

10. Members are requested to send their queries, if any, at least seven (7) days in advance of the meeting so that the information can be made available at the meeting.

11. Voting through electronic means:

(a) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

(b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation.

(c) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. June 22, 2017, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.

(d) The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, June 24, 2017 and ends at 5:00 p.m. (IST) on Wednesday, June 28, 2017. The e-voting module shall be disabled by CDSL for voting thereafter.

(e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(f) The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

(g) Instructions for members for remote e-voting are as under:

Log on to the e-voting website www.evotingindia.com

Click on "Shareholders" tab.

Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(i) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the the Client ID / Folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/Folio number in the dividend Bank details field as mentioned in instruction (iv).

(ii) After entering these details appropriately, click on "SUBMIT" tab.

(iii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(iv) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(viii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(x) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xii) Shareholders can also cast their vote using **CDSL's mobile app m-Voting** available for all mobile users. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xiii) **Note for Non – Individual Shareholders and Custodians**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com or you may also contact CDSL on Toll Free 1800-200-5533 (10.00 am to 6.15 pm Monday – Friday and 10.00 am to 2.00 pm on Saturday).

(h) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(i) Mr. Manoj R. Hurkat, Practicing Company Secretary holding Certificate of Practice No. 2574 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of Mr. Hurkat.

(j) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.

(k) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ghcl.co.in and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

12. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, Certificate from the Auditors of the Company under SEBI (Share Based Employee Benefits) Regulations, 2014 and all documents referred to in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during the business hours between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting and will also be available for inspection at the venue of the Meeting.

13. Members attending the Meeting are requested to complete the enclosed Attendance slip and deliver the same at the entrance of the meeting hall. Members are also advised to carry latest valid photo ID proof in original for verification, if required.

14. Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the practice of distribution of copies of the report at the meeting has been discontinued.

Dividend for the financial year 2009-10, which remains unpaid or unclaimed, is due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in the month of September 2017. Members who have not en-cashed their dividend warrant(s) for the financial year ended March 31, 2010 or any subsequent financial year(s), are requested to lodge their claims with Registrar and Share Transfer Agent, M/s Link Intime India Private Limited. Shareholders may visit the Company's website www.ghcl.co.in for tracking details of any unpaid or unclaimed amounts, pending transfer to IEPF. Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie against the Company in respect thereof.

15. **Electronic Clearing Service (ECS) Facility:** With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in physical form should submit their PAN details to the Company or Registrar and Transfer Agent i.e. Link Intime India Pvt. Limited.

17. **Nomination Facility:** Members holding shares in physical form may obtain the nomination form from the Company's Registrar and Share Transfer Agent. Copy of the nomination form has also been attached in the Annual Report. Members holding shares in electronic form may obtain the nomination form from their respective Depository Participants.

18. The route map for the Meeting venue is provided at the end of this notice.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 6

In line with the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 20, 2017, has re-appointed Mr. Ravi Shanker Jalan (DIN: 00121260) as Managing Director of the Company for a period of five years with effect from June 7, 2017. The disclosure in accordance with the provisions of Regulation 36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in regard to the re-appointment of Managing Director is given below:

Mr. Ravi Shanker Jalan, born on October 10, 1957, is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Operations, Corporate Finance, Marketing, HR and Textiles. Mr. Ravi Shanker Jalan has more than three decades of Industrial experience. Mr. Ravi Shanker Jalan is a Director on the Board of Sumedha Investments Pvt. Ltd., Sachin Holdings Pvt. Ltd., India Hostels Pvt. Ltd. and Federation of India Mineral Industries. He is the Chairman of Compliance Committee and also a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee, Business Strategy & Planning Committee, Risk Management Committee and Buyback Committee of the Company. He is neither a member of 10 Committees nor the Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Mr. Jalan holds 85,843 equity shares of the Company in his individual name and 100 equity shares as Karta of HUF. Apart from the above, Mr. Jalan has also been granted two lacs stock options as per the policy of the Company. Mr. Ravi Shanker Jalan fulfills the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013. The remuneration payable to Mr. Ravi Shanker Jalan is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time.

1. **Basic Salary**: Rs. 89,59,683 per annum. However, annual increments will be effective from 1st April each year, as may be decided by the Board of Directors on the recommendation of Nomination & Remuneration Committee of the Company based on the merit and performance of the Managing Director and also after taking into account the Company's performance.

2. **Perquisites / Allowances**: Mr. Ravi Shanker Jalan shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Club Fee, Personal Accident Insurance, conveyance, Car, Driver and other allowances / perquisites as per the policy of the company. Presently, total value of perquisites / allowances (including HRA, Car & other allowances / perquisites) except retiral benefits are Rs. 1,46,67,501 per annum. However, perquisites / allowances can be structured as per the Company policy.

   The breakup of perquisites / allowance of Mr. Ravi Shanker Jalan is given below:

2.1 Housing:
The expenditure incurred by the Company on providing unfurnished accommodation for the Director shall be as per rule of the company subject to ceiling of 60% of the basic salary. In case no accommodation is provided, the Director shall be entitled to House Rent Allowance subject to ceiling of 60% of the basic salary.

The expenditure incurred by the Company on Gas, Electricity, Water shall be valued as per Income Tax Act, 1962 amended from time to time.

2.2 Medical Reimbursement:
Expenses incurred by the Director and his family shall be in accordance with the policy of the Company.

2.3 Leave:
Full pay leave for one month for every eleven months of services.

2.4 Leave Travel Concession:
For the director and his family, once in a year, incurred in accordance with the rules specified by the Company.

2.5 Club Fee:
Fee of Clubs subject to maximum of two clubs. Admission fee and membership fee are excluded.

2.6 Personal Accident Assurance:
Premium on each director not to exceed Rs. 4000 per annum.

2.7 Conveyance:
Free use of Company's car with driver for official use as per Company policy.

2.8 Telephone:
Free use of telephone facility at residence and mobile phone for official use.

2.9 Personal Adjustment allowance:
The personal adjustment allowance shall be determined by Board on recommendation of Compensation Committee from time to time.

1.10 Any other allowances:
The Board is authorized to introduce any other allowance and or perquisites on recommendation of the Compensation Committee from time to time and subject to the limit determined for overall remuneration for managerial personnel in accordance with the Companies Act or any other rules and regulations applicable in this regard.

3. **Retiral Benefits**: In addition to the above perquisites, Mr. Ravi Shanker Jalan shall also be eligible to the following benefits, which is not included in the computation of the perquisites value. However, at present, total value of retiral benefits (Provident Fund, Superannuation & Gratuity) are Rs. 16,55,227 per annum.

   (a) **Provident Fund:**
   As per Rules of the Company.

   (b) **Superannuation:**
   As per Rules of the Company.

(c) **Gratuity:**
Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(d) **Encashment of Leave:**
Encashment of leave at the end of the tenure.

Current annual salary including perquisites / allowances and other retiral benefits (i.e. Total CTC) of Mr. Ravi Shanker Jalan is Rs. 2,52,82,411/- per annum in addition to the annual commission as decided by the Board / Nomination & Remuneration Committee from time to time.

4. **Total remuneration including Commission:** Annual Commission, salary and other perquisites (i.e. overall remuneration) payable to Whole time Director and Managing Director shall not exceed 10% of the net profits of the Company for the year in respect of which the remuneration is paid. The individual breakup of commission / annual increment of individual Whole time Director and Managing Director will be decided by the Board/ Nomination & Remuneration Committee from time to time and shall not exceed the overall ceiling stipulated U/s 197 of the Companies Act, 2013 or any amendment thereto.

5. **Minimum Remuneration:**

Where in any financial year during the currency of tenure of a Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Whole time Director by way of salary and perquisites in accordance with provisions of Schedule V and any other applicable provisions of the Companies Act, 2013, including any amendment thereto from time to time

Mr. Jalan, being Managing Director of the Company, is mainly responsible for the efficient operations and also for the financial performance of the Company. The Company is currently implementing expansion project in various divisions and also buyback of equity shares are going on. At this crucial juncture, the continued services of Mr. Ravi Shanker Jalan are considered essential for successful completion of the project and smooth operations thereafter. It is also essential for the Company to have his continued services and able leadership for future growth of the Company. Hence, Your Board recommends the above resolution set out in Item No. 6 for your approval. Except Mr. Ravi Shanker Jalan, none other directors and Key Managerial Personnel and their relatives are interested in the resolution.

The explanatory statement together with accompanying notice may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 in respect of re-appointment of Mr. Ravi Shanker Jalan as Managing Director of the Company.

Item no. 7

Mrs. Vijaylaxmi Joshi (DOB – August 1, 1958) is a Non-Executive Independent Director of the Company. Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors had appointed Mrs. Vijaylaxmi Joshi (Ex-IAS) as an Additional Director under category of Independent Director with effect from April 20, 2017. In terms of Section 161(1) of the Companies Act, 2013 read with Article 138 of the Articles of Association of the Company, Mrs. Joshi holds office as an Additional Director only up to the date of the this Annual General Meeting. Mrs. Vijaylaxmi Joshi is a 1980 batch IAS officer of the Gujarat cadre and she had served in various posts in the State and in the Centre including Joint and Additional Secretary in the Commerce Ministry; Secretary in the Ministry of Panchayati Raj. She had also been appointed as Officer on Special Duty in the Ministry of Drinking Water and Sanitation. Lastly, she was head of the Swachh Bharat Abhiyan, the Clean India programme. Under State level, she had also been deputed as Managing Director of Government Company such as Gujarat Mineral Development Corporation Ltd. At present, Mrs. Joshi is also a Director on the Board of Adani Enterprises Limited. Mrs. Joshi is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. She does not hold any shares in the Company.

In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Joshi being eligible and offering herself for appointment is proposed to be appointed as an Independent Director for a term up to April 19, 2022. The Company has received a notice in writing from Mrs. Joshi along with the amount of requisite deposit, signifying her candidature for the office of Director of the Company.

In the opinion of the Board, Mrs. Vijaylaxmi Joshi (holding DIN: 00023055) fulfils the conditions specified in the Listing Regulations read with the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the notice along with requisite candidature fee received under Section 160 of the Companies Act, 2013 and also letter for appointment of Mrs. Joshi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting and also be available at venue of meeting.

The Board considers that her vast knowledge and varied experience will be of great value to the Company and her continued association would be of immense benefit to the Company and it is desirable to continue to avail valuable services of Mrs. Joshi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Vijaylaxmi Joshi as an Independent Director, for the approval by the shareholders of the Company. Being Non-Executive Director of the Company, Mrs. Joshi may be entitled to receive sitting fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be determined by the Board of Directors upon recommendation of the Nomination and Remuneration Committee, within the overall approval given by the shareholders. As per the provisions of Section 197 read with Section 149 of the Companies Act, 2013 and being Independent Director of the Company, Mrs. Joshi shall not be entitled to any stock option.

Except Mrs. Vijaylaxmi Joshi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and/or any other applicable laws.

Registered Office:	By Order of the Board
GHCL HOUSE	For **GHCL LIMITED**
Opp. Punjabi Hall	
Navrangpura,	Sd/-
Ahmedabad - 380009	Bhuwneshwar Mishra
	General Manager &
	Company Secretary
Dated: May 20, 2017	Membership No.: FCS 5330

BOARD'S REPORT

To The Members of
GHCL Limited,

We are pleased to present the 34th Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2017.

OPERATIONAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2017 compared to the previous year ended March 31, 2016 is given below:

(Rs in Crores)

Particulars	Standalone	
	Year ended March 31, 2017	Year ended March 31, 2016
Net Sales /Income	**2980.17**	2716.22
Gross profit before interest and depreciation	**724.39**	635.76
Finance Cost	**133.77**	162.82
Profit before depreciation and amortisation - (Cash Profit)	**590.62**	472.94
Depreciation and Amortisation	**85.69**	81.74
PBT before exceptional items	**504.93**	391.20
Exceptional items	**3.04**	13.50
Profit before Tax (PBT)	**501.93**	377.70
Provision for Tax – Current	**113.61**	99.40
Tax adjustment for Earlier years	**(40.18)**	-
Provision for Tax – Deferred	**41.73**	21.67
Profit after Tax	**386.77**	256.63
Other comprehensive income (OCI)	**1.39**	(0.89)
Total Comprehensive income for the period	**388.16**	255.74
Balance brought forward from last year	**817.87**	588.62
Appropriations		
Reserve created on account of buy back during the year	**0.55**	-
FVTOCI Reserve	**(2.65)**	-
Interim Dividend	**15.01**	-
Final Dividend	**35.01**	22.00
Tax on Dividend	**10.18**	4.48
Balance carried to Balance Sheet	**1142.63**	817.87

PERFORMANCE HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

SODA ASH

The total Global Production in 2016 as per IHS Chemical report, was approximately 56 million tpa with an estimated capacity of approximately 65 million tpa. Global demand for Soda Ash reportedly grew approximately 2% annually over the last year. Glass markets, which account more than half of global demand, are expected to remain the dominant end use for soda ash, while chemicals and detergents will also remain important downstream consumers. However, like many raw materials, the soda ash industry also has become very sensitive to fluctuations in economic conditions.

In spite of increasing economic problems that are affecting the financial viability of some operations, China continues to be the largest Soda Ash player in the world, having a capacity of 30.00 million tpa, which is 47% of the global capacity. It has however been observed that on account of the pressure faced by the domestic industry due to unhindered capacity expansions in the past, China has in fact significantly slowed down additions to Capacity in a hope of creating a balance in the industry. Turkey will be the new major player in the Global Soda Ash market, with locally-based Ciner Group already added 0.5 million in the beginning of this year and due to add a further 2 million tpa soda ash capacity to the market by 2017 end. It is expected that during this phase, Turkey shall continue to exert pressure on the high cost European manufacturers. Some surplus volumes are also expected to compete with China/US volumes in South East Asia and the Middle East. US which produces natural soda ash have a capacity of 13.16 million tons and they produced 11.74 million tons of soda ash. The US production is stated to have grown by 2% in 2016 where as domestic demand for soda ash saw a negative growth of 2% versus 2015. They exported 6.67 million tons, 46% of their exports are to North & South America which is their natural market. Their export to Indian Subcontinent is only 2%.

Although naturally produced soda ash has some cost benefits over synthetic material, there is not sufficient supply of natural soda ash to cater to the entire global market. Synthetic soda ash accounts for around three quarters of global capacity and is, therefore, here to stay.

Globally there is no major mismatch expected between Demand and Supply in soda ash industry, thereby giving it a reasonable stability.

As per domestic industry historical trends, the Indian Soda Ash demand is expected to grow by around 5% annually. Our market estimate indicate that downstream demand growth is gradually improving and 2017 is expected to be better than 2016. India's GDP growth in real terms is slated to be better in the coming Financial Year with the positive impact of reforms. It is expected that downstream sectors like Detergents and Glass should be much more stable this year. A more stable economic outlook would help generate consumer confidence and therefore facilitate higher spending – both urban and rural, leading to a better outlook for Soda Ash.

Total Soda Ash installed capacity in India is 3.4 million tons, with an estimated production of about 2.8 million tons in last financial year (2016-17). Going forward we are looking at expansion of 0.25 lacs metric tons in 2017-18 and further expansion of 1.25 lacs metric tons in 2018-19

The total size of the Indian soda ash market is about 3.6 million tons including internal consumption and almost all the major industry players are located in the state of Gujarat due to the closeness and ready availability of the main raw materials namely limestone and salt.

At present your Soda Ash plant has a capacity of 9.50 lacs tpa. During the financial year 2016-17 your company has produced 8.01 lacs tons soda ash. This year, the Company has also achieved highest domestic sales i.e. 7.40 lacs tons and total sales of Soda Ash is 7.50 lacs tons including exports.

BI-CARBONATE (BICARB)

During the year, the Company achieved production of Bi-Carbonate 27677 tons against 24541 tons in the previous year. During the year the Company achieved sales of Bi-Carbonate 27638 tons against 24265 tons in the previous year.

Going forward, your company is planning to double its capacity of Sodium Bicarbonate from the current level of 32500 Metric ton per annum to 65000 metric ton per annum to take advantage of the growing market of this product.

R & D INITIATIVES IN SODA ASH

Your company has initiated R&D activities since last four years to achieve following objectives (a) Introduce latest and economical technologies in the plant; (b) Provide innovative solutions to recurring problems and save natural resources; (c) To improve carbon foot print of company and contribute in national saving and environment improvements; (d) Energy conservation projects and (e) To improve soda ash production and plant productivity.

The R&D department operates with focussed mandate (a) to Identify latest technology, superior design of equipment, improving process efficiency leading to reduced raw material consumption and reduced utility consumption resulting in better life of equipment and reduced cost of manufacture (b) to identify the possibility of producing value added products from wastes of soda ash manufacturing; (c) to identify suitable expert agencies who can find permanent solution to recurrent process problems; (d) to study possibility of catering to specific requirements of customers like soda ash briquettes (e) to suggest practices and procedures which can focus on reducing the energy consumption & reducing raw material consumption thus reducing carbon foot print .

We carry out above activities with the help of research department of premier chemical engineering institutes, reputed consultants & in house capabilities. Your company has carried out following projects since last 18 months:

- Cost effective binder for briquetting of coke breeze and develop alternative supplier for pre-gel starch against existing pre-gel starch supplier.
- Value added product sodium per carbonate manufacture from soda ash;
- Manufacture of precipitated calcium carbonate from distiller waste and mother liquor purged from refined sodium bicarbonate plant.
- Value added products from wastes of soda ash manufacture.
- Efficiency improvement for carbonation tower.
- Improvement of product quality of refined sodium bicarbonate and remedial solution to avoid dilution due to purge mother liquor.
- Feasibility of utilization of 0-20 mm reject limestone to produce concentrated gas.
- Reduction in moisture of crude sodium bicarbonate at filtration to reduce steam consumption at downstream dryers.
- De-bottlenecking of C stream carbonating towers by modification of internal trays leading to increase in capacity.
- Increase in refined sodium bicarbonate production capacity by 30%.

TEXTILES

India's textiles sector is one of the oldest industries in Indian economy. Based on the Annual Report 2016-17 released by the Ministry of Textiles, the Indian Textile Industry contributes to 10% of manufacturing production, 2% of India's GDP and to 13% of the country's export earnings. The Indian textiles industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The Indian textiles industry is expected to reach US$ 223 billion by 2021, from around US$ 108 billion in FY'15.

India's home textile industry is expected to expand at a CAGR of 8.3 per cent during 2014–21 to USD8.2 billion in 2021 from USD4.7 billion in 2014. India accounts for 11 per cent of global home textiles trade. Superior quality makes companies in India a leader in the US and the UK, contributing two-third to their exports. Indian products have gained a significant market share in global home textiles in the past few years in which depreciating rupee also played a major role when compared to China. The growth in the home textiles would be supported by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare, etc. In 2016, Indian home textile industry is estimated at USD 5.5 billion. India is emerging as biggest exporter of Home Textiles capturing around 47% Market share in United States of America which is second biggest market for home textiles. The Indian Textiles Industry is the 2nd largest only after China.

Textiles industry has been growing at 10% over last several years. Government of India has provided a number of export promotion policies for the Textiles sector. It has also allowed 100 per cent FDI in the Indian Textiles sector under the automatic route.

Your company has integrated textile manufacturing facilities with an installed spinning capacity of around 1.76 lakh spindles and 3320 Rotors (Open End) manufacturing 100% cotton, polyester cotton & other blended yarns, 162 Air Jet looms, 36 million meter of wide width processing capacity, 12 million meter of weaving capacity and 30 million meter of cut & sew facility for manufacturing world class quality merchandise. Your company has state-of-art plant at Vapi, Gujarat that integrates weaving, processing and cut & sew facilities. The Home Textiles division is investing to increase weaving capacity by 18% and processing capacity by 25%, which will be operational in 3rd quarter of next fiscal year. Your company's spinning units in Tamil Nadu are considered to be one of the most efficient and modern yarn manufacturing facilities in India. Spinning units manufacture multiple varieties of yarn ranging from 16s to 32s in open end, 30s to 120s in ring spun counts in 100% cotton and 30s to 70s counts in other blended yarns. Excellent product development capabilities has put your company in forefront of major markets internationally, mainly North America, Australia, Middle East, UK and Europe. GHCL has also started to focus on domestic market and working with major organized retail stores and brands for domestic market.

Overall in the textile business, your company has posted satisfactory performance this year, which is despite the demonetisation impact. This is due to strong customer relations, product portfolio, consistent supply of quality products and strengthening organisational structure. This has led to increase in capacity utilisation to 93% as compared to 85% last year in home textiles.

The Revenue of Textiles division is at Rs. 1,229 Crores during the financial year 2016-17 against Rs. 1,063 Crores in 2015-16. We are glad to inform that there is significant improvement in the margins over last year. This has been made possible due to higher capacity utilisation and our relentless customer focus.

Your company strongly believe that focus on customer realignment along with innovative products & designs, enhanced product basket with tie ups with private labels shall provide us further impetus to both top line and margin improvement. However, upward fluctuations in the cotton price and forex with strengthening Indian Rupee are becoming a big concern. Demonetization had affected the economy through the liquidity side and affected the demand in the domestic market. But, going forward we expect an increase in demand for yarn as well as prices. Your company has taken effective steps to bring down the power cost and total installed capacity of wind mills is around 27 MW, which will meet major power needs of the spinning and home textiles division.

DIVIDEND

Your Directors are pleased to inform that your Company has a consistent track-record of dividend payment for last 23 years. The Board of Directors in its meeting held on May 19, 2016, had approved a Dividend policy of the Company. As per said policy, dividend pay-out (including tax, if any) will be 15 to 20 % of net profit of the Company.

Pursuant to the Dividend Policy, the Board of Directors of your Company in its meeting held on January 31, 2017 had approved payment of interim dividend of Rs. 1.50 per equity share of Rs. 10 each (i.e. @ 15% on the paid-up capital).

Further, your Directors are pleased to recommend a final dividend of Rs. 3.50 per Equity Share of Rs. 10 each (i.e. 35% on the paid-up capital) for the financial year ended March 31, 2017. With this, the total dividend payment for the financial year 2016-17 will be Rs. 5.00 per Equity Share of Rs. 10 each (i.e. 50% on the paid-up capital) and the total dividend payout for the financial year 2016-17 shall be Rs. 60.20 crores comprising of dividend amounting to Rs. 50.02 crores and dividend tax of Rs. 10.18 crores. This dividend pay-out amounts to 15.6% of net profit of the Company for the financial year 2016-17 and the same is in line with the approved dividend policy of the Company.

SHARE CAPITAL & BUYBACK OF SHARES

The paid up Equity Share Capital of the Company as on March 31, 2016 was Rs. 100,01,92,860/- comprising of 10,00,19,286 equity shares of Rs. 10/- each.

Board of Directors of GHCL Limited in their meeting held on January 31, 2017 had given their approval for Buy Back of the Company's fully paid-up equity shares of Rs. 10/- each from the Open Market through Stock Exchange route, at a Maximum Buyback price of Rs. 315/- per Equity Share excluding transaction costs, for an aggregate amount of Rs. 80 Crores.

Your Directors are pleased to inform that in line with the said approval, the Company had bought back 5,73,438 Equity Shares and extinguished 5,46,550 Equity Shares during the financial year ended March 31, 2017. Consequently after said extinguishment of equity shares, the issued & paid-up capital of the Company stands reduced from Rs. 100,01,92,860/- consisting of 10,00,19,286 equity shares to Rs. 99,47,27,360/- consisting of 9,94,72,736 equity shares (i.e. 10,00,19,286 equity shares minus 5,46,550 equity shares) as on March 31, 2017.

Subsequent to the year end, the Company had bought back 12,98,162 Equity Shares and extinguished 5,89,450 Equity Shares till May 19, 2017. Consequently after said extinguishment of equity shares, the issued & paid-up capital of the Company stands reduced to Rs. 98,88,32,860/- consisting of 98,83,286 equity shares (i.e. 9,94,72,736 equity shares minus 5,89,450 equity shares) as on May 19, 2017.

FINANCE

I. Soda Ash Expansion Loan

During the year 2016-17, your company completed Soda Ash Expansion program at the project cost of Rs. 375 Crores and availed disbursement of Term Loan of Rs. 181 Crores during the current year. For the Expansion Program, Term Loan of Rs. 275 crores was tied up last year for a period of 10 years including moratorium period of 2 years at an average interest rate of 11.30% p.a.

II. Capex Program

Your company has also undertaken several Capex program in Home Textile and Yarn Divisions at the project cost of Rs. 78 Crores and your company has successfully tied up term loans for Rs. 54 crores for a period of 10 years including moratorium period of 2 years at an average interest rate of 10.45% p.a. Your company has availed term loan of Rs. 29 crores during the current year for the said capex program.

III. Conversion of Rupee Term Loan into Foreign Currency Loan

During the year, your company successfully converted some of high cost Rupee term loans carrying interest rate at 12.50% p.a. into Foreign Currency Loan at an average rate of 4.40% with average maturity of 3 to 4 years.

IV. Short Term Loan

During the year 2016-17 short term requirements were met through Cash Credit / Short Term Loan / Working Capital Demand Loan / Export Packing Credit / Pre-shipment in Foreign Currency / Buyers Credit whereby your company could manage to borrow at Weighted Average Interest rate at 5.97%.

Overall, your company could borrow Long Term Loans at an average rate of 9.71% and Short Term Loan at an average rate of 5.97% and maintained overall weighted average interest rate at 8.12%.

Due to efficient cash flow management and timely repayment of interest and principal to various banks, CARE (Credit Analysis & Research Ltd) has upgraded rating from CARE BBB+ to CARE A- for long term facilities and from CARE A3+ to CARE A2+ for short term facilities of the Company.

During the financial year, your Company has transferred to investors' education and protection fund account (IEPF) a sum of Rs. 31.67 lacs towards unclaimed dividend/unclaimed deposits along with interest thereon.

DEPOSITS

Your Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

EMPLOYEES STOCK OPTION SCHEME

Your company has Employees Stock Option Scheme for its permanent employees as per the scheme approved by shareholders in their Annual General Meeting held on July 23, 2015. The Company had obtained in-principle approvals from the Stock Exchanges for issue of 50 lakh equity shares through Employees Stock Option Scheme. During the year, the Nomination and Remuneration Committee in its meeting held on May 19, 2016 had granted 12.10 Lacs Stock options to its 46 employees at an exercise price of Rs. 100 each. Further, the Nomination and Remuneration Committee in its meeting held on January 31, 2017 had granted thirty thousand Stock options to its Chief Operating Officer – Home Textile Division at the same terms and conditions. Employees may exercise their options after vesting period, subject to compliance of other terms and conditions of the Scheme approved by the shareholders.

The details of the Employee Stock Options plan form part of the Notes to accounts of the financial statements in this Annual Report and is also annexed herewith as Annexure-I and forming part of this Report.

AWARDS AND RECOGNITION

Your Directors are pleased to inform that during the financial year 2016-17, your Company has received multiple awards and recognition. The major ones among them are Sustainability-4.0, 2017, Believer award and India Manufacturing Excellence award by Frost & Sullivan, Sustainable and Impactful CSR Project given by Gujarat State CSR Authority, and certificate for Great Place to Work.

SUBSIDIARIES

Grace Home Fashion, LLC, a subsidiary of the Company in USA engaged in Home Textile segment is catering to some of the largest Home-Textile Retailers like Bed Bath Beyond and Babies R US. In addition, Grace Home Fashion is also doing online Home-Textile Business in USA through JC Penny and Kohls.com. As reported in the previous year, Rosebys Interiors India Limited (RIIL) an Indian subsidiary, is under liquidation with effect from 15th July 2014.

Pursuant to requirement of Section 136 of the Companies Act, 2013, which has exempted companies from attaching the financial statements of the subsidiary companies along with the Annual Report of the Company. The Company will make available the annual financial statements of the subsidiary company and the related detailed information to any members of the company on receipt of a written request from them at the Registered Office of the Company. The annual financial statements of the subsidiary company will also be kept open for inspection at the Registered Office of the Company on any working day during business hours. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies, associates etc. Details regarding subsidiaries have been provided in note no. 48 (refer page no. 182 of Annual Report) and also in the statement u/s 129(3) of the Companies Act, 2013 (refer page no.182). The statements are also available on the website of the Company

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Regulation 33 & Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) read with other applicable provisions and prepared in accordance with applicable IND AS, for financial year ended March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 of the Listing Regulations read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which forms part of this Annual Report. The report on Management's Discussion and Analysis is annexed with the Report.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the Listing Regulations read with Schedule V to the said Regulations, a compliance report on Corporate Governance has been annexed as part of the Annual Report along with Auditor's certificate for the compliance.

SECRETARIAL AUDIT REPORT

In line with the requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with other applicable provisions, if any; the Board of Directors of the Company had appointed Mr. S Chandrasekaran, representing Chandrasekaran & Associates, Practicing Company Secretaries, New Delhi, to conduct Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed with the Board's report and formed as part of the Annual Report. This report is self-explanatory and does not call for any further comments.

LISTING OF THE EQUITY SHARES

The equity shares of your Company are listed at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The annual listing fees for the year 2016-17 have been paid to all these Stock Exchanges.

DIRECTORS

Mr. Neelabh Dalmia and Mr. Raman Chopra directors retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors in their meeting held on May 20, 2017, has re-appointed Mr. R. S. Jalan as Managing Director of the Company for a period of five years with effect from June 7, 2017, subject to the approval of the shareholders. The Board recommends their appointments at the ensuing Annual General Meeting.

Your directors would like to confirm that all Independent Directors of the Company have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

During the year, the Company had paid the final installment of loan taken from IDBI Bank Limited vide Loan agreement dated July 6, 2010. Accordingly, IDBI Bank Limited had withdrawn the nomination of Smt. Padma Vinod Betai with effect from January 25, 2017 as a Nominee Director from the Board of the Company. The Board of Directors placed on record their gratitude and appreciation for the immense contribution made by the outgoing director during her tenure as director of the Company.

Subsequent to the year end, the Board of Directors had appointed Mrs. Vijaylaxmi Joshi (Ex-IAS) as an additional director of the company in the category of Independent Director with effect from April 20, 2017. The Company has received notice u/s 160 of the Companies Act, 2013 from Mrs. Joshi signifying the intention to propose her candidature at the ensuing Annual General Meeting, as an Independent Director of the Company. In the opinion of the Board, Mrs. Vijaylaxmi Joshi fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail valuable services of Mrs. Joshi as an Independent Director of the Company. Accordingly, as per Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Board recommends appointment of Mrs. Vijaylaxmi Joshi at the ensuing Annual General Meeting for the approval by the members of the Company.

MEETING OF THE BOARD

During the financial year ended March 31, 2017, the Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision.

During the financial year ended March 31, 2017, four Board Meetings were held on May 19, 2016, July 25, 2016, October 21, 2016, and January 31, 2017. More details about the Board Meetings are mentioned in Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of the Listing Regulations and based on the detailed statements / questionnaire circulated with the agenda, the Independent Directors in their separate meeting held on October 21, 2016 had reviewed the performance of Non-Independent Directors, the Board & Committees as a whole and the Chairperson of the Company after taking into accounts the views of Executive Directors and Non-Executive Directors of the Company. Independent Directors had also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board and that the information supplied by the management to the Board was sufficient and relevant for the Board to perform their duties effectively. Further, pursuant to the requirement of Para VIII of Code of Independent Director as mentioned in Schedule IV of the Companies Act, 2013 read with Regulation 17 (10) of the Listing Regulations, and based on the detailed statements / questionnaire circulated with the agenda, the Board of Directors in its meeting held on October 21, 2016 had carried out the performance evaluation of Independent Directors, except the director being evaluated.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

EXTRACTS OF ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2017 in Form MGT – 9 is annexed herewith as Annexure-II and forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has been one of the foremost proponents of inclusive growth and since inception, has been continuing to undertake projects for overall development and welfare of the society. GHCL's commitment to the development of weaker sections of society is continuing since more than two decades. GHCL through its "GHCL Foundation Trust" has upgraded its CSR activities to cover a larger section of the society and included to provide support to the downtrodden, needy and marginalized citizens and also to create social infrastructure for their sustenance.

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Sanitation, Coastal Area Development, Education, Agro Based Livelihood, Health, Rain Water Harvesting, Woman Empowerment, Animal Husbandry etc. These projects are largely covered under Schedule VII of the Companies Act, 2013. Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rules thereto, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted to monitor CSR related activities, comprising of Mr. Sanjiv Tyagi as the Chairman of the Committee, Mr. Neelabh Dalmia and Mr. R S Jalan as members of the Committee. The Annual Report of CSR activities are annexed herewith as Annexure-III and forming part of this Report.

BUSINESS RESPONSIBILITY REPORTING

As per Regulation 34 (2) (f) of the Listing Regulations, (corresponding to provisions of Clause 55 of the Listing Agreement), listed companies shall submit, as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and governance perspective, in the prescribed format. This provision is applicable to top 500 listed companies based on market capitalisation as on March 31, 2017. Hence, this clause is first time applicable to your company. The Business Responsibility Report of the Company for the financial year ended on March 31, 2017 has been provided separately and forming part of the Annual Report.

COMPOSITION OF AUDIT COMMITTEE

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 18 of the Listing Regulations. Presently, the Audit Committee consists of four Independent directors having expertise in financial and accounting areas, comprising of Dr. B C Jain, Mr. G C Srivastava, Mr. Mahesh Kumar Kheria and Mr. K. C. Jani. Details regarding Audit Committee and other Committees are also stated in the Corporate Governance Report.

COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted as per section 178 (5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations. The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of dividend etc. The Stakeholders Relationship committee consists of Executive and Non-Executive directors comprising of Mr. Mahesh Kumar Kheria, Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Board has been constituted as per Section 178 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 19 of the Listing Regulations. The Nomination and Remuneration Committee shall determine qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee consists of four Non-Executive directors comprising of Mr. K C Jani, Mr. Sanjay Dalmia, Dr. B C Jain and Mr. Sanjiv Tyagi.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As a conscious and vigilant organization, GHCL Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and fearless working environment, GHCL Limited has established the "Whistle Blower Policy". The Board of Directors in its meeting held on May 28, 2014, had approved the Whistle Blower Policy, which is effective from October 1, 2014 & the same has been duly amended effective from December 1, 2015. Mr. Mahesh Kumar Kheria, Independent Director of the Company and also a member of the Audit Committee is Ombudsmen.

The purpose of the policy is to create a fearless environment for the directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Ombudsmen. Details regarding Whistle Blower Policy is also stated in the Corporate Governance Report. The Whistle Blower Policy is posted on the website of the Company. There is no complaint reported during the year under Vigil Mechanism.

RELATED PARTY TRANSACTIONS

There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Prior Omnibus approval are granted by the audit committee for related party transactions as per requirement of the Companies Act and the Listing Regulations. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a Certificate from the CFO. All Related Party Transactions are placed before the Audit Committee and also before the Board.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any material pecuniary relationships or transactions vis-a-vis the Company. The details of transactions with related parties are provided in the accompanying financial statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RISK MANAGEMENT POLICY

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company had voluntarily constituted a Risk Management Committee. The details of Committee and other details are also set out in the Corporate Governance Report forming part of the Board's Report. The policy on Risk Management as approved by the Board is uploaded on the Company's website.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Annexure-IV forming part of this Report.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in Annexure-V forming part of this Report.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment has been rolled out and Internal Complaints Committee as per legal guidelines has been set up at all major locations of the Company. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. There are no complaints reported during the year regarding sexual harassment.

STATUTORY AUDITORS

Your directors would like to inform that in the last AGM (i.e. 33rd AGM) held on July 19, 2016, M/s S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Reg. No. 30100CE / E300005), were appointed as statutory auditors of the Company for a period of five years i.e. from the conclusion 33rd AGM till the conclusion of 38th AGM subject to ratification by members at every AGM. Ratification of appointment of M/s S. R. Batliboi & Co. LLP is being sought from the members of the Company at the ensuing AGM. The Board recommends their ratification.

Your directors would also like to inform that tenure of M/s Rahul Gautam Divan & Associates, Chartered Accountants would be completed on conclusion of 34th AGM of the Company. The Board of Directors placed on record their gratitude and appreciation for the valuable contribution made by M/s Rahul Gautam Divan & Associates, Chartered Accountants.

AUDITOR'S REPORT

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors and/or Secretarial Auditors of the Company in their report for the financial year ended March 31, 2017. Hence, they do not call for any further explanation or comment U/s 134 (3) (f) of the Companies Act, 2013.

COST AUDITORS

The Board has appointed M/s R J Goel & Company, Cost Accountants, New Delhi as Cost Auditors of the Company for all its divisions (i.e. Soda Ash, Yarn and Home Textile) for the financial year 2017-18.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them and also based on the representations received from the Operating Management, your directors make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013 that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b. such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss of the Company for the financial year ended March 31, 2017;
c. the proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the annual accounts for the financial year ended March 31, 2017 have been prepared by them on a going concern basis;
e. proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and
f. proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors express their gratitude to Financial Institutions, Banks, and various other agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank the shareholders, customers, suppliers, lenders, distributors and other stakeholders for the confidence reposed by them in the Company. The employees of the Company contributed significantly in achieving the results. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excellence in the years to come. For and on behalf of the Board of Directors

For GHCL Limited

Sd/-	**Sd/-**
R S Jalan	**Raman Chopra**
Managing Director	**CFO & Executive Director (Finance)**
DIN: 00121260	DIN 00954190

Date: May 20, 2017
Place: New Delhi

ANNEXURE - I TO THE BOARD'S REPORT

Disclosure under Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 read with SEBI (Share Based Employees Benefits) Regulations, 2014 regarding details of the GHCL Limited Employees Stock Option Scheme 2015 (GHCL ESOS 2015), for the financial year ended March 31, 2017.

Sl. No.	Particulars	GHCL ESOS 2015 – Grant 1 (Date of grant – May 19, 2016)	GHCL ESOS 2015 – Grant 2 (Date of grant – January 31, 2017)
1.	Options granted during the year	12,10,000	30,000
2.	Options vested during the year	Nil	Nil
3.	Options exercised during the year	Nil	Nil
4.	The total number of shares arising as result of exercise of option	Nil	Nil
5.	Options lapsed during the year	40,000	Nil
6.	The exercise price	Rs. 100 per share	Rs. 100 per share
7.	Variation of terms of option	No variation	No variation
8.	Money realised by exercise of options	Nil	Nil
9.	Total number of options in force	11,70,000	30,000
10.	Employee wise details of options granted to:		
	(i) Key Managerial Personnel	**(i)** Mr. R S Jalan – Managing Director: 2,00,000 **(ii)** Mr. Raman Chopra – CFO & Executive Director (Finance): 1,00,000 **(iii)** Mr. Bhuwneshwar Mishra – General Manager & Company Secretary: 20,000	Nil
	(ii) Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	Nil	Nil
	(iii) Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	Nil
11.	Pricing formula	The exercise price may vary for each Grant. Exercise price will be determined by the Committee at the time of each grant, in conformity with the 'Guidance Note on Accounting for employee share-based Payments' or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time. Committee may determine exercise price which may be at discount to the market value but shall not be less than the face value of shares.	
12.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard AS-20.	0.25	0.00
13.	Difference between the employees compensation cost based intrinsic value of the stock and the fair value of the year and its impact on profits and EPS of the Company	Rs. 5.68 Crore	Rs. 0.07 Crore
14.	a) Weighted average exercise price of options b) Weighted average fair value of options	Rs. 100.00 Rs. 76.23	Rs. 100.00 Rs. 201.67
15.	Method and significant assumptions used to estimate the fair values of options	Black –Scholes model	Black –Scholes model
	(i) Risk free interest rate	7.467%	6.396%
	(ii) Expected life	2 years (for 50% vesting) & 3 years (for balance 50% vesting)	2 years (for 50% vesting) & 3 years (for balance 50% vesting)
	(iii) Expected volatility	50.00%	39.30%
	(iv) Expected dividend	—	—
	(v) Market price of the underlying share on grant date*	Rs. 148.10	Rs. 286.05
	*The closing price of the Company's share on the date previous to the grant on NSE, being Exchange which had higher trading.		

ANNEXURE - II TO THE BOARD'S REPORT

EXTRACTS OF ANNUAL RETURN
as on the financial year ended March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. Registration and other details

CIN	L24100GJ1983PLC006513
Registration Date	14-10-1983
Name of the Company	GHCL LIMITED
Category /Sub-Category of the Company	Company Limited by Shares
Address of the Registered Office and contact details	"GHCL House"Opp. Punjabi Hall, Navrangpura, Ahmedabad -380009 Tel.No. 079-39324100, 079-26427818
Whether listed Company	Yes
Name, Address and contact details of the Regisatrar and Transfer Agent,if any	Link Intime India Pvt. Ltd. C101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083. Tel: 022-49186000, 49186270

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main products / services	NIC code of the product / service	% of total turnover of the Company
Inorganic Chemicals	201	59
Cotton Fabrics & Furnishing	139	23
Cotton Yarn	131	18

III. Particulars of holding, subsidiary and associate companies

Name and address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1. Grace Home Fashions LLC – USA	-	Subsidiary	100%	2(87)
2. Dan River Properties, USA	-	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category -wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year (i.e. March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phy-sical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals / Hindu Undivided Family	527774	0	527774	0.53%	532774	0	532774	0.54%	0.01%
b) Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corporate	12285214	0	12285214	12.28%	12287714	0	12287714	12.35%	0.07%
e) Financial Institutions/ Banks		0		0.00%		0		0.00%	0.00%
f) Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Directors & relatives	0	0	0	0.00%	0	0	0	0.00%	0.00%
Trust (i.e. Ram Krishna Dalmia Foundation)	152000	0	152000	0.15%	165000	0	165000	0.17%	0.01%
Sub- Total (A)(1):-	**12964988**	0	**12964988**	**12.96%**	**12985488**	0	**12985488**	**13.05%**	**0.09%**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year (i.e. March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Phy-sical	Total	% of Total Shares	
(2) Foreign									
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporate	5507900	0	5507900	5.51%	5507900	0	5507900	5.54%	0.03%
d) Banks /Institutions	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (A)(2):	**5507900**	**0**	**5507900**	**5.51%**	**5507900**	**0**	**5507900**	**5.54%**	0.03%
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**18472888**	**0**	**18472888**	**18.47%**	**18493388**	**0**	**18493388**	**18.59%**	**0.12%**
B. Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	47749	14200	61949	0.06%	2523170	14200	2537370	2.55%	2.49%
b) Financial Institutions/ Banks	355376	44184	399560	0.40%	399074	43684	442758	0.45%	0.05%
c) Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies (Including LIC)	5026406	0	5026406	5.03%	3767906	0	3767906	3.79%	-1.24%
g) Foreign Portfolio Investors (including Foreign Institutional Investors)	17420471	500	17420971	17.42%	18168009	500	18168509	18.26%	0.85%
h) Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Any Other (specify)									
Foreign Mutual Fund	382347	0	382347	0.38%	678042	0	678042	0.68%	0.30%
Sub-Total (B)(1) :-	**23232349**	**58884**	**23291233**	**23.29%**	**25536201**	**58384**	**25594585**	**25.73%**	2.44%
(2) Non - Institutions									
a) Bodies Corporate	27504294	90398	27594692	27.59%	26626293	90298	26716591	26.86%	-0.73%
i) Indian	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 2 lakh.	13507014	2842075	16349089	16.35%	12336738	2764879	15101617	15.18%	-1.16%
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	10943584	98600	11042184	11.04%	10203499	98600	10302099	10.36%	-0.68%
c) Any Other (specify)									
i) Non Resident Indians (Repeat)	574636	845614	1420250	1.42%	510819	832314	1343133	1.35%	-0.07%
ii) Non Resident Indians (Non Repeat)	110043	3549	113592	0.11%	136797	3549	140346	0.14%	0.03%
iii) Foreign Companies	0	3900	3900	0.00%	0	3900	3900	0.00%	0.00%
iv) Clearing Member	383452	0	383452	0.38%	511981	0	511981	0.51%	0.13%
v) Directors & relatives	105843	100	105943	0.11%	110843	100	110943	0.11%	0.01%
vi) Trusts	2000	0	2000	0.00%	580	0	580	0.00%	0.00%
vii) Hindu Undivided Family	1238413	0	1238413	1.24%	1153573	0	1153573	1.16%	-0.08%
viii)Market Makers	0	0	0	0.00%	0	0	0	0.00%	0.00%
ix) Foreign Nationals	1050	0	1050	0.00%	0	0	0	0.00%	0.00%
x) Overseas Bodies Corporate	0	600	600	0.00%	0	0	0	0.00%	0.00%
Sub-Total (B)(2)	**54370329**	**3884836**	**58255165**	**58.24%**	**51591123**	**3793640**	**55384763**	**55.68%**	-2.57%
Total Public Shareholding (B)= (B)(1)+(B)(2)	**77602678**	**3943720**	**81546398**	**81.53%**	**77127324**	**3852024**	**80979348**	**81.41%**	-0.12%
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0.00%	0	0	0	0.00%	0.00%
GRAND TOTAL (A)+(B)+(C)	**96075566**	**3943720**	**100019286**	**100.00%**	**95620712**	**3852024**	**99472736**	**100.00%**	**0.00%**

ii) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year (i.e. March 31, 2017)			% Change in share-holding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Gems Commercial Company Ltd	2940207	2.94%	0	2940207	2.96%	0	0.02%
2	Banjax Limited	2789700	2.79%	0	2789700	2.80%	0	0.02%
3	Hexabond Limited	2718200	2.72%	0	2718200	2.73%	0	0.01%
4	Oval Investment Private Limited	2588848	2.59%	0	2588848	2.60%	0	0.01%
5	Lhonak Enternational Private Limited	1365599	1.37%	0	1365599	1.37%	0	0.01%
6	Hindustan Commercial Company Limited	790286	0.79%	0	790286	0.79%	0	0.00%
7	Moderate Investment and Commercial Enterprises Limited	614050	0.61%	0	614050	0.62%	0	0.00%
8	International Resources Limited	611147	0.61%	0	611147	0.61%	0	0.00%
9	Anurag Dalmia (HUF)	527774	0.53%	0	532774	0.54%	0	0.01%
10	Carissa Investments Pvt Ltd	481752	0.48%	0	481752	0.48%	0	0.00%
11	Golden Tobacco Limited	416578	0.42%	0	416578	0.42%	0	0.00%
12	Harvatex Engineering and Processing Co. Ltd.	415723	0.42%	0	415723	0.42%	0	0.00%
13	Excellent Commercial Enterprises and Investment Ltd.	377800	0.38%	0	377800	0.38%	0	0.00%
14	Carefree Investment Company Limited	302150	0.30%	0	302150	0.30%	0	0.00%
15	Anurag Trading Leasing and Investment Co. Pvt. Limited	284700	0.28%	0	287200	0.29%	0	0.00%
16	Divine Leasing And Finance Ltd.	249304	0.25%	0	249304	0.25%	0	0.00%
17	WGF Financial Services Ltd	203807	0.20%	0	378807	0.38%	0	0.18%
18	Dalmia Finance Ltd	200244	0.20%	0	200244	0.20%	0	0.00%
19	Dalmia Housing Finance Ltd	180707	0.18%	0	5707	0.01%	0	-0.17%
20	Ram Krishna Dalmia Foundation	152000	0.15%	0	165000	0.17%	0	0.01%
21	Archana Trading and Investment Co. Pvt. Ltd.	132848	0.13%	0	132848	0.13%	0	0.00%
22	Bharatpur Investment Limited	38842	0.04%	0	38842	0.04%	0	0.00%
23	Sanjay Trading & Investment Co. Pvt. Ltd.	29100	0.03%	0	29100	0.03%	0	0.00%
24	General Exports And Credits Limited	17000	0.02%	0	17000	0.02%	0	0.00%
25	Pashupatinath Commercial Pvt Ltd	15000	0.01%	0	15000	0.02%	0	0.00%
26	Sovereign Commercial Pvt Ltd	6000	0.01%	0	6000	0.01%	0	0.00%
27	Trishul Commercial Pvt Ltd	5100	0.01%	0	5100	0.01%	0	0.00%
28	Swastik Commercial Pvt Ltd	3700	0.00%	0	3700	0.00%	0	0.00%
29	Alankar Commercial Private Limited	2600	0.00%	0	2600	0.00%	0	0.00%
30	Ricklunsford Trade and Industrial Investment Ltd.	1960	0.00%	0	1960	0.00%	0	0.00%
31	Chirawa Investment Limited	1860	0.00%	0	1860	0.00%	0	0.00%
32	Lakshmi Vishnu Investment Limited	1860	0.00%	0	1860	0.00%	0	0.00%
33	Mourya Finance Limited	1860	0.00%	0	1860	0.00%	0	0.00%
34	Sikar Investment Company Limited	1800	0.00%	0	1800	0.00%	0	0.00%
35	Antarctica Investment Pvt Ltd	768	0.00%	0	768	0.00%	0	0.00%
36	Comosum Investment Pvt Ltd	701	0.00%	0	701	0.00%	0	0.00%
37	Lovely Investment Pvt Ltd	645	0.00%	0	645	0.00%	0	0.00%
38	Altar Investment Pvt Ltd	318	0.00%	0	318	0.00%	0	0.00%
39	Ilac Investment Private Limited	217	0.00%	0	217	0.00%	0	0.00%
40	Hotex Company Ltd	78	0.00%	0	78	0.00%	0	0.00%
41	Dear Investment Pvt Ltd	55	0.00%	0	55	0.00%	0	0.00%
	Total	**18472888**	**18.47%**	**0**	**18493388**	**18.59%**	**0**	**0.12%**

iii) Change in Promoters Shareholding

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Anurag Trading Leasing & Investment Co. Pvt. Ltd**				
	At the beginning of the year	284700	0.28%	284700	0.28%
	Shares purchased from Open Market on August 9, 2016	2500	0.00%	287200	0.29%
	At the end of the year			**287200**	**0.29%**
2	**Ram Krishna Dalmia Foundation**				
	At the beginning of the year	152000	0.15%	152000	0.15%
	Shares purchased from Open Market on August 9, 2016 & August 10, 2016	13000	0.01%	165000	0.16%
	At the end of the year			**165000**	**0.17%**
3	**Anurag Dalmia (HUF)**				
	At the beginning of the year	527774	0.53%	527774	0.53%
	Shares purchased from Open Market on August 16, 2016	5000	0.00%	532774	0.53%
	At the end of the year			**532774**	**0.54%**
4	**Dalmia Housing Finance Limited**				
	At the beginning of the year	180707	0.18%	180707	0.18%
	Off market inter-se transfer of shares in favour of WGF financial services Ltd of January 19, 2017	-175000	-0.17%	5707	0.01%
	At the end of the year			**5707**	**0.01%**
5	**WGF Financial Services Limited**				
	At the beginning of the year	203807	0.20%	203807	0.20%
	Off market inter-se transfer of shares by Dalmia Housing Finance Limited in favour of WGF financial services Ltd of January 19, 2017	175000	0.17%	378807	0.38%
	At the end of the year			**378807**	**0.38%**

iv. Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016-17		Transactions during the year		Cumulative Shareholding at the end of the year 2016-17	
		No. of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	J.P. FINANCIAL SERVICES PVT LTD	4938751	4.94%			4938751	4.94%
	AT THE END OF THE YEAR					4938751	4.96%
2	ARES DIVERSIFIED	4932182	4.93%			4932182	4.93%
	AT THE END OF THE YEAR					4932182	4.96%
3	FINQUEST SECURITIES PVT. LTD. - CLIENT BENEFICIARY A/C	3572000	3.57%			3572000	3.57%
	AT THE END OF THE YEAR					3572000	3.59%
4	LIFE INSURANCE CORPORATION OF INDIA	3138105	3.14%			3138105	3.14%
	AT THE END OF THE YEAR					3138105	3.15%
5	VARANASI COMMERCIAL LTD.	2993000	2.99%			2993000	2.99%
	AT THE END OF THE YEAR					2993000	3.01%
6	EOS MULTI STRATEGY FUND LTD	2852484	2.85%			2852484	2.85%
	Market Purchase			12 Aug 2016	20000	2872484	2.87%

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016-17		Transactions during the year		Cumulative Shareholding at the end of the year 2016-17	
		No. of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Market Purchase			03 Mar 2017	14000	2886484	2.90%
	Market Purchase			17 Mar 2017	10000	2896484	2.91%
	Market Purchase			24 Mar 2017	20000	2916484	2.93%
	AT THE END OF THE YEAR					2916484	2.93%
7	INDIANIVESH CAPITALS LIMITED .	1575000	1.57%			1575000	1.57%
	Market Purchase			08 Jul 2016	225000	1800000	1.80%
	Market Purchase			15 Jul 2016	380000	2180000	2.18%
	Market Purchase			22 Jul 2016	225000	2405000	2.40%
	Market Sale			29 Jul 2016	(175000)	2230000	2.23%
	Market Purchase			30 Sep 2016	100000	2330000	2.33%
	Market Purchase			21 Oct 2016	52206	2382206	2.38%
	Market Purchase			11 Nov 2016	50000	2432206	2.43%
	Market Purchase			18 Nov 2016	225000	2657206	2.66%
	Market Purchase			25 Nov 2016	182000	2839206	2.84%
	Market Sale			02 Dec 2016	(60000)	2779206	2.78%
	Market Purchase			16 Dec 2016	25000	2804206	2.80%
	Market Purchase			23 Dec 2016	275000	3079206	3.08%
	Market Sale			30 Dec 2016	(16000)	3063206	3.06%
	Market Sale			06 Jan 2017	(55020)	3008186	3.01%
	Market Purchase			10 Feb 2017	110000	3118186	3.12%
	Market Purchase			17 Feb 2017	155000	3273186	3.27%
	Market Purchase			24 Feb 2017	10000	3283186	3.30%
	Market Sale			03 Mar 2017	(500000)	2783186	2.80%
	Market Purchase			31 Mar 2017	23000	2806186	2.82%
	AT THE END OF THE YEAR					2806186	2.82%
8	OCEAN DIAL GATEWAY TO INDIA MAURITIUS LIMITED	2500000	2.50%			2500000	2.50%
	Market Sale			22 Apr 2016	(500000)	2000000	2.00%
	Market Purchase			30 Sep 2016	100000	2100000	2.10%
	Market Purchase			11 Nov 2016	100000	2200000	2.20%
	Market Purchase			03 Feb 2017	300000	2500000	2.50%
	AT THE END OF THE YEAR					2500000	2.51%
9	FRANKLIN INDIA SMALLER COMPANIES FUND	0	0.00%			0	0.00%
	Market Purchase			09 Sep 2016	1439446	1439446	1.44%
	Market Purchase			07 Oct 2016	100000	1539446	1.54%
	Market Purchase			28 Oct 2016	175000	1714446	1.71%
	Market Purchase			25 Nov 2016	50000	1764446	1.76%
	Market Purchase			02 Dec 2016	50000	1814446	1.81%
	Market Purchase			06 Jan 2017	50000	1864446	1.86%
	Market Purchase			24 Feb 2017	200000	2064446	2.08%
	Market Purchase			03 Mar 2017	100000	2164446	2.18%
	Market Purchase			31 Mar 2017	96781	2261227	2.27%
	AT THE END OF THE YEAR					2261227	2.27%
10	INDIANIVESH SECURITIES LIMITED	2520393	2.52%			2520393	2.52%
	Market Purchase			08 Apr 2016	551	2520944	2.52%
	Market Purchase			15 Apr 2016	300	2521244	2.52%

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016-17		Transactions during the year		Cumulative Shareholding at the end of the year 2016-17	
		No. of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Market Sale			22 Apr 2016	(18)	2521226	2.52%
	Market Sale			29 Apr 2016	(225122)	2296104	2.30%
	Market Purchase			06 May 2016	25000	2321104	2.32%
	Market Sale			13 May 2016	(41280)	2279824	2.28%
	Market Purchase			20 May 2016	82984	2362808	2.36%
	Market Purchase			27 May 2016	39700	2402508	2.40%
	Market Purchase			03 Jun 2016	13030	2415538	2.42%
	Market Sale			10 Jun 2016	(113400)	2302138	2.30%
	Market Sale			17 Jun 2016	(30)	2302108	2.30%
	Market Purchase			24 Jun 2016	200	2302308	2.30%
	Market Sale			30 Jun 2016	(2225)	2300083	2.30%
	Market Purchase			01 Jul 2016	125	2300208	2.30%
	Market Sale			08 Jul 2016	(299275)	2000933	2.00%
	Market Sale			15 Jul 2016	(431225)	1569708	1.57%
	Market Sale			22 Jul 2016	(200000)	1369708	1.37%
	Market Purchase			29 Jul 2016	288357	1658065	1.66%
	Market Sale			05 Aug 2016	(1618)	1656447	1.66%
	Market Sale			12 Aug 2016	(49960)	1606487	1.61%
	Market Purchase			19 Aug 2016	5	1606492	1.61%
	Market Purchase			26 Aug 2016	19407	1625899	1.63%
	Market Sale			02 Sep 2016	(97)	1625802	1.63%
	Market Sale			09 Sep 2016	(19223)	1606579	1.61%
	Market Sale			16 Sep 2016	(39700)	1566879	1.57%
	Market Purchase			23 Sep 2016	1925	1568804	1.57%
	Market Purchase			30 Sep 2016	8265	1577069	1.58%
	Market Sale			07 Oct 2016	(739768)	837301	0.84%
	Market Sale			14 Oct 2016	642142	1479443	1.48%
	Transfer			21 Oct 2016	(93984)	1385459	1.39%
	Market Purchase			28 Oct 2016	3498	1388957	1.39%
	Market Purchase			04 Nov 2016	314097	1703054	1.70%
	Market Sale			11 Nov 2016	(601713)	1101341	1.10%
	Market Sale			18 Nov 2016	(119250)	982091	0.98%
	Market Sale			25 Nov 2016	(33462)	948629	0.95%
	Market Sale			02 Dec 2016	(45138)	903491	0.90%
	Market Sale			09 Dec 2016	(1020)	902471	0.90%
	Market Sale			16 Dec 2016	(22581)	879890	0.88%
	Market Sale			23 Dec 2016	(20108)	859782	0.86%
	Market Sale			30 Dec 2016	411635	1271417	1.27%
	Market Sale			06 Jan 2017	(10300)	1261117	1.26%
	Market Sale			13 Jan 2017	(154356)	1106761	1.11%
	Market Sale			20 Jan 2017	(78610)	1028151	1.03%
	Market Purchase			27 Jan 2017	150	1028301	1.03%
	Market Sale			03 Feb 2017	(147)	1028154	1.03%
	Market Sale			10 Feb 2017	(109500)	918654	0.92%
	Market Sale			17 Feb 2017	(111905)	806749	0.81%
	Market Purchase			24 Feb 2017	1810	808559	1.41%
	Market Purchase			03 Mar 2017	589387	1397946	1.42%

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016-17		Transactions during the year		Cumulative Shareholding at the end of the year 2016-17	
		No. of shares held	% Of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Market Purchase			10 Mar 2017	10050	1407996	1.42%
	Market Purchase			17 Mar 2017	34866	1442862	1.45%
	Market Purchase			24 Mar 2017	4338	1447200	1.45%
	Market Sale			31 Mar 2017	(80009)	1367191	1.37%
	AT THE END OF THE YEAR					1367191	1.37%
11	BHANUBHAI BHAGVANDAS PATEL	2688857	2.69%			2688857	2.69%
	Market Sale			02 Sep 2016	(1250000)	1438857	1.44%
	Market Sale			17 Feb 2017	(117975)	1320882	1.32%
	Market Sale			24 Feb 2017	(205884)	1114998	1.12%
	Market Sale			17 Mar 2017	(5000)	1109998	1.12%
	AT THE END OF THE YEAR					1109998	1.12%

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) was 100019286 equity shares at the beginning of the year and 99472736 equity shares at the end of the year.

2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the actual paid up Capital of the Company (i.e. till 21st February 2017 old paid-up capital of 100019286 equity shares has been considered and thereafter 99472736 equity shares has been considered).

v) Shareholding of Directors and Key Mangerial Personnel (KMP):

Sl. No.	Name of the Directors / KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Ravi Shanker Jalan - Managing Director ***				
	At the beginning of the year	85843	0.09%	85843	0.09%
	At the end of the year			**85843**	**0.09%**
	***In addition to the above, Mr. Jalan is also holding 100 equity shares in his HUF account.**				
2	**Mr. Raman Chopra - CFO & Executive Director (Finance)****				
	At the beginning of the year	0	0.00%	0	0.00%
	Shares purchased during the year	0	0.00%	0	0.00%
	At the end of the year			**0**	**0.00%**

**Mr. Raman Chopra does not hold any shares in his name. However, his wife Mrs. Bharti Chopra was holding 13000 shares and his son Mr. Aniket Chopra was holding 7000 shares at the beginning of the year. During the year, Mrs. Bharti Chopra purchased 5000 equity shares from the open market (i.e. 3000 equity shares on 1-8-2016 & 2000 equity shares on 2-8-2016) and accordingly her total holding is 18000 equity shares at the end of the year 2016-17.

Note: Apart from the above, only Mr. Anurag Dalmia, one of the promoter director, was holding 527774 shares at the beginning of the year under his HUF account. During the year, purchased 5000 equity shares from the open market on August 16, 2016 and accordingly total holding is 532774 equity shares in his HUF account at the end of the year 2016-17. Details have been given under Promoter's shareholding. In addition to the above, No other directors & KMP is holding any shares in the Company.

V) INDEBTEDNESS

Indebtedness of the Company				
	Secured Loans, excluding deposits	Unsecured Loans	Deposits	Total Indebtedness Crores
Indebtedness at the beginning of the financial year				
i) Long Term Debt	917.06	0.00	0.00	**917.06**
ii) Short Term Debt	408.13			
Total (i+ii)	**1325.19**	**0.00**	**0.00**	**917.06**
Change in Indebtedness during the financial year				
Addition	360.57	0.00	0.00	**360.57**
Reduction	255.06	0.00	0.00	**255.06**
Net Change	**105.50**	**0.00**	**0.00**	**105.50**
Indebtedness at the end of the financial year				
i) Long Term Debt	916.67	0.00	0.00	**916.67**
ii) Short Term Debt	514.02			
Total (i+ii)	**1430.69**	**0.00**	**0.00**	**916.67**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.	**Remuneration to Managing Director, Whole- time Director and /or Manager:**			
Sr. No.	**Particulars of Remuneration**	**Mr. Ravi Shanker Jalan - Managing Director**	**Mr. Raman Chopra - CFO & Executive Director (Finance)**	**Total Amount (Rs. Lakhs)**
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	223.82	111.06	**334.88**
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.40	0.40	**0.79**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	**0.00**
2	Stock Options*			
3	Sweat Equity	0.00	0.00	**0.00**
4	Commission (for FY 2016-17, will be paid in FY 2017-18)			
	- as % of profit	425.00	250.00	**675.00**
	others, specify	0.00	0.00	
5	Others:	0.00	0.00	
	PF	10.18	5.98	**16.15**
	Superannuation	1.50	1.50	**3.00**
	Gratuity	4.07	2.39	**6.46**
	Company provided & maintained car	16.68	13.08	**29.76**
	Medical Expenses Reimbursement	0.15	0.15	**0.30**
	Leave Travel Expenses Reimbursement	0.00	0.00	**0.00**
	Total (A)	**681.79**	**384.55**	**1066.34**
	Ceiling as per the Act	**5019.30**		

* In addition to the above, Mr. R S Jalan, Managing Director & Mr. Raman Chopra, CFO & Executive Director (Finance) are holding 2 lakh and 1 lakh stock options respectively, which was granted by the Nomination & Remuneration Committee in their meeting held on May 19, 2016 at the exercise price of Rs. 100 per share. Said stock options are neither vested nor exercised as on March 31, 2017, hence, perquisite value of Rs. 97,07,693 for Mr. R S Jalan and Rs. 48,53,847 for Mr. Raman Chopra on such stock options have not been included in the above computation.

B	**Remuneration to other Directors**							
1	**Independent Directors**							
Sr. No.	**Particulars of Remuneration**	**Name of Directors**						**Total Amount Rs. Lakhs**
		Dr. Bhupendra Chandra Jain	**Mr. Mahesh Kumar Kheria**	**Mr. Girish Chandra Srivastava**	**Mr. Sanjiv Tyagi**	**Mr. Kamalkishore Chandravadan Jani**	**Mr. Lavanya Rastogi**	
	Fee for attending Board/ Committee Meeting	4.40	3.60	3.60	3.20	3.60	1.60	**20.00**
	Commission	29.00	26.00	26.00	24.00	28.00	21.00	**154.00**
	Total (B)(1)	**33.40**	**29.60**	**29.60**	**27.20**	**31.60**	**22.60**	**174.00**

2	Other Non-Executive Directors					
Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount Rs. Lakhs
		Mr. Sanjay Dalmia	Mr. Anurag Dalmia	Mr. Neelabh Dalmia	Mrs. Padma Vinod Betai - Nominee (IDBI Bank)	
	Fee for attending Board/ Committee Meeting	2.40	1.60	2.80	0.40	**7.20**
	Commission	60.00	50.00	40.00	6.00	**156.00**
	Total (B)(2)	**62.40**	**51.60**	**42.80**	**6.40**	**163.20**
	Total(B)=(B)(1)+(B)(2)					**337.20**
	Total Managerial Remuneration (Non - Executive Director)					**337.20**
	Overall Ceiling as per the Act					501.93

C.	Remuneration to key managerial Personnel other than Managing Director / Whole- time Director and /or Manager		
Sr. No.	Particulars of Remuneration	Key managerial Personnel	
		Mr. Bhuwneshwar P. Mishra - General Manager & Company Secretary	Total Amount Rs. Lakhs
	Gross Salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	32.33	**32.33**
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.63	**0.63**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	**0.00**
2	Stock Options*		
3	Sweat Equity	0.00	**0.00**
4	Commission		
	- as % of profit	0.00	**0.00**
	others, specify	0.00	**0.00**
5	Others:		
	PF	1.57	**1.57**
	Superannuation	1.50	**1.50**
	Gratuity	0.63	**0.63**
	Company provided & maintained car	4.08	**4.08**
	Medical Expenses Reimbursement	0.15	**0.15**
	Leave Travel Expenses Reimbursement	2.09	**2.09**
	Total (C)	**42.98**	**42.98**

* In addition to the above, Mr. Bhuwneshwar Mishra, General Manager & Company Secretary is holding 20 thousand stock options, which was granted by the Nomination & Remuneration Committee in their meeting held on May 19, 2016 at the exercise price of Rs. 100 per share. Said stock options are neither vested nor exercised as on March 31, 2017, hence, perquisite value of Rs. 9,70,769 for Mr. Bhuwneshwar Mishra on such stock options has not been included in the above computation.

VII. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES:					
Type	**Section of the Companies Act**	**Brief Description**	**Details of penalty /Punishment / Compounding fees imposed**	**Authority [RD / NCLT / COURT]**	**Appeal made, if any (give details)**
A. COMPANY					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil	Nil	Nil	Nil	N.A
B. DIRECTORS					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
C. OTHER OFFICERS INDEFAULT					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

NIL

ANNEXURE III - TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR Report for the financial year ended March 31, 2017 [Pursuant to Section 135 of the Companies Act, 2013]

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	GHCL's commitment to the development of weaker sections of society is continuing since more than two decades. GHCL through its "GHCL Foundation Trust" has upgraded its CSR activities to cover a larger section of the society and included to provide support to the downtrodden, needy and marginalized citizens and also to create social infrastructure for their sustenance. The CSR Policy is posted on the website of the Company. Any body may visit www.ghcl.co.in
2	The Composition of the CSR Committee	We have a board committee namely Corporate Social Responsibility (CSR) Committee comprising of following three directors:
		(1) Mr. SanjivTyagi - Independent Director (Chairman) (2) Mr. Neelabh Dalmia - Non- Executive Directors (3) Mr. R S Jalan - Managing Director
3	Average net profit of the Company for last three financial years:	Rs. 252 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	Rs. 5.04 Crores
5	Details of CSR spend for the financial year:	
a.	Total amount spent for the financial year	Rs. 4.00 Crores
b.	Amount unspent, if any	Rs. 1.04 Crores
c.	Manner in which the amount spent during the financial year	Manner in which the amount is spent and details are provided as given below:

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or programs	Amount spent on the Project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			Local Area / Districts (State)	**Rs. Crores**	**Rs. Crores**	**Rs. Crores**	
1	Roof Rain Water Harvesting and Village Water Distribution System under Coastal Area Development Project	Water Resource Development Programme (Drinking water)	All manufacturing site of GHCL Ltd. in the state of Gujarat (1) Sutrapada, Dist. Gir Somnath (2) Rajula, Dist. Amreli (3) Ghogha, Dist. Bhavnagar (4) Bhilad, Dist. Valsad	0.29	0.11	0.11	Amount directly spent through implementing agencies*
2.1	Drip Irigation, Sprinkler Irrigation, Training and other various activities	Agro based livelihood		0.76	0.78	0.78	DO
2.2	Vocational Training Centre	Skill based livelihood		0.59	0.28	0.28	DO
3	Animal Treatment Camp and Artificial Insemination center	Animal Husbandry		0.38	0.17	0.17	DO
4.1	Mobile Dispensary, Health camps, Vaccination and Eye camps;	Health & Sanitation		1.59	1.55	1.55	DO
4.2	Toilet Blocks and Awareness Programme as part of Swachh Bharat Abhiyaan						
5	Site School near Mining area, Uniform, Scholarship and financial support for higher studies	Education		0.48	0.39	0.39	DO
6	Formation of Self Help Group (SHG) and Training Programme	Women Empowerment		0.14	0.05	0.05	DO
7	Street light, Road repairing, construction of school boundary, Eradication Hunger Peoples	Rural Development		0.16	0.08	0.08	Do
8	Establishment & Fixed Assets	Establishment & Fixed Assets		0.82	0.59	0.59	DO
	Total			**5.21**	**4.00**	**4.00**	
	***Amount spent through Implementing Agencies (GHCL Foundation Trust) of Rs. 4.00 Crores.**						
	Reasons for not spending full amount: The Company had budgeted to spend amount on CSR activities more than the prescribed limit under law. But, the Company could not spend the amount as per the prescribed under the law mainly due to the reason that the Company could not get clearance from the authority and also some planned activities have been commenced, but still in pipeline. However, the Company is committed to spend more amount on CSR activities during FY 2017-18, to ensure that the unspent CSR amount for 2016-17, should be spent during FY 2017-18.						
	The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.						

For GHCL Limited

R S Jalan
Managing Director
DIN- 00121260

Sanjiv Tyagi
Chairman CSR Committee
DIN- 00225812

ANNEXURE IV TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

1 Insalled 2.1 MW wind energy Generator for captive consumption at Village limbuda, Jamnagar.

2 Installed Energy efficient RO plant of capacity 300 M3/Hr at Soda Ash Unit.

3 Installation of two belt fitlers which reduced bicarbonate moisture content and resulting in savings in calciner steam consumption at Soda Ash Unit.

4 Replacement of conventional tube light by Energy efficient LED tube lights at Soda Ash and Textile-Madurai and Bhilad unit.

5 Replacement of Old motors by Energy Efficient motors at Soda Ash Unit.

6 Installation of Variable Frequency Drive in lime kiln blower with saving of about 25% in energy at Soda Ash Unit.

7 Re-using the processed 300KL water with the help of water conservation project at Vapi unit.

8 Replacement of air end in 2 compressors, which is providing higher 900 CFM with lesser energy consumption at Vapi Unit.

9 Installation of Variable Frequency Drive at different processes to reduce down energy consumption on pumping system at Vapi Unit.

10 Energy saved through reduction of air leakage in each machine from Blow room to Autoconer at Paravai and Manaparai.

11 Energy saved by replacing pneumafil fan of 4.5 KW by modified suction fan of 1.5 KW in ring frame at Manaparai.

12 Installation of Energy efficient fan in Comber machine in Vaigai Unit.

13 By optimizing the humidification plant in Open End Unit, the energy saved by 20% by reducing the angle of blade.

14 Energy audit done by SITRA (Southern India Textile Research Association, Coimbatore) to identify the energy saving potential. Based on their report partially completed and the remaining part is under review.

b) Additional Investment & proposals, if any, being implemented for reduction of consumption of energy

1 Installation of high speed filters to reduce bicarbonate moisture for calciner specific steam consumption at Soda Ash Unit.

2 Installation of Variable Frequency Drive for DSA blower at Soda Ash Unit.

B. POWER & FUEL CONSUMED

	Year ended March 31,2017	Year ended March 31,2016
1 Electricity		
(i) Purchased Units (crores kwh)	**11.61**	12.78
Total amount (Rs. crores)	**84.06**	94.27
Rate per Unit (Rs.)	**7.24**	7.37
(ii) Own Generation		
(a) Through DG		
Units (crores kwh)	**2.31**	0.09
Units per ltr of Diesel Oil	**4.20**	3.03
Cost per Unit (Rs.)	**6.44**	15.39
(b) Through GTG		
Units (crores kwh)	**0.07**	0.25
Units per SCM of Gas	**2.38**	3.70
Cost per Unit (Rs.)	**14.22**	10.82
(c) Through TG		
Units (crores kwh)	**20.79**	19.38
Cost per Unit (Rs.)	**3.17**	3.31

		Year ended March 31,2017	Year ended March 31,2016
2	**Coal**		
	Quantity (MT)	**3,05,089**	2,95,177
	Total Cost (Rs. crores)	**168.53**	178.16
	Average Rate (Rs/MT)	**5,524**	6,036
3	**Lignite**		
	Quantity (MT)	**1,00,214**	1,43,202
	Total Cost (Rs. crores)	**33.79**	60.89
	Average Rate (Rs/MT)	**3,372**	4,252
4	**Petroleum Coke**		
	Quantity (MT)	**30,039**	0
	Total Cost (Rs. crores)	**19.87**	0
	Average Rate (Rs/MT)	**6,614**	0

5 **Consumption per Unit of Production**

		Electricity (kwh/MT)	
	Production (MT)	Year ended March 31, 2017	Year ended March 31, 2016
Soda Ash	8,01,269	**266.17**	260.61
Salt	47,503	**23.06**	21.39
Yarn	23,379	**4.22**	4.07
Cloth (Fabric '000 Meters)	33,292	**1.04**	1.06
Coal -Soda Ash (MT/MT)	8,01,269	**0.34**	0.38
Lignite - Soda Ash (MT/MT)	8,01,269	**0.12**	0.18
Petroleum Coke - Soda Ash (MT/MT)	8,01,269	**0.04**	0.00

C. TECHNOLOGY ABSORPTION

1 Research & Development

a) Efforts continue to bring in operational efficiencies and product up gradations to meet specific customer need both domestic and export. No specific expense can be earmarked for Research & Development, as this is an ongoing process at the operational level.

b) Efforts to improve quality of refined sodium bicarbonate is in progress in co-operation with M/S Niochim, Ukraine.

2 Future Action Plan

a) A pilot plant to manufacture innovative blocks having good strength using wastes from soda ash manufacture like limestone fines , fly ash and shredded waste plastics is planned to be set up at Soda Ash plant in co-operation with reputed academic institute.

3 Technology -Absorption, Adoption and Innovation

a) Project, to increase carbonation tower efficiency in association with M/S Niochim, Ukraine is in progress .

4 Information Regarding Technology imported during last three year

None

D. FOREIGN EXCHANGE EARNING AND OUTGO

	For the Year Ended 31st March, 2017 (Rs. in Crore)	**For the Year Ended 31st March, 2016 (Rs. in Crore)**
Earnings	701.69	675.45
Outgo (Inclusive CIF value of imports)	481.77	288.30

ANNEXURE V TO THE DIRECTORS REPORT

DISCLOSURE OF MANAGERIAL REMUNERATION

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2016-17 as well as the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary is as under:

Name of the Director	Ratio to Median Remuneration	% Change in remuneration over previous year
Non-Executive Director		
Mr Sanjay Dalmia	34.43	162.55
Mr. Anurag Dalmia	28.47	120.51
Mr. Neelabh Dalmia	23.62	54.70
Dr. B C Jain	18.43	19.00
Mr. G C Srivastava	16.33	6.86
IDBI Bank- PVB	3.53	-45.76
Mr. Mahesh Kumar Kheria	16.33	6.86
Mr. Sanjiv Tyagi	15.01	10.87
Mr.Lavanya Rastogi	12.47	26.26
Mr. K C Jani	17.44	30.76
Executive Directors		
Mr. R S Jalan	375.99	42.46
Mr. Raman Chopra	212.80	39.33

Note: For above calculation, remuneration includes sitting fee and commission. Commission relates to the financial year ended 31st March 2017, which will be paid during FY2017-18

The Percentage increase in remuneration of Mr. Bhuwneshwar Mishra, General Manager & Company Secretary is 6.64%

B. Percentage increase in median remuneration in the FY 2016-17: - 4.18%

C. Number of Permanent employees on the roll of the company as on 31st March 2017: 3555

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration

	% change in remuneration
Average increase in Salary of employees other than managerial personnel	17.90%
Average increase in remuneration of managerial personnel	34.63%

E. Affirmation

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

F. Justification for Average increase in Salary

During the F.Y. 2016-17 change in average percentile in salary of employees other than the management personnel is 17.90%. The primary reason of change in average percentile in salary is granting of ESOPs & higher increment to employees during the year.

In case of managerial personnel the significant change in salary is due to granting of ESOPs & higher payment of commission due to significant increase in PAT for the financial year 2016-17.

Part-B: Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

List of Top Ten Employees and other Employees who have been paid Rs. 8.5 Lacs or above per month during the year 2016-17

Sl. No.	Name	Age	Designation	Gross Remune-ration * (Rs)	Qualification	Exp. (Years)	Date of commencement of Employment	Previous Employment / Position held	Remark
Employment during full year									
1	R S Jalan	59	Managing Director	7,61,38,102	B Com, FCA	33	7-Jun-02	Sree Meenakshi Mills / Exec. Director	
2	Raman Chopra	51	CFO & Executive Director - Finance	4,31,23,903	B Com, FCA	28	1-Oct-03	Dalmia Brothers Pvt Ltd / VP-Spl. Proj.	
3	Sunil Bhatnagar	58	President - Marketing	1,98,83,979	B Com, LLB, DIM	33	16-Aug-93	Ballarpur Inustries, Dy. Mgr - Mktg	
4	N N Radia	61	COO - Soda Ash	1,57,76,913	BE -Mechanical	34	16-Jan-86	Tata Chemicals Ltd. / Shift In Charge	
5	Neeraj Jalan	42	Sr. Vice President - Home Textiles	1,37,88,058	CA	17	3-Sep-98	Capman Cap. Markets Ltd / Backoffice Incharge	
6	V Chandramouli	57	Sr. Vice President - Finance	1,33,96,155	B Com, CA	29	14-Dec-92	Mafatlal Ind. Ltd / Manager - F&A	
7	M Sivabala-subramanian	56	Sr Vice President - Oprns.(Yarn Divn)	1,25,96,412	BE -Textiles	32	17-May-95	Loyal Textile Mills Ltd / Manager-QA	
8	Rajesh Tripathi	50	Vice President - Human Resource	80,57,648	M Sc, PGHR, PG Psychology, GAMP	20	15-Nov-07	Panacea Biotec Ltd/ DGM- HR	
9	Jayesh P Shah	57	Vice President - IR	69,32,117	MSW	31	24-Apr-12	Alembic Ltd/GM-HR	
10	J N Shah	60	Vice President - Production,Soda Ash	66,64,720	BE- Chemical	36	5-Jul-85	DCW/Assistant Process Engineer	
11	Sachin Kulkarni**	44	COO-Home Textile	29,87,757	B. Tech-Textiles, DBM	23	5-Dec-16	Welspun Ltd/Sr. VP-Operations	

*Gross remuneration includes the Commission and / or VPP entitlement for the year 2016-17 paid in 2017-18

** Mr Sachin Kulkarni joined on December 5, 2016 as (VP Operation) Home Textile. Remuneration drawn by him during 2016-17 is not covered under List of Top Ten employees. But based on his CTC Entitlement of Rs. 1 Crore, we have included his name.

Joining during the year: No Employee joined with CTC of Rs.8.5 lacs or above per month during 2016-17.

Separation during the year: No Executive with CTC of Rs. 8.5 lacs or above per month left the Company during 2016-17.

For GHCL Limited

Sd/-
R S Jalan, Managing Director
DIN: 00121260
Date: May 20, 2017

Sd/-
Raman Chopra, CFO & Executive Director (Finance)
DIN 00954190

Business Responsibility Report – 2016-17

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015]

Introduction:

Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended on December 22, 2015, mandated that every top 500 companies based on market capitalization as per Bombay Stock Exchange (BSE) and / or National Stock Exchange (NSE) as on March 31 of every financial year, effective from April 1, 2016, are required to have "Business Responsibility Report" (BRR) as a part of their Annual Report. As on March 31, 2017, GHCL is in the top 500 list of BSE and NSE on the basis of market capitalisation and hence, it is obligatory on the party of GHCL to publish Business Responsibility Report. This is the first Business Responsibility Report of your company and has been prepared in line with the requirements of Regulation 34 of SEBI Listing Regulations read with National Voluntary Guidelines on Social, Environmental, & Economic Responsibilities of Business (NVG) released by Ministry of Corporate Affairs, Government of India in July 2011.

GHCL Limited (formerly known as Gujarat Heavy Chemicals) was incorporated on 14th October 1983 in the State of Gujarat. Since incorporation, company has established as a well-diversified group with an ascertained footprint in In-organic Chemicals and Textiles.

In Chemicals, the company manufactures Soda Ash (Anhydrous Sodium Carbonate - Na_2CO_3) and Refined Sodium Bi-carbonate (RBC). Soda Ash is produced in two standard forms – Light and Dense, and graded according. Light Soda Ash is manufactured using revolutionary Dry Liming Process. Dry lime technology consumes 30 % less energy than conventional milk of lime process. Light soda ash is mainly used by the soap & detergent industries. Dense Soda Ash is produced using the Monohydrate and Fluidized Bed Drying Process. Dense soda ash is used by glass & silicate manufacturing industries. Refined Sodium Bicarbonate is mainly used in food processing, baking industry & manufacturing of soft drinks.

GHCL in all its entrepreneurial initiatives has also diversified and entered into edible salt business. The business was acquired in the year 1999 and has its salt works at Vedaranyam and the refinery at Chennai for its Edible Salt manufacturing. Our industrial salt commands a premium in Caustic soda industries and our edible salt are available in 'iFLO' and 'SAPAN' brands in the retail market. In addition to edible salt, GHCL has expanded its product range by introducing Honey and Spices under I-Flo brand as a strategy to expand its Consumer Product Division.

The Textiles division of the company is a vertically integrated manufacturing facility with spinning, wide-width weaving, continuous fabric processing, and cut & sew facilities for manufacturing premium quality bed linen. Spinning unit of the company is located near Madurai in Tamil Nadu, India. We manufacture multiple varieties of yarn ranging from 16s to 32s in open end, 30s to 120s in ring spun counts in 100% cotton and 30s to 70s counts in blended yarns. GHCL's Home Textiles manufacturing is located near Vapi in Gujarat, India. Here yarn is woven into fabric, which is then dyed, printed and finished into final products, like bed sheets, which is then exported worldwide. Both these plants have state-of-the-art facilities and machineries and ensure that every single aspect of its textile production process is backed by a fabulous world class infrastructure.

GHCL has consistent track record of paying dividend since last 23 years. During the financial year 2016-17 company has received various awards such as Sustainability-4.0, 2017, Believer award and India Manufacturing Excellence award by Frost & Sullivan, Sustainable and Impactful CSR Project' given by Gujarat State CSR Authority and GHCL has also been certified as ***"Great Place to Work"***.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company**: *L24100GJ1983PLC006513*
2. **Name of the Company**: *GHCL Limited*
3. **Registered address**: *"GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380 009 (Gujarat)*
4. **Website**: *www.ghcl.co.in*

   E-mail id: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
5. **Financial Year reported**: 2016-17
6. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Industrial Group	Description
201	Manufacture of Chemicals and Chemicals Products
139	Manufacture of other textiles - Cotton Fabrics and Furnishings
131	Spinning, weaving and finishing of textiles
089	Salt Production by evaporation of sea water.
107	Manufacture of Food Products
463	Wholesale of food, beverages and tobacco
081	Quarrying / Mining of Limestone
052	Mining of Lignite
As per National Industrial Classification – Ministry of Statistics and Programme Implementation	

7. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
   1. **In-organic Chemicals:** Soda Ash – (Dense grade and Light grade), Sodium Bicarbonate, Industrial and Edible Salt;
   2. **Textiles:** Home Textile products like Bed Sheets, Bed Covers, Top of Bed Products, Valance and Yarn Manufacturing.
8. **Total number of locations where business activity is undertaken by the Company**

   (a) **Number of International Locations (Provide details of major 5)**

   USA

   (b) **Number of National Locations**: All India
9. **Markets served by the Company – Local/State/National/International**: All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital** (INR): 99,47,27,360
2. **Total Turnover** (INR in Crore): 2,980.17
3. **Total profit after taxes** (INR in Crore): 386.77
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax** (%): 1.03
5. **List of activities in which expenditure in 4 above has been incurred**:-
   - **(a)** Roof Rain Water Harvesting and Village Water Distribution System under Coastal Area Development Project;
   - **(b)** Drip Irrigations, Sprinkler Irrigation, Training and other various activities;
   - **(c)** Vocational Training Centre;
   - **(d)** Animal Treatment Camp and Artificial Insemination center;
   - **(e)** Mobile Dispensary, Health camps, Vaccination and Eye camps;
   - **(f)** Toilet Blocks and Awareness Programme as part of Swachh Bharat Abhiyaan;
   - **(g)** Site School near Mining area, Uniform, Scholarship and financial support for higher studies;
   - **(h)** Formation of Self Help Group (SHG) and Training Programme;
   - **(i)** Street light, Road repairing, construction of school boundary etc.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   This is the first year for GHCL Limited to publish Business Responsibility Report. However, GHCL would encourage its subsidiary to participate in the business responsibility initiatives and conduct their business in an ethical, transparent and accountable manner.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   GHCL Limited does not mandate its suppliers and distributors to participate in the business responsibility initiatives. However, they are encouraged to do so.

   Less than 30%.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

Particular	**Details of Directors**	
1. DIN Number	00121260	00954190
2. Name of Director	R. S Jalan	Raman Chopra
3. Designation	Managing Director	CFO & Executive Director (Finance)

(b) Details of the BR head:

Sl. No.	**Particulars**	**Details**
1	DIN Number (if applicable)	00121260
2	Name	R. S Jalan
3	Designation	Managing Director
4	Telephone number	0120 3358000
5	Email ID	rsjalan@ghcl.co.in

2. **Principle-wise (as per NVGs) BR Policy/policies:**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) **Details of compliance (Reply in Y/N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. All the Nine Policies are approved by the Board in their meeting held on January 31, 2017 and signed by the Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. The Managing Director through the functional heads of the departments / unit heads of the company are empowered to ensure the implementation of the policy. Company Secretary is authorised to monitor and evaluate the compliance of the policy and submit his report to the Board / committee periodically.								
6.	Indicate the link for the policy to be viewed online?	**http://ghcl.co.in/investors/brr-policies**								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of GHCL. The BR policies are communicated through this report. Company will also explore other formal channels to communicate with other relevant stakeholders.								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR Policies shall be evaluated internally. Policies pertaining to Health, Safety and Environment have also been audited by external agencies.								

(b) **If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles.	Not applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within next 6 months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify)									

3. **Governance related to BR:**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The BR performance of the company shall be assessed annually.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This is the first Business Responsibility Report for the financial year 2016-17 which forms part of the Company's annual report for the financial year 2016-17. The Business Responsibility Report can be accessed at: **http://ghcl.co.in/investors/brr-report**

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

GHCL Limited believe that a company without ethics is like a body without a soul. At GHCL, it is firmly believed that for a successful and sustainable business, a strong foundation of ethical corporate citizenship and establishment of good corporate culture is essential. GHCL is committed to operate its business ethically in a manner such that all stakeholders i.e. investors, creditors, distributors, customers, employees, and even competitors, the governments and society at large, dealt within a fair manner. GHCL has always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company.

The core value of GHCL's ethical policy and practices are trustworthiness, respect, responsibility, fairness and caring. GHCL take a 'zero tolerance' approach to bribery and corruption and are committed to act professionally, fairly and with integrity in all the business dealings and relationships, wherever it operate.

GHCL believe that the ethical behaviour of the company is predicted by the ethical behaviour of its owners, directors, managers and employees towards its stakeholders i.e. investors, creditors, distributors, customers, employees, the governments and society at large.

The measurement of ethical behaviour revolves around

a. Fairness to all stakeholders;

b. Transparency in all business dealings;

c. Raising that trust and confidence of stakeholders in the way the company operates;

d. Understanding and discharging societal responsibility;

e. Long term thinking;

f. Overcoming from greed, insecurity, and lack of confidence;

g. Following every law of the land even when the law enforcers may not be able to detect the violation.

Besides above, it is also expected from every members of the Board and Sr. management including the functional heads;

i. To participate in a company meeting, depending upon their eligibility and/ or requirement, and do not involve in related party transactions.

ii. Do not take directorship in competitor's company.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

   GHCL's code of conduct and policy on Ethics, Transparency and Accountability covers the policy on bribery and anti-corruption and is applicable to its business associates, subsidiary, suppliers, contracts, NGOs and other entities which are directly dealing with the company either in business operations or in its CSR activities.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Stakeholder	Complaints Received during F Y 2016-17	Complaints Resolved during F Y 2016-17	Complaints Resolved (%)
Investors Complaints	75	74	98.67
Consumers' Complaints			
Soda Ash Division	43	43	100
Textiles Division	68	68	100
Total	**186**	**185**	**99.67**

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

GHCL Limited believe that Sustainable Development meets the needs of the present, without compromising the ability of future generations to meet their own needs. GHCL endeavours to develop the principles of sustainability, as far as practicable, into the various stages of product or service lifecycle including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers to improve the quality of life and people.

GHCL Limited believe that sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet. In order to achieve sustainable development, GHCL Limited believe that economic growth, social inclusion and environmental protection must be harmonised. It is the endeavour of GHCL Limited to introduce the process of change in which the exploitation of resources, the direction of investments, the orientation of technological development and institutional change remain in harmony and enhance both current and future potential to meet the human needs and aspirations.

Keeping in view the above, GHCL Limited endeavours to provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   (a) **In-organic Chemicals** – Soda Ash (Dense grade & Light grade) Sodium Bicarbonate, Industrial and Edible Salt.

   - In Sutrapada, GHCL soda ash division is promoting livelihoods of about 5000 farming household in all 55 villages. The activities included large scale use of water saving technologies by farmers, use of organic fertilizer for agriculture, horticulture promotion, breed improvement and others. GHCL has done considerable work in providing sanitation & drinking water facilities in adjoining villages.
   - GHCL Foundation Trust was awarded the prestigious award for ***'Sustainable and Impactful CSR Project'*** by Gujarat State CSR Authority on 10th March 2017.

- I-FLO Triple Refined Salt, is Halal Certified and is supporting the initiative of Govt. of India - the ***"Swatch Bharat Abhiyan"*** by ensuring contamination free salt and thereby helping in the prevention of communicable disease.

(b) **Textiles**: Home Textile products like Bed Sheets, Bed Covers, Top of Bed Products, Valance and Yarn Manufacturing.

- Yarn is produced from cotton and synthetic fibre. Cotton is agriculture product and synthetic fibre is manmade fibre both are not having risk and opportunities with respect to Social or environmental concern.
- The process consumed dyes & chemicals, which is completely environmental friendly & as per guidelines from DETOX (i.e. to remove all toxic chemicals, which may harm human body as well as environment). Secondly, we are having Effluent Treatment Plant to release non-hazardous water into sea.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- GHCL Limited has adopted a green supply chain strategy for the transportation of loose soda-ash by deploying bulkers. Movement of soda ash by bulkers will help in to reduce the consumption of plastic bags thus results in significant reduction in plastic waste.
- The climate-friendly fly ash brick technology installed in Soda Ash plant produces bricks without using coal / Clay. It has the potential to eliminate carbon emissions from large brick-making industry, which burns huge amounts of coal and emits millions of tons of carbon dioxide each year.
- GHCL Limited is giving fly ash free of cost to National Highway authority. This has led to significant contribution in environment as well as in economic area.
- Usage of condensing turbine has reduced fossil fuel consumption. It has also reduced emission of greenhouse gases (particularly CO2 emission). The production of electricity being on-site, the burden on the utility network is reduced and the transmission line losses is also eliminated.
- Back filling of mined out area and making waste rock terrain suitable for cultivation and agriculture and making water reservoirs in some mined out areas for rain water harvesting. Use of rock breakers instead of blasting by explosives, this reduces the waste undersize generation
- Use of water sprinklers at all mines for sprinkling water on haul road. Air, noise and water monitoring is being done quarterly by third party.

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

In-organic Chemicals:

- At Soda Ash: Consumption of packaging plastic material has been reduced by usage of bulker for loose soda ash supply to customer. Water & fossil fuel consumption has been reduced by use of condensing turbine.
- For conserving sweet water, we installed Nano water system wherein sea water is processed and used in place of sweet water.
- Conversion of motor driven compression chillers to vapour absorption chillers for eliminating use of ozone damaging refrigerants. This has also resulted in power saving by using available steam.
- To improve the capacity and efficiency of carbonation towers, a study is being conducted by M/S Niochim, Ukraine. This will result in conservation of natural resources.
- For Reduction of bicarbonate moisture for achieving reduction in steam consumption, we have installed one belt filter. One more belt filter & high speed belt filter are being installed this year.
- For waste utilization (plastic, limestone & fly ash) we have undertaken R & D projects in co-operation with M/S Thiagrajar college of Engineering, Madurai to manufacture value added material.
- Usage of Water for cleaning Raw Salt is directly proportional to consumption of Raw Salt. More water for cleaning means more raw salt gets dissolved which will further increase the consumption of raw salt. Thus, optimal usage of water plays a vital role in optimum consumption of raw material i.e. Raw Salt. For energy saving, variable frequency drives are installed to optimize the power control.

Textiles:

- Water conservation project is effectively commissioned where we are re-using the processed 300KL of water.
- The air end of our existing 2 compressors are changed which is providing higher 900 cubic feet per meter (CFM) with lesser energy consumption.
- We have installed variable frequency drive (VFD) at different processes to reduce down energy consumption on pumping system.
- We are in the process to convert from conventional lighting system to LED system and achieved around 50% of total requirement.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

In-organic Chemicals:

- GHCL Limited uses life cycle assessment to advise its customers for sustainable use of their product.
- Focus is to implement adequate system which would encourage Optimal use of water and energy

- VFD systems have been installed at various pumps and blowers for energy conservation drive and saving realized about 30% to 40% with respect to previous consumption.
- Conventional tube lights replaced with LED tube lights.
- Salt from the process waste is recovered with an average of 5000 MT per month, helping in saving the natural resources.
- We are using waste coke breeze instead of coke thus saving natural resources i.e. coke.
- Installation of energy efficient RO plant & Installation of energy efficient ejectors in plant to save energy.
- Switching over to steam driven turbine for boiler feed water pump instead of power driven pump.
- Improving in boiler efficiency by switching over to AFBC boiler from stoker fed boilers.

Textiles:

- We have saved energy of 2% in overall consumption of 10 cr units per annum.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes.

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

- In inorganic segment we have Green Procurement Policy embeds Green Sourcing in Business Plan. Approximately 90 per cent of the suppliers are screened based on sustainable indicators.
- In Textiles, the entire raw materials i.e. cotton and synthetic fibres are procured from outside the local limits and also from imports, which we do 70% by Road and 30% by sea route.
- In case of Home Textile division, we are sourcing 35% from own unit in Madurai & rest 65% from outside. Total material input movement is done through road only. We are procuring the yarn/fabric, which is Oeko-Tex 100 / GOTS certified. We are the 2nd Home Textile Company in India, which is certified by STeP (sustainable textile production). We are also first company in India to produce MIG (Made in Green) label in product.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes.

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

In Soda Ash division, most of the purchases are through local vendors. In services, around 80% of procurement is done from local vendors only. Our main raw material procurement (which includes limestone and salt) as well as transportation work are mostly done from local sources.

In terms of capacity and capability improvement, GHCL has taken several initiatives which have yielded benefit to both suppliers as well as GHCL. This include introducing local suppliers as dealers/distributors for OEM spares and services procurement. Also we try to increase the product basket of local suppliers, implementing new purchase concepts like VMI at supplier's end, frequent vendor meets and interactions. We also get them trained and updated in terms of new developments by engaging parent companies along with local suppliers. For transportation contractors, GHCL is trying to introduce higher capacity vehicles for efficient deliveries and cost competitiveness

GHCL being a socially responsible company emphasizes on inclusive growth. It expects all its suppliers and vendors to exhibit the same philosophy. The supplier of honey for i-FLO Honey products is Nectar fresh, one of the largest buyers of tribal honey.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

- Yes. In inorganic soda ash segment we have a mechanism to recycle products and waste. < 5 % of coke fines generated during process is recycled to manufacture briquette from in house developed briquette plant which have replaced usage of metallurgical coke since more than ten years. 5-10 % of fly ash waste is utilised for manufacturing fly ash brick, paver block & road construction. <5% Usable item is recovered from scrap in salvage yard.
- With respect to Consumer Product and edible salt, it is our endeavour that all raw salt and refined circuits at Vedaranyam are closely contained to avoid water spillage & leak. Raw Salt, not used for production, can be cleaned and used as raw material unless it is contaminated. So, for the two of major raw materials, mechanisms are at place to optimize the consumption and control wastage.
- With respect to the Yarn, we have established mechanism for processing the wastage and almost 50% of the processed waste is used to produce open end yarn and remaining is sold into the open market. Further, we treat the sewage water and use them for humidification of plant to maintain the humidity in production area. In Home Textile Division, we have installed Caustic Recovery plant, where we are recovering caustic around 80%.

Principle 3: Businesses should promote the well being of all employees.

GHCL Limited endeavours to ensure the well-being of all its employees. At GHCL, the safety, health and work life balance of employees are extremely important. The company believes in giving its employees ample opportunities so that they shall be motivated, result oriented and committed to achieve excellence in their domain. GHCL endeavours to provide work environment in which all individuals are treated with mutual respect and dignity.

GHCL respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms. It provides and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation. At GHCL, use of child labour, forced labour or any form of involuntary labour, paid or unpaid is prohibited.

At GHCL, every woman employee is treated with dignity, respect and equality. There is a zero tolerance towards sexual harassment and any act of sexual harassment is liable to be a serious disciplinary action. The company has a policy against Sexual Harassment for its employees and they are encouraged to flag the issues related to harassment, even it is too small in nature, to the appropriate forum.

GHCL is committed for strengthening its performance driven orientation through competence mapping, gap identification, training and development. During the year, HR department has organised various training programme across all locations/ business division of the company. Further, GHCL regularly organises recreational events for its employees which includes family picnics, cultural events, quiz contests, indoor and outdoor games and has also introduced flexi working hours with an objective to promote work life balance culture. Woman employees are given maternity leave as per the applicable legislation.

Besides above, GHCL is committee for safety of its employees at workplace and in order to show its commitment, mock fire drills and fire safety training classes are regularly organised at all plants locations. GHCL has been certified as a great place to work.

1. Please indicate the Total number of employees - ***3555***
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - ***5407***
3. Please indicate the Number of permanent women employees - ***226***
4. Please indicate the Number of permanent employees with disabilities - ***6***
5. Do you have an employee association that is recognized by management – ***7***
6. What percentage of your permanent employees is members of this recognized employee association? – ***86%***
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year –

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year.
1.	Child labour/ forced labour/ involuntary labour.	Nil	Nil
2.	Sexual harassment.	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Particulars		Executives	Factory Workers
(a)	Permanent Employees	**94%**	**100%**
(b)	Permanent Women Employees	**94%**	**100%**
(c)	Casual/Temporary/ Contractual Employees	**95%**	**90%**
(d)	Employees with Disabilities	**100%**	**100%**

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

GHCL Limited believe in the principle that the interest of all stakeholders must be protected and at the same time, company must be responsive towards them, especially those who are disadvantaged, vulnerable and marginalised. GHCL Limited believe that stakeholder engagement leads to increased transparency, responsiveness, compliance, organisational learning, quality management, accountability and sustainability.

GHCL recognises the importance of its stakeholders such as employees, customers, local communities, investors, suppliers, government and regulatory authorities, NGOs and trade unions. GHCL continues its engagement with them through various mechanism such as consultations with local communities, suppliers / vendors meets, and customers / employees satisfaction surveys and through investors' conferences. Investors are open to approach to the company at designated email id secretarial@ghcl.co.in

In order to be fair and transparent with the stakeholders, company promptly intimates the Stock Exchanges i.e. BSE and NSE about all price sensitive information and such other matters which in its opinion are material and of relevance to the stakeholders of the company.

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders, as approved by the Board in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 are uploaded on website of the company.

1. **Has the company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. GHCL identifies underprivileged communities around its plants locations as disadvantaged, vulnerable & marginalized stakeholders and thereafter, continuously engages with all such stakeholders identifying their needs and priorities so as to serve their needs accordingly.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes. Company through its GHCL Foundation has taken various initiatives under its CSR programme for disadvantaged, vulnerable and marginalized stakeholders. The initiative includes health care mobile van, eye check-up camp, general health check-up camp, cancer detection and awareness camp besides education for the children of the workers at mines site, sanitation, drinking water facility, irrigation, agro livelihood, vocational training and women empowerment.

Principle 5: Businesses should respect and promote human rights.

GHCL Limited respects and promotes human rights for all individuals. It is committed to identify, prevent, and mitigate adverse human rights impacts resulting from or caused by business activities before or if they occur through human rights due diligence and mitigation processes.

GHCL Limited recognizes its impact on the communities in which it operates. GHCL Limited is committed to engaging with stakeholders in those communities to ensure that we are listening to, learning from and taking into account their views as we conduct our business. Where appropriate, we are committed to engaging in dialogue with stakeholders on human rights issues related to our business. We believe that local issues are most appropriately addressed at the local level. We are also committed to creating economic opportunity and fostering goodwill in the communities in which we operate through locally relevant initiatives.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint ventures/Suppliers/Contractors/NGOs/Others?**

   GHCL's Human Rights Policy is applicable to all employees in the company working in any business division of the company and its subsidiary. GHCL motivates its business partners such as suppliers, contractors, NGO and others to follow the policy related to Human Rights in true spirit. GHCL discourages dealing with any business partners who are not serious in protection of Human Rights and have non-compliance at their end. At GHCL employability of Child labour or forced labour is strictly prohibited.

2. **How many stakeholder complaints with respect to Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   GHCL has not received any complaints related to human rights during financial year 2016-17.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

GHCL Limited is committed to adopt business practices that creates long term stakeholders value by implementing opportunities and managing risks arising from economic, environmental and social developments. GHCL Limited places highest corporate priority in ensuring and adhering to best procedures relating to environment protection. It is committed to respect, protect, and make efforts to restore the environment.

GHCL Limited is focussed for performance that does not merely comply with regulations but reduces environmental impacts. GHCL Limited believes that it has a responsibility to take care of the planet and preserve its beauty, resources and strength for future generations.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.**

   This policy is applicable to all the business divisions of the GHCL Limited and its business associates, subsidiaries, suppliers, contractors, NGO and other entities which are directly dealing with the company either in the business operations or in its CSR activities.

   The EHS Policy, Deforestation Policy, Climate change & Green Procurement policy of GHCL Ltd covers manufacturing and mining sites, own employees and contractors of the Company. The policy document is available at following hyperlink. ***http://ghcl.co.in/sustainability/safety.***

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc**.

   Yes. Ensuring a safe and healthy working environment is our top priority. Our Environment, Health & Safety (EHS) policy, objectives, standards and working procedures are designed to make GHCL a very safe and healthy place to work in. The policy is reviewed and revised periodically to reflect company's position on EHS and incorporate the latest practices so that our people can work to the best of their abilities with the least concern for their safety.

   Over the years, we have developed innovative systems and practices which have helped us earn some of the best industry awards and certifications which echo our commitment to provide the best possible safe and healthy work environment for our employees and communities we work in. We believe that our success lies in the safety and prosperity of our people and communities. It is the commitment that GHCL will continue to improve overall environment to make GHCL a great place to work in.

   Relevant hyperlinks are given below: ***http://ghcl.co.in/sustainability/safety.***

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes. Risks, mitigation strategies and contingency measures are reviewed and revised every year.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Clean Development Mechanism (CDM), provided for under Article 12 of the Kyoto Protocol, enables developing countries to participate in joint greenhouse gas (GHG) mitigation projects. Under this Protocol, developed countries and economies in transition are required to reduce GHG emissions to below their 1990 levels.

   GHCL Limited has taken various initiatives in the direction of Clean Development Mechanism and focussed to renewable energy and installed Windmill with the capacity of 27.10 MW in textile division. Further, textile division has taken initiative to plant 1111 trees in a year and have planted 200+ as on 1st of May 2017.

   At Soda Ash Division, with the aim of clean and green GHCL, we have planted 3650 trees in FY 2016-17 within the plant premises and around the plant vicinity.

5. **Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy,**

etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. At GHCL, we take environmental health quite seriously. To begin with, we practice environmental friendly habits; we encourage plantation and water conservation methods within and outside our premises. We have laid huge emphasis on clean energy and as a step towards that GHCL has installed more than 25 MW Wind Mill capacity thereby meeting more than 50% of its energy requirements in its Yarn Division through Green Energy. Further, 2.10 MW Wind Mill capacity is also installed at Home Textile, Vapi which is showing our commitment towards adoption of green energy measures in overall operations. Wind Power have significantly cut down consumption of fossil fuels, which is a primary reason for pollution and environmental degradation.

We have employed the latest Effluent Treatment Plant and Reverse Osmosis to ensure that no harmful substances are discharged in the environment.

We continuously draw on our enterprise strategy 'ABHILASHA' for inspiration to be among the best environmental friendly companies in India. And sensing from the sheer support and enthusiasm that we get from our people, we are sure that we'd soon join the league of the best environmental friendly Indian companies.

Some of our environmental friendly initiatives include

- Own co-generation plant at Sutrapada which has a capacity of producing 38.7 MW of power Including Condensed turbine of capacity 12.5 MW Installation of new condensing cum back pressure turbine for better steam power balance. Introduced environmental friendly techniques for reduction in lime wastages.
- Electrical motors being replaced / procured shall be energy efficient motors.
- Conversion of motor driven compression chillers to vapour absorption chillers for eliminating use of ozone damaging refrigerants. This has also resulted in power saving by using available steam.
- Usage of solar powered heaters at our Transit Guest.
- Introduced less liquor handling techniques per ton of soda ash.
- Introduced adequate system on efficient Ammonia recovery.
- Nano technology is used for sea water softening for plant process uses.
- Installation of energy efficient ejectors replacing old inefficient steam ejectors for better heat recovery.
- Manufacturing of fly ash bricks from fly ash generated in the plant (Waste utilization).

Relevant hyperlink is http://ghcl.co.in/sustainability/environment/ . Environment protection initiatives as part of Corporate Social Responsibility are outlined in http://ghcl.co.in/sustainability/corporate-social-responsibility/

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. The emissions/waste generated by the Company for Financial Year 2016-17 are within permissible limits given by CPCB/SPCB(s).

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   As on 31 March, 2017, there is no pending show cause or legal notice received from CPCB or SPCB, to the best of the Company's knowledge and understanding.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

GHCL Limited understand that it operates in various diversified sectors which requires consistent, balance and transparent interactions with various regulatory authorities and social organisations. GHCL Limited believe that the engagement with the relevant authorities is guided by the values of commitment , integrity, transparency and the need to balance interest of diverse stakeholders.

GHCL Limited engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. GHCL is a member of Alkali Manufacturers Association of India and the Southern India Mills' Association besides other business association like CII, PHD Chambers, CII and FICCI.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes. During the financial year 2016-17, GHCL has participated in various discussion / initiatives taken by trade associations and chambers on the issues pertaining to Governance and Administration, Economic Reforms and sustainable business principles.

Principle 8: Businesses should support inclusive growth and equitable development.

GHCL Limited believe that the sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet. In order to achieve inclusive growth and equitable development, GHCL Limited believe that economic growth, social inclusion and environment protection must be harmonised.

GHCL Limited is committed to ensure protection of interest of all stakeholders. In order to achieve inclusive growth and equitable development, GHCL Limited through its GHCL Foundation do various CSR projects in accordance with Schedule VII of the Companies Act, 2013.

GHCL Foundation was established to impart social & welfare activities in and around the plant locations and after becoming the CSR mandatory for the corporate, the scope of GHCL Foundation was aligned with the expectation of Schedule VII of the Companies Act, 2013. GHCL's commitment to the development of weaker sections of society is continuing since more than two decades.

GHCL has initiated various programmes such as healthcare facilities, animal husbandry, forming of self-help group, drinking water facilities, primary education, vocational training, sanitation, roof rain water harvesting etc.

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   GHCL Ltd focuses on responsible business practices with community-centric interventions. The thrust areas for GHCL Limited are agro based sustainable livelihood, Animal husbandry, safe drinking water, skill development and employability training, education and health care, all of which constitute the Human Development Index – a quality of life indicator.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The aforesaid projects / programmes are carried out through GHCL Foundation Trust along with various NGOs partner.

3. **Have you done any impact assessment of your initiative?**

   Impact assessment was carried out by Centre for Integrated Development (CFID) in 2014-15. The study looked at all possible interventions carried out by the Foundation. We get synopsis of the work done and an authentic and comprehensive review of all social activities.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   The direct contribution of GHCL Limited to the community development is Rs. 4.03 crore during year 2016-17. This amount was spent under the broad categories of:

   - **Water Resource:** Drinking water scheme, Roof Rain Water Harvesting Scheme, ATM based RO (Reverse Osmosis Plant;
   - **Sanitation**: GHCL Foundation Trust has been making efforts for promoting toilet construction at household level toward supporting "Swachchh Bharat Mission". More than 6000 House Hold level toilets have been supported in 67 villages. Major impact of household level sanitation system has been on reduction in drudgery and time saving. This project improved hygiene condition and privacy especially for women.
   - **Health & Hygiene:** Mobile Medicare, Eye camps, Cancer awareness through our dedicated Mobile Medical Vans along with qualified Doctors.
   - **Agro based livelihood:** Drip and sprinkler irrigation, Horticulture, Better Cotton Initiative, Organic Manure, Agri. Inputs, Farmer training and exposure
   - **Animal Husbandry**: Artificial insemination, Animal treatment camp, Fodder management, Cattle Nutrition support
   - **Education:** Mine Site schools, Learning Enhancement Classes , Pre-primary education support at Anganwadis, Primary school support, Extra coaching /mock test for 10+2, Support for Boarding schools
   - **Women Empowerment:** Self Help Groups (SHGs), Saving, bank linkage and IGA training
   - **Skill development:** Vocational training centres providing training for skill development in areas of stitching, weaving, processing, and like and their placement for gainful employment.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?.**

   GHCL's CSR activities are focussed at village level. During the process of project identification and implementation, we engaged Gram Panchayat for their input and also encouraged them to support the initiatives of the company for betterment of the local community at large.

   We also collaborate with the existing social groups working in the villages and also creates Women Self Help Groups, farmers groups under certain projects which require collective efforts. We call them as a learning group. These learning groups managers the project and provides opportunities to its members to take part in the initiatives. More often, the learning groups also provides inputs to shape the project and make the same more effective. We believe that the community certainly plays an important advisory role in deciding and shaping the direction of the project.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

GHCL Limited believe that for a successful business, a consistent efforts are essential to engage with and provide value to their customers and consumers in a responsible manner.

GHCL Limited is committed to engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Nil

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes /No / N.A. / Remarks (additional information)**

   NA

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**.

   No.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes.

MANAGEMENT DISCUSSION AND ANALYSIS 2017

DISCLAIMER:

Readers are cautioned that this Management Discussion and Analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate", "believe", "estimate", "intend", "will", and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that would make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets, raw material prices, changes in the Governmental regulations, labour negotiations, tax laws and other statutes, economic development within India and the countries within which the Company conducts business and incidental factors. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information or events. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

MANAGEMENT DISCUSSION AND ANALYSIS

The management of GHCL Limited presents the analysis of division-wise performance of the Company for the financial year ended March 31, 2017 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

REVIEW OF ECONOMY

The International Monetary Fund (IMF), in its January 2017 World Economic Outlook stated that after a lacklustre out turn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies. IMF has projected global growth at 3.4 per cent in 2017 against 3.1 per cent in 2016, which may marginally go up to 3.6 per cent in 2018. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies; including India, Brazil, and Mexico.

As per the second advance estimates released by the Central Statistical Office (CSO), the growth in GDP during 2016-17 was estimated at 7.1% as compared to the revised growth rate of 7.9% in 2015-16. As per said CSO data, various sectors such as manufacturing, trade, hotels, transport, communication and services related to broadcasting are likely to register growth rate of over 7%. The growth in agriculture, forestry and fishing sector has been estimated to be 4.4%, mining and quarrying at 1.3%, 'electricity, gas, water supply and other utility services' at 6.6%, construction at 3.1% and 'financial, real estate and professional services' at 6.5% in 2016-17.

According to Economic Survey 2016-17, Foreign exchange reserves are at comfortable levels and have risen from around US$350 billion at end-January 2016 to US$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. Despite moderation in India's exports, India's external sector position has been comfortable, with the current account deficit (CAD) progressively contracting from US$ 88.2 billion (4.8 per cent of GDP) in 2012-13 to US$ 22.2 billion (1.1 per cent of GDP) in 2015-16 and the same has further narrowed to 0.3 per cent of GDP in first half of 2016-17. Capital flows have remained strong during the last few years. Notwithstanding, the volatility seen in some of the vital data points (e.g., falling exports, low IIP numbers etc.), the growth trajectory remains on track. Importantly, such growth has been accompanied by macro-economic stability. Inflation has been under control and the balance of payment position looks healthy.

This year has been marked by several historic economic policy developments. On the domestic side, a constitutional amendment paved the way for the long-awaited and transformational goods and services tax (GST) while demonetization of the large currency notes signalled a regime shift. Demonetization is a generations' memorable experience and is going to be one of the important economic events of recent time. Its impact is felt by every Indian citizen. Demonetization affects the economy through the liquidity side, which affected most of us because nearly 86% of currency value in circulation was withdrawn without replacing bulk of it. The impact of demonetization on economic activity and the magnitudes of short-term cost remain uncertain, as do the timing and extent of long-term benefits. The transformational GST law, which will create a common Indian market, improve tax compliance, boost investment and growth. The GST is also a bold new experiment in the governance of cooperative federalism. In addition, the government also overhauled the bankruptcy laws.

During last couple of years Government had launched many schemes which are being considered as successful initiatives like 'Swatch Bharat' or 'Make-in India' or 'Skill India' or 'Digital India' or 'Jan Dhan Yojana' or 'Mudra Yojana' or 'Jan Suraksha Schemes' or 'Start-up India' or efforts for ease of doing business in India and have given a powerful boost to Indian Economy. Government has made the revival of Indian manufacturing a top priority, reflected in its "Make in India" campaign and also "Skill India" initiatives. The Union Budget also attempts to strike a balance between growth by boosting infrastructure investments (i.e. road, rail etc.) and development through increases in allocations to agriculture and rural development. Hence, the Budget has clearly focused more on agriculture and rural India, which could create additional demand that is required for reviving growth. The Budget stuck to the fiscal deficit target of 3.5 percent of GDP in FY 2016-17. The one significant upside possibility is a good monsoon, which would increase rural consumption.

COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS

- Revenue for the financial year ended 31st March 2017 has increased by around 10% to Rs. 2,980.17 Crore as against Rs. 2,716.22 Crore for the previous Financial Year ended 31st March 2016.
- Profit before financial expenses and depreciation for the financial year ended 31st March 2017 has risen by around 14% to Rs. 724.42 Crore as compared to Rs. 635.76 Crore for the previous Financial Year ended 31st March 2016.
- PBT (Profit Before Tax) for the financial year ended 31st March, 2017 is higher by around 33% at Rs. 501.93 Crore against Rs. 377.40 Crore for the previous Financial Year ended 31st March 2016.

INORGANIC CHEMICALS (SODA ASH) GLOBAL SODA ASH INDUSTRY

DEMAND-SUPPLY SCENARIO

DEMAND

The world's soda ash markets are evolving to meet shifting production economics and demand. The impetus for change lies partly in the increasing globalization of the industry; such shifts, however, also stem from the difficult environment the industry has faced in recent years. Changes include the rise of new dominant players like Turkey and increased pressure from the fast-growing economies of China, India and Russia. The dependency on a volatile energy market for crucial feedstocks adds yet another layer of complexity. Like many raw materials, the soda ash industry also has become very sensitive to fluctuations in economic conditions. Glass markets, which still account for more than half of global demand, however not expected to lead, as it was in the past, owing to continued economic slowdown in China. As per latest estimates of IHS Chemical (Market Advisory Service), the total Global Production in 2016 was approximately 56 Million Tons against an estimated capacity of approximately 65 million MT.

Naturally produced soda ash is now overtaking market supply and synthetically produced capacity, except in China and India, continues to decline. There has been an influx of new supply of natural soda ash from Turkey, which is both cost-competitive and more sustainable than synthetic production; in fact during 2017 Turkey is like to put on stream 2 million MT which is likely to cause significant disruption on the supply side. As a result of this cheaper supply, more costly synthetic supply from high-cost producers, particularly in Europe, will come under increasing pressure. In Europe, falling demand particularly from the CIS region has left the continent in a situation of oversupply, despite significant cuts to Soda Ash capacity.

SUPPLY

Turkey will be the new major player in the Global Soda Ash market, with locally-based Ciner Group already added 0.5 million tpa in the beginning of this year and a further 2.0 million tpa soda ash capacity to be added to the market by 2017 end. With new natural soda ash plants at Beypazari and Karzan facility already under construction and, in addition, its acquisition of a 38% shareholding in US-based OCI Wyoming, Ciner becomes the second largest soda ash producer in the world, after Belgium's Solvay SA (which is expected to have a nameplate capacity to produce 7.45 million tpa soda ash in 2018).

In spite of increasing economic problems that are affecting the financial viability of some operations, China continues to be the largest Soda Ash player in the world, having a capacity of 30 million tpa, which is 47% of the global capacity. As per IHS Chemical report China's operating rates were around 87% in 2016, reporting a production of 26 million tpa and domestic consumption of 24 million tpa, the balance 2 million tpa is exported. Though growth in China has reportedly been stagnant in the last year, we feel that this year will see some growth due to Chinese Government stimulus plus growth in Detergents and bottle glass etc. Therefore our assumption of growth is around 3%.

However, China's economy faces risks from international uncertainties and excess factory capacity this year. Exports are finally showing signs of recovery after multi-year slump, the outlook for Global Demand are being clouded by a feared rise in US trade protectionism.

US producers continue to enjoy the highly competitive production costs. 57% of US Soda Ash production is sold to export markets and shipment volumes have been increasing year by year. US capacity is 13.16 million tpa and they produced 11.74 million tpa of soda ash and their annual production represents 89% operating rate. The US production is stated to have grown by 2% in 2016 where as domestic demand for soda ash saw a negative growth of 2% versus 2015. The total domestic consumption was estimated at around 5.05 million tpa and they exported 6.67 million tpa recording 4.3% growth.

INDUSTRY OUTLOOK

Global

The world estimated 2016 distribution of soda ash by end use is as under;

Glass	53%
Detergent & Soap formulations	15%
Chemical	9%
Alumina /Metals and mining	6%
Pulp & Paper	1%
Others (Environmental Protection/ Effluent treatment etc)	16%

It is clear that the new low-cost Turkish supply with a competitive cost base and low transport costs – relative to the US producers – will continue to influence the market especially with their forthcoming 2.0 Million tpa by 2017 end. Although naturally produced soda ash has number of cost benefits over synthetic material in regions where it can be easily extracted and delivered, there is not sufficient supply of natural soda ash to supply the entire global market.

INDIAN SCENARIO

We have succeeded in two major economic reforms in the form of Demonetization and introduction of GST. These measures are going to have tremendous positive impact on the Indian economy both in the medium and long terms. The remonetization exercise was swift and with the implementation of GST what we will see is an improvement in GDP growth. The Goods and Services Tax regime is all set to roll out nationwide from July 01, 2017. GST will be the biggest tax reform in recent decades. Sentiment about India continues to be very positive because amidst global headwinds, India continues to be seen as a bright performer by the entire world. The expectation is that it is only a few countries such as India that will be drivers of global growth in coming years. As regards Soda Ash is concerned, Domestic Soda Ash demand has witnessed a growth of 6% in FY 2016-17 as against last year. All consuming segments including Detergents and Flat Glass, Chemicals & Silicates recorded a healthy rebound; only Container Glass segment continues to be low key.

Our market estimate indicate that downstream demand growth is gradually improving and 2017 is expected to be better than 2016. India's GDP growth in real terms is slated to be better in the coming Financial Year with the positive impact of reforms. It is expected that downstream sectors like Detergents and Glass should be better than last year. A more stable economic outlook would help generate consumer confidence and therefore facilitate higher spending – both urban and rural leading to a better outlook for Soda Ash.

The Indian Soda Ash market constitutes of two varieties – Light grade (used in detergent industry) & Dense grade (used in Glass industry), with a share of 60% and 40% respectively. Total installed capacity in India was 3.4 million tpa. With an estimated production of about 2.8 million tpa in last financial year (2016-17) the capacity utilization was of around 83%. Going forward we are looking at expansion of 0.25 lacs metric tone in 2017-18 and further expansion of 1.25 lacs metric tone in 2018-19

The total size of the Indian soda ash market is about 3.6 million tpa including internal consumption and almost all the major industry players are located in the state of Gujarat due to the closeness and ready availability of the main raw materials namely limestone and salt.

Sourcing of these Key raw materials like Lime Stone & Salt are posing a major challenge the industry currently as no fresh Lime Stone mines or Land Bank for Salt Works is being allotted by the Govt. of Gujarat.

GHCL SODA ASH BUSINESS

GHCL Limited is a leading Indian producer of soda ash is well-poised to tap opportunities in both the Detergents & the Glass industries. The total soda ash business contributes about 60 % of total Indian Standalone revenue.

In India the company has a significant advantage in maintaining tight control on cost of soda ash due to major captive source on some of the raw materials – Salt, Limestone & Lignite.

GHCL shares highly successful client relationships and is the preferred supplier to all major soda ash consumers; its clients include Hindustan Unilever Limited, Ghari Group, P&G, Patanjali Ayurved Limited, Fena Group, HNG Group, Gujarat Guardian Limited, Gujarat Borosil Limited, Piramal Glass Limited, Gold Plus Glass Industries Limited and Phillips.

OPPORTUNITY AND CONCERNS

The Indian industry suffers from the weaknesses of concentration of 95% capacity in Gujarat and the cost of transport to markets in South and East India, which constitutes about 25% of the National consumption, is high as compared to the ocean freights to South and East India where product is imported from US/ China/Kenya and Europe. Currently around 21% of the Indian demand is being met by cheap imports. Import price variance continues to be extremely high.

Going forward, your company is planning to double its capacity of Sodium Bicarbonate from the current level of 32500 Metric ton per annum to 65000 metric ton per annum to take advantage of the growing market of this product. GHCL has been able to maintain a domestic market share through a combination of market development, pro-active Direct Customer Relationship management Satisfaction Initiatives (CSI) and the speedy response to the needs of the market place.

CONSUMER PRODUCTS BUSINESS:

The FMCG segment is the 4th largest sector in the Indian economy, with food products being the leading segment constituting to 43% of the FMCG market. The key growth drivers for the FMCG segment include change in lifestyle patterns, a radical shift in the decision making process, growing awareness, easier access to all kinds of products, value seeking behaviour, high disposable income and digitization. The rural areas have shown a growth of 16% against a growth of 12% in the urban areas, which is being well capitalised by most of the key players in the segment. Central Government's measures to support rural population with high MSPs and loan waiver has helped scale the rural growth. With the shift of focus of people to a more health conscious lifestyle, the "Health and Wellness" segment is becoming a mega trend that is shaping up to be a major growth driver for major FMCG companies.

The urban buying trend has shifted from essential to premium products due to the rise in disposable income, people's tendency to experiment new stuff, etc. Going forward, GHCL's consumer products business will be focusing on research & development and innovation as means of growth with major focus in the "Health and Wellness" platform. The new edible salt plant at Thiruporur is operational during March'17 with a capacity of approximately 1lacs metric tons per annum. This will be a big boost for sales and can feed almost 75% of our southern market requirement directly.

The brand "i-FLO" has established a good brand image in the southern states of India, and Maharashtra and Goa. The product portfolio of variants of salt, honey and spices has been well received in the market. As a part of our expansion plan, we launched i-FLO spices (in sachets) and i-FLO Spices Combo in the market. The coming years will witness pan India expansion with a more elaborate product portfolio.

TEXTILES – OUTLOOK & GROWTH

India's textiles sector is one of the oldest industries in Indian economy. Even today, textiles sector is one of the largest contributors to India's exports. The textiles industry has made a major contribution to the national economy in terms of net foreign exchange earnings and contribution to India's gross domestic product (GDP). Based on the Annual Report 2016-17 released by the Ministry of Textiles, the Indian Textile Industry contributes to 10% of manufacturing production, 2% of India's GDP and to 13% of the country's export earnings. The textiles industry is also labour intensive and is one of the largest employers. The Indian textiles industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The Indian textiles industry is expected to reach US$ 223 billion by 2021, from around US$ 108 billion in FY'15.

The Global Home Textile market is estimated at around US$ 45 billion at the wholesale level. The major consuming counties are US and Europe each constituting around one third of world demand. India, China and Pakistan are the major exporters in this segment accounting for nearly 50% of the world trade. These three countries account for more than 85% of Home Textile Exports to US market. Which is not the case for Europe as other countries like Pakistan, Bangladesh and Turkey enjoy duty free status for European market.

India's home textile industry is expected to expand at a CAGR of 8.3 per cent during 2014–21 to USD8.2 billion in 2021 from USD4.7 billion in 2014. India accounts for 11 per cent of global home textiles trade. Superior quality makes companies in India a leader in the US and the UK, contributing two-third to their exports. Indian products have gained a significant market share in global home textiles in the past few years in which depreciating rupee also played a major role when compared to China. The growth in the home textiles would be supported by growing household income, increasing population and growth of end use sectors like housing, hospitality, healthcare, etc.

In 2016, Indian home textile industry is estimated at USD 5.5 billion. India is emerging as biggest exporter of Home Textiles capturing around 47% Market share in United States of America which is second biggest market for home textiles. The Indian Textiles Industry is the 2nd largest only after China.

Textiles industry has been growing at 10% over last several years. Government of India has provided a number of export promotion policies for the Textiles sector. It has also allowed 100 per cent FDI in the Indian Textiles sector under the automatic route.

GHCL - TEXTILES

GHCL Limited has integrated textile manufacturing facilities with an installed spinning capacity of around 1.76 lakh spindles and 3320 Rotors (Open End) manufacturing 100% cotton, polyester cotton & other blended yarns, 162 Air Jet looms, 36 million meter of wide width processing capacity, 12 million meter of weaving capacity and 30 million meter of cut & sew facility for manufacturing world class quality merchandise. We have state-of-art plant at Vapi, Gujarat that integrates weaving, processing and cut & sew facilities. The Home Textiles division is investing to increase weaving capacity by 18% and processing capacity by 25%, which will be operational in 3rd quarter of next fiscal year. GHCL's spinning units in Tamil Nadu are considered to be one of the most efficient and modern yarn manufacturing facilities in India. Spinning units manufacture multiple varieties of yarn ranging from 16s to 32s in open end, 30s to 120s in ring spun counts in 100% cotton and 30s to 70s counts in other blended yarns. Excellent product development capabilities has put GHCL in forefront of major markets internationally, mainly North America, Australia, Middle East, UK and Europe. GHCL has also started to focus on domestic market and working with major organized retail stores and brands for domestic market.

Overall in the textile business of the company has posted satisfactory performance this year, which is despite the demonetisation impact. The home textiles business operations have done reasonably well mainly due to strong customer relations, product portfolio, consistent supply of quality products and strengthening organisational structure. This has led to increase in capacity utilisation to 93% as compared to 85% last year.

The Revenue of Textiles division is at Rs. 1,229 Crores during the financial year 2016-17 against Rs. 1069 Crores in 2015-16. We are glad to inform that there is significant improvement in the margins over last year. This has been made possible due to higher capacity utilisation and our relentless customer focus.

This has enabled us to successfully strengthen our export markets and thus resulting in securing large replenishment orders from the big global retailers and importers. Some of our valued customers in USA, Europe & Australia include Bed Bath & Beyond, Target, HBC Canada, Sears Canada, K-Mart, Revman International, TJX Group, QVC, House of Fraser, The White Company, Miles Home Fashions, Myer, Pillow Talk and many more. Market sentiment in USA looks better and the company is focusing on USA market for large volume programs. We strongly believe that our focus on customer realignment along with innovative products & designs, enhanced product basket with tie ups with private labels shall provide us further impetus to both top line and margin improvement. However, upward fluctuations in the cotton price and forex with strengthening Indian Rupee are becoming a big concern. Demonetization had affected the economy through the liquidity side and affected the demand in the domestic market. But, going forward we expect an increase in demand for yarn as well as prices. Your company has taken effective steps to bring down the power cost and total installed capacity of wind mills is 25 MW, which will meet major power needs of the spinning and home textiles division.

OPPORTUNITIES, THREATS AND RISK MITIGANTS:

India's competitive edge in USA market over Pakistan and China is likely to remain unchanged. With growing urbanisation and improving organised retail in India, the Indian textile industry shall gain momentum with growth in domestic market as well. Technological advancement along with favourable Government policies should act as a catalyst in textile sector growth. Recently, government has introduced rebate on state levies on export of made ups, which may boost up the Industry. GST is going to be positive factor for making retail sector into organized one.

India is still not a preferred supplier in Europe due to differential duty over Pakistan, Vietnam and Bangladesh. Availability of skilled labour continues to haunt the industry. However with Government's "Skill India" initiative, we expect that the problem shall get resolved to great extent. Strengthening Indian rupee can also negatively affect textiles exports from India when compared to weakening currencies for China & Pakistan. Crude had touched its bottom during last year and is now showing a reversing trend. Increase in crude prices can impact the cost. This can also result in greater degree of forex volatility. We are actively interacting with experts to understand foreign exchange fluctuation and taking appropriate and timely steps to minimize its impact on GHCL.

INTERNAL CONTROLS AND RISK MANAGEMENT

GHCL has adequate and proper system of internal controls commensurate with its size and business operations at all plants, divisions and the corporate office to ensure that its assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are reliably authorized, accurately recorded and reported quickly. The company has appointed outside internal audit agency to carry out concurrent internal audit at all its locations. The scope of its internal audit program is laid down by the Audit Committee of the Board of Directors. The Audit Committee meets periodically to discuss findings of the internal auditors along with the remedial actions that have been recorded or have been taken by the management to plug weakness of the system. Risk Management and internal audit functions complement each other at GHCL. The company strives to adopt a de-risking strategy in its operations while making growth investments. This involves setting up and monitoring risk on a regular basis.

In addition to the above, the Company had voluntarily constituted a Risk Management Committee in line with the requirement of Regulation 21 of the Listing Regulations. The Company applies Risk Management in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company's risk tolerances. The management monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the Company.

HUMAN RESOURCE DEVELOPMENT IN GHCL

The Company has 3555 employees on its permanent roll as on 31st of March 2017, each committed towards playing their roles and discharging given responsibilities to enable the organization to meet its objectives. Employees of GHCL, apart from accomplishing their functional activities, are always willing to take an extra step to bring in process improvements, innovation and creativity at work place as well as better cost and time management. Upholding this trait, during the year 2016-17, employees were successful in completing many project and process initiatives leading to higher work efficiency in the organization. The organization has, continuing its efforts to improve the employability of its people, also ensured to provide all avenues to learn and experiment, also bringing in, greater job satisfaction and motivation among the workforce.

The Human Resource function over the last few years have been relentlessly working on making GHCL the best place to work for its employees. In its pursuit of doing so, the many interventions that have been launched over the years like DISHA, M-DISHA, MILAP, Committee Way, GHCL TEA, VIKAS, Knowledge Sharing Sessions etc. have brought rich dividends to the company in terms of employee engagement and empowerment. A fundamental shift in the way the employees' perceive the organization has blossomed with time and now that these interventions have dug down deep roots into the nucleus of the organization is praiseworthy. Such a shift in the perception of our employees was evident from the recently concluded 'Great Place to Work' survey conducted by the organization.

During the financial year ended March 31, 2017, GHCL has been ***certified as 'Great Place to Work'*** in India. The qualification as 'Great Place to Work' is based on the weightage score achieved from Trust Index Employee Survey and Culture Audit. This has paved the way for us in our quest to achieving more in terms of making GHCL the best place to work. The Human Resource department is digging deep and the insights are being pathologically analysed to erode any cultural misfit from the system.

One such intervention which is being taken care of is Learning & Development. To promote sustainability in human processes and meet talent demands in future, we have undertaken the process of identifying talents and grooming them for future leadership positions. This will help in building efficiency in the day to day running of the organization and the benefits can be reaped in years to come.

GHCL has also created a level playing field for itself by introducing ITisation in some of its Human Resource practices. We have introduced Employee Self Service portal for building efficiency and limiting the use of natural resources like paper. Recruitment and selection process and Performance Management System are next in line which will be ITised to build efficiency and bring transparency into the system.

HR also played a pivotal role during the year in the propagation of the new Mission and Vision of the company. The Mission and Vision was rolled out through different mediums in order to create a clarity and alignment in the minds of all the employees of GHCL.

The year 2016-17 witnessed the company sparing no measures in upholding it's values in all its thoughts, activities and transactions internally or in dealing with its external stakeholders or the society in general. The four core values, Respect, Ownership, Trust and Integrated Teamwork have been the guiding principles for the HR function also while conducting all people related operations and these values have contributed tremendously in creating a unique organizational culture and corporate identity for GHCL. To reinstate the practice of propagating our Core Values and motivating employees to follow them, the employees who exhibit the core values in their behaviour are identified as Core Value champions and are rewarded suitably. To reach to such a conclusion, the HR function undertook organization-wide survey on Core Value Adherence twice a year and the top scorers rewarded subsequently. Further to this, the organisation also assimilates feedback from external business associates, i.e. its customers and vendors on GHCL core values as well.

With regard to addressing the training and development needs of employees in general, various training programs were organized on the basis of the 8 competencies that were identified as vital for the success of the organization and, such programmes will continue to be provided in the coming years as an ongoing process. For providing such programs, the HR Function identifies the best faculty and training agencies based on their credentials and experience in delivering successful programs in similar organizations.

Promoting Industry-Institute collaboration is an equally important outlook of the HR function. During the year, the company has also provided short term training opportunities to students pursuing various professional courses enabling them to have valuable industrial exposure. Executives from the organization has also visited institutes to enlighten students and job aspirants on career development techniques and other nitty-gritty aspects related to professional development.

Many other programs for employee rejuvenation and creating stronger inter-personnel relations, team building as well as aimed at further strengthening the bonding across all divisions and locations of the company were organized in the year. These programs help employees significantly in leading a balanced work life in the organization.

GHCL's HR function remains open to adopting new and innovative HR initiatives which have been proved effective in successful organizations or develop such initiatives on its own to maintain company's human capital as willing and competent to contribute towards achieving its business objectives. The strategy of HR function is always aligned with the long term business strategy of the organization and almost all HR initiatives are developed keeping that aspect in mind. To sum up, the human resources function has been, during the year 2016-17, able to provide strategic HR support to the organization as well as the individual employees in a very effective way. The HR function is committed to improve all its processes based on the results and feedback and ensure that its manpower will remain its greatest asset.

CSR Initiatives

GHCL Foundation Trust has been involved with various developmental initiatives in the villages around its business interest. With its presence in all the four locations in Gujarat i.e. Sutrapada, Victor (Rajula); Bhavnagar and Bhilad it works, influences the life and livelihoods of over 25000 households in the 77 villages. During the year, it has also made efforts to go beyond the area of business interest so as to usher in a development design that will impact many more households in future.

The need based interventions of GHCL foundations Trust, follows a strategic and programmatic focus. The work is carried across the thematic area of Education, Community Health and Livelihoods. Processes are done to work with children in schools, with women and men in Agriculture and Animal Husbandry and with the households and village governance unit in areas like drinking water and sanitation. The work during the year had given significant results and recognition as well.

Education programme runs across all the four locations with varying degree of intensity and programmatic focus. We work with children from the pre-school level to that of the higher secondary level. Our skill training institutes provide skill trainings to the youths and make them employable. We have been able to provide the youth trained obtain skilled jobs in industries and they have been contributing to the household's economy.

Health initiatives continues along the preventive and curative front. On the preventive front your company has carried out massive drive to ensure that households have access to toilets. Your company is recognised as the largest contributor to this movement not just in the district but also in the region. GHCL also worked on ensuring the supply of potable drinking water through piped community managed water systems. This has been the single intervention wherein we have reached significant population and have worked on their preventive point. Women find such interventions as ones that have reduced their drudgery and also have given them the dignity that they deserve. On the curative front, the Mobile Clinics continue to reach out to the villagers almost on a weekly basis. We also have conducted eye camps and camps to identify diseases among women and elderly population.

Our efforts in Agriculture particularly at the farm gate have continued unabated and have reached to all the locations in Sutrapada. We have carried out supplies of organic manure; reached farmers through Micro irrigation schemes; plantation of horticulture species like coconut and mangoes. We have ensured the breed improvement initiatives through Artificial insemination programme and also have conducted cattle health camps. Our endeavor is to build the inherent capacity of the farmers through knowledge transfer and trainings.

Almost in every initiative our engagement is with various government departments. We are associated with Sir Ratan Tata Trust, with the CADP unit of the Government; with the State Rural Development Department for implementing the Swacch Bharat Mission, with the Gujarat Green Revolution Company in reaching out to farmers with Water Saving Technologies and solution. We have also been associated with Better Cotton Initiative (BCI) an international program working on sustainable cotton cultivation looking at ensuring reduced usages of pesticides and chemicals. We are also piloting a technology called SIM Bio-gas (New Netherland based technology) with a FINISH Agency.

During the year, GHCL Foundation also hired services of National experts to look at and carry out evaluation of the educational initiative. The findings are encouraging and provide us with scope to enlarge the programme in future.

The year has also been quite rewarding for us. The GHCL Foundation Trust bagged the prestigious award for its effort under the category of Sustainable and Impactful CSR Project. The award constituted by Gujarat State CSR authority. His Excellency Shri OP Kohli, The Governor of Gujarat, handed over the prestigious award to the team for its work on promoting agro based livelihoods of farming households at Sutrapada. Other smaller recognition also came to our efforts at the district level.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

1. Company's Philosophy on Code of Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

Your Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

The Governance for your Company means being true to own belief and constantly strengthening and increasing stakeholders' values and return on investment by adopting principles of transparency, accountability and adherence of committed value creation principles. We are firm in the belief that Corporate Governance means commitment for achievement of value based growth and meeting the commitment within the predefined time frame without compromising with ethical standards, set paradigms, transparency in transactions and fixing of accountability.

In order to strengthen corporate governance practices, company had adopted a code of conduct for Board of Directors and senior management personnel of the Company, Policy on Board Diversity, Policy for determination of materiality, Policy on succession plan for appointment to the Board and Senior management, Whistle Blower Policy, Risk Management Policy, Policy on preservation of documents and Archival Policy, Policy for determining Material Subsidiary and BRR Policies etc. of the Company. These policies and code of conduct are available on the website of the Company. The Company's corporate governance philosophy has been further strengthened through the code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by insiders pursuant to SEBI (Prohibition of Insiders Trading) Regulations, 2015. The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

2. Board of Directors

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. Apart from that the Board also discharges its responsibilities / duties as mentioned under the provisions of Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) land other applicable laws.

2.1 Composition:

The Composition of the Board as on March 31, 2017 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2017			
Category	**Name of Directors**	**No. of Directors**	**% of total number of Directors**
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	27.27%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalmia		
Non - Executive - Independent Director	Dr. B C Jain	6	54.55%
	Mr. K C Jani		
	Mr. G. C. Srivastava		
	Mr. Mahesh Kumar Kheria		
	Mr. Sanjiv Tyagi		
	Mr. Lavanya Rastogi		
Managing Director / Executive Director	Mr. R S Jalan – Managing Director	2	18.18%
	Mr. Raman Chopra – CFO & Executive Director (Finance)		
	TOTAL NO. OF DIRECTORS	**11**	**100%**

Note:

1. During the year, the Company had paid the final installment of loan taken from IDBI Bank Limited vide Loan agreement dated July 6, 2010. Accordingly, IDBI Bank Limited had withdrawn the nomination of Smt. Padma Vinod Betai with effect from January 25, 2017 as a Nominee Director from the Board of the Company.
2. Subsequent to the year end, the Board of Directors had appointed Mrs. Vijaylaxmi Joshi (Ex-IAS) as an additional director of the company in the category of Independent Director with effect from April 20, 2017.

The Board of GHCL Limited is having an optimum combination of executive and non-executive directors and the Board consists of 11 Directors, 9 of whom are Non - Executive Directors. The Chairman of the Company is a Non -Executive Director and promoter of the Company and hence the requirement that at least one – half of the Board shall consist of Independent Directors is complied with as the Company has 6 Independent Directors. All of the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgement of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

As stated above, Mrs. Padma Vinod Betai, Nominee & Woman Director of the Company ceased from the Board of the Company effective from January 25, 2017, which resulted into intermittent vacancy of Woman Director. Subsequent to the year end, the Board of Directors had appointed Mrs. Vijaylaxmi Joshi (Ex-IAS) as an additional director of the company in the category of Independent Director with effect from April 20, 2017. Hence, the Company has filled up such vacancy within the stipulated time period of three months as per the requirement of Section 149 of the Companies Act, 2013 and rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, budget, the annual financial plan, significant contracts and capital investment along with strategic decisions like Restructuring of Business, Debt and Human Resources etc. Wherever appropriate, the Board delegates its authority to Committees of Directors like Banking & Operations Committee, Project Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit Committee, CSR Committee, Business Strategy & Planning Committee, Risk Management Committee and Compliance Committee. Information is provided to the Board in advance of every meeting and the Chairman ensures that all Directors are properly briefed on the matters being discussed. The Board reviews compliance reports of applicable laws in the Board meetings and also deliberates the compliance of code of conduct for Board Members and Senior Management.

With an objective to ensure maximum presence of our Independent Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda is permitted after obtaining permission of the Chairman of the meeting. During the financial year ended March 31, 2017, four Board Meetings were held on May 19, 2016, July 25, 2016, October 21, 2016, and January 31, 2017. In order to facilitate our Institutional Director to submit reports to their institutions, your company provides soft copy of all presentations made to the Board immediately after the Board Meeting / Committee meeting. The gap between any two Meetings is not more than 120 days, ensuring compliance with the requirement of Regulation 17 of the Listing Regulations and the Companies Act 2013. The attendance of Directors at the Board Meeting held during the financial year ended March 31, 2017 is given herein below:

Sl. No.	Name	Date Of Board Meeting & Attendance				AGM Attendance (July 19, 2016)
		May 19, 2016	July 25, 2016	October 21, 2016	January 31, 2017	
1	Mr. Sanjay Dalmia	Yes	Yes	Yes	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	Yes
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes
4	Dr. B C Jain	Yes	Yes	Yes	Yes	Yes
5	Mr. G. C. Srivastava	Yes	Yes	Yes	Yes	No
6	Smt. Padma Vinod Betai–Nominee IDBI Bank	No	Yes	No	N/A	No
7	Mr. Mahesh Kumar Kheria	Yes	Yes	Yes	Yes	No
8	Mr. Sanjiv Tyagi	Yes	Yes	Yes	Yes	No
9	Shri K C Jani	Yes	Yes	Yes	Yes	Yes
10	Shri Lavanya Rastogi	Yes	No	Yes	Yes	No
11	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
12	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes

Note:

1. The word N/A denotes that person was not a member of the Board of the Company at the date of the relevant Board Meeting.
2. Mr. Neelabh Dalmia and Mr. Raman Chopra, directors retiring by rotation and are eligible for re-appointment. The Board of Directors in their meeting held on May 20, 2017, has re-appointed Mr. R. S. Jalan as Managing Director of the Company for a period of five years with effect from June 7, 2017, subject to the approval of the shareholders. The Board had also recommended confirmation of appointment of Mrs. Vijaylaxmi Joshi (Ex-IAS) as an Independent Director at the ensuing Annual General Meeting. Necessary information for the above directors as required under Regulation 36 (3) of the Listing Regulations has been provided under the notice of the AGM.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 (1) of the Listing Regulations across all the listed Companies in which he/she is a Director. The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2017 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Indian Public Limited Companies*	No. of committee positions held as Chairman in other Public Companies**	No. of Committee positions held as Member in other Public Companies**
1	Mr. Sanjay Dalmia	00206992	-	-	-
2	Mr. Anurag Dalmia	00120710	-	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-
4	Dr. B C Jain	00319666	-	-	-
5	Mr. K C Jani	02535299	1	-	-
6	Mr. Mahesh Kumar Kheria	00161680	-	-	-
7	Mr. G. C. Srivastava	02194331	1	-	-
8	Mr. Lavanya Rastogi	01744049	2	-	-
9	Mr. Sanjiv Tyagi	00225812	3	-	-
10	Mr. R S Jalan	00121260	-	-	-
11	Mr. Raman Chopra	00954190	1	-	-

Note: *For the purpose of considering the limit of the number of directorship and chairman/member of committees, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded which is in line with the requirement of relevant conditions of Regulation 26 of the Listing Regulations. Director's shareholding is given in an annexure to the Board's report.

**For the purpose of determination of limit of committees, only chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee have been considered.

During the financial year ended March 31, 2017, the Company has not entered into any material transactions with its Non-Executive Directors except related party transactions which are reported in annual report. The Company has also received declaration from Independent Directors confirming their independence, accordingly requirement of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations are duly complied with.

The Audit Committee of the Board of the Company has reviewed the financial statements of its subsidiary.

At present, Company do not have any operating subsidiary in India hence, provisions related to appointment of an Independent Director of the Company on the Board of the Indian Subsidiaries is not applicable to the Company.

2.2 Independent Directors' Meeting

During the year under review, the Independent Directors met on October 21, 2016, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors & Committees as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties effectively.

All the Independent Directors were present at the Meeting.

2.3 Familiarisation Programme for Independent Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. At the time of appointment of a Director (including Independent Director), a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained the compliance required from him under the Companies Act, 2013, Listing Regulations and other applicable laws. The Chairman and the Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. On the request of the individual director, site visits to various plant locations are organized by the company for the directors to enable them to understand the operations of the company. Further, on an ongoing basis as a part of Agenda of Board & Committee meetings, presentation are regularly made on various matters inter alia covering the Company's business and operations, industry and regulatory updates, forex strategy etc.

The details of familiarisation programmes for Independent Directors are available on the Company's website: www.ghcl.co.in /investors/policies & code of conduct/familiarisation programme for Independent Directors.

2.4 Directors' Profile:

The brief profile of each Director of the Company is given below:

Mr. Sanjay Dalmia:

Mr. Sanjay Dalmia (DOB - March 17, 1944) is Non-executive Chairman (Promoter) of the Company. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He is also the Chairman of the Project Committee and a member of Nomination & Remuneration Committee of the Company.

Mr. Anurag Dalmia:

Mr. Anurag Dalmia (DOB - May 11, 1956) is a Non-executive Director (Promoter) of the Company. Mr. Dalmia is an eminent Industrialist and is also representing PHD Chambers of Commerce and Industry. In the past, Mr. Anurag Dalmia had also represented Confederation of Indian Textile Industry. Mr. Dalmia is the Chairman of Business Strategy & Planning Committee and also a member of the Project Committee of the Company.

Mr. Neelabh Dalmia:

Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Non-executive Director (Promoter) of the Company. He is Bachelor of Science in Business from Indiana University, Kelley School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He had also completed Masters of Business Administration (MBA) from Kelley School of Business, Indiana University, USA. He is a member of Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Business Strategy & Planning Committee and Banking and Operations Committee of the Company.

Dr. B C Jain

Dr. B C Jain (DOB – October 8, 1938) is a Non-Executive Independent Director of the Company. He is a Director of the Company since April 19, 1986. Dr. Jain is LL.B, ACCS, Ph. D., Fellow member of Institute of Chartered Accountants of India (ICAI) and Ex-President of Income Tax Bar Association. His area of specialization is Finance, Banking and Accounting. He was on the Board of Union Bank of India, Central Bank of India and Bank of India. He had also been the Central Council Member of ICAI and the Member of Peer Review Board of ICAI. Dr. Jain is the Chairman of Audit Committee and a member of Nomination and Remuneration Committee of the Company.

Mr. G C Srivastava

Mr. G C Srivastava (DOB – September 20, 1947) is a Non-Executive Independent Director of the Company. He is a Director of the Company since May 10, 2008. Mr. Srivastava is an ex-IRS. He is having very rich experience in Tax and Accounting. Mr. Srivastava is a member of the Audit Committee of the Company.

Mr. Mahesh Kumar Kheria

Mr. Mahesh Kumar Kheria (DOB – July 18, 1955) is a Non-Executive Independent Director of the Company. He is a Director of the Company since February 27, 1998. Mr. Kheria is a graduate in commerce and his area of specialization is Finance & Marketing. He has very wide industrial experience and long association with the Company. Mr. Kheria is the Chairman of the Stakeholders Relationship Committee, a member of the Audit Committee and also the Risk Management Committee of the Company. Mr. Kheria is also the Ombudsperson to administer and effectively implement the "Whistle Blower Policy" of the Company.

Mr. Sanjiv Tyagi

Mr. Sanjiv Tyagi (DOB – February 25, 1959) is a Non-Executive Independent Director of the Company. He is a Director of the Company since April 30, 2009. He is a graduate in arts and PG Diploma in Hotel Management from the prestigious Oberoi School of Hotel Management. He had worked with Oberoi Group, Holiday Inn, Radisson, Unitech etc. He has very rich experience in the Industry and his area of specialization is Management. Mr. Tyagi is the Chairman of CSR Committee and also a member of Nomination and Remuneration Committee of the Company.

Mr. K C Jani

Mr. K C Jani (DOB – January 18, 1954) is a Non-Executive Independent Director of the Company. He is a Director of the Company since September 18, 2014. Mr. Jani is B. E (Chemical) and had served as an Executive Director of IDBI Bank Limited. He has very wide experience in the Banking industry and his area of specialization is Banking and Finance. He is the Chairman of Nomination and Remuneration Committee and also a member of the Audit Committee of the Company w.e.f. July 25, 2016.

Mr. Lavanya Rastogi

Mr. Lavanya Rastogi (DOB – March 8, 1981) is a Non-Executive Independent Director of the Company. He is a Director of the Company since November 24, 2014. A distinguished alumnus of Harvard Business School, Lavanya is a thought leader in the field of entrepreneurship, leadership and global economy. He is currently the CEO and Chief Mentor OSSCube, a global leader in Technology Solutions, headquartered in USA. In 2009, Academy for Global Business Advancement (AGBA) awarded him the "Distinguished Young Entrepreneur Award". He is active face in many trade association and industry chambers including NASSCOM, North Carolina Technology Association (NCTA), FICCI, Austin Technology Council (ATC), Entrepreneurs' Organization (EO), India American Chamber of Commerce (IACCGH), World Affairs Council of Houston, etc. He is a member of Business Strategy & Planning Committee of the Company.

Mrs. Vijaylaxmi Joshi

Mrs. Vijaylaxmi Joshi (DOB – August 1, 1958) is a Non-Executive Independent Director of the Company. She is a Director of the Company since April 20, 2017. Mrs. Vijaylaxmi Joshi is a 1980 batch IAS officer of the Gujarat cadre and she had served in various posts in the State and in the Centre including Joint and Additional Secretary in the Commerce Ministry; Secretary in the Ministry of Panchayati Raj. She had also been appointed as Officer on Special Duty in the Ministry of Drinking Water and Sanitation. Lastly, she was head of the Swachh Bharat Abhiyan, the Clean India programme. Under State level, she had also been deputed as Managing Director of Government Company such as Gujarat Mineral Development Corporation Ltd. At present, Mrs. Joshi is also a Director on the Board of Adani Enterprises Limited.

Mr. R S Jalan

Mr. R S Jalan (DOB - October 10, 1957) is Managing Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Corporate Finance and Textiles business. Mr. R S Jalan has more than three decades of Industrial experience. He is the Chairman of Compliance Committee and also a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee, Business Strategy & Planning Committee Risk Management Committee and Buyback Committee of the Company.

Mr. Raman Chopra

Mr. Raman Chopra (DOB – November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in Corporate Finance and Textiles. Presently, he is in charge of Financial & Secretarial functions covering financial accounting, management accounting, taxation, secretarial, legal, IT and corporate finance areas. Mr. Chopra has more than 28 years of Industrial experience. Before elevated to Executive Director (Finance) with effect from April 1, 2008, he was CFO of the Company from October 30, 2007. Before taking charge of finance, he had successfully established the Home Textile plant at Vapi. He is a member of Compliance Committee, Stakeholders Relationship Committee, Banking & Operations Committee, Business Strategy & Planning Committee Risk Management Committee and Buyback Committee of the Company.

3. Committees of the Board

(i) Audit Committee

The Board of Directors had constituted the Audit Committee as early as in 2000 and as on March 31, 2017, there were four independent directors having expertise in financial and accounting areas, as members of the Committee. Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the year, the Board have reconstituted the Audit Committee in their meeting held on July 25, 2016 and accordingly adequate intimation was given to the Stock Exchanges in this regard. Mr. Bhuwneshwar Mishra, Secretary of the Company acts as Secretary to the Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

Terms of Reference:

The role of the Audit Committee shall include the following:

a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee and also approval for payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;
   - Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013
   - Changes, if any, in accounting policies and practices and reasons for the same.
   - Major accounting entries involving estimates based on the exercise of judgement by management.
   - Significant adjustments made in the financial statements arising out of audit findings.
   - Compliance with listing and other legal requirements relating to financial statements.
   - Disclosure of any related party transactions.
   - Modified opinion(s) in the draft audit report.

d. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

f. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

g. Approval or any subsequent modification of transactions of the company with related parties;

h. Scrutiny of inter-corporate loans and investments;

i. Valuation of undertakings or assets of the company, wherever it is necessary;

j. Evaluation of internal financial controls and risk management systems;

k. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.

l. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

m. Discussion with internal auditors any significant findings and follow up there on.

n. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

o. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

p. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

q. To review the functioning of the Whistle Blower mechanism;

r. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.

s. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

t. Recommending to the Board, the appointment / re-appointment of the Cost Auditors and Secretarial Auditor.

u. Any other activities as per the requirement of Regulation 18 of the Listing Regulations and applicable provisions of the Companies Act, 2013.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meeting held after the Audit Committee Meetings for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Audit Committee apprises the Board on the recommendations made by the Committee. Further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit. Dates of the Audit Committee Meetings are fixed in advance and agenda along with explanatory notes are circulated at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

During the financial year ended March 31, 2017, the Audit Committee of the Board met four times and the gap between any two meetings of the Audit Committee is not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the Listing Regulations and the Companies Act 2013. The adequate quorums were present at every Audit Committee Meeting. The Composition of Audit Committee and attendance of members at the meetings are given herein below:

	Name of the Audit Committee members				
	Dr. B C Jain -Chairman of the Committee	**Mr. Neelabh Dalmia***	**Mr. K C Jani***	**Mr. G C Srivastava**	**Mr. Mahesh Kumar Kheria**
Category	**Independent Director (Expertise in Finance, Banking & Accounting)**	**Non-executive Director (Expertise in Finance, Management & Industry)**	**Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)**	**Independent Director (Expertise in Tax & Accounting)**	**Independent Director (Expertise in Finance & Marketing)**
Date of the Meeting					
May 19, 2016	Yes	Yes	N/A	Yes	Yes
July 25, 2016	Yes	Yes	N/A	Yes	Yes
October 21,2016	Yes	N/A*	Yes	Yes	Yes
January 31, 2017	Yes	N/A*	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	Yes	Yes	No	No

Note: Managing Director, Executive Director (Finance), Statutory Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit Committee Meetings whenever required.

*The Board of Directors have reconstituted the Audit Committee in their meeting held on July 25, 2016. Mr. K C Jani, Independent Director, is appointed as a member of the Committee effective from July 25, 2016. Thereafter, Mr. Neelabh Dalmia ceased to be a member of the Audit Committee; however, he shall be a permanent invitee in the Audit Committee meeting.

The Company has complied with the requirements of Regulation 18 of the Listing Regulations as regards composition of the Audit Committee. Dr. B C Jain, Chairman of the Audit Committee is a qualified Chartered Accountant and an expert in Finance, Banking and Accounting. He was present in the 33rd Annual General Meeting held on July 19, 2016 to answer the queries of shareholders.

As required under Regulation 18 (3) of the Listing Regulations, the Audit Committee had reviewed the following information:

- Management Discussion and Analysis of financial condition and results of operations.
- Statement of significant related party transactions

submitted by management.

- Management letter(s)/letters of Internal control, weaknesses issued by the Statutory Auditors.
- Internal Auditor's Reports relating to internal control weaknesses and
- Appointment, removal and terms of remuneration of the Chief internal auditors.
- Statement of deviations:
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32 (1):– **Not applicable**
- Annual statement of funds utilised for purposes other than those stated in the offer document/Prospectus/ notice in terms of Regulation 32 (7):- **Not applicable**

(ii) Nomination & Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Nomination & Remuneration Committee of the Company was constituted as early as in 1995. Nomination & Remuneration Committee of the Board has been constituted as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2017, Nomination & Remuneration Committee comprises of four non-executive directors including three Independent Directors and also the Chairman of this Committee is an Independent Director.

In line with the requirement of Section 178(2) of the Companies Act, 2013 read with Regulation 19(4) of the Listing Regulations, the Nomination and Remuneration Committee shall be responsible for following activities:

1. To identify persons who are qualified:
   (a) to become directors and
   (b) who may be appointed in senior management in accordance with the criteria laid down by the company. The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
2. To recommend to the Board the appointment and removal of person identified under point (1) above;
3. To formulate the criteria for evaluation of performance of Independent Directors and Board of Directors;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
5. To devise a policy on Board diversity of Board of Directors.
6. Any other activities as per the requirement of Regulation 19 of the Listing Regulations and the Companies Act, 2013.

The Nomination & Remuneration Committee sets the overall policy on remuneration and the other terms of employment of Executive Directors of the Company as well as the sitting fee and commission to the Non- Executive Directors within the overall ceiling fixed by members of the Company and recommends the same for the approval of the Board. The Committee recommends remuneration package of Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to provide a remuneration package which is appropriate for the responsibilities involved. In reviewing the overall remuneration of the Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

The executive summary of the Nomination & Remuneration Committee Meeting is placed before the immediate next Board Meeting held after the Nomination & Remuneration Committee, for deliberation and the full minutes of the same are placed before the following Board Meeting for record. Dates of the Nomination & Remuneration Committee Meeting are fixed in advance and agenda and explanatory notes are circulated to the Directors at least seven days before the meeting.

During the financial year ended March 31, 2017, the Nomination & Remuneration Committee met on May 19, 2016 and January 31, 2017. The Nomination & Remuneration Committee of the Board comprises of Non-Executive Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE NOMINATION & REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2017

	Name of the Nomination & Remuneration Committee Members			
	Mr. K C Jani – Chairman of the Committee	Mr. Sanjay Dalmia	Dr. B C Jain	Mr. Sanjiv Tyagi
Category of Director	Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)	Non- Executive Director (Industrialist)	Non - Executive - Independent Director (Expertise in Finance Banking & Accounting)	Non -Executive - Independent Director (Expertise in Management)
Date of the Meeting				
May 19, 2016	Yes	Yes	Yes	Yes
January 31, 2017	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	No	Yes	No

Remuneration Policy:

The Nomination & Remuneration Policy of the Company has been posted on the website of the Company. The Company's Compensation Policy and Practices have been formulated and maintained to meet the following objectives:

1. To attract, retain and motivate qualified and competent individuals at Director, Key Managerial and other employee levels to carry out company's business operations as assigned to them.
2. To ensure payment of salaries and perks that are comparable to market salary levels so as to remain competitive in the industry.
3. To revise the remuneration of its employees periodically for their performance, potential and value addition after systematic assessment of such performance and potential.
4. To ensure disbursal of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country.

In order to meet the above objectives the company undertakes various processes in an ongoing manner such as conducting of salary survey's in every three years, periodic review of its performance appraisal and reward systems, institution of incentive schemes, providing skill and competency development to its manpower on a regular basis, providing fast track career growth paths to high performers, modification of salary structure in line with the changes in the tax laws etc.

With regard to the annual revision of the employees, respective reporting managers assess the performance of employees. However the authority for reviewing the performance and reward rests with the Nomination & Remuneration Committee of the Board of Directors of the company. In this assessment, the performance, potential and value addition to the company are assessed as per the policy of the Company.

Additionally, in order to get best talent from the market and retain them for longer period, company has a policy to pay compensation better than prevailing market practice to deserving candidates. In any circumstance, remuneration shall not be less than prevailing market trend.

In addition to the above, remuneration to directors, key managerial personnel, and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Payment of remuneration to the Managing Director and Whole Time Director are governed by the policy of the Company and also in line with the approval of the Board and the Shareholders and pursuant to the relevant provisions of the Companies Act, 2013. Their Remuneration structure comprises salary / commission linked to profits, perquisites and allowances, contribution to Provident Fund and Superannuation Fund and premium on Gratuity Policy etc.

The Non - Executive Directors do not draw any remuneration from the Company other than the sitting fee and such commission as may be determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Companies Act, 2013. The commission payable to the Non - Executive Directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which is within the limit of 1% of net profit for the year, calculated as per the provisions of the Companies Act, 2013.

The actual amount of commission payable to each Non - Executive Director is decided by the Board, upon recommendation of the Nomination & Remuneration Committee, on the following revised criteria:

- Attendance and time spent in the board meeting, audit committee meeting, nomination & remuneration committee meeting, project committee meeting, CSR committee meeting, risk management committee meeting and business strategy & planning committee meeting during the financial year;
- Outcome of the evaluation process;
- Role and Responsibility as Chairman and /or Member of the Board / Committee;
- Individual contribution at the meetings and contribution made by directors other than in the meetings;

Details of remuneration, commission and sitting fee paid/ payable to the Directors of the Company for the financial year ended March 31, 2017 are given below:

Non-Whole time Directors		**(in Rupees)**
Name	**Sitting Fees**	**Commission**
Mr. Sanjay Dalmia	2,40,000	60,00,000
Mr. Anurag Dalmia	1,60,000	50,00,000
Mr. Neelabh Dalmia	2,80,000	40,00,000
Dr. B. C. Jain	4,40,000	29,00,000
Mr. G. C. Srivastava	3,60,000	26,00,000
Mrs. Padma Vinod Betai – Nominee IDBI Bank*	40,000	6,00,000
Mr. Sanjiv Tyagi	3,20,000	24,00,000
Mr. Mahesh Kumar Kheria	3,60,000	26,00,000
Mr. K C Jani	3,60,000	28,00,000
Mr. Lavanya Rastogi	1,60,000	21,00,000
TOTAL	**27,20,000**	**3,10,00,000**

Note: Commission payable to all or any one of the Non- Whole Time Directors shall in aggregate not exceed 1% per annum of the net profit of the Company calculated under the provisions of the Companies Act, 2013.

*Commission and Sitting fee paid to the Institutions which they represent.

Managing Director / Whole Time Director			**(in Rupees)**
Name	**Salary and other perquisites**	**Commission**	**Total**
Mr. R S Jalan, Managing Director	2,56,78,947	4,25,00,000	6,81,78,947
Mr. Raman Chopra, CFO & Executive Director (Finance)	1,34,55,310	2,50,00,000	3,84,55,310
Total	**3,91,34,257**	**6,75,00,000**	**10,66,34,257**

(a) The agreement with the Whole Time Directors is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving six calendar months prior notice in writing to the other party.

(b) Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.

(c) In addition to the above, Managing Director & Whole Time Director are also entitled for Employees Stock Options as per the Scheme of the Company. At present, Mr. R S Jalan is holding two lakh Employees Stock Options and Mr. Raman Chopra is holding one lakh Employees Stock Options, which is yet to be exercised.

Performance Evaluation:

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of the Listing Regulations and based on the detailed statements / questionnaire circulated with the agenda, the Independent Directors in their separate meeting held on October 21, 2016 had reviewed the performance of Non-Independent Directors, the Board & Committees as a whole and the Chairperson of the Company after taking into accounts the views of Executive Directors and Non-Executive Directors of the Company. Independent Directors had also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board and that the information supplied by the management to the Board was sufficient and relevant for the Board to perform their duties effectively. Further, pursuant to the requirement of Para VIII of Code of Independent Director as mentioned in Schedule IV of the Companies Act, 2013 read with Regulation 17 (10) of the Listing Regulations, and based on the detailed statements / questionnaire circulated with the agenda, the Board of Directors in its meeting held on October 21, 2016 had carried out the performance evaluation of Independent Directors, except the director being evaluated. A structured questionnaire was prepared, covering various aspects of the Board's functioning, Board culture, execution and performance of specific duties, professional obligations and governance.

(iii) Stakeholders Relationship Committee:

The Board had constituted the Stakeholders Relationship Committee. The committee expedite the process of redressal of complaints like non-transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The committee regularly viewed the complaints filed online at SEBI Complaints Redressal System (SCORES) and action taken report (ATR) thereon. Generally the Committee meet once in a week to expedite all matters relating to Shareholders / Investors Grievances received and pending during the previous week. Total fifty one meetings of the Stakeholders Relationship Committee were held during the financial year ended March 31, 2017.

The composition of Committee as on March 31, 2017 is as under:

Sl. No.	Name of Directors	Status
1	Mr. Mahesh Kumar Kheria	Chairman
2	Mr. Neelabh Dalmia	Member
3	Mr. R S Jalan	Member
4	Mr. Raman Chopra	Member

The Company consider its shareholders as 'owners' and take all effective steps to resolve their complaints as soon as possible. All complaints are resolved within 15 days except those which are of legal nature. The Company received 6 shareholders complaints from Stock Exchanges and/or SEBI that inter–alia include non-receipt of dividend, share transfer (including Demat etc.) and non - receipt of annual report. The Complaints were duly attended and the Company has furnished necessary documents / information to the shareholders.

Status of total complaints received (including 6 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2017:

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2016	Total No. of Complaints received during the financial year ended March 31, 2017	Total No. of Complaints resolved during the financial year ended March 31, 2017	No. of Complaints pending as on March 31, 2017
1	Non-receipt of dividend	0	54	54	0
2	Share transfer including Demat request	0	12	11	1
3	Non receipt of Annual Report	0	9	9	0
	Total	**0**	**75**	**74**	**1**
Note:	There is only one complaint pending as on March 31, 2017. However, there might be some complaints pending at court or at the end of shareholders due to non-submission of the information desired by RTA.				

The Stakeholders Relationship Committee reviews the summary of the complaints received and appropriate action is taken promptly. No requests for share transfer or payment of dividend are pending except one complaint mentioned above apart from those that are disputed or sub–judice.

Mr. Bhuwneshwar Mishra, General Manager & Company Secretary of the Company is the Secretary to the Committee and also the Compliance Officer of the Company.

(iv) Banking and Operations Committee

The Board had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging / negotiating of term loans, working capital loan, short term loan, dealings with Central / State Governments including their agents and various statutory / judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time.

The composition of the Banking and Operations Committee as on March 31, 2017 is as under:

S. No.	Name		Status
1	Mr. Neelabh Dalmia	Director	Member
2	Mr. R S Jalan	Managing Director	Member
3	Mr. Raman Chopra	Executive Director (Finance)	Member

(v) Project Committee

This Committee was constituted to review and recommend proposals relating to new projects, expansion, modernization, diversification, acquisitions, various kind of compromise, arrangement or amalgamation, restructuring of business of the Company and/or its subsidiaries. The composition of the Project Committee as on March 31, 2017 is as under:

S. No.	Name		Status
1	Mr Sanjay Dalmia	Non-executive Director	Chairman
2	Mr. Anurag Dalmia	Non-executive Director	Member
3	Mr. Neelabh Dalmia	Non-executive Director	Member

(vi) Corporate Social Responsibility (CSR) Committee

The Board of Directors had voluntarily constituted the Corporate Social Responsibility (CSR) Committee in their meeting held on January 28, 2013. Subsequently it is made mandatory, pursuant to Section 135 of the Companies Act, 2013. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act, 2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director. The CSR activities of GHCL are carried out throughout year by a dedicated team engaged in our GHCL Foundation Trust. The thrust areas are Water Resource, Sanitation, Health & Hygiene, Agro based livelihood, Animal Husbandry, Education, Women Empowerment, Skill development etc. GHCL Foundation Trust was awarded the prestigious **award for 'Sustainable and Impactful CSR Project'** by Gujarat State CSR Authority on March 10, 2017.

During the financial year ended March 31, 2017, the CSR Committee met only once on May 18, 2016. The CSR Committee of the Board comprises of following three Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2017			
	Name of the CSR Committee Members		
	Mr. Sanjiv Tyagi - Chairman of the Committee	**Mr. Neelabh Dalmia**	**Mr. R S Jalan**
Category of Director	**Non- Executive - Independent Director (Expertise in Management)**	**Non-executive Director (Expertise in Finance & Industry)**	**Managing Director (Specialization in Operations, Finance, Marketing & HR)**
Date of the Meeting			
May 18, 2016	Yes	Yes	Yes

(vii) Compliance Committee

The Board of Directors had constituted the Compliance Committee in their meeting held on October 18, 2014. This Committee was mainly constituted as per the guidance note on Clause 36 of the Listing Agreement issued by the NSE / BSE. As per provisions of Regulation 30 of the Listing Regulations, the Board of Directors is under an obligation to make disclosure of any events or information which in its opinion is material. Accordingly, Compliance Committee is empowered by the Board for the purpose of determining materiality of an event or information and for the purpose making disclosures to the stock exchanges under Regulation 30 of the Listing Regulations.

During the financial year ended March 31, 2017, the Compliance Committee met four times on May 7, 2016, June 9, 2016, December 16, 2016 and March 9, 2017. The Compliance Committee of the Board comprises of following members including three Directors & one Company Secretary and the details of meeting attended by the members are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE COMPLIANCE COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2017				
	Name of the Compliance Committee Members			
	Mr. R S Jalan - Chairman	Mr. Neelabh Dalmia	Mr. Raman Chopra	Mr. Bhuwneshwar Mishra
Category of Members	Managing Director (Specialization in Operations, Finance, Marketing & HR)	Non-executive Director (Expertise in Finance & Industry)	CFO & Executive Director (Finance)	General Manager and Company Secretary
Date of the Meeting				
May 7, 2016	Yes	Yes	Yes	Yes
June 9, 2016	Yes	Yes	Yes	Yes
December 16, 2016	Yes	Yes	Yes	Yes
March 9, 2017	Yes	Yes	Yes	Yes

viii) Business Strategy & Planning Committee

The Board of Directors had constituted the "Business Strategy & Planning Committee" in their meeting held on January 27, 2015. The Committee was constituted to evaluate & explore various options for growth / expansion in Soda Ash, Home Textiles and Spinning Divisions of the Company. In order to achieve desired level of milestones, the Board felt necessary to have dedicated team who can give their focussed attention for the proposed scope of work.

The Business Strategy & Planning Committee of the Board comprises of five Directors comprises of Executive & Non-executive Directors. The composition of the Business Strategy & Planning Committee as on March 31, 2017 is as under:

S. No.	Name		Status
1	Mr. Anurag Dalmia	Non-executive Director	Chairman
2	Mr. Neelabh Dalmia	Non-executive Director	Member
3	Mr. Lavanya Rastogi	Independent Director	Member
4	Mr. R S Jalan	Managing Director	Member
5	Mr. Raman Chopra	CFO & Executive Director (Finance)	Member

(ix) Risk Management Committee

In compliance with the provisions of Regulation 21 of the Listing Regulations and other applicable provisions, if any, the Board of Directors had voluntarily constituted the Risk Management Committee. The Company satisfies the requirement of Regulation 21 of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors. The Company is having well defined Risk Management Policy and Risk Management Framework. Risk Management Policy of the Company has been posted on the website of the Company.

The composition of the Risk Management Committee as on March 31, 2017 is as under:

S. No.	Name		Status
1	Mr. Mahesh Kumar Kheria	Independent Director	Chairman
2	Mr. Neelabh Dalmia	Non-executive Director	Member
3	Mr. R S Jalan	Managing Director	Member
4	Mr. Raman Chopra	CFO & Executive Director (Finance)	Member

4. General Body Meeting:

a) Annual General Meetings: The last three Annual General Meetings (AGM) of the Company were held within the Statutory Time period and the details of the same are reproduced herein below:

Financial Year	Date	Time	Venue
2015-16	July 19, 2016	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2014-15	July 23, 2015	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2013-14	August 21, 2014	9:30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006

(b) Special Resolutions:

The information regarding Special Resolution passed in the previous three Annual General Meetings are as follows:

AGM	Date of AGM	Information regarding Special Resolutions
33rd AGM	July 19, 2016	No Special Resolution
32nd AGM	July 23, 2015	a) Approval of Employees Stock Option Scheme 2015 & Issue of Securities. b) Approval of extending benefits of Employees Stock Option Scheme- 2015 to the employees of subsidiary/associate company(ies).
31st AGM	August 21, 2014	Authorisation to borrow money exceeding aggregate of the Paid up Capital and Free Reserves of the company.

(c) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2016-17, 2015-16 and 2014-15.

(d) Postal Ballot

No Special Resolution was passed in the last year through postal ballot and at present no Special Resolution is proposed to be conducted through postal ballot. Hence, the provisions relating to postal ballot are not required to be complied with.

(e) No Special Resolution was passed in the 33rd Annual General Meeting. All the 7 resolutions were passed with the requisite majority by combined result of the Remote e-voting and polls through ballot paper of the shareholders.

5. Means of communication:

PUBLICATION OF UNAUDITED QUARTERLY / HALFYEARLY RESULTS AND RELATED MATTERS							
Sl. No.	**Particulars**		**Quarter - I**	**Quarter - II**	**Quarter - III**	**Quarter - IV**	**Financial Year ended March 31, 2017 (Audited)**
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 26, 2016	October 22, 2016	February 1, 2017	May 22, 2017	May 22, 2017
		The Hindu - Business Line	July 26, 2016	October 22, 2016	February 1, 2017	May 22, 2017	May 22, 2017

PUBLICATION OF UNAUDITED QUARTERLY / HALFYEARLY RESULTS AND RELATED MATTERS							
Sl. No.	**Particulars**		**Quarter - I**	**Quarter - II**	**Quarter - III**	**Quarter - IV**	**Financial Year ended March 31, 2017 (Audited)**
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times – Gujarati	July 26, 2016	October 24, 2016	February 1, 2017	May 22, 2017	May 22, 2017
		Jai Hind Gujarati		October 22, 2016			
3	Website Address of the Company on which financial results are posted	www.ghcl.co.in					
4	Website Address of the Stock Exchange(s) on which financial results are posted.		**Quarter - I**	**Quarter - II**	**Quarter - III**	**Quarter - IV**	**Financial Year ended March 31, 2017 (Audited)**
	Name of Stock Exchange(s)	**Website Address(es)**	**Date of Filing of Results**				
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 25, 2016	October 21, 2016	January 31, 2017	May 20, 2017	May 20, 2017
	BSE Limited (BSE)	www.bseindia.com	July 25, 2016	October 21, 2016	January 31, 2017	May 20, 2017	May 20, 2017
5	Presentation made to institutional investors or to the analysts	During the year under review, conference call and /or Investors meeting were facilitated on May 20, 2016, May 23 & 24, 2016, June 2, 2016, June 29, 2016, July 26, 2016, August 18 & 19, 2016, August 30, 2016, October 24, 2016, November 9, 2016, November 18, 2016, December 1, 2016 and February 3, 2017, to discuss the financials and / or other business update of the Company, with the investors / analysts. Copy of the presentation and /or transcripts, wherever available regarding said Investors' conference / meetings held with the management were filed with the Stock Exchanges and the same were also uploaded with the website of the Company.					

6. General shareholder's Information:

Sl. No.	Particulars	Details		
1	Annual General Meeting	Thursday, June 29 2017	9.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380006
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2017)	By 2nd week of August 2017		
	Financial Reporting for - Quarter - II (ending September 30, 2017)	By 2nd week of November 2017		
	Financial Reporting for - Quarter - III (ending December 31, 2017)	By 2nd week of February 2018		
	Financial Reporting for - Quarter - IV (ending March 31, 2018)	By 4th week of May 2018		
	Financial Year of the Company is for a period of 12 months commencing from 1st April and ending on 31st March.			
3	Date of Book Closure	Friday, June 23, 2017 to Thursday, June 29 2017 (both days inclusive)		
4	Dividend Payment Date	Final Dividend of Rs. 3.50 per share (i.e. 35%) will be paid on or after Monday, July, 3 2017, if approved by the members in the ensuing Annual General Meeting **Interim Dividend & Record Date:** In addition to the above, pursuant to the Board of Director's approval dated January 31, 2017, Interim Dividend of Rs. 1.50/- (i.e. 15%) per equity share was paid on the paid-up capital of 10,00,19,286 equity shares of the Company. The Record Date for the purpose of Interim Dividend was fixed on February 10, 2017 and the payment was made on or after February 15, 2017.		

Sl. No.	Particulars	Details		
5	Listing on Stock Exchanges	Name & Address of Stock Exchanges	Stock Code	ISIN WITH NSDL & CDSL
		BSE Limited, (BSE) Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited, (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
6	Listing fees:	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2017		
7	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited, C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083.Tel No: +912249186000 Fax: +912249186060 (Email : rnt.helpdesk@linkintime.co.in) During the year, address of RTA was changed and the same has been reported to the Stock Exchanges.		
8	**Outstanding GDRs / ADRs / Warrants or any convertible instruments:**			
	Not applicable			
9	**Commodity price risk or foreign exchange risk and hedging activities:**			
	Senior management monitors commodity price risk & foreign exchange risk and based on the expert advice takes step for hedging.			
10	**Address for Correspondence**			
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or annual report or any other query relating to shares be addressed to ***Link Intime India Private Limited, C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083.Tel No: +912249186000 Fax: +912249186060 (Email : rnt.helpdesk@linkintime.co.in***)			
	For General Correspondence: **GHCL Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-39324100, Fax: 079-26423623 (Email : secretarial@ghcl.co.in)**			
11	**Dematerialization of Shares and Liquidity:** 96.13% of the Company's total equity shares representing 9,56,20,712 equity shares were held in dematerialized form as on March 31, 2017. After buyback, total paid-up capital of the Company as on March 31, 2017, stand reduced to 9,94,72,736 equity shares. The trading in the Company's shares is permitted only in dematerialized form with effect from October 28, 2000 as per notification issued by SEBI.			
12	As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/ re-appointment are given in Notice to the ensuing Annual General Meeting.			

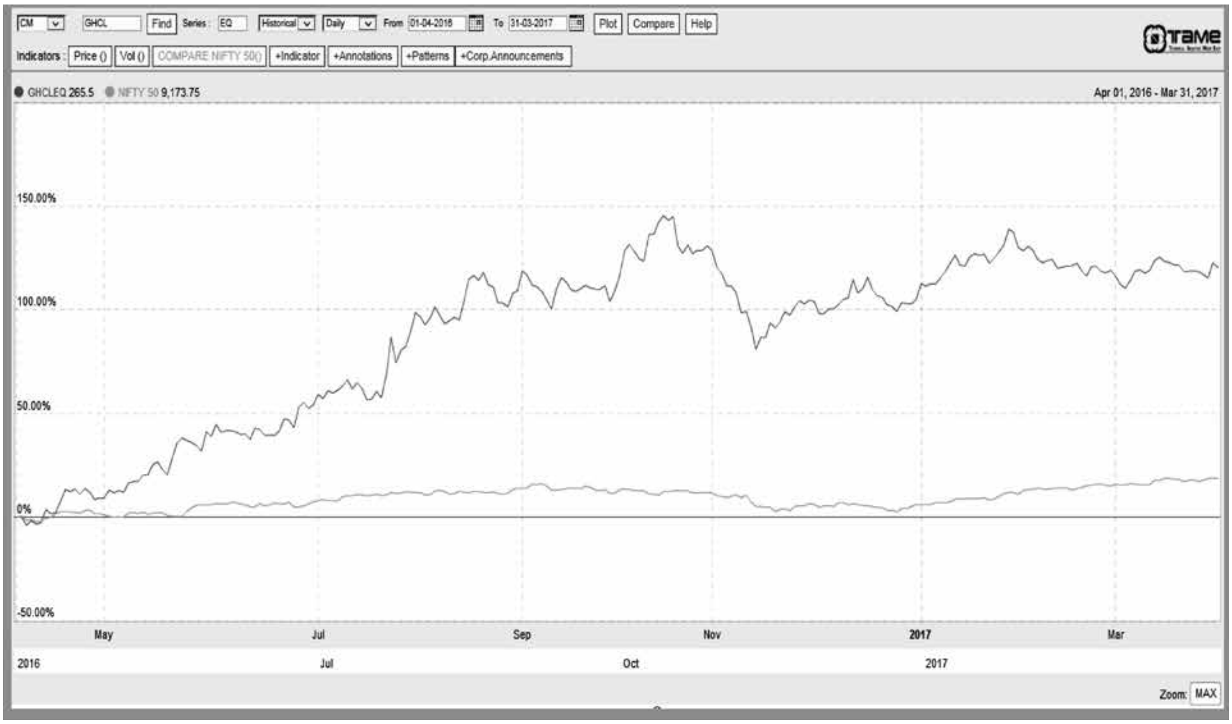
7. Corporate Benefits to Shareholders

Dividend declared for last 10 years		
Financial Year	**Dividend**	**Dividend (Rs. per Share)**
2006-07	27.00%	2.70
2007-08	24.00%	2.40
2008-09	20.00%	2.00
2009-10	20.00%	2.00
2010-11	20.00%	2.00
2011-12	20.00%	2.00
2012-13	20.00%	2.00
2013-14	20.00%	2.00
2014-15	22.00%	2.20
2015-16	35.00%	3.50
Equity share of paid up value of Rs. 10 per share		

8. **Month-wise stock market data (BSE & NSE) relating to equity shares of the company for the financial year ended March 31, 2017**

MARKET PRICE DATA						
Month of the financial year 2016-17	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
April 2016	139.70	115.10	1622161	139.70	114.55	4072190
May 2016	172.00	130.00	3817395	171.40	130.00	17749277
June 2016	191.00	163.50	3469688	191.00	163.10	13412945
July 2016	229.50	187.20	5205804	230.00	187.20	20535321
August 2016	268.45	228.30	3365664	268.00	227.95	13454594
September 2016	269.60	237.40	2578516	269.80	237.10	10899357
October 2016	298.80	254.15	2780001	299.00	254.10	12490406
November 2016	284.00	205.00	1631765	283.95	206.00	6925101
December 2016	264.00	234.50	927079	264.70	234.50	4271935
January 2017	292.00	248.00	1033865	292.00	248.00	4957232
February 2017	279.85	259.50	1098218	279.85	258.85	3808396
March 2017	274.80	252.05	572876	274.95	252.50	4080673

9. **Performance in comparison to broad based indices such as NSE**



10. Shareholders Reference

Unclaimed Dividend

Pursuant to Section 124 of the Companies Act, 2013 read with provisions of Investors Education & protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016 (as amended), all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, to be transferred by the Company in favour of Investor Education and Protection Fund (IEPF). The Company has communicated to all the concerned shareholders individually whose shares are liable to be transferred to IEPF. The Company had also given newspaper advertisement dated December 13, 2016, regarding proposed transfer in favour of IEPF in respect of which dividend has not been paid or claimed for seven consecutive years by the respective shareholders. The Company had also uploaded the details of such shareholders and shares due for transfer to IEPF on the website of the Company at www.ghcl.co.in/Investors/Shareholders Information/ Transfer of Equity Shares to IEPF. Accordingly, in case the Company does not receive any communication from the concerned shareholder, the Company shall transfer the shares to the IEPF Demat account by the due date as per the procedure stipulated in the Rules.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from IEPF Authority after following the procedure (i.e. an application in E-form No. IEPF-5) prescribed in the Rules. Shareholders may refer Rule 7 of the said Rules for Refund of shares / dividend etc.

The unclaimed dividend for the financial year 2008-09 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2008-09. The Company used to send individual reminders to all the members at their registered address whose dividend have remained unclaimed, before transferring the monies to the IEPF. The information on unclaimed dividend is also posted on the website of the Company.

The dividend for the following years remaining unclaimed for seven years, will be transferred by the Company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant (s) or have not received the same are requested to seek issue of duplicate warrant (s) by writing to Link Intime India Private Limited confirming non – encashment / non - receipt of dividend warrant (s).

Financial Year	Date of AGM	Due for Transfer to IEPF
2009-10	09-09-2010	September 2017
2010-11	02-09-2011	September 2018
2011-12	20-09-2012	September 2019
2012-13	26-09-2013	September 2020
2013-14	21-08-2014	August 2021
2014-15	23-07-2015	July 2022
2015-16	19-07-2016	July 2023

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2017

No. of Shares held of Rs. 10 each between		No. of share-holders	% of total share-holders	No. of shares	% of total shares
From	To				
1	500	53154	89.54%	7428022	7.47%
501	1000	3272	5.51%	2746321	2.76%
1001	2000	1386	2.33%	2179315	2.19%
2001	3000	445	0.75%	1149924	1.16%
3001	4000	230	0.39%	829383	0.83%
4001	5000	187	0.32%	896547	0.90%
5001	10000	274	0.46%	2019061	2.03%
10001	Above	413	0.70%	82224163	82.66%
		59361	**100.00%**	**99472736**	**100.00**

SHAREHOLDING PATTERN AS ON 31ST MARCH 2017

	Category	No. of shares held	% of share-holding
A	**Promoters & Promoters Group Holding**		
1	**Promoters**		
	Indian Promoters	12820488	12.89%
	Foreign Promoters	5507900	5.51%
2	**Others**		
	Trust	165000	0.16%
	Sub-Total	**18493388**	**18.59%**
B	**Non-promoters Holding**		
3	**Institutional Investors**		
	Mutual Funds and UTI	2537370	2.55%
	Banks, Financial Institutions	442758	0.45%
	Insurance Companies (including LIC)	3767906	3.79%
	Foreign Portfolio Investors (including FIIs)	18168509	18.26%
	Foreign Mutual Fund	678042	0.68%
	Sub-Total	**25594585**	**25.73%**
4	**Non-institutional Investors**		
	Bodies Corporate	26716591	26.86%
	Indian public (Individuals & HUF)	26557289	26.70%
	NRIs, OCBs, Foreign Companies & Foreign Nationals	1487379	1.45%
	Other Directors & relatives	110943	0.11%
	Others (Trusts & Clearing Members)	512561	0.52%
	Sub-Total	**55384763**	**55.68%**
	Grand Total	**99472736**	**100.00%**

Plant Locations:

Inorganic Chemical Division:	
Soda Ash Plant:	Village: Sutrapada Near Veraval, Distt.: Gir Somnath, Gujarat – 362275
Salt works:	Port Albert Victor, Via Dungar, Distt.: Amreli, Gujarat - 364555
Lignite:	713/B, Deri Road, Near Diamond Chowk, Krishnanagar, Bhavnagar, Gujarat - 364001
Consumer Products Division - Salt Works & Refinery:	(a) Ayyakaramulam, Kadinal Vayal, Vedaranyam, Distt. Nagapattanam, Tamil Nadu – 614707 (b) Nemeli Road, Thiruporur, Distt.: Kancheepuram, Tamilnadu – 603110
Textile Division:	
Plant – Yarn Division:	(a) Paravai, Samayanallur P.O, Distt.: Madurai, Tamil Nadu – 625402 (b) Thiagesar Alai P.O, Manaparai, Distt.: Trichy, Tamil Nadu – 621312

Plant - Home Textile Division:	S. No. 191 & 192, Mahala Falia, Village - Bhilad, Distt.: Valsad, Vapi, Gujarat - 396191
Wind Energy Division	(a) Muppandal, Village: Irukkandurai, Post: Sankaneri, Taluk: Radhapuram, Distt.: Tirunelveli, Tamil Nadu (b) Village: Chinnaputhur, Taluk: Dharapuram, Distt.: Erode, Tamil Nadu

11. Management Discussion and Analysis Report form part of this Annual Report

The complete reports on Management Discussion and Analysis report are placed in the separate section of the Annual Report.

12. Disclosures:

12.1 Disclosure on materially significant related party transactions

No transactions of a material nature have been entered into by the Company with its promoters, Directors, or the management or relatives etc. that may have potential conflict of interest of the Company. However, the management furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the accounting standards. The particulars of transactions between the Company and the related parties for the year ended March 31, 2017, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

12.2 Details of non - compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on the matter related to capital markets, during the last three years.

GHCL Limited has complied with all the requirement of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on the matter related to capital markets, during the last three years except the following:

(i) As reported in the previous annual report, Company and its officials had challenged the order of SEBI's Adjudication Officer (AO) dated October 25, 2013. Hon'ble SAT had granted partial relief to the promoter entities by reducing the penalty but did not accept the appeal of the company and its officials, in its order dated July 31, 2014. Following the direction of SAT, company, its officials and promoters have made the payment to SEBI and matter is closed.

(ii) In other matter also, which were earlier reported in the previous annual report, related to AO order dated August 6, 2013 in which AO had imposed a penalty of Rs. 1.25 crore against Company. The Company was not in agreement with AO's order, hence aforesaid order was challenged before Hon'ble Securities Appellate Tribunal (SAT). Hon'ble SAT vide its order dated October 30, 2014 set aside the penalty of Rs. 1.25 crore imposed on the Company and accordingly appeal were allowed and hence matter is closed.

12.3 Vigil mechanism / Whistle Blower Policy

Regulation 22 of the Listing Regulations & Sub-section (9 & 10) of Section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, inter-alia, provides, for all listed companies to establish a vigil mechanism called "Whistle Blower Policy" for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

As a conscious and vigilant organization, GHCL Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and a fearless working environment, GHCL Limited has established the "Whistle Blower Policy", which has made effective from October 1, 2014. Mr. Mahesh Kumar Kheria, Independent Director of the Company and also a member of the Audit Committee is Ombudsperson. The Whistle Blower policy and establishment of Vigil Mechanism have been appropriately communicated within the Company. The Whistle Blower Policy is also posted on the website of the Company.

The purpose of the policy is to create a fearless environment for the directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Ombudsperson. It protects directors and employees wishing to raise a concern about serious irregularities within the Company.

The details of Ombudsperson is given below:

Name: Mr. Mahesh Kumar Kheria
Email ID: mkheria@rediffmail.com
Mobile No.: 09313743974
Address: A-45, Sector-51, Noida-201301

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he or she can make a direct appeal to the Chairman of the Audit Committee.

During the year, the Company has not received any complaint under Vigil Mechanism / Whistle Blower Policy.

12.4 Disclosures regarding web link of the Company

Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website (URL:http//ghcl.co.in/investors).

12.5 Details of compliance with mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and adoption of the non- mandatory requirements of Regulation 27(1) of the Listing Regulations.

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirement of the Listing Regulations read with other applicable provisions, if any.

The status of compliance with non-mandatory requirements of Regulation 27(1) of the Listing Regulations are as under:

(a) **Non-Executive Chairman's Office**: A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Company is having non-executive Chairman. The Company does not incur expenses for maintaining Chairman's office.

(b) **Shareholder's Rights**: As the half-yearly (including quarterly) financial performance are published in the newspapers and are also posted on the Company's website. The Company also used to report significant events to the stock exchanges from time to time. Hence, the same are not being sent to the shareholders.

(c) **Audit Qualifications**: During the period under review, there is no audit qualifications in the Company's financial statements. GHCL continues to adopt best practices to ensure a regime of unqualified financial statements.

(d) **Separate posts of Chairman and CEO**: The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director / CEO of the Company.

(e) **Reporting of Internal Auditor**: The Company is having independent Internal Auditors (separate from the employees) for all the division. The Internal Auditors used to send their reports to the CFO / person authorised for this purpose and in turn the reports were circulated to the members of the Audit Committee for their perusal.

13. Code of Conduct to Regulate, Monitor And Report Trading by Insiders

In compliance with the SEBI regulation on prevention of Insider Trading, the Company has placed a comprehensive code of conduct for its directors, designated employees of the Company and their immediate relatives. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Subsequently, the Company has its code in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct to Regulate, Monitor and Report Trading by Insiders is posted on the website of the Company ***www.ghcl.co.in***.

14. Code of Conduct:

GHCL Limited has well defined policy framework which lays down procedures to be adhered to by all Board Members and Senior Management for ethical professional conduct. The Code outlines fundamental ethical considerations as well as specified considerations that need to be maintained for professional conduct. The Annual Report contains the declaration to this effect that the Code of Conduct has been complied by the Board Members and Senior Management. The Code of Conduct is also posted on the website of the company www.ghcl.co.in.

15. Functional website of the Company as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is www.ghcl.co.in. Website of the Company provides the basic information about the Company e.g. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the Information provided on its website.

16. Buyback of Equity Shares & Reconciliation of Share Capital Audit

In line with the Board of Director's approval dated January 31, 2017, the Company had bought back 5,73,438 Equity Shares and extinguished 5,46,550 Equity Shares during the financial year ended March 31, 2017. Consequently after said extinguishment of equity shares, the issued & paid-up capital of the Company stands reduced from Rs. 100,01,92,860/- consisting of 10,00,19,286 equity shares to Rs. 99,47,27,360/- consisting of 9,94,72,736 equity shares (i.e. 10,00,19,286 equity shares minus 5,46,550 equity shares) as on March 31, 2017.

A qualified practicing Company Secretary has carried out Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2017.

For GHCL LIMITED

Sd/-
R S Jalan
Managing Director
DIN: 00121260
Date: May 20, 2017

Sd/-
Raman Chopra
CFO & Executive Director (Finance)
DIN 00954190

CERTIFICATE UNDER REGULATION 17 (8) OF THE SEBI (LODR) REGULATIONS, 2015

The Board of Directors
GHCL Ltd.

We the undersigned certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2017 and that to the best of our knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee-

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's intern al control system over financial reporting.

For GHCL LIMITED

Sd/-	**Sd/-**
R S Jalan	**Raman Chopra**
Managing Director	**CFO & Executive Director (Finance)**
DIN: 00121260	DIN 00954190
Date: May 20, 2017	

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of GHCL Limited

1. The accompanying Corporate Governance Report prepared by GHCL Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2017 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held April 1, 2016 to March 31, 2017:

      (a) Board of Directors meeting;

      (b) Audit committee;

      (c) Nomination and remuneration committee;

      (d) Banking and operations committee;

      (e) Compliance committee;

      (f) Stakeholders Relationship Committee; and

      (g) Corporate social responsibility (CSR) committee;

   v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

   vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Other matters and Restriction on Use

8. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

9. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Atul Seksaria
Partner
Membership No.: 086370

Place: New Delhi
Date : May 20, 2017

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

per Rahul Divan
Partner
Membership No.: 100733

Place : New Delhi
Date : May 20, 2017

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members
GHCL Limited
GHCL House
Opp. Punjabi Hall, Navrangpura
Ahemdabad, Gujrat-380009

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by GHCL Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- **(a)** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- **(b)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- **(c)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- **(d)** The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
- **(e)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- **(f)** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- **(g)** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not Applicable**
- **(h)** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other laws, as informed and certified by the Management of the company which are specifically applicable to the Company based on the Sectors/ Industry are:

- **(a)** Food Safety and Standards Act, 2006, rules and regulations thereunder;

We have also examined compliance with the applicable clauses/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

(b) Board of Directors of the Company in their meeting held on January 31, 2017 had given their approval for Buy Back of the Company's fully paid-up equity shares of Rs. 10/- each from the Open Market through stock exchange route, at a Maximum Buyback price of Rs. 315/- per Equity Share excluding transaction costs, for an aggregate amount of Rs. 80 Crore.

In line with the said approval, the Company had bought back 5,73,438 Equity Shares and extinguished 5,46,550 Equity Shares during the quarter ended March 31, 2017. Accordingly, Issued and Paid up Capital of the Company stands reduced from 10,00,19,286 Equity Shares to 9,94,72,736 Equity Shares (i.e. 10,00,19286 minus 5,46,550) as on March 31, 2017.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715

Date: May 20, 2017
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and form forms an integral part of this report.

Annexure-A

The Members
GHCL Limited
GHCL House opp.
Punjabi Hall Navrangpura
Ahemdabad GJ 380009

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715

Date: May 20, 2017
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GHCL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- **(a)** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- **(b)** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- **(c)** The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- **(d)** In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 35(c) to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The Company has provided requisite disclosures in Note 44 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of the predecessor joint auditor and continuing joint auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated May 19, 2016 and May 22, 2015 respectively expressed an opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Atul Seksaria
Partner
Membership No.: 086370

Place: New Delhi
Date : May 20, 2017

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

per Rahul Divan
Partner
Membership No.: 100733

Place: New Delhi
Date : May 20, 2017

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: GHCL Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loan to one subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan is not prejudicial to the company's interest.

(b) The Company has granted loan to one subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loan given to a subsidiary company and guarantee given on behalf of a subsidiary company have been complied with by the Company. There are no investments made and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of soda ash and textile products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income tax, duty of excise, duty of custom, sales tax, ESI and employees' state insurance on account of any dispute, is as follows:

Name of the Statute	Nature of Dues	Amount (Rs.) in Crores	Period to which	Forum where dispute is pending
Income Tax Act, 1961	Write off of loans of Subsidiaries, Corporate Guarantee, Foreign Sales Commission, Interest on loan to Subsidiaries & Service Income of Subsidiaries	11.06	F.Y. 2010-2011, F.Y. 2011-12	ITAT, Ahmedabad
	Foreign Sales Commission, Interest on loan to Subsidiaries	5.46	F.Y. 2011-2012, F.Y. 2012-13	CIT (Appeal), Ahmedabad
Central Excise Act,1944	CENVAT credit	0.03	2001-2002	High Court Chennai
		4.50	2008-09 to 2011-12	High Court Gujarat
		0.54	2008-09	Customs, Excise and Service tax Appellate Tribunal
		2.23	2010-11 to 2015-16	Commissioner (Appeals)
		8.63	2004-2005, 2008-09, 2009-10	Dy. Commissioner, Junagadh & Commissioner, Bhavnagar
	CENVAT credit & Non Payment of Service Tax, changes in classification of duty rate	61.73	2005-06, 2007-08 to 2015-16	Customs, Excise and Service tax Appellate Tribunal
Customs Act,1962	Changes in classification of custom duty rate	7.16	2012-13, 2014-15	Customs, Excise and Service tax Appellate Tribunal
The Employee's State Insurance Act, 1948	Contribution Demand	0.03	1998-2002	ESI Court, Madurai
		0.01	1985-1986	Supreme Court
Gujarat Sales Tax Act, 1969	Disallowance Of Set Off Of Sales Tax	0.02	2002-2003	VAT Tribunal, Ahmedabad

According to the information and explanations given to us, there are no dues of provident fund, sales-tax, service tax, value added tax, and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company did not have any outstanding debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were obtained. The Company has not raised any money way of initial public offer / further public offer / debt instruments during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Atul Seksaria
Partner
Membership No.: 086370

Place: New Delhi
Date : May 20, 2017

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

per Rahul Divan
Partner
Membership No.: 100733

Place: New Delhi
Date : May 20, 2017

ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GHCL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GHCL Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Atul Seksaria
Partner
Membership No.: 086370

Place: New Delhi
Date : May 20, 2017

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

per Rahul Divan
Partner
Membership No.: 100733

Place: New Delhi
Date : May 20, 2017

STANDALONE BALANCE SHEET AS AT MARCH 31, 2017

(INR in crores)

	Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I.	**Assets**				
	(1) Non-current assets				
	(a) Property, plant and equipment	3	2,397.98	2,047.05	1,932.04
	(b) Capital work-in-progress	3	26.00	36.89	7.01
	(c) Intangible assets	4	1.07	0.45	0.32
	(d) Investment in subsidiaries	5(a)	0.04	0.04	0.04
	(e) Financial assets				
	(i) Investments	5(b)	8.78	6.05	6.05
	(ii) Loans	6(a)	13.03	13.65	16.12
	(iii) Others non-current financial assets	6(b)	8.25	9.53	13.05
	(f) Other-non current assets	7	17.19	36.78	6.22
	(2) Current assets				
	(a) Inventories	8	509.24	407.63	417.33
	(b) Financial assets				
	(i) Trade receivables	9	326.85	246.55	267.98
	(ii) Cash and cash equivalents	10	5.14	37.15	28.31
	(iii) Bank balances other than cash and cash equivalents	10A	26.85	3.71	3.64
	(iv) Other current financial asset	11	16.58	6.26	6.22
	(c) Current tax assets (net)	12	41.89	4.94	6.64
	(d) Other current assets	13	68.84	51.29	83.99
	Total Assets		3,467.73	2,907.97	2,794.96
II.	**Equity and Liabilities**				
	Equity				
	(a) Equity share capital	14	99.47	100.02	100.02
	(b) Other equity	15	1,251.85	933.26	704.00
	Liabilities				
	(1) Non-current liabilities				
	(a) Financial liabilities				
	(i) Long term borrowings	16(a)	697.96	675.02	781.31
	(b) Long Term Provisions	17(a)	6.13	5.33	3.78
	(c) Deferred tax liabilities (net)	12	235.98	194.93	173.73
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Short term borrowings	16(b)	514.02	408.13	347.68
	(ii) Trade payables	18	344.32	285.35	381.72
	(iii) Other current financial liabilities	19	300.27	291.67	288.58
	(b) Other current liabilities	20	3.99	3.49	3.65
	(c) Short term provisions	17(b)	13.75	10.78	10.49
	Total Equity and Liabilities		3,467.73	2,907.97	2,794.96

The accompanying notes are integral part of the Standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733
Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(INR in crores)

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue			
Revenue from Operations	21	2,969.39	2,708.75
Other income	22	10.78	7.47
Total Income		**2,980.17**	**2,716.22**
Expenses			
Cost of raw materials consumed	23	1,069.91	900.42
Purchase of stock in trade		91.75	69.34
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(43.53)	(5.33)
Excise duty on sale of goods		188.69	176.56
Employee benefit expenses	25	158.13	133.24
Depreciation and amortization expense	26	85.69	81.74
Finance costs	27	133.77	162.82
Other expenses	28	790.79	806.23
Total expenses		**2,475.20**	**2,325.02**
Profit before exceptional items and tax		504.97	391.20
Exceptional items	29	3.04	13.50
Profit before tax		**501.93**	**377.70**
Tax expense:			
Current tax		113.61	99.40
Less: Tax adjustment for Earlier years (Refer Note 12)		(40.18)	-
Deferred tax		41.73	21.67
Profit for the period		**386.77**	**256.63**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		(1.93)	(1.36)
Income tax effect		0.67	0.47
Re-measurement of investment in equity		2.65	(0.00)
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	30	1.39	(0.89)
Total Comprehensive income for the period		**388.16**	**255.74**
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	31		
Basic (INR)		38.82	25.57
Diluted (INR)		38.57	25.57

The accompanying notes are integral part of the Standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733
Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2017

(INR in crores)

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Operating activities			
Profit before tax		501.93	377.70
Adjustments for:			
Depreciation/amortisation	26	85.69	81.74
Profit on sale of investments	22	(0.23)	(0.27)
Gain on sale of fixed assets	22	(0.63)	(0.58)
Interest income	22	(1.05)	(0.91)
Finance cost	27	133.77	162.82
Income from dividend	22	(0.04)	(0.04)
Employees share based payments	15G	5.75	-
Unrealised Exchange (Gain) / Loss		(18.64)	6.35
Operating profit/(loss) before working capital changes		**706.54**	**626.81**
Movement in working capital			
(Increase) /Decrease in trade receivables	9	(70.49)	20.82
(Increase)/ Decrease in inventories	8	(101.62)	9.71
(Increase) /Decrease in other current financial assets	11	(10.32)	(0.04)
(Increase)/ Decrease in other current assets	12	(17.55)	32.70
(Increase) /Decrease in other non-current financial assets	6(b)	1.28	3.52
(Increase) /Decrease in other non-current assets	7	(2.64)	(2.45)
Increase/ (Decrease) in trade payables	18	61.79	(100.31)
Increase/ (Decrease) in other current financial liabilities	19	(17.72)	(1.15)
Increase/ (Decrease) in other current liabilities	20	0.50	(0.16)
Increase/ (Decrease) in provisions	17	3.77	1.85
Cash generated from operations		**553.56**	**591.29**
Direct taxes paid (net of refunds)		(108.40)	(97.70)
Net cash generated from operating activities		**445.16**	**493.59**
Cash flow from investing activities			
Purchase of fixed asset including CWIP and capital advances	3, 4, 7 & 19	(377.28)	(251.40)
Sale proceeds of tangible assets		1.48	1.30
Profit on sale of current Investments	22	0.23	0.27
Interest received	22	1.05	0.91
Dividend received	22	0.04	0.04
Net cash used in investing activities		**(374.48)**	**(248.88)**
Cash flow from financing activities			
Buyback of equity share capital	14 & 15A	(14.40)	-
Dividend paid	15	(50.02)	(22.00)
Dividend distribution tax paid	15	(10.18)	(4.48)
Proceeds from long-term borrowings		277.94	127.30
Repayment of long-term borrowings		(255.01)	(234.24)
Proceeds from short-term borrowings	16	105.89	60.45
Unpaid dividend account (Net)		(0.54)	(0.35)
Bank deposit in escrow account and Margin Money	10A	(22.60)	0.28
Interest paid	27	(133.77)	(162.82)
Net cash used in financing activities		**(102.68)**	**(235.87)**
Net (decrease) / increase in cash and cash equivalents		**(32.01)**	**8.84**
Cash and cash equivalents at the beginning of the year		**37.15**	**28.31**
Cash and cash equivalents at the end of the year		**5.14**	**37.15**

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2017

(INR in crores)

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Components of cash and cash equivalents			
Cash and cheques on hand	10	0.14	0.27
Balances with banks:			
- On current accounts	10	5.00	36.88
- On deposit accounts with original maturity of less than 3 months		-	-
- On deposit account for more than 3 months and less than 12 months	10A	26.85	3.71
- On deposit accounts with original maturity between 3 months and 12 months		-	-
		31.99	**40.86**
Less: Fixed deposits with original maturity between 3 months and 12 months	10A	(26.85)	(3.71)
Total cash and cash equivalents (note 10)		**5.14**	**37.15**

The accompanying notes are integral part of the Standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733

Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(INR in crores)

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

	Number of share	Amount
As at April 1, 2015	10.00	100.02
Changes in share capital during the year	-	-
Balance as at March 31, 2016	10.00	100.02
Changes in share capital during the year *	(0.05)	(0.55)
Balance as at March 31, 2017	9.95	99.47

*** (Refer note 14 on buy back)**

B. Other Equity

	Capital reserve (A)	Business develop-ment reserve (B)	Capital redemp-tion reserve (C)	Securities premium reserve (D)	FVTOCI Reserve (E)	Retained earnings (F)	Share based payment reserve (G)	General Reserve (H)	Total
As at April 1, 2015	**7.57**	**75.16**	**10.00**	**18.15**	**4.50**	**490.46**	**-**	**98.16**	**704.00**
Profit for the year	-	-	-	-	-	256.63	-	-	256.63
Proposed Dividend	-	-	-	-	-	(22.00)	-	-	(22.00)
Dividend distribution tax	-	-	-	-	-	(4.48)	-	-	(4.48)
Other comprehensive income	-	-	-	-	(0.00)	(0.89)	-	-	(0.89)
Balance as at March 31, 2016	**7.57**	**75.16**	**10.00**	**18.15**	**4.50**	**719.72**	**-**	**98.16**	**933.26**
Write back on sales of revalued assets	-	(1.27)	-	-	-	-	-	-	(1.27)
Reserve created on account of buy back during the year	-	-	0.55	-	-	(0.55)	-	-	-
Reserve Utilised on account of buy back during the year	-	-	-	(13.85)	-		-	-	(13.85)
Profit for the year	-	-	-	-	-	386.77	-	-	386.77
Employee stock option scheme	-	-	-	-	-	-	5.75	-	5.75
Proposed Dividend	-	-	-	-	-	(50.02)		-	(50.02)
Dividend distribution tax	-	-	-	-	-	(10.18)		-	(10.18)
Other comprehensive income	-	-	-	-	2.65	(1.26)		-	1.39
Balance as at March 31, 2017	**7.57**	**73.89**	**10.55**	**4.30**	**7.15**	**1,044.48**	**5.75**	**98.16**	**1,251.84**

The accompanying notes are integral part of the Standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733

Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

1 Corporate information

GHCL Limited ("GHCL" or the "Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat. The Company is engaged in primarily two segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufacturing, weaving, processing and cutting & sewing of home textiles products).

Information on related party relationships of the Company is provided in Note 34.

The financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 20th May 2017.

2 Significant accounting policies

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2017 are the first time the Company has prepared in accordance with Ind-AS. Refer to note 48 on first time adoption for information on how the Company adopted Ind-AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities that have been carried at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are recorded to the nearest crores (INR'00,00,000), except otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that the principal in all of its revenue arrangements since it is the primary obliger in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the education material on Ind AS 18 issued by the ICAI, the Company assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly it is excluded from the revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

d) **Taxes**

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situation where the Company is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

(INR in Crores)

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

e) Property, plant and equipment

Property, plant and equipment and capital work-in-progress is stated at net of CENVAT and VAT less depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery *	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years
• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to notes regarding significant accounting judgments, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful life are amortised on straight line basis over estimated useful life of three years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the companies general policy on the borrowing costs (refer note16). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term for non-cancellable leases. However, in some of the non-cancellable operating lease arrangements the lease escalation is in line with expected general inflation and hence there is no requirement for straight lining of lease rentals as Ind-AS 17 does not mandate straight-lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable and excise duty.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses.
- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares: are stated at cost less provision, if any, for obsolescence.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Company records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

l) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and

Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Companies continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Cash flow hedges

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Refer to Note 36 for more details.

o) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

p) Cash dividend to equity holders

The Company recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

q) Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

r) Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

s) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017

3 **Property, Plant and equipment**

(INR in crores)

	Freehold Land	Leasehold Land *	Buildings	Plant and Equip-ments	Office Equip-ments	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Total	Capital work in progress	Total Amount
As at April 1, 2015	379.43	352.40	154.25	980.98	2.48	2.98	1.68	2.45	9.47	45.92	1,932.04	7.01	1,939.05
Additions/Adjustments	3.31	-	16.36	93.81	2.65	0.83	-	0.86	-	80.57	198.39	221.16	419.55
Disposals	-	-	-	(3.02)	(0.47)	(0.14)	-	(0.61)	-	-	(4.24)	(191.28)	(195.52)
As at March 31, 2016	**382.74**	**352.40**	**170.61**	**1,071.77**	**4.66**	**3.67**	**1.68**	**2.70**	**9.47**	**126.49**	**2,126.19**	**36.89**	**2,163.08**
Additions/Adjustments	0.03	0.35	34.10	387.15	3.08	1.56	0.16	0.87	-	13.07	440.37	426.17	866.54
Disposals	(0.73)	-	-	(29.55)	(0.27)	(0.04)	-	(0.79)	-	-	(31.38)	(437.06)	(468.44)
As at March 31, 2017	**382.04**	**352.75**	**204.71**	**1,429.37**	**7.47**	**5.19**	**1.84**	**2.78**	**9.47**	**139.56**	**2,535.18**	**26.00**	**2,561.18**

Depreciation	Land	Leasehold Land	Buildings	Plant and Equip-ment	Office Equip-ment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Total Amount
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	4.86	7.20	57.39	1.42	0.84	0.70	0.69	4.52	3.86	81.48	-	81.48
Disposals	-	-	-	(1.37)	(0.47)	(0.09)	-	(0.41)	-	-	(2.34)	-	(2.34)
As at March 31, 2016	**-**	**4.86**	**7.20**	**56.02**	**0.95**	**0.75**	**0.70**	**0.28**	**4.52**	**3.86**	**79.14**	**-**	**79.14**
Depreciation charge for the year	-	4.85	7.50	60.63	1.47	0.57	0.59	0.54	2.77	6.50	85.42	-	85.42
Disposals	-	-	-	(26.36)	(0.26)	(0.04)	-	(0.70)	-	-	(27.36)	-	(27.36)
As at March 31, 2017	**-**	**9.71**	**14.70**	**90.29**	**2.16**	**1.28**	**1.29**	**0.12**	**7.29**	**10.36**	**137.20**	**-**	**137.20**

Net book value	Land	Leasehold Land	Buildings	Plant and Equip-ment	Office Equip-ment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Total Amount
As at March 31, 2017	382.04	343.04	190.01	1,339.08	5.31	3.91	0.55	2.66	2.18	129.20	2,397.98	26.00	2,423.98
As at March 31, 2016	382.74	347.54	163.41	1,015.75	3.71	2.92	0.98	2.42	4.95	122.63	2,047.05	36.89	2,083.94
As at April 1, 2015	379.43	352.40	154.25	980.98	2.48	2.98	1.68	2.45	9.47	45.92	1,932.04	7.01	1,939.05

Net book value	**31-Mar-17**	**31-Mar-16**	**01-Apr-15**
Property, plant and equipment	2,397.98	2,047.05	1,932.04
Capital work in progress	26.00	36.89	7.01

Refer note 16 for property plant and equipment pledged as security by the Company.

Finance leases * Land for Soda Ash plant and for Corporate Office are taken on long term leases from the Government for a period of 90 to 99 years.

Leased Mines # Leased mines represents expenditure incurred on development of mines.

Capitalised borrowing costs

Addition to block of Plant and Equipments and others includes borrowing cost of Rs. 11.27 Crore (for the year 31 March 2016: Rs. 1.49 Crore) on account of capacity expansion of soda ash plant and other capital expenditure. The rate used to determine the amount of borrowing costs eligible for capitalisation was 11.25%, which is the effective interest rate of the specific borrowing

Deemed cost

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forward at the amount as determined under the previous GAAP netting off IND AS adjustment such as government grants. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at 1 April 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows

(INR in crores)

Particulars	Gross Block as at 1 April 2015	Accumulated Depreciation as at 1 April 2015	Net Block as at 1 April 2015
Freehold Land	379.43	-	379.43
Leasehold Land	387.33	34.93	352.40
Buildings	222.91	68.66	154.25
Plant and Equipments	1,838.22	857.24	980.98
Office Equipments	15.22	12.74	2.48
Furniture and Fixtures	7.84	4.86	2.98
Salt works reservoir	65.30	63.62	1.68
Vehicles	5.12	2.67	2.45
Leased Mines	62.02	52.55	9.47
Wind Turbine Generator	67.23	21.31	45.92
Total	**3,050.62**	**1,118.58**	**1,932.04**

4 **Intangible assets** **(INR in crores)**

	Trademarks *	Software	Total Amount
Cost			
As at April 1, 2015	-	0.32	0.32
Additions	-	0.38	0.38
Disposals	-	(0.03)	(0.03)
As at March 31, 2016	-	**0.67**	**0.67**
Additions	-	0.89	0.89
Disposals	-	-	-
As at March 31, 2017	-	**1.56**	**1.56**

	Trademarks	Software	Total Amount
Amortisation			
As at April 1, 2015	-	-	-
Amortization	-	0.25	0.25
Disposals	-	(0.03)	(0.03)
As at March 31, 2016	-	**0.22**	**0.22**
Amortization	-	0.27	0.27
Disposals	-	-	-
As at March 31, 2017	-	**0.49**	**0.49**

Net book value	Trademarks	Software	Total Amount
As at March 31, 2017	-	1.07	1.07
As at March 31, 2016	-	0.45	0.45
As at April 1, 2015	-	0.32	0.32

*** Cost is less than Rupees (INR) 10,000 as on April 1, 2015.**

Deemed cost

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forward at the amount as determined under the previous GAAP netting off IND AS adjustment such as government grants. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at 1 April 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows

Particulars	Gross Block as at 1 April 2015	Accumulated Depreciation as at 1 April 2015	Net Block as at 1 April 2015
Trademarks	0.00	0.00	0.00
Software	6.90	6.58	0.32
Total	**6.90**	**6.58**	**0.32**

5 (a) **Investment in subsidiaries**

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unquoted equity shares			
Investment in Subsidiary Company			
750 Equity Shares of $ 10 each fully paid of Grace Home Fashion LLC	0.04	0.04	0.04
Investment in Dan River Properties LLC	0.00	0.00	0.00
Total Investments in subsidiaries	**0.04**	**0.04**	**0.04**

*** Cost is less than Rupees (INR) 10,000 as on April 1, 2015.**

5 (b) Financial Assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments			
Investments in equity instruments at fair value through OCI (fully paid)			
Quoted equity shares			
41,500 Equity Shares (as at 31 March 2016: 41,500 Equity Shares, as at 1 April 2015: 41,500 Equity Shares) of HDFC Bank Limited of Rs 2/- each fully paid up	5.98	4.44	4.29
68,598 Equity Shares (as at 31 March 2016: 68,598 Equity Shares, as at 1 April 2015: 68,598 Equity Shares) of IDBI Limited of Rs 10/- each fully paid up	0.52	0.48	0.50
2,595 Equity Shares (as at 31 March 2016: 2,595 Equity Shares, as at 1 April 2015: 2,595 Equity Shares) of Dena Bank of Rs 10/- each fully paid up	0.01	0.01	0.01
272,146 Equity Shares (as at 31 March 2016: 272,146 Equity Shares, as at 1 April 2015: 272,146 Equity Shares) of GTC Industries Limited of Rs 10/- each fully paid up	2.02	1.01	1.06
4,500 Equity Shares (as at 31 March 2016: 4,500 Equity Shares, as at 1 April 2015: 4,500 Equity Shares) of Canara Bank of Rs 10/- each fully paid up	0.14	0.09	0.17
100 Equity Shares (as at 31 March 2016: 100 Equity Shares, as at 1 April 2015: 100 Equity Shares) of TCP Ltd of Rs 10/- each fully paid up	0.00	0.00	0.00
Unquoted equity shares			
5,200 Equity Shares (as at 31 March 2016: 5,200 Equity Shares, as at 1 April 2015: 5,200 Equity Shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01	0.01
83,500 Equity Shares (as at 31 March 2016: NIL Equity Shares, as at 1 April 2015: NIL Equity Shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.09	-	-
	8.77	6.04	6.04

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unquoted debt securities (at amortised cost)			
Investment in Government Securities			
7 year National Savings Certificates	0.01	0.01	0.01
(Pledged with govt authorities)			
Total Fair Investments	**8.78**	**6.05**	**6.05**
Non-current	**8.78**	**6.05**	**6.05**
Current	**-**	**-**	**-**
Aggregate market value of quoted investments	8.67	6.03	6.03
Aggregate Fair value of unquoted investments	0.11	0.02	0.02

6 (a) **Loans**

(Unsecured, considered good, unless stated otherwise) (at amortised cost)			
Loan to Subsidiary	6.22	6.84	9.31
Loan to ESOS trust	6.81	6.81	6.81
Total Loan	**13.03**	**13.65**	**16.12**
Non-current	13.03	13.65	16.12
Current	-	-	-

6 (b) **Others non-current financial assets**

Other Financial assets			
Demand deposit	0.07	0.19	0.12
Security Deposits	8.18	9.34	12.93
Total -Non current other financial assets	8.25	9.53	13.05

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risks of the counter parties

7 **Other-non current assets**

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances	10.23	32.46	4.35
Deposit with Statutory authorities under protest	6.96	4.32	1.87
Total	**17.19**	**36.78**	**6.22**

8 **Inventories**

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw Materials	202.70	191.55	188.62
[includes in transit Rs. 15.74 Crore (At 31 March 2016: 8.42 Crore, as on 1 April 2015: 5.47 Crore)]			
Work-in-progress	51.45	44.04	42.05
Finished Goods	125.21	103.11	94.31
[includes in transit Rs. 30.55 Crore (At 31 March 2016: 24.46 Crore, as on 1 April 2015: 19.13 Crore)]			

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Stock-in-trade	14.61	0.59	6.05
[includes in transit Rs. 10.03 Crore (At 31 March 2016: NIL, as on 1 April 2015: NIL)]			
Stores and Spares	115.27	68.40	86.30
[includes in transit Rs. 46.49 Crore (At 31 March 2016: NIL, as on 1 April 2015: NIL)]			
Total inventories at the lower of cost and net realisable value	**509.24**	**407.63**	**417.33**

9 Trade receivables

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	248.20	159.45	197.41
Receivable from related parties	78.65	87.10	70.57
Total trade receivables	**326.85**	**246.55**	**267.98**

Break-up for security details:			
Trade receivables			
Secured, considered good	-	-	
Unsecured, considered good	326.85	246.55	267.98
Current trade receivables	**326.85**	**246.55**	**267.98**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

For terms and conditions related to related party receivables, refer Note 34

Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

10 Cash and cash equivalent

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with bank	5.00	36.88	28.03
Cash on hand	0.14	0.27	0.28
Total cash and cash equivalents	**5.14**	**37.15**	**28.31**

10A Bank balances other than cash and cash equivalents

- On unpaid dividend account	3.46	2.92	2.57
- On escrow account	4.63	-	-
- On account of margin money deposited	18.76	0.79	1.07
Bank balances other than cash and cash equivalents	**26.85**	**3.71**	**3.64**

As at 31 March 2017, the Company had available Rs. 113.31 Crore (As at 31 March 2016: Rs.297.58 Crore, as at 1 April 2015: Rs.83.97 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with bank	5.00	36.88	28.03
Cash on hand	0.14	0.27	0.28
	5.14	**37.15**	**28.31**

11 Other current financial asset **(INR in crores)**

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loan to employees	1.21	1.18	1.26
Forward contracts	10.27	-	0.05
Others (include Insurance Claim receivable)	5.10	5.08	4.91
	16.58	**6.26**	**6.22**

12 Income Tax and Deferred Tax **(INR in crores)**

Current tax assets (net)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income Tax paid / TDS (net of provisions of Rs 113.61 Crore (At 31 March 2016: Rs. 99.40 Crore, as on 1 April 2015: Rs. 64.21 Crore)	1.71	4.94	6.64
Income Tax refund receivable*	40.18	-	-
Total	**41.89**	**4.94**	**6.64**

* During the year, the Company has received a favourable order from CIT (Appeals) for AY 2012-13 and 2013-14 respectively. The said order has resulted in an Income Tax refund of Rs.40.18 crores.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year ended 31 March 2017 and 31 March 2016:

	31-Mar-17	31-Mar-16
Accounting profit before tax from continuing operations	501.93	377.70
Accounting profit before income tax	**501.93**	**377.70**
At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%)	173.71	130.71
Adjustment for tax purposes:		
- Difference in Book depreciation and depreciation as per Income Tax Act, 1961	(33.39)	(25.74)
- Investment Allowance	(20.58)	(6.83)
- 43B Items	1.69	1.40
- Charity, Donation and CSR Expenses	1.39	0.59
- Deduction under Chapter VI-A	(9.00)	(6.69)
- VRS Expenses	(0.11)	3.72
- Others	(0.10)	2.24
At the effective income tax rate of 22.63% (31 March 2016: 26.32%)	**113.61**	**99.40**
Income tax expense reported in the statement of profit and loss	113.61	99.40
Tax adjustment for earlier years	(40.18)	-
Deferred tax expense reported in the statement of profit and loss	41.73	21.67
	115.16	**121.07**

Deferred tax expense/(income) relates to the following:	**31-Mar-17**	**31-Mar-16**
Depreciation	(38.37)	(25.60)
Deferred Revenue Expenditure	-	(0.22)
Employee Benefit	(0.11)	0.50
Disallowance u/s 40 (a) & 43B	0.44	2.29
Carry forward loss as per IT Act	(3.60)	1.90
Unamortised cost of Term loans	(0.09)	(0.54)
Deferred tax expense/(income)	**(41.73)**	**(21.67)**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.67	0.47
Total Deferred tax expense/(income)	**(41.06)**	**(21.20)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

Deferred tax relates to the following:	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
Accelerated depreciation for tax purposes	(245.51)	(207.14)	(181.54)
Employee Benefit	3.63	3.74	3.24
Disallowance u/s 40 (a) & 43B	6.77	5.65	3.35
Carry forward loss as per IT Act	-	3.60	1.70
Unamortised cost of Term loans	(0.87)	(0.78)	(0.24)
Deferred revenue expenditure	-	-	(0.22)
Deferred tax expense/(income)			
Net deferred tax assets/(liabilities)	**(235.98)**	**(194.93)**	**(173.73)**
Reflected in the balance sheet as follows:			
Deferred tax assets	10.40	12.99	8.28
Deferred tax liabilities:	(246.38)	(207.92)	(182.01)
Deferred tax liabilities, net	**(235.98)**	**(194.93)**	**173.73**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31 March 2017, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

13 Other current assets **(INR in crores)**

	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**
Balances with Customs, Port Trust, Central Excise etc.	28.75	15.02	25.71
Duty Drawback / FPS receivable on Export	9.32	18.15	36.57
Advances recoverable in cash or kind	0.96	2.39	1.68
Advance to vendors	21.80	10.79	15.04
Advance paid for royalty	0.27	0.68	1.03
Prepaid expenses	7.43	4.25	3.93
Others	0.31	0.01	0.03
Total other current assets	**68.84**	**51.29**	**83.99**

14 Share capital

Authorised Share Capital **(INR in crores)**

	Number of Shares	**Amount**
At April 1, 2015	17.50	175.00
Changes during the period	-	-
At March 31, 2016	**17.50**	**175.00**
Changes during the period	-	-
At March 31, 2017	**17.50**	**175.00**

Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is entitled to one vote per equity share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Issue Equity Capital

	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2015	10.00	100.02
Changes during the period	-	-
At March 31, 2016	**10.00**	**100.02**
Changes during the period *	(0.05)	(0.55)
At March 31, 2017	**9.95**	**99.47**

	As at March 31, 2017	As at March 31, 2017	As at April 1, 2015
Shareholder's holding more than 5 % Shares	Nil	Nil	Nil

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

* The Board of Directors of the Company, at its meeting held on January 31, 2017, has approved a proposal to buy back upto 32,00,000 equity shares of the Company for an aggregate amount not exceeding Rs. 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding Rs. 315. During the year, the Company has bought back 5,73,438 equity share out of which 5,46,550 equity shares have been extinguished at 31.03.2017. The balance 26,888 shares has been cancelled post 31st March 2017.

15	**Other equity**	**Amount**
15A	**Capital reserve**	
	As at April 1, 2015	7.57
	Changes during the period	-
	At March 31, 2016	7.57
	Changes during the period	-
	At March 31, 2017	7.57

The Company had recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeited shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B	**Business development reserve**	
	As at April 1, 2015	75.16
	Changes during the period	-
	At March 31, 2016	75.16
	Changes during the period	(1.27)
	At March 31, 2017	73.89

In earlier years, Certain Fixed assets of the Company were revalued at their respective fair value as determined by government approved competent valuer appointed by the Company. The amount of such revaluation was transferred to Business development reserve, as per scheme of arrangement as approved by Hon'ble Gujarat High Court on 30th November, 2008. During the current year, the Company has adjusted the written down book value of revalued assets under business development reserve upon sale/write-off.

		Amount
15C	**Capital redemption reserve**	
	As at April 1, 2015	10.00
	Changes during the period	-
	At March 31, 2016	10.00
	Changes during the period	0.55
	At March 31, 2017	10.55

The Company had issued 10,000,000/- 10.75% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the Company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the Company. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. Rs. 10 Crore), was created out of profit of the Company available for payment of dividend.

An amount of Rs. 0.55 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the Company during the year) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company. (Refer Note No. 14)

		Amount
15D	**Securities premium reserve**	
	As at April 1, 2015	18.15
	Changes during the period	-
	At March 31, 2016	18.15
	Changes during the period	(13.85)
	At March 31, 2017	4.30

During the earlier years, the Company issued 4,500,000 Preferential convertible Warrants which were converted into equity shares of Rs 10 each at a premium of Rs 55.10 per share in the year ended March 31, 2007, which has been reflected in securities premium account.

During the current year, the Company has bought back and cancelled 5,46,550 equity shares of Rs. 10 each for an aggregate consideration of 14.40 Crore. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 13.85 Crore, is adjusted against the Share Premium Account. (Refer Note No. 14)

		Amount
15E	**FVTOCI reserve**	
	As at April 1, 2015	4.50
	Changes during the period	0.00
	At March 31, 2016	4.50
	Changes during the period	2.65
	At March 31, 2017	7.15

The Company recognises the profit or loss on fair value of investments under Fair value through other comprehensive income (FVTOCI) reserve.

		Amount
15F	**Retained earnings**	
	As at April 1, 2015	490.46
	Changes during the period	229.25
	At March 31, 2016	719.72
	Changes during the period	324.76
	At March 31, 2017	1,044.48
15G	**Share based payment reserve**	
	As at April 1, 2015	-
	Changes during the period	-
	At March 31, 2016	-
	Changes during the period	5.75
	At March 31, 2017	5.75

		Amount
15H	**General Reserve**	
	As at April 1, 2015	98.16
	Changes during the period	-
	At March 31, 2016	98.16
	Changes during the period	-
	At March 31, 2017	98.16
	Grand Total (15) as at April 1, 2015	**704.00**
	Grand Total (15) as at March 2016	**933.26**
	Grand Total (15) as at March 2017	**1,251.84**

The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 43 for further details of these plans

(INR in crores)

Distributions made and proposed	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2016: INR 3.50 per share (March 31, 2015: INR 2.20 per share)	35.01	22.00
Dividend Distribution Tax (DDT) on final dividend	7.13	4.48
Interim dividend for the year ended on March 31, 2017: INR 1.50 per share (March 31, 2016: NIL)	15.01	-
Dividend Distribution Tax (DDT) on Interim dividend	3.05	-
	60.20	26.48
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2017: INR 3.50 per share (31 March 2016: INR 3.50 per share)	35.01	35.01
Dividend Distribution Tax (DDT) on proposed dividend	7.13	7.13
	42.14	42.14

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax (DDT) thereon) as at year end.

16 Borrowings

(a) Long term borrowings (INR crores)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Term loans from banks						
Rupee term loans (Secured)	531.59	675.02	781.31	218.71	242.04	244.89
Foreign currency loans (Secured)	166.37	-	-	-	-	-
	697.96	675.02	781.31	218.71	242.04	244.89
Current maturities of long term loan (refer note 19)	-	-	-	(218.71)	(242.04)	(244.89)
Total	**697.96**	**675.02**	**781.31**	**-**	**-**	**-**

16.1 Rupee Term Loans from Banks / Institutions have been secured against: -

a) Loan aggregating to Rs.102.45 crores is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 8 years.

b) Loan aggregating to Rs 202.58 crores is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 9 years.

c) Loan aggregating to Rs 161.81 crores is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 3 years.

d) Loan aggregating to Rs. 51.85 crores is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 3 to 10 years.

e) Loan aggregating to Rs. 8.69 crores is secured by an exclusive first charge over movable fixed assets situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 10 years.

f) Loan aggregating to Rs. 12.96 crores is secured by way of first pari passu charge on movable fixed assets of Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 1 year.

g) Loan aggregating to Rs.107.86 crores is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 2 to 10 years.

h) Loan aggregating to Rs. 74.88 crores is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 1 to 3 years.

i) Loan aggregating to Rs. 69.94 crores is secured by first exclusive charge on movable fixed assets of Textile Division situated at Paravai and Manaparai, Tamil Nadu, both present and future, excluding assets exclusively charged to other lenders. The remaining tenure of the loan is 4 years.

j) Loan aggregating to Rs. 47.66 crores is secured by an exclusive first charge on movable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 8 years.

k) Loan aggregating to Rs. 30.22 crores is secured by an exclusive first charge on movable and immovable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 9 years.

l) Loan aggregating to Rs. 45.77 crores is secured by extension of first charge on movable fixed assets of Consumer Product division situated at Chennai and Industrial Salt Division situated at Bhavnagar and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram District, Chennai. The remaining tenure of the loan is 3 years.

m) Out of all the aforesaid secured Loans appearing in note 16 (a) to16 (l) totalling Rs. 916.67 crores, an amount of Rs. 218.71 crores is due for payment in next 12 months and accordingly reported under note no 19 under the head " Other Current financial liabilities" as 'current maturities of long term borrowing'.

(b) Short term borrowings

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Short term loans from banks			
Cash credit facilities	24.02	-	14.35
Working capital demand loan	29.50	58.95	33.00
Export Packing Credit (Rupee loan)	281.24	188.35	43.61
Bill Discounting	19.88	32.40	17.28
Packing Credit in foreign currency	2.57	92.72	211.54
Foreign currency non resident borrowing	58.37	-	-
Buyers credit in foreign currency	98.44	35.71	27.90
Total	**514.02**	**408.13**	**347.68**

16.2 Short Term Borrowings: This facility is secured by way of hypothecation on inventory & trade receivables & borrowed as under:

(a) Credit Facilities in Indian Rupees: The facilities availed by way of Cash Credit, Working capital demand loan, Export Packing Credit and Bill Discounting are repayable on demand and carries an average interest rate of 7.66% p.a on the amount outstanding.

(b) Credit Facilities in Foreign Currency : The facilities availed by way of Foreign currency non resident borrowing, Packing Credit in foreign currency and Buyer's Credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 2.19% p.a on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has undrawn borrowing facilities (refer note 10A).

17 Provisions (INR crores)

(A) Long term provisions

	Provision for mines restoration*
At 1 April 2015	3.78
Arising during the year	2.24
Utilised	(0.69)
At 31 March 2016	5.33
Arising during the year	1.02
Utilised	(0.22)
At 31 March 2017	**6.13**
Long term provisions	**6.13**

*** Provision for mines restoration**

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

(INR in crores)

(B) Short term provisions	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee Benefits (refer note 33)			
Provision for Compensated absences	11.86	10.03	9.66
Provision for Gratuity	1.89	0.75	0.83
	13.75	10.78	10.49

18 Trade payables (INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables for Goods and Expenses	343.45	285.09	381.30
Trade payables - Micro, Small & Medium Enterprises *	0.87	0.26	0.42
	344.32	285.35	381.72
Non-current	-	-	-
Current	344.32	285.35	381.72

Trade payables are non-interest bearing and are normally settled on around 90 days terms
There are no dues payable to related parties
For explanation on Company's credit risk management process refer note 38(e)

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2017 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:			
Principal	0.87	0.26	0.42
Interest	-	-	-
ii) The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-
The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Nil (March 31, 2016 : Rs. Nil) (April 1, 2015 : Rs. Nil)	-	-	-

19 Other current financial liabilities

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial liabilities at fair value through profit and loss			
Forward contracts	-	2.31	-
Other financial liabilities at amortised cost			
Current maturities of long term borrowings (refer note 16(a))	218.71	242.04	244.89
Other financial liabilities			
Dealer deposits	5.00	4.51	3.74
Security Deposits	0.71	0.53	1.13
Capital creditors	46.10	15.88	12.00
Unpaid dividend	3.46	2.92	2.57
Employee benefit payable	19.91	19.33	21.47
Others	6.38	4.15	2.78
	300.27	291.67	288.58

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

20 Other current liabilities

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance received from customers	3.99	2.60	2.76
Others	-	0.89	0.89
	3.99	3.49	3.65

21 Revenue from operations

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products (including excise duty)		
Sale of goods	2,949.73	2,682.44
Sale of services	19.66	26.31
Total	**2,969.39**	**2,708.75**

22 Other income

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	1.05	0.91
Dividend income	0.04	0.04
Profit on sale of investments	0.23	0.27
Gain on sale of fixed assets	0.63	0.58
Sale of scrap	8.03	3.01
Miscellaneous income	0.80	2.66
	10.78	**7.47**

(INR in crores)

		For the year ended March 31, 2017	For the year ended March 31, 2016
23	**Cost of raw material consumed (Refer no 41)**		
	Inventory at the beginning of the year	191.55	188.62
	Add: Purchases	1,081.06	903.35
		1,272.61	1,091.97
	Less: inventory at the end of the year	(202.70)	(191.55)
	Cost of raw material consumed	1,069.91	900.42

24 (Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock		
Finished Goods	103.11	94.31
Stock in Process	44.04	42.05
Stock in trade	0.59	6.05
	147.74	**142.41**
Closing stock		
Finished Goods	125.21	103.11
Stock in Process	51.45	44.04
Stock in trade	14.61	0.59
	191.27	**147.74**
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	**(43.53)**	**(5.33)**

25 Employee benefit expenses

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	134.81	117.72
Contribution to provident and other funds	11.39	10.35
Share based payment expenses	5.75	-
Staff welfare expenses	6.18	5.17
	158.13	**133.24**

26 Depreciation and amortization expense

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of tangible assets	85.42	81.48
Amortization of intangible assets	0.27	0.26
	85.69	**81.74**

27 Finance costs

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on borrowings	116.05	133.15
Exchange differences regarded as an adjustment to borrowing costs	6.62	11.82
Interest to others	3.16	5.41
Bank Charges	7.94	12.44
	133.77	**162.82**

28 Other expenses **(INR in crores)**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Consumptions of Stores and Spares	68.43	62.36
Power, fuel and water	306.52	355.89
Other Manufacturing Expenses	119.68	105.62
Packing Expenses	92.73	87.45
Freight and Forwarding	71.14	79.04
Commission on Sales	9.69	10.50
Sales Promotion Expenses	17.48	9.73
Travelling and conveyance	13.41	12.22
Rent	5.10	5.46
Repair and maintenance machinery	27.99	26.53
Repair and maintenance building	2.25	2.48
Repair and maintenance others	4.32	4.66
Rates and Taxes	1.35	0.86
Insurance	9.25	8.40
Commission to Non Whole time Directors (includes service tax of INR 0.20 Crore (previous year INR 0.27 Crore)	3.30	2.41
Communication Expenses	1.87	1.55
Legal and professional expenses	12.66	11.63
Donation	0.07	0.08
CSR Expenditure	4.00	3.36
Excise Duty on increase/decrease of stock	(0.08)	1.05
Miscellaneous Expenses	19.63	14.95
	790.79	**806.23**

Payment to auditors **(INR in crores)**

	For the year ended March 31, 2017	For the year ended March 31, 2016
To Statutory auditor:		
Audit fee	0.40	0.30
Tax audit fee	0.02	0.02
Limited review	0.30	0.12
In other capacity		
Other services (certification fees)	0.04	0.04
Reimbursements of expenses	0.03	-
	0.79	**0.48**
To Cost auditor		
Audit fee	0.03	0.02
Out of pocket expenses	0.00	-
	0.03	**0.02**

Details of CSR expenditure **(INR in crores)**

		For the year ended March 31, 2017			For the year ended March 31, 2016
a	Gross amount required to be spent by the Company during the year			5.04	3.31
b	Amount spent during the year	**In cash**	**Yet to be paid in cash**		
	i) Construction / acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	4.00	-	4.00	3.36

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

29 Exceptional items

	For the year ended March 31, 2017	For the year ended March 31, 2016
		(INR in crores)
Voluntary retirement expenses	3.04	13.50
	3.04	**13.50**

Exceptional items represent one time employees' separation cost incurred during the year on account of Voluntary Retirement Scheme (VRS) given to employees of Soda Ash division. The benefits of VRS would be accruing over a period of time.

30 Components of Other Comprehensive Income (OCI)

	For the year ended March 31, 2017	For the year ended March 31, 2016
		(INR in crores)
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Re-measurement gains (losses) on defined benefit plans (net of tax effect)	(1.26)	(0.89)
Re-measurement of investment in equity (net of tax effect)	2.65	-
Total	**1.39**	**(0.89)**

31 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in computation of Basic EPS:	For the year ended March 31, 2017	For the year ended March 31, 2016
		(INR in crores)
Profit attributable to the equity holders of the Company	386.77	256.63
Weighted average number of equity shares for basic EPS	9,99,96,502	10,00,19,286
Basic Earnings Per share (Face value of INR 10/- per share)	38.82	25.57
Profit attributable to the equity holders of the Company	386.77	256.63
weighted average number of equity shares and common equivalent shares outstanding	10,06,44,677	10,00,19,286
Diluted earnings per equity share - (Face value of INR 10/- per share)	38.57	25.57

32 Segment information

The Company is primarily engaged in the business of manufacture of Inorganic Chemicals and Textiles and based on this it has two reportable segments:

Inorganic Chemicals segment majorly includes manufacture of Soda Ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture Soda Ash are Salt, limestone, coke, briquette, coal and lignite. The total Inorganic Chemical Segment contributes approx. 60 % of total Indian Standalone revenue.

Textiles segment manufactures cotton yarn and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on Company basis and are not allocated to Operating segments.

Summary of Segment information

(INR in crores)

Year ended March 31, 2017	Inorganic Chemicals	Textiles	Unallocated	Total
Revenue				
External customers	1,745.23	1,224.16	-	2,969.39
Total revenue	1,745.23	1,224.16	-	2,969.39
Segment profit	518.66	137.11	0.00	655.77
Total assets	1,918.54	1,505.01	44.18	3,467.73
Total liabilities	1,056.25	823.31	236.86	2,116.42
Capital expenditure	336.78	104.49	-	441.26
Depreciation and amortization	51.45	34.24	-	85.69

Year ended March 31, 2016	Inorganic Chemicals	Textiles	Unallocated	Amount
Revenue				
External customers	1,650.56	1,058.19	-	2,708.75
Total revenue	1,650.56	1,058.19	-	2,708.75
Segment profit	456.60	110.31	(0.00)	566.91
Total assets	1,515.66	1,349.74	42.57	2,907.97
Total liabilities	957.91	720.99	195.81	1,874.71
Capital expenditure	40.66	158.12	-	198.78
Depreciation and amortization	52.52	29.21	-	81.73
As at 1 April 2015				
Total assets	1,555.82	1,198.66	40.47	2,794.95
Total liabilities	1,141.72	674.60	174.61	1,990.93

All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Company basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Company basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Reconciliations to amounts reflected in the financial statements

(INR in crores)

Reconciliation of profit	For the year ended March 31, 2017	For the year ended March 31, 2016
Segment profit	655.77	566.91
Un- allocated expenditure	(17.03)	(12.89)
Other finance costs	(133.77)	(162.82)
Exceptional item	(3.04)	(13.50)
Profit before tax	501.93	377.70

(INR in crores)

Reconciliation of assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Inorganic Chemicals	1,918.54	1,515.67	1,555.82
Home Textiles	1,505.01	1,349.74	1,198.66
Un-allocated	44.18	42.56	40.47
Total assets	3,467.73	2,907.97	2,794.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

Reconciliation of liabilities			**(INR in crores)**
	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**
Inorganic Chemicals	1,056.25	957.91	1,141.72
Home Textiles	823.31	720.99	674.60
Un-allocated	236.86	195.81	174.61
Total liabilities	2,116.42	1,874.71	1,990.93

		(INR in crores)
Revenue from external customers	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
India	2,218.23	1,978.78
Outside India	751.16	729.97
Total revenue per Statement of profit and loss	2,969.39	2,708.75

			(INR in crores)
Trade Receivable	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
India	179.62	119.10	119.88
Outside India	147.23	127.45	148.10
Total Trade Receivable	326.85	246.55	267.98

33 Defined Benefit and Contribution Plan

Defined Contribution Plan

Provident Fund and Superannuation Fund are Defined Contribution Plan. Contribution paid for Provident Fund and Superannuation Fund are recognised as expense for the year :

		(INR in crores)
	For the year ended March 31, 2017	**For the year ended March 31, 2016**
Employer's contribution to Provident Fund/Pension Scheme	7.79	6.89
Employer's contribution to Superannuation Fund	1.23	1.09

Defined Benefit Plan

Gratuity (Funded)

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Reconciliation of opening and closing balances of the present value of defined benefit obligation in respect of gratuity Fund

	Gratuity cost charged to profit or loss					**Re-measurement (gains) / losses in other comprehensive income**					
	April 1, 2016	**Service cost**	**Net interest expense**	**Sub-total included in profit or loss**	**Benefits paid**	**Return on plan assets (excluding amounts included in net interest expense)**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Subtotal included in OCI**	**Contri-butions by employer**	**March 31, 2017**
Defined benefit obligation	34.18	2.13	2.86	4.99	(2.87)	-	2.37	0.31	2.69	-	38.98
Fair value of plan assets	33.43	-	(2.80)	(2.80)	(1.80)	(0.75)	-	-	(0.75)	1.91	37.09
Benefit liability	0.75			2.19					1.93		1.89

(INR in Crores)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2015	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2016
Defined benefit obligation	34.43	2.12	2.75	4.87	(6.11)	-	(0.82)	1.81	0.99	-	34.18
Fair value of plan assets	33.60	-	(2.68)	(2.68)	(6.01)	(0.37)	-	-	0.37	3.53	33.43
Benefit liability	0.83			2.19					1.36		0.75

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Insurance fund	37.10	33.44	33.59

The principal assumptions used in determining gratuity are:

Mortality Table -LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)
Discount rate	7.34%
Estimated rate of return on plan assets	7.34%
Estimated future salary growth	8.00%
Rate of Employee Turnover	2.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.15)	0.17	2.59	(2.29)	(2.29)	2.63

The following payments are projected Benefits Payable in Future Years From the Date of Reporting from the fund:

	As at March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	6.88	5.82
Following Year 2-5	13.71	13.58
Sum of Years 6 To 10	18.72	26.20
Total expected payments	**39.31**	**45.60**

34 Related Party Transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

A) Wholly owned subsidiaries

Dan River Properties LLC

Grace Home Fashions LLC

B) Key Managerial Personnel

Mr. R. S. Jalan, Managing Director

Mr. Raman Chopra, CFO & Executive Director (Finance)

Mr. Bhuwneshwar Mishra, General Manager & Company Secretary

C) Non-whole-time directors

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia

Dr. B. C. Jain

Mr. G. C. Srivastava

Mrs. Padma Vinod Betai- Nominee IBDI Bank

Mr. Sanjiv Tyagi

Mr. Mahesh Kumar Kheria

Mr. K C. Jani

Mr. Lavanya Rastogi

D) Relative of Key Managerial Personnel

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan

Mrs. Bharti Chopra, w/o Mr. Raman Chopra

Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

E) Enterprises over which key managerial personnel are able to exercise significant influence

Dalmia Centre for Research & Development

GHCL Foundation Trust

GHCL Employees Group Gratuity Scheme

Gujarat Heavy Chemical Limited Superannuation Scheme

(INR in crores)

b) Transactions with Subsidiaries	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Interest received on Loans & Advances		
Dan River Properties LLC	0.12	-
Sales of Goods		
Grace Home Fashions LLC	150.72	159.05
Net Payment/(Receipt) of Loans & Advances		
Dan River Properties LLC	(0.62)	(2.47)

(INR in crores)

	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**
Loans & Advances Recoverable at the year end			
Dan River Properties LLC	6.22	6.84	9.31
Balance of Investment in Equities at the year end			
Grace Home Fashions LLC	0.04	0.04	0.04
Balance receivable at the year end			
Grace Home Fashions LLC	78.65	87.10	70.57

c) Transactions with Relative of Key Management Personnel	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Leasing & Hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.12	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.09	0.09
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02

		For the year ended March 31, 2017	For the year ended March 31, 2016
d)	**Transactions with Enterprises over which significant influence exercised by directors**		
	Purchase of Goods		
	Dalmia Centre for Research & Development	0.02	0.03
	Royalty paid		
	Dalmia Centre for Research & Development	0.06	0.06
	Net Contribution		
	GHCL Foundation Trust	4.00	3.36
	GHCL Employees Group Gratuity Scheme	1.90	3.55
	Gujarat Heavy Chemical Limited Superannuation Scheme	1.23	1.09

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) **Compensation of key management personnel of the Company**

	As at March 31, 2017	As at March 31, 2016
Mr. R.S. Jalan	7.57	4.78
Mr. Raman Chopra	4.33	2.77
Mr.Bhuwneshwar Mishra	0.52	0.38
Total compensation paid to key management personnel	12.42	7.93

	As at March 31, 2017	As at March 31, 2016
Short-term employee benefits	10.45	7.66
Post-employment gratuity and medical benefits	0.41	0.27
Share-based payment transactions	1.55	-
Total compensation paid to key management personnel	12.41	7.93

f) **Transactions with Non-whole-time directors**

Sitting Fees	0.27	0.22
Commission (excluding service tax)	3.10	2.15
	3.37	2.37

g) **Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a))**

(INR in crores)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
GHCL Employee Stock Option Trust	6.81	6.81	6.81
Dan River Properties LLC (Subsidiary Company)	6.22	6.84	9.31

(INR in Crores)

35 Commitments and contingencies

a) Operating lease commitments

Leases future obligation/rights as at Balance Sheet date for lease arrangements amount to:

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Within one year	3.28	3.01	2.79
	After one year but not more than five years	3.62	6.37	6.25
	More than five years	0.11	0.25	0.31
b)	Estimated value of contracts remaining to be executed on Capital Account and not provided for (net of advances)	75.16	136.71	21.84
c)	Contingent Liabilities :			
	Claims against the Company not acknowledged as debts*			
	- Income Tax	71.92	31.47	11.17
	- Sales Tax / VAT	0.04	0.04	0.15
	- Excise, Custom & Service Tax	105.95	92.10	86.60
	- Other claims	41.72	58.08	43.50
	Cases pending before Appellate authorities/Dispute Resolution Panel in respect of which the Company has filed appeals.			
	*On the basis of current status of individual case for respective years and as per legal advice obtained by the Company, wherever applicable, the Company is confident of winning the above cases and is of the view that no provision is required in respect of above cases.			
	These include claims against the Company for recovery lodged by various parties.			
d)	Guarantees:			
	Guarantees issued by banks	2.72	2.67	2.69
	Corporate guarantee to Bank on behalf of erstwhile subsidiaries of the Company	2.46	81.24	72.75
e)	Bills discounted with banks (since realized)	3.41	24.24	24.07
f)	EPCG Commitment (value of exports) - The Company has export obligations on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight /six years. Due to the remote likelihood of the Company being unable to meet its export obligations, the Company does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	313.31	299.53	271.5

36 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of expected sales and purchases, generally from one to 24 months.

These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. (Refer Note 38(b))

37 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in crores)

	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
Financial assets measured at fair value						
FVTOCI investments (refer note 5 (b))	8.78	8.78	6.05	6.05	6.05	6.05
Forward contracts (refer note 11)	10.27	10.27	-	-	0.05	0.05
Financial assets measured at amortised cost						
Loan to Subsidiary (refer note 6 (a))	6.22	6.22	6.84	6.84	9.31	9.31
Loan to ESOS trust (refer note 6 (a))	6.81	6.81	6.81	6.81	6.81	6.81
Security Deposits (refer note 6 (b))	8.18	8.18	9.34	9.34	12.93	12.93
Loan to Employees (refer note 11)	1.21	1.21	1.18	1.18	1.26	1.26
Financial liabilities measured at fair value						
Forward contracts (refer note 19)	-	-	2.31	2.31	-	-
Financial liabilities not measured at fair value						
Term loans (refer note 16(a))	916.67	916.67	917.06	917.06	1,026.20	1,026.20
Short term borrowings (refer note 16(b))	514.02	514.02	408.13	408.13	347.68	347.68

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

(INR in crores)

	Date of Valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments					
Quoted equity shares	31-Mar-17	8.67	8.67		
	31-Mar-16	6.03	6.03		
	01-Apr-15	6.03	6.03		
Unquoted equity shares	31-Mar-17	0.11			0.11
	31-Mar-16	0.05			0.05
	01-Apr-15	0.01			0.01
Financial assets measured at fair value through profit and loss					
Forward contracts	31-Mar-17	10.27			10.27
	31-Mar-16	-			-
	01-Apr-15	0.06			0.06
Financial assets measured at amortised cost					
Security Deposits	31-Mar-17	8.18		8.18	
	31-Mar-16	9.34		9.34	
	01-Apr-15	12.93		12.93	

(INR in crores)

	Date of Valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Loan to Subsidiary	31-Mar-17	6.22		6.22	
	31-Mar-16	6.84		6.84	
	01-Apr-15	9.31		9.31	
Loan to ESOS trust	31-Mar-17	6.81		6.81	
	31-Mar-16	6.81		6.81	
	01-Apr-15	6.81		6.81	
Loans to Employees	31-Mar-17	1.21		1.21	
	31-Mar-16	1.18		1.18	
	01-Apr-15	1.26		1.26	
Financial liability measured at fair value through profit and loss					
Forward contracts	31-Mar-17	-		-	
	31-Mar-16	2.31		2.31	
	01-Apr-15	-		-	
Financial liabilities not measured at fair value					
Floating rate borrowings (refer note 16)	31-Mar-17	1,430.69		1,430.69	
	31-Mar-16	1,325.18		1,325.18	
	01-Apr-15	1,373.88		1,373.88	

There have been no transfers between Level 1 and Level 2 during the period.

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Sensitivity of the input to fair value
FVTOCI financial investments				
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets	
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, Weighted average cost of capital, Long-term operating margin, Discount for lack of marketability	3% (31 March 2016: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through profit and loss				
Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security Deposits Loan to Subsidiary Loan to ESOS trust Loan to Employees	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future payouts, discounting cash flows	
Financial liabilities measured at fair value through profit and loss				
Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities not measured at fair value				
Floating rate borrowings	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	

(INR in Crores)

38 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management overseas the management of these risks. The Company's senior management is supported by a Banking and Operations committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Company is not exposed the significant interest rate as at a respective reporting date.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is effected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on PBT
March 31, 2017	+/(-).50%	'(-)/+ 7.15
	Increase/decrease in basis points	**Effect on PBT**
March 31, 2016	+/(-).50%	'(-)/+ 6.63

b) Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

Foreign Currency Sensitivity

	Change in USD rate	Effect on PBT
March 31, 2017	+/(-)1%	'(-)/+ 0.97
	Change in USD rate	**Effect on PBT**
March 31, 2016	+/(-)1%	'(-)/+ 0.98
	Change in GBP rate	**Effect on PBT**
March 31, 2017	+/(-)1%	'(-)/+ 0.01
	Change in GBP rate	**Effect on PBT**
March 31, 2016	+/(-)1%	'(-)/+ 0.02

c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 0.10 crores.

At the reporting date, the exposure to listed equity securities at fair value was INR 8.68 Crore. A decrease of 10% on the NSE/ BSE market index could have an impact of approximately INR 0.86 Crore on the OCI or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

d) Commodity Risk

The Company is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the Company has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Company's Commercial Department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

e) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous group's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2017,March 2016 and 1 April 2015 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Company to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(INR in crores)

As on 31st March 2017	within 1 year	More than 1 year	Total
Borrowings	732.73	697.96	1,430.69
Trade and other payables	344.32	-	344.32
Other financial liabilities	81.56	-	81.56
	1,158.61	697.96	1,856.56

As on 31st March 2016	within 1 year	More than 1 year	Total
Borrowings	650.16	675.02	1,325.19
Trade and other payables	285.35	-	285.35
Other financial liabilities	49.63	-	49.63
	985.15	675.02	1,660.18

As on 1st April 2015	within 1 year	More than 1 year	Total
Borrowings	592.57	781.31	1,373.88
Trade and other payables	381.72	-	381.72
Other financial liabilities	43.69	-	43.69
	1,017.97	781.31	1,799.28

39 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio of less than 75%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings	1,430.69	1,325.19	1,373.88
Trade payables	344.32	285.35	381.72
Other financial liabilities	81.56	49.63	43.69
Less: Cash and bank balances	31.99	40.86	31.95
Net debt	**1,824.58**	**1,619.31**	**1,767.34**
Equity	1,351.31	1,033.28	804.02
Capital and Net debt	**3,175.89**	**2,652.59**	**2,571.36**
Gearing ratio	57%	61%	69%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2017.

40 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Company's financial statements:

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of lease contracts

Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Company has analyzed each lease contract on a case to case basis to classify the arrangement as operating or finance lease, based on an evaluation of the terms and conditions of the arrangements.

Assessment of Equity instruments

The Company has designated investments in equity instruments as FVTOCI investments since the Company expects to hold these investment with no intention to sale. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

41. **Raw material and Power & Fuel costs include expenditure on captive production of Salt, Limestone, Briquette and Lignite as under:**

(INR in crores)

	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Manufacturing Expenses	143.24	141.30
Stores and spares consumed	1.39	2.44
Power and Fuel	4.73	4.44
Excise Duty, Cess and Royalty	8.73	6.55
Repairs and maintenance	-	
Building	0.19	0.30
Plant and machinery	0.70	0.92
Earth work	1.74	3.27
Others	0.57	0.45

(INR in crores)

	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Salaries and Wages	8.60	8.53
Travelling & Conveyance	0.84	0.73
Lease Rent	0.74	0.82
Rates and taxes	0.13	0.19
Insurance	0.86	0.48
Misc. Expenses (Including Deferred Revenue & Intangible Expenses)	3.59	1.83
Less: Other Misc. Income	(5.01)	(0.80)
TOTAL	171.04	171.45

42 ESOS Trust owns total 20,46,195 shares, out of which 15,79,922 shares were illegally sold by a party against which ESOS Trust has initiated legal proceedings and 4,66,273 shares are held by Stock Exchange based on an arbitration award. Pending final decision on these shares held by Trust, the Trust will continue for the limited purpose of litigation.

43 **Share Based Compensation**

In accordance with the Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014 and the Guidance Note on Accounting for 'Employees Share-based Payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Company. To have an understanding of the scheme, relevant disclosures are given below.

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Company has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on 31st March 2017.

Details of the scheme and different plans

The relevant details of the Scheme are as under.

(INR in crores)

	Plan A	Plan B	Plan C	Plan D
Date of Grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017
Date of Board Approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017
Date of Shareholder's Approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	605000	605000	15000	15000
Method of Settlement	Equity	Equity	Equity	Equity
Vesting Period (see table below)				
Fair Value on the date of Grant (In Rs)	71.79	80.68	198.55	204.79
Exercise Period	5 Years	5 Years	5 Years	5 Years
Vesting Conditions	As per policy approved by Shareholder	As per policy approved by Shareholder	As per policy approved by Shareholder	As per policy approved by Shareholder

Details of the vesting period are:

Vesting Period from the Grant date	Plan A	Plan B	Plan A	Plan B
On completion of 12 months	6,05,000	-	15,000	-
On completion of 24 months	-	6,05,000	-	15,000

Set out below is a summary of options granted under the plan **(INR in crores)**

	As at March 2017		As at March 2016	
	Total No. of Stock Options	Weighted average exercise price	Total No. of Stock Options	Weighted average exercise price
Options outstanding at beginning of year	-	-	-	-
Options granted during the year	12,40,000	100	-	-
Options forfeited/lapsed during the year	40,000	100	-	-
Options exercised during the year	-	-	-	-
Options expired during the year	-			
Options outstanding at end of year	12,00,000	100	-	-
Options vested but not exercised during the year	Nil	-	-	-

The detail of activities of the Scheme have been summarized below:-

Particulars	As at March 2017				
	Plan A	Plan B	Plan C	Plan D	Total
	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	6,05,000	6,05,000	15,000	15,000	12,40,000
Forfeited during the year	20,000	20,000	-	-	40,000
Exercised during the year	-	-	-	-	-
Expired during the year	-	-			-
Outstanding at the end of the period	5,85,000	5,85,000	15,000	15,000	12,00,000
Exercisable at the end of the period	-	-	-	-	-
Weighted average remaining contractual life (in years)	0.13	1.13	0.84	1.84	
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	

Particulars	Plan A	Plan B	Plan C	Plan D
Date of Grant	19/05/2016	19/05/2016	31/01/2017	31/01/2017
Stock Price at the date of Grant	148.1	148.1	286.05	286.05
Exercise Price	100	100	100	100
Expected Volatility	50	50	39.3	39.3
Expected life of the Option	2	3	2	3
Risk Free interest Rate (%)	7.467	7.467	6.396	6.396
Weighted average fair value as on Grant date	71.79	80.68	198.55	204.79

44 **Disclosure on specified bank notes (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in Rs

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	9,53,500	18,54,170	28,07,670
(+) Permitted receipts	-	63,62,537	63,62,537
(-) Permitted payments	-	(46,11,895)	(46,11,895)
(-) Amount deposited in Banks	(9,53,500)	(90,007)	(10,43,507)
Closing cash in hand as on 30.12.2016	-	35,14,805	35,14,805

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016

45 The following changes have taken place during the previous year with regard to Subsidiary Companies

Position of the subsidiaries which under are Liquidation / have filed for administration are as under:

Name of subsidiary	**Country**	**Date of Liquidation**
Textile & Design Limited	UK	25th September 2009 (Dissolved during the year)
Rosebys Interiors India Limited	India	15th July, 2014
Indian England N.V.	Netherlands	10th March 2015

Teliforce Holding India Limited, a subsidiary in Cyprus has been voluntarily dissolved on 28th April 2015.

46 Remittances during the year in Foreign currency on account of :

a)	Dividend for the financial year ended	2015-16
	Dividends to non-resident shareholders (INR in crores)	2.09
	Number of non-resident shareholders	685
	Number of Shares	59,66,908
b)	Interim Dividend for the financial year	2016-17
	Interim Dividends to non-resident shareholders (INR in crores)	8.94
	Number of non-resident shareholders	675
	Number of Shares	59,57,808

47 Reconciliations of Equity as on March 31, 2016 and April 01, 2015

(INR in crores)

Particulars			**As on March 31, 2016**			**As on April 1, 2015**		
		Reference	**Previous GAAP**	**GAAP Adjustment**	**As per IND AS**	**Previous GAAP**	**GAAP Adjustment**	**As per IND AS**
ASSETS								
(1)	Non-current assets							
(a)	Property, plant and equipment		2,047.05	-	2,047.05	1,932.04	-	1,932.04
(b)	Capital work-in-progress		36.89	-	36.89	7.01	-	7.01
(c)	Intangible assets		0.45	-	0.45	0.32	-	0.32
(d)	Investment in subsidiaries		0.04	-	0.04	0.04	-	0.04
(e)	Financial assets							
(i)	Investments	1	1.55	4.50	6.05	1.55	4.50	6.05
(ii)	Loans		13.65	-	13.65	16.12	-	16.12
(iii)	Others non-current financial assets	2	9.53	-	9.53	12.80	0.25	13.05
(f)	Other-non current assets		36.78	-	36.78	6.22	-	6.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

(INR in crores)

Particulars		Reference	As on March 31, 2016			As on April 1, 2015		
			Previous GAAP	GAAP Adjustment	As per IND AS	Previous GAAP	GAAP Adjustment	As per IND AS
(2)	Current assets							
(a)	Inventories		407.63	-	407.63	417.33	-	417.33
(b)	Financial assets							
(i)	Trade receivables		246.55	-	246.55	267.98	-	267.98
(ii)	Cash and cash equivalents		37.15	-	37.15	28.31	-	28.31
(iii)	Bank balances other than cash and cash equivalents		3.71	-	3.71	3.64	-	3.64
(iv)	Other current financial asset		6.26	-	6.26	6.22	-	6.22
(c)	Current tax assets (net)		4.94	-	4.94	6.64	-	6.64
(d)	Other current assets		51.29	-	51.29	83.99	-	83.99
			2,903.48	**4.50**	**2,907.98**	**2,790.19**	**4.75**	**2,794.94**
EQUITY AND LIABILITIES								
Equity								
(a)	Equity share capital		100.02	-	100.02	100.02	-	100.02
(b)	Other equity		885.36	47.90	933.26	669.71	34.29	704.00
(1)	Non-current liabilities							
(a)	Financial liabilities							
(i)	Long term borrowings	**3**	678.39	(3.37)	675.02	785.36	(4.05)	781.31
(b)	Long Term Provisions		5.33	-	5.33	3.78	-	3.78
(c)	Deferred tax liabilities (net)	**7**	195.13	(0.19)	194.93	172.73	1.00	173.73
(2)	Current liabilities							
(a)	Financial liabilities							
(i)	Short term borrowings		408.13	-	408.13	347.68	-	347.68
(ii)	Trade payables		285.35	-	285.35	381.72	-	381.72
(iii)	Other current financial liabilities	**2**	289.36	2.31	291.67	288.58	-	288.58
(b)	Other current liabilities		3.49	-	3.49	3.65	-	3.65
(c)	Short term provisions	**4**	52.92	(42.14)	10.78	36.97	(26.48)	10.49
	Total equity and Liabilities		**2,903.48**	**4.50**	**2,907.98**	**2,790.19**	**4.75**	**2,794.94**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of Total Comprehensive Income for the year ended March, 31, 2016

Particulars	Reference	Indian GAAP	GAAP Adjustment	As per IND AS
INCOME				
Revenue from operations	**6**	2,708.75	-	2,708.75
Other income		7.47	-	7.47
Total Revenue		**2,716.23**	**-**	**2,716.23**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

Particulars	Reference	Indian GAAP	GAAP Adjustment	As per IND AS
EXPENSES				
Cost of raw materials consumed		900.42		900.42
Purchase of traded goods		69.34		69.34
Change in inventories of finished goods, traded goods and work in progress		(5.33)		(5.33)
Excise duty on sales of goods	**6**	176.56		176.56
Employee benefits expenses	**5**	134.60	(1.36)	133.24
Finance costs		81.09	0.65	81.74
Depreciation and amortization expenses		162.82		162.82
Other expenses		804.81	1.42	806.23
Total Expenses		**2,324.31**	**0.71**	**2,325.02**
Profit before tax and Exceptional Items		391.92	(0.71)	391.20
Exceptional Items		13.50		13.50
Profit before tax		**378.42**	**(0.71)**	**377.70**
Tax expenses				
Current tax		99.40	-	99.40
Deferred tax		22.39	(0.72)	21.67
Total tax expense		**121.79**	**(0.72)**	**121.07**
Profit for the year		**256.63**	**0.00**	**256.63**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods				
i) Re-measurement (gains)/ losses on defined benefit plans	**5**		(1.36)	(1.36)
ii) Income tax effect	**7**		0.47	0.47
iii) Re-measurement of investment in equity	**1**		(0.00)	(0.00)
Other Comprehensive Income for the year (net of tax)		**-**	**(0.89)**	**(0.89)**
Total Comprehensive Income for the year (net of tax)		**256.63**	**(0.89)**	**255.74**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and Total comprehensive income for the year ended 31st March 2016

1 **Fair Valuation of Investments**

Under Indian GAAP, investments in equity instruments were classified as long term investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary diminution in the value of investments.

Accordingly, the Company has designated investments in equity instruments as FVTOCI investments. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

2 **Derivative Instruments**

The fair value of derivative instruments (i.e. forward contracts and options) is recognized under Ind AS whereas the same was not recognized under Indian GAAP. The Company has not designated these derivative instruments as hedging instruments under Indian GAAP as well as under Ind AS. Accordingly, difference on account of fair valuation of these instruments has been adjusted in retained earnings.

3 **Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

4 Proposed Dividend

Under Indian GAAP, proposed dividend (including DDT) is recognized as a liability in the period to which it relates, irrespective of when it is declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31st March 2015 recorded for the proposed dividend for the year along with dividend distribution tax is de-recognized and provided in the financial year in which it is declared or paid under IND AS.

5 Defined benefit obligation

Both under Indian GAAP and Ind AS, the Company recognises costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is increased by INR 0.89 crore (net of Tax) and re-measurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

6 Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by INR 176.56 Crore for the period ended 31 March 2016 with a corresponding increase in other expense.

7 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS has resulted in recognition of deferred tax on temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies adopted by the Company it has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

8 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9 Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

48 First Time Adoption Of Indian Accounting Standards

These are Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1 Mandatory exemptions :

I Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP

2 Optional exemptions:

I Deemed Cost for Property Plant & equipment

Ind AS 101 permits a first time adopter to elect to fair value its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

Accordingly, as per Ind AS 101, the Company has elected to consider fair value of its property, plant and equipment, capital work in progress and intangibles as its deemed cost on the date of transition to Ind AS.

II Leases

Appendix C to Ind AS 17-" Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 allows a first-time adopter to determine whether an arrangement existing at the date of transition to Ind AS contains a lease on the basis of facts and circumstances existing at that date. except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

3 Fair value measurement of financial assets and liabilities

Under IGAAP the financial assets and liabilities were being carried at the transaction value.

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transaction, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

The Company has measured its financial assets and liabilities at amortised cost or fair value.

4 Investments in subsidiaries

Ind AS 101 permits the first time adopter to measure investment in subsidiaries in accordance with Ind AS 27 at one of the following:

a) Cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

5 Embedded Derivatives

As per Ind AS 101 a first-time adopter shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date of reassessment. The Company has evaluated all its agreements on the basis of conditions that existed at the later of the date it first became a party to the contract and the date of reassessment.

49 Standards issued but not yet effective up to the date of Financial Statements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

I) Amendment to Ind AS 7 Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

II) **Amendment to Ind AS 102 Share-based Payment**

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact.

The group will adopt these amendments from their applicability date.

50 The financial statements for the previous year ended March 31, 2016 prepared in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) were audited by one of the predecessor joint auditor and continuing joint auditor.

51 The previous period figures have been regrouped / reclassified, wherever considered necessary.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733
Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of GHCL Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated Ind AS financial statementscomply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 35(c) to the consolidated Ind AS financial statements;

ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

iv. The Holding Company, has provided requisite disclosures in Note 44 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management of the Holding Company.

Other Matter

(a) The comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by one of the predecessor joint auditor and continuing joint whose report for the year ended March 31, 2016 and March 31, 2015 dated May 19, 2016 and May 22, 2015 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Atul Seksaria
Partner
Membership No.: 086370
Place: New Delhi
Date : May 20, 2017

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

per Rahul Divan
Partner
Membership No.: 100733
Place: New Delhi
Date : May 20, 2017

ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GHCL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of GHCL Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of GHCL Limited (hereinafter referred to as the "Holding Company" or "the Company") which is incorporated in India as of that date. The subsidiary companies which are part of the Group is incorporated outside India and Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable to the subsidiary companies.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. BATLIBOI & CO LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Atul Seksaria
Partner
Membership No.: 086370
Place: New Delhi
Date : May 20, 2017

For Rahul Gautam Divan & Associates
ICAI Firm registration number: 120294W
Chartered Accountants

per Rahul Divan
Partner
Membership No.: 100733
Place: New Delhi
Date : May 20, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(INR in Crores)

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. Assets				
(1) Non-Current Assets				
(a) Property, plant and equipment	3	2,399.99	2,048.74	1,933.56
(b) Capital work-in-progress	3	26.00	36.89	7.01
(c) Investment Property	4	8.56	8.56	8.56
(d) Intangible assets	4A	1.07	0.45	0.32
(e) Financial assets				
(i) Investments	5	8.78	6.05	6.05
(ii) Loans	6(a)	6.81	6.81	6.81
(iii) Other non-current financial assets	6(b)	8.25	9.53	13.08
(f) Other-non current assets	7	17.19	36.78	6.22
(2) Current Assets				
(a) Inventories	8	584.33	503.31	487.39
(b) Financial assets				
(i) Trade receivables	9	276.16	182.75	245.25
(ii) Cash and cash equivalents	10	9.29	38.91	30.99
(iii) Bank balances other than cash and cash equivalents	10A	26.85	3.71	3.64
(iv) Other current financial asset	11	16.58	6.26	6.22
(c) Current tax assets (net)	12	41.89	4.94	6.64
(d) Other current assets	13	71.86	55.00	94.30
Total Assets		**3,503.60**	**2,948.70**	**2,856.03**
II. Equity and Liabilities				
Equity				
(a) Equity share capital	14	99.47	100.02	100.02
(b) Other equity	15	1,247.05	935.90	704.87
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Long term borrowings	16(a)	697.96	675.02	781.31
(b) Long Term Provisions	17(a)	6.13	5.33	3.78
(c) Deferred tax liabilities (net)	12	235.98	193.15	173.73
(d) Other non-current liabilities				
(2) Current liabilities				
(a) Financial liabilities				
(i) Short term borrowings	16(b)	546.62	447.98	401.35
(ii) Trade payables	18	344.32	285.35	381.72
(iii) Other current financial liabilities	19	300.27	291.67	288.58
(b) Other current liabilities	20	12.00	3.49	10.17
(c) Short term provisions	17(b)	13.80	10.78	10.49
Total Equity and Liabilities		**3,503.60**	**2,948.70**	**2,856.03**

The accompanying notes are integral part of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733
Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(INR in Crores)

Particulars	Note	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Revenue			
Revenue from Operations	21	2,999.23	2,707.31
Other income	22	13.25	10.39
Total Income		**3,012.48**	**2,717.70**
Expenses			
Cost of raw materials consumed	23	1,069.91	900.42
Purchase of stock in trade		91.75	76.93
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(22.93)	(30.95)
Excise duty expenses		188.69	176.57
Employee benefit expenses	25	158.49	133.62
Depreciation and amortization expense	26	85.69	81.74
Finance cost	27	136.78	164.92
Other expenses	28	805.79	821.28
Total Expenses		**2,514.17**	**2,324.53**
Profit before exceptional items and tax		498.31	393.17
Exceptional items	29	3.04	13.50
Profit before tax		**495.27**	**379.67**
Tax expense:			
Current tax		113.67	100.25
Less: Tax adjustment for Earlier years (refer note 12)		(40.18)	
Deferred tax		41.73	21.67
Profit for the year		**380.05**	**257.75**
Other comprehensive income			
Re-measurement losses on defined benefit plans (not to be reclassified subsequently to profit or loss)		(1.93)	(1.37)
Income tax effect		0.67	0.47
Re-measurement of investment in equity (not to be reclassified subsequently to profit or loss)		2.65	(0.00)
Exchange differences on translation of foreign operations (to be reclassified subsequently to profit or loss)		1.75	(6.28)
Income tax effect		(0.61)	2.17
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	30	**2.53**	**(5.01)**
Total Comprehensive income for the period		382.58	252.74
Profit attributable to :			
Owners of the Company		380.05	257.74
Non-controlling interest			
Total comprehensive Income attributable to :			
Owners of the Company		382.58	252.74
Non controlling interest			
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	31		
Basic (INR)		38.26	25.77
Diluted (INR)		38.01	25.77

The accompanying notes are integral part of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733

Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2017

(INR in Crores)

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from operating activities			
Profit before tax		495.27	379.67
Adjustments for:			
Depreciation/amortisation	26	85.69	81.74
Profit on sale of investments	22	(0.23)	(0.27)
Gain on sale of fixed assets	22	(0.63)	(0.58)
Interest income	22	(1.05)	(0.91)
Finance cost	27	136.78	164.92
Income from dividend	22	(0.04)	(0.04)
Employees share based payments	15G	5.75	-
Unrealised Exchange (Gain) / Loss		(18.64)	6.35
Operating profit/(loss) before working capital changes		**702.90**	**630.88**
Movement in working capital			
(Increase) /Decrease in trade receivables	9	(83.60)	62.50
(Increase)/ Decrease in inventories	8	(81.02)	(15.92)
(Increase) /Decrease in other current financial assets	11	(10.32)	(0.04)
(Increase)/ Decrease in other current assets	12	(16.86)	39.30
(Increase) /Decrease in other non-current financial assets	6(b)	1.28	3.55
(Increase) /Decrease in other non-current assets	7	(2.64)	(2.45)
Increase/ (Decrease) in trade payables	18	61.80	(100.32)
Increase/ (Decrease) in other current financial liabilities	19	(17.37)	(6.19)
Increase/ (Decrease) in other current liabilities	20	8.54	(6.70)
Increase/ (Decrease) in provisions	17	3.83	1.84
Cash generated from operations		**566.54**	**606.45**
Direct taxes paid (net of refunds)		(108.40)	(97.70)
Net cash generated from operating activities		**458.14**	**508.75**
Cash flow from investing activities			
Purchase of fixed asset including CWIP and capital advances	3, 4, 7 & 19	(377.61)	(251.57)
Sale proceeds of tangible assets		1.48	1.30
Profit on sale of current Investments	22	0.23	0.27
Interest received	22	1.05	0.91
Dividend received	22	0.04	0.04
Net cash used in investing activities		**(374.81)**	**(249.05)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2017

(INR in Crores)

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from financing activities			
Buyback of equity share capital	14 & 15A	(14.40)	-
Dividend paid	15	(50.02)	(22.00)
Dividend distribution tax paid	15	(10.18)	(4.48)
Proceeds from long-term borrowings		277.94	127.30
Repayment of long-term borrowings		(255.01)	(234.24)
Proceeds from short-term borrowings	16	98.64	46.63
Unpaid dividend account (Net)		(0.54)	(0.35)
Bank deposit in escrow account and Margin Money	10A	(22.60)	0.28
Interest paid	27	(136.78)	(164.92)
Net cash used in financing activities		**(112.95)**	**(251.78)**
Net (decrease) / increase in cash and cash equivalents		**(29.62)**	**7.92**
Cash and cash equivalents at the beginning of the year		**38.91**	**30.99**
Cash and cash equivalents at the end of the year		**9.29**	**38.91**
Components of cash and cash equivalents			
Cash and cheques on hand	10	0.14	0.27
Balances with banks:			
- On current accounts	10	9.15	38.64
- On deposit accounts with original maturity of less than 3 months		-	-
- On deposit account for more than 3 months and less than 12 months	10A	26.85	3.71
- On deposit accounts with original maturity of between 3 months and 12 months		-	-
		36.14	**42.62**
Less: Fixed deposits with original maturity of between 3 months and 12 months	10A	(26.85)	(3.71)
Total cash and cash equivalents (note 10)		**9.29**	**38.91**

Notes:

The consolidated cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are integral part of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733
Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(INR in crores)

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

	Number of share	Amount
As at April 1, 2015	10.00	100.02
Changes in share capital during the year	-	-
Balance as at March 31, 2016	10.00	100.02
Changes in share capital during the year *	(0.05)	(0.55)
Balance as at March 31, 2017	9.95	99.47

*** (Refer note 14 on buy back)**

B. Other Equity

(INR in crores)

	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium reserve (D)	FVTOCI Reserve (E)	Retained earnings (F)	Share based payment reserve (G)	Foreign currency translation reserve (H)	General Reserve (I)	Total
Balance as at April 1, 2015	**7.57**	**75.16**	**10.00**	**18.15**	**4.50**	**499.33**	**-**	**-**	**98.16**	**704.87**
Profit for the year	-	-	-	-	-	257.75	-	-	-	257.75
Proposed Dividend	-	-	-	-	-	(22.00)	-	-	-	(22.00)
Dividend distribution tax	-	-	-	-	-	(4.48)	-	-	-	(4.48)
Other comprehensive income	-	-	-	-	(0.00)	(0.89)	-	0.65	-	(0.24)
Balance as at March 31, 2016	**7.57**	**75.16**	**10.00**	**18.15**	**4.50**	**721.70**	**-**	**0.65**	**98.16**	**935.90**
Write back on sales of revalued assets	-	(1.27)	-	-		-		-		(1.27)
Reserve created on account of buy back during the year	-	-	0.55	-	-	(0.55)		-	-	-
Reserve Utilised on account of buy back during the year	-	-	-	(13.85)	-	-	-	-	-	(13.85)
Employee stock option scheme	-	-	-	-	-	-	5.75	-	-	5.75
Profit for the year	-	-	-	-	-	380.05	-	-	-	380.05
Proposed Dividend	-	-	-	-	-	(50.01)	-	-	-	(50.01)
Dividend distribution tax	-	-	-	-	-	(10.18)	-	-	-	(10.18)
Other comprehensive income	-	-	-	-	2.65	(1.26)	-	(0.72)	-	0.66
Balance as at March 31, 2017	**7.57**	**73.89**	**10.55**	**4.30**	**7.15**	**1,039.75**	**5.75**	**(0.07)**	**98.16**	**1,247.05**

The accompanying notes are integral part of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733

Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

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General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017

1 Corporate information

The consolidated financial statement comprises of financial statement of GHCL Limited (GHCL)) and its subsidiaries (collectively, the Group) for the year ended March 31, 2017. GHCL Limited (“”GHCL”” or the “”Company”” or the “”Parent””) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat. The Group are engaged in primarily two business segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufacturing, weaving, processing and cutting & sewing of home textiles products). Information on the Group’s structure is provided in Note 48.

Information on related party relationships of the Company is provided in Note 34.

The consolidated financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 20th May 2017.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance Indian Accounting standards (Ind AS) notified under Companies (Indian Accounting standards) Rules, 2015 as amended. For all periods up to and including the year ended 31 March 2016, the Group has prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended 31 March 2017 are the first consolidated financial statements, which have been prepared in accordance with Ind AS. Refer to note 47 for information on how the Group adopted to Ind AS. The consolidated financial statements have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores (INR 00,00,000), except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprises the financial statement of GHCL Limited and its subsidiaries as at March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group’s voting rights and potential voting rights

(iv) The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.3 Consolidation Procedure :

Subsidiaries:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
(ii) Derecognises the carrying amount of any non-controlling interests
(iii) Derecognises the cumulative translation differences recorded in equity
(iv) Recognises the fair value of the consideration received
(v) Recognises the fair value of any investment retained
(vi) Recognises any surplus or deficit in profit or loss
(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(d) Change in ownership interest

The group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.4 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

b) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Parent determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that, it is the principal in all of its revenue arrangements since it is the primary obliger in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the education material on Ind AS 18 issued by the ICAI, the Group assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly it is excluded from the revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

d) Taxes

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(INR in Crores)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situation where the Group is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

e) Property, plant and equipment

Property, plant and equipment and capital work-in-progress is stated at net of CENVAT and VAT less depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery*	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years
• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to notes regarding significant accounting judgments, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful life are amortised on straight line basis over estimated useful life of three years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the companies general policy on the borrowing costs (note16). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term for non-cancellable leases. However, in some of the non-cancellable operating lease arrangements the lease escalation is in line with expected general inflation and hence there is no requirement for straight lining of lease rentals as Ind-AS 17 does not mandate straight-lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable and excise duty.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses.
- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares: are stated at cost less provision, if any, for obsolescence.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Parent's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

"The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Parent records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset."

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity

l) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Group recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS18

For recognition of impairment loss on other financial assets and risk exposure, the Parent determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Parent in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Parent does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Parent's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Cash flow hedges

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Refer to Note 36 for more details.

o) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

p) Cash dividend to equity holders

The Group recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

q) Investment properties

Investment properties are properties (land and buildings) that are held for long-term rental yields and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs (if any) for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 30 years from the date of original purchase.

The Company, based on technical assessment made by the management, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the Investment Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition..

r) Foreign currencies

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

s) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017

(INR in Crores)

3 Property, Plant and equipment

	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Total	Capital work in progress	Amount
As at April 1, 2015	379.43	352.40	154.25	980.98	2.52	4.46	1.68	2.45	9.47	45.92	1933.56	7.01	1,940.57
Additions/adjustments	3.31	-	16.36	93.81	2.66	1.10	- -	0.86	-	80.57	198.57	221.16	419.73
Disposals	-	-	-	(3.02)	(0.47)	(0.14)	- -	(0.61)	-	-	(4.24)	(191.28)	(195.52)
As at March 31, 2016	**382.74**	**352.40**	**170.61**	**1,071.77**	**4.71**	**5.32**	**1.68**	**2.70**	**9.47**	**126.49**	**2127.89**	**36.89**	**2,164.78**
Additions/Adjustments	0.03	0.35	34.10	387.19	3.08	1.83	0.16 -	0.88	-	13.07	440.69	426.17	866.86
Disposals	(0.73)	-	-	(29.55)	(0.27)	(0.04)	- -	(0.79)	-	-	(31.38)	(437.06)	(468.44)
As at March 31, 2017	**382.04**	**352.75**	**204.71**	**1,429.41**	**7.52**	**7.11**	**1.84**	**2.79**	**9.47**	**139.56**	**2537.20**	**26.00**	**2,563.20**

Depreciation	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Amount
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-		-	-
Depreciation charge for the year	-	4.86	7.20	57.39	1.42	0.85	0.70	0.69	4.52	3.86	81.49	-	81.49
Disposals	-	-	-	(1.37)	(0.47)	(0.09)	-	(0.41)	-	-	(2.34)	-	(2.34)
As at March 31, 2016	**-**	**4.86**	**7.20**	**56.02**	**0.95**	**0.76**	**0.70**	**0.28**	**4.52**	**3.86**	**79.15**	**-**	**79.15**
Depreciation charge for the year	-	4.85	7.50	60.65	1.45	0.57	0.59	0.54	2.77	6.50	85.42	-	85.42
Disposals	-	-	-	(26.36)	(0.26)	(0.04)	-	(0.70)	-	-	(27.36)	-	(27.36)
As at March 31, 2017	**-**	**9.71**	**14.70**	**90.31**	**2.14**	**1.29**	**1.29**	**0.12**	**7.29**	**10.36**	**137.21**	**-**	**137.21**

Net book value	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Amount
As at March 31, 2017	**382.04**	**343.04**	**190.01**	**1,339.10**	**5.38**	**5.82**	**0.55**	**2.67**	**2.18**	**129.20**	**2399.99**	**26.00**	**2,425.99**
As at March 31, 2016	382.74	347.54	163.41	1,015.75	3.75	4.54	0.98	2.42	4.95	122.63	2048.74	36.89	**2,085.63**
As at April 1, 2015	379.43	352.40	154.25	980.98	2.52	4.46	1.68	2.45	9.47	45.92	1933.56	7.01	**1,940.57**

Net book value	**31-Mar-17**	**31-Mar-16**	**01-Apr-15**
Property, plant and equipment	2,399.99	2,048.74	1,933.56
Capital work in progress	26.00	36.89	7.01

Refer note 16 for property plant and equipment pledged as security by the Company.

Finance leases * Land for Soda Ash plant and for Corporate Office are taken on long term leases from the Government for a period of 90 to 99 years.
Leased Mines # Leased mines represents expenditure incurred on development of mines.

Capitalised borrowing costs

Addition to block of Plant and Equipments and others includes borrowing cost of Rs. 11.27 Cr (for the year 31 March 2016: Rs. 1.49Cr) on account of capacity expansion of soda ash plant and other capital expenditure.

Deemed cost

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP netting off IND AS adjustment such as government grants. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at 1 April 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows:

			(INR in crores)
Particulars	**Gross Block as at 1 April 2015**	**Accumulated Depreciation as at 1 April 2015**	**Net Block as at 1 April 2015**
Freehold Land	379.43	-	379.43
Leasehold Land	387.33	34.93	352.40
Buildings	222.90	68.65	154.25
Plant and Equipment	1,838.22	857.24	980.98
Office Equipment	15.39	12.87	2.52
Furniture and Fixtures	10.04	5.58	4.46
Salt works reservoir	65.30	63.62	1.68
Vehicles	5.12	2.67	2.45
Leased Mines	62.02	52.55	9.47
Wind Turbine Generator	67.23	21.31	45.92
Total	**3,052.98**	**1,119.42**	**1,933.56**

4. Investment Property

	Land	Building
Opening Balance at 1st April 2015	8.56	-
Additions (Subsequent Expenditure)	-	-
Closing Balance at 31st March 2016	**8.56**	**-**
Additions (Subsequent Expenditure)	-	-
Closing Balance at 31st March 2017	**8.56**	**-**
Depreciation and Impairment		**-**
Opening balance at 1st April 2015	-	-
Depreciation	-	-
Closing Balance at 31st March 2016	**-**	**-**
Depreciation	-	-
Closing Balance at 31st March 2017	**-**	**-**
Net Block		-
At 1 April 2015	8.56	-
31st March 2016	8.56	-
31st March 2017	**8.56**	**-**

For Investment property existing as on 1 April 2015, i.e., its date of transition to Ind AS, the group has used previous GAAP carrying value as deemed costs.

	31st March 2017 INR Crores	31st March 2016 INR Crores
Rental Income derived from investment properties Direct operating expenses (Including repairs & maintenance) Generating rental income	2.47	2.13
Direct operating expenses (including repairs and maintenance) that did not generate rental Income	0.62	0.87
Profit arising from investment properties before depreciation and indirect expenses	1.85	1.26
Less- Depreciation	-	-
Profit arising from investment properties before indirect expenses	1.85	1.26

The Group's investment properties consist of one commercial property comprising of land and building thereon in USA.

As at 31st March 2017 and 31st March 2016, the fair market value of the property is INR 8.56 Crores. These valuations are based on valuations performed by an accredited independent valuer who is a specialist in valuing these types of properties.

The group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repair, maintenance and enhancements.

Fair value hierarchy disclosures for investments properties have been provide in Note 47.

Investment at the year end is valued at the Fair Value which is broadly comparable with the carrying value as on the reporting date.

4A. Intangible assets

	Trademarks*	Software	Amount
Cost			
As at April 1, 2015	**0.00**	**0.32**	**0.32**
Additions	-	0.38	0.38
Disposals	-	(0.03)	(0.03)
As at March 31, 2016	**0.00**	**0.67**	**0.67**
Additions	-	0.89	0.89
Disposals	-	-	-
As at March 31, 2017	**0.00**	**1.56**	**1.56**

	Trademarks	Software	Amount
Amortisation			
As at April 1, 2015	**-**	**-**	**-**
Amortization	-	0.25	0.25
Disposals	-	(0.03)	(0.03)
As at March 31, 2016	**-**	**0.22**	**0.22**
Amortization	0.00	0.27	0.27
Disposals	-	-	-
As at March 31, 2017	**0.00**	**0.49**	**0.49**

	Trademarks	Software	Amount
Net book value			
As at March 31, 2017	**-**	**1.07**	**1.07**
As at March 31, 2016	0.00	0.45	0.45
As at April 1, 2015	0.00	0.32	0.32

* Cost is less than Rupees (INR) 10,000 as on April 1 , 2015.

Deemed cost

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under the previous GAAP netting off IND AS adjustment such as government grants. Considering the FAQ issued by the ICAI, regarding application of deemed cost, the Company has disclosed the cost as at 1 April 2015 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follows

Ind AS 101 Exemption : The Company has availed the exemption available under Ind AS 101, whereas the carrying value of property, plant and equipment has been carried

Particulars	Gross Block as at 1 April 2015	Accumulated Depreciation as at 1 April 2015	Net Block as at 1 April 2015
Trademarks	0.00	0.00	0.00
Software	6.90	6.58	0.32
Total	**6.90**	**6.58**	**0.32**

(INR in Crores)

5. Financial Assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments			
Investments in equity instruments at fair value through OCI (fully paid)			
Quoted equity shares			
41,500 Equity Shares (as at 31 March 2016: 41,500 Equity Shares, as at 1 April 2015: 41,500 Equity Shares) of HDFC Bank Limited of Rs 2/- each fully paid up	5.98	4.44	4.29
68,598 Equity Shares (as at 31 March 2016: 68,598 Equity Shares, as at 1 April 2015: 68,598 Equity Shares) of IDBI Limited of Rs 10/- each fully paid up	0.52	0.48	0.50
2,595 Equity Shares (as at 31 March 2016: 2,595 Equity Shares, as at 1 April 2015: 2,595 Equity Shares) of Dena Bank of Rs 10/- each fully paid up	0.01	0.01	0.01
272,146 Equity Shares (as at 31 March 2016: 272,146 Equity Shares, as at 1 April 2015: 272,146 Equity Shares) of GTC Industries Limited of Rs 10/- each fully paid up	2.02	1.01	1.06
4,500 Equity Shares (as at 31 March 2016: 4,500 Equity Shares, as at 1 April 2015: 4,500 Equity Shares) of Canara Bank of Rs 10/- each fully paid up	0.14	0.09	0.17
100 Equity Shares (as at 31 March 2016: 100 Equity Shares, as at 1 April 2015: 100 Equity Shares) of TCP Ltd of Rs 10/- each fully paid up	0.00	0.00	0.00
Investment in Others			
5,200 Equity Shares (as at 31 March 2016: 5,200 Equity Shares, as at 1 April 2015: 5200 Equity Shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01	0.01
83,500 Equity Shares (as at 31 March 2016: NIL Equity Shares, as at 1 April 2015: NIL Equity Shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.09	-	-
	8.77	6.04	6.04
Unquoted debt securities (at amortised cost)			
Investment in Government Securities			
7 year National Savings Certificates	0.01	0.01	0.01
(Pledged with govt authorities)			
Total Fair Investments	**8.78**	**6.05**	**6.05**
Non-current	8.78	6.05	6.05
Current	-	-	-
Aggregate market value of quoted investments	8.67	6.03	6.03
Aggregate Fair value of unquoted investments	0.11	0.02	0.02

6. (a) Loans

(Unsecured, considered good, unless stated otherwise)

(at amortised cost)			
Loan to ESOS trust	6.81	6.81	6.81
Total Loans	**6.81**	**6.81**	**6.81**
Non-current	6.81	6.81	6.81
Current	-	-	-

(b) Other non-current financial assets

Other Financial assets			
Demand deposit	0.07	0.19	0.12
Security Deposits	8.18	9.34	12.96
Total -Non current other financial assets	**8.25**	**9.53**	**13.08**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risks of the counter parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

7. Other-non current assets

(INR in Crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances	10.23	32.46	4.35
Deposit with Statutory authorities under protest	6.96	4.32	1.86
Total	**17.19**	**36.78**	**6.22**

8. Inventories

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw Materials [includes in transit Rs. 15.74 Crore (At 31 March 2016: 8.42 Crore, as on 1 April 2015: 5.47 Crore)]	202.70	191.54	188.62
Work-in-progress	51.45	44.04	42.05
Finished Goods [includes in transit Rs. 30.55 Crore (At 31 March 2016: 24.46 Crore, as on 1 April 2015: 19.13 Crore)]	200.29	198.79	164.36
Stock-in-trade [includes in transit Rs. 10.03 Crore (At 31 March 2016: NIL, as on 1 April 2015: NIL)]	14.61	0.59	6.06
Stores and Spares [includes in transit Rs. 46.49 Crore (At 31 March 2016: NIL, as on 1 April 2015: NIL)]	115.28	68.35	86.30
Total inventories at the lower of cost and net realisable value	**584.33**	**503.31**	**487.39**

9. Trade receivables

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	276.16	182.75	245.25
Total trade receivables	**276.16**	**182.75**	**245.25**

Break-up for security details:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
Secured, considered good	-	-	-
Unsecured, considered good	276.16	182.75	245.25
Current trade receivables	**276.16**	**182.75**	**245.25**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

10. Cash and cash equivalent

(INR in Crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with bank	9.15	38.64	30.71
Cash on hand	0.14	0.27	0.28
Total cash and cash equivalents	**9.29**	**38.91**	**30.99**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
10A Bank balances other than cash and cash equivalents			
- On unpaid dividend account	3.46	2.92	2.57
- On escrow account	4.63	-	-
- On account of margin money deposited	18.76	0.79	1.07
Bank balances other than cash and cash equivalents	**26.85**	**3.71**	**3.64**

At 31 March 2017, the Company had available Rs. 113.31 Crore (At 31 March 2016: Rs.297.58 Crore, at 1 April 2015: Rs.83.97 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with bank	9.15	38.64	30.71
Cash on hand	0.14	0.27	0.28
	9.29	**38.91**	**30.99**

11. Other current financial asset **(INR in crores)**

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loan to employees	1.21	1.18	1.26
Forward contracts	10.27	-	0.05
Others (include Insurance Claim receivable)	5.10	5.08	4.91
	16.58	**6.26**	**6.22**

12. Income Tax and Deferred Tax

Current tax assets (net)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Income Tax paid / TDS (net of provisions of Rs 113.61 Crore (At 31 March 2016: Rs. 99.40 Crore, as on 1 April 2015: Rs. 64.21 Crore)	1.71	4.94	6.64
Income Tax refund receivable*	40.18	-	-
Total	**41.89**	4.94	**6.64**

*During the year, the holding Company has received a favourable order from CIT (Appeals) for AY 2012-13 and 2013-14 respectively. The said order has resulted in an Income Tax refund of Rs.40.18 crores.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2017 and 31 March 2016:

	31-Mar-17	**31-Mar-16**
Accounting profit before tax from continuing operations	495.27	379.67
Accounting profit before income tax	495.27	379.67
At India's statutory income tax rate of 34.608% (31 March 2016: 34.608%)	171.40	131.40
Adjustment for tax purposes:		
- Difference in Book depreciation and depreciation as per Income Tax Act, 1961	(33.39)	(25.74)
- Investment Allowance	(20.58)	(6.83)
- 43B Items	1.69	1.39
- Charity, Donation and CSR Expenses	1.38	0.59
- Deduction under Chapter VI-A	(9.00)	(6.69)
- VRS Expenses	(0.11)	3.72
- Others	2.27	2.41
At the effective income tax rate of 22.55% (31 March 2016: 26.40%)	113.67	100.25
Income tax expense reported in the statement of profit and loss	113.67	100.25
Tax adjustment for Earlier years	(40.18)	-
Deferred tax expense reported in the statement of profit and loss	41.73	21.67
	115.22	**121.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

Deferred tax expense/(income) relates to the following:	31-Mar-17 INR (Crores)	31-Mar-16 INR (Crores)
Depreciation	(38.36)	(25.60)
Deferred Revenue Expenditure	-	(0.22)
Employee Benefit	(0.11)	0.50
Disallowance u/s 40 (a) & 43B	0.43	2.29
Carry forward loss as per IT Act	(3.60)	1.90
Unamortised cost of Term loans	(0.09)	(0.54)
Deferred tax expense/(income)	(41.73)	(21.67)
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.67	0.47
Total Deferred tax expense/(income)	**(41.06)**	**(21.20)**

Deferred tax relates to the following:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Accelerated depreciation for tax purposes	(245.51)	(207.14)	(181.54)
Employee Benefit	3.63	5.52	3.24
Disallowance u/s 40 (a) & 43B	6.77	5.65	3.35
Carry forward loss as per IT Act	-	3.60	1.70
Unamortised cost of Term loans	(0.87)	(0.78)	(0.24)
Deferred revenue expenditure			(0.22)
Deferred tax expense/(income)			
Net deferred tax assets/(liabilities)	**(235.98)**	**(193.15)**	**(173.73)**
Reflected in the balance sheet as follows:			
Deferred tax assets	10.40	14.77	8.28
Deferred tax liabilities:	(246.38)	(207.92)	(182.01)
Deferred tax liabilities, net	**(235.98)**	**(193.15)**	**173.73**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31 March 2017, the holding Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The holding Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

13. Other current assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Customs, Port Trust, Central Excise etc.	28.75	15.02	25.71
Duty Drawback / FPS receivable on Export	9.32	18.15	36.57
Advances recoverable in cash or kind	3.98	6.10	11.99
Advance to vendors	21.80	10.79	15.04
Advance paid for royalty	0.27	0.68	1.03
Prepaid expenses	7.43	4.25	3.93
Others	0.31	0.01	0.03
Total other current assets	**71.86**	**55.00**	**94.30**

14. Share capital

Authorised Share Capital (INR in crores)

	Number of shares	Amount
At April 1, 2015	17.50	175.00
Changes during the period	-	-
At March 31, 2016	**17.50**	**175.00**
Changes during the period	-	-
At March 31, 2017	**17.50**	**175.00**

Terms / rights attached to equity shares

The holding Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per equity share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation of the group, the equity shareholders are eligible to receive remaining assets of the group, after distribution of all preferential amounts, in proportion to their shareholding.

Issue Equity Capital (INR in crores)

	Number of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2015	10.00	100.02
Changes during the period	-	-
At March 31, 2016	10.00	100.02
Changes during the period*	(0.05)	(0.55)
At March 31, 2017	**9.95**	**99.47**

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Shareholder's holding more than 5 % Shares	**Nil**	Nil	Nil

As per records of the Parent, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No Shares have been issued by the Parent for consideration other than cash, during the period of five years immediately preceding the reporting date.

* The Board of Directors of the holding Company, at its meeting held on January 31, 2017, has aprroved a proposal to buy back upto 32,00,000 equity shares of the holding Company for an aggregate amount not exceeding Rs. 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding Rs. 315. During the year, the holding Company has bought back 5,73,438 equity share out of which 5,46,550 equity shares have been extinguished at 31.03.2017. The balance 26,888 shares has been cancelled post 31st March 2017.

15. Other equity **(INR in crores)**

	Amount
15A. Capital reserve	
As at April 1, 2015	7.57
Changes during the period	-
At March 31, 2016	7.57
Changes during the period	-
At March 31, 2017	7.57

The parent has recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeited shares and forfeiture of preferential warrants under capital reserve in earlier year.

15B. Business development reserve

	Amount
As at April 1, 2015	75.16
Changes during the period	-
At March 31, 2016	75.16
Changes during the period	(1.27)
At March 31, 2017	73.89

In earlier years, Certain Fixed assets of the group were revalued at their respective fair value as determined by government approved competent valuer appointed by the Company. The amount of such revaluation was transferred to Business development reserve, as per scheme of arrangement as approved by Hon'ble Gujarat High Court on 30th November, 2008. During the current year, the Group has adjusted the written down book value of revalued assets under business development reserve upon sale/ write-off.

15C. Capital redemption reserve

	Amount
As at April 1, 2015	10.00
Changes during the period	-
At March 31, 2016	10.00
Changes during the period	0.55
At March 31, 2017	10.55

The holding Company had issued 10,000,000/- 10.75% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the Company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the Parent. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. Rs. 10 Crore), was created out of profit of the Parent available for payment of dividend.

An amount of Rs. 0.55 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the Parent during the year) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Parent. (Refer Note No. 14)

15D. Securities premium reserve

	Amount
As at April 1, 2015	18.15
Changes during the period	-
At March 31, 2016	18.15
Changes during the period	(13.85)
At March 31, 2017	4.30

During the earlier years, the holding Company issued 4,500,000 Preferential convertible Warrants which were converted into equity shares of Rs 10 each at a premium of Rs 55.10 per share in the year ended March 31, 2007. The premium amounting to Rs 24.80 Crore received on such conversion was transferred to the securities premium account.

During the current year, the holding Company has bought back and cancelled 5,46,550 equity shares of Rs. 10 each for an aggregate consideration of 14.40 Crore. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 13.85 Crore, is adjusted against the Share Premium Account. (Refer Note No. 14)

15E. FVTOCI reserve

	Amount
As at April 1, 2015	4.50
Changes during the period	0.00
At March 31, 2016	4.50
Changes during the period	2.65
At March 31, 2017	7.15

The Group recognises the profit or loss on fair value of quoted investments under Fair value through other comprehensive income (FVTOCI) reserve.

(INR in crores)

15F	**Retained earnings**	**Amount**
	As at April 1, 2015	491.32
	Changes during the period	**230.37**
	At March 31, 2016	**721.69**
	Changes during the period	318.06
	At March 31, 2017	**1,039.75**
15G	**Share based payment reserve**	**Amount**
	As at April 1, 2015	-
	Changes during the period	-
	At March 31, 2016	-
	Changes during the period	5.75
	At March 31, 2017	5.75

The Parent has share option schemes under which options to subscribe for the Parent's shares have been granted to certain executives and senior employees

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 43 for further details of these plans

15H	**Foreign currency translation reserve**	**Amount**
	As at April 1, 2015	-
	Changes during the period	**0.65**
	At March 31, 2016	**0.65**
	Changes during the period	(0.72)
	At March 31, 2017	**(0.07)**
15I	**General Reserve**	**Amount**
	As at April 1, 2015	98.16
	Changes during the period	-
	At March 31, 2016	98.16
	Changes during the period	-
	At March 31, 2017	98.16
	Grand Total (15) as at April 1, 2015	**704.87**
	Grand Total (15) as on March 2016	**935.90**
	Grand Total (15) as on March 2017	**1,247.05**

Distributions made and proposed	As at March 31, 2017	As at April 1, 2016
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2016: INR 3.50 per share (March 31, 2015: INR 2.20 per share)	35.01	22.00
Dividend Distribution Tax (DDT) on final dividend	7.13	4.48
Interim dividend for the year ended on March 31, 2017: INR 1.50 per share (March 31, 2016: NIL)	15.01	-
Dividend Distribution Tax (DDT) on Interim dividend	3.05	-
	60.20	**26.48**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2017: INR 3.50 per share (31 March 2015: INR 3.50 per share)	35.01	35.01
Dividend Distribution Tax (DDT) on proposed dividend	7.13	7.13
	42.14	**42.14**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax (DDT) thereon) as at year end.

16 Borrowings

(a) Long term borrowings (INR crores)

Particulars	Non current			Current		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Term loans from banks						
Rupee term loans (Secured)	531.59	675.02	781.31	218.71	242.04	244.89
Foreign currency loans (Secured)	166.37	-	-	-	-	-
	697.96	675.02	781.31	218.71	242.04	244.89
Current maturities of long term loan (refer note 19)	-	-	-	(218.71)	(242.04)	(244.89)
Total	**697.96**	**675.02**	**781.31**	**-**	**-**	**-**

16.1 Rupee Term Loans from Banks / Institutions have been secured against: -

a) Loan aggregating to Rs.102.45 crores is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 8 years.

b) Loan aggregating to Rs 202.58 crores is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 9 years.

c) Loan aggregating to Rs 161.81 crores is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 3 years.

d) Loan aggregating to Rs. 51.85 crores is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 3 to 10 years.

e) Loan aggregating to Rs. 8.69 crores is secured by an exclusive first charge over movable fixed assets situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 10 years.

f) Loan aggregating to Rs. 12.96 crores is secured by way of first pari passu charge on movable fixed assets of Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 1 year.

g) Loan aggregating to Rs.107.86 crores is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 2 to 10 years.

h) Loan aggregating to Rs. 74.88 crores is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 1 to 3 years.

i) Loan aggregating to Rs. 69.94 crores is secured by first exclusive charge on movable fixed assets of Textile Division situated at Paravai and Manaparai, Tamil Nadu, both present and future, excluding assets exclusively charged to other lenders. The remaining tenure of the loan is 4 years.

j) Loan aggregating to Rs. 47.66 crores is secured by an exclusive first charge on movable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 8 years.

k) Loan aggregating to Rs. 30.22 crores is secured by an exclusive first charge on movable and immovable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 9 years.

l) Loan aggregating to Rs. 45.77 crores is secured by extension of first charge on movable fixed assets of Consumer Product division situated at Chennai and Industrial Salt Division situated at Bhavnagar and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram District, Chennai. The remaining tenure of the loan is 3 years.

m) Out of all the aforesaid secured Loans appearing in note 16 (a) to16 (l) totalling Rs. 916.67 crores, an amount of Rs. 218.71 crores is due for payment in next 12 months and accordingly reported under note no 19 under the head "Other Current financial liabilities" as 'current maturities of long term borrowing'.

(INR in Crores)

(b) Short term borrowings

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Short term loans from banks			
Cash credit facilities	24.02	-	14.35
Working capital demand loan	29.50	58.95	33.00
Export Packing Credit (Rupee loan)	281.24	188.35	43.61
Bill Discounting	52.48	72.25	70.95
Packing Credit in foreign currency	2.57	92.72	211.54
Foreign currency non resident borrowing	58.37	-	-
Buyers credit in foreign currency	98.44	35.71	27.90
Total	**546.62**	**447.98**	**401.35**

16.2 Short Term Borrowings: This facility is secured by way of hypothecation on inventory & trade receivables & borrowed as under:

(a) Credit Facilities in Indian Rupees: The facilities availed by way of Cash Credit, Working capital demand loan, Export Packing Credit and Bill Discounting are repayable on demand and carries an average interest rate of 7.66% p.a on the amount outstanding.

(b) Credit Facilities in Foreign Currency : The facilities availed by way of Foreign currency non resident borrowing, Packing Credit in foreign currency and Buyer's Credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 2.19% p.a on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has undrawn borrowing facilities (refer note 10A).

17. Provisions

	Provision for mines restoration *
(A) Long term provisions	
At 1 April 2015	3.78
Arising during the year	2.24
Utilised during the year	(0.69)
Unused amounts reversed	-
At 31 March 2016	5.33
Arising during the year	1.02
Utilised during the year	(0.22)
Unused amounts reversed	-
At 31 March 2017	**6.13**
Long term provisions	6.13

*** Provision for mines restoration**

The Parent provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(B) Short term provisions	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee Benefits (refer note 33)			
Provision for Compensated absences	11.91	10.03	9.66
Provision for Gratuity	1.89	0.75	0.83
	13.80	**10.78**	**10.49**

18. Trade payables (INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables for Goods and Expenses	343.45	285.09	381.30
Trade payables - Micro, Small & Medium Enterprises *	0.87	0.26	0.42
	344.32	**285.35**	**381.72**
Non-current	-	-	-
Current	344.32	**285.35**	**381.72**

* There are no interests due or outstanding to Micro, Small and Medium Enterprises beyond the due date.

Trade payables are non-interest bearing and are normally settled on around 90 days terms

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2017 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:			
	Principal	0.87	0.26	0.42
	Interest	-	-	-
ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-
	The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Nil (March 31, 2016 : Rs. Nil) (April 1, 2015 : Rs. Nil)	-	-	-

19. Other current financial liabilities (INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial liabilities at fair value through profit and loss			
Forward contracts	-	2.31	-
Other financial liabilities at amortised cost			
Current maturities of long term loans (Refer Note No. 16(a))	218.71	242.04	244.89
Other financial liabilities			
Dealer deposits	5.00	4.51	3.74
Security Deposits	0.71	0.53	1.13
Capital creditors	46.10	15.88	12.00
Unpaid dividend	3.46	2.92	2.57
Employee benefit payable	19.91	19.34	21.47
Others	6.38	4.16	2.78
	300.27	**291.67**	**288.58**

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

20. Other current liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance received from customers	3.99	2.60	9.28
Others	8.01	0.89	0.89
	12.00	3.49	10.17

21. Revenue for operations

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products (including excise duty)		
Sale of goods	2,979.57	2,680.99
Sale of services	19.66	26.31
Total	**2,999.23**	**2,707.31**

22. Other income

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	1.05	0.91
Dividend income	0.04	0.04
Profit on sale of investments	0.23	0.27
Rental income	2.47	2.13
Gain on sale of fixed assets	0.63	0.58
Sale of scrap	8.03	3.01
Miscellaneous income	0.80	3.45
	13.25	10.39

23. Cost of raw material consumed (Refer no 41)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventory at the beginning of the year	191.54	188.62
Add: Purchases	1,081.07	903.34
	1,272.61	1,091.96
Less: inventory at the end of the year	(202.70)	(191.54)
Cost of raw material consumed	**1,069.91**	**900.42**

24. (Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening stock		
Finished Goods	198.79	164.36
Stock in trade	0.59	6.05
Stock in Process	44.04	42.05
	243.41	**212.47**
Closing stock		
Finished Goods	200.29	198.79
Stock in trade	14.61	0.59
Stock in Process	51.45	44.04
	266.35	**243.42**
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(22.93)	(30.95)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

25. Employee benefit expenses

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	135.12	118.10
Contribution to provident and other funds	11.39	10.35
Share based payment expenses	5.75	-
Staff welfare expenses	6.23	5.17
	158.49	**133.62**

26. Depreciation and amortization expense

	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of tangible assets	85.42	81.49
Amortization of intangible assets	0.27	0.25
	85.69	**81.74**

27. Finance costs

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on borrowings	116.05	133.15
Exchange differences regarded as an adjustment to borrowing costs	6.62	11.82
Interest others	5.34	7.31
Bank charges	8.77	12.64
	136.78	**164.92**

28. Other expenses

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Stores and Spares	68.43	62.36
Power, fuel and water	306.52	355.89
Other Manufacturing Expenses	119.68	105.62
Packing Expenses	92.73	87.45
Freight and Forwarding	71.14	79.04
Commission on Sales	14.27	14.21
Sales Promotion Expenses	17.48	11.73
Travelling and conveyance	13.56	12.22
Rent	11.08	6.20
Repair and maintenance machinery	27.99	26.53
Repair and maintenance building	2.25	2.48
Repair and maintenance others	4.32	4.66
Rates and Taxes	1.64	0.86
Insurance	9.52	8.65
Commission to Non Whole time Directors (includes service tax of INR 0.20 Crore (previous year INR 0.27 Crore)	3.30	2.41
Communication Expenses	1.95	1.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Legal and professional expenses	15.28	13.08
Donation	0.07	0.08
CSR Expenditure	4.00	3.36
Excise Duty on increase/decrease of stock	(0.08)	1.05
Miscellaneous Expenses	20.59	16.06
Exchange Differences	0.07	5.59
	805.79	**821.28**

Payment to auditors

	For the year ended March 31, 2017	For the year ended March 31, 2016
To Statutory auditor:		
Audit fee	0.40	0.30
Tax audit fee	0.02	0.02
Limited review	0.30	0.12
In other capacity		
Other services (certification fees)	0.04	0.04
Reimbursements of expenses	0.03	-
	0.79	**0.48**
To Cost auditor		
Audit fee	0.03	0.02
Out of pocket expenses		
	0.03	**0.02**

Details of CSR expenditure	For the year ended March 31, 2017			For the year ended March 31, 2016
a. Gross amount required to be spent by the group during the year			5.04	3.31
b. Amount spent during the year ending March 31, 2017	In cash	Yet to be paid in cash	Total	Total
i) Construction / acquisition of any asset	-	-	-	-
ii) On purpose other than (i) above	4.00	0.00	4.00	3.36

29. Exceptional items

	For the year ended March 31, 2017	For the year ended March 31, 2016
Voluntary retirement expenses	3.04	13.50
	3.04	13.50

Exceptional items represent one time employees' separation cost incurred during the year on account of Voluntary Retirement Scheme (VRS) given to employees of Soda Ash division of the holding Company. The benefits of VRS would be accruing over a period of time.

(INR in Crores)

30. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2017	**Retained Earnings**	**FVTOCI Reserve**	**Foreign Currency Translation Reserve**	**Total**
Re-measurement gains (losses) on defined benefit plans (net of tax effect)	(1.26)	-	-	(1.26)
Re-measurement of investment in equity (net of tax effect)	-	2.65	-	2.65
Exchange differences on translation of foreign operations (net of tax effect)	-	-	(0.72)	(0.72)
Total	**(1.26)**	**2.65**	**(0.72)**	**0.66**

During the year ended 31 March 2016	**Retained Earnings**	**FVTOCI Reserve**	**Foreign Currency Translation Reserve**	**Total**
Re-measurement gains (losses) on defined benefit plans (net of tax effect)	(0.89)	-	-	(0.89)
Re-measurement of investment in equity (net of tax effect)	-	(0.00)	-	(0.00)
Exchange differences on translation of foreign operations (net of tax effect)	-	-	0.65	0.65
Total	**(0.89)**	**(0.00)**	**0.65**	**(0.24)**

31. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in computation of Basic EPS:	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit attributable to the equity holders of the group	380.05	257.75
Weighted average number of equity shares for basic EPS	9,99,96,502	10,00,26,786
Basic Earnings Per share (Face value of INR 10/- per share)	38.26	25.77
Profit attributable to the equity holders of the Company	380.05	257.75
Weighted average number of equity shares and common equivalent shares outstanding	10,06,44,677	10,00,26,786
Diluted earnings per equity share - (Face value of INR 10/- per share)	38.01	25.77

32. Segment information

The group is primarily engaged in the business of manufacture of Inorganic Chemicals and Textiles and based on this it has two reportable segments:

Inorganic Chemicals segment majorly includes manufacture of Soda Ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture Soda Ash are Salt, limestone, coke, briquette, coal and lignite.

Textiles segment manufactures cotton and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers in the country with own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on the entity basis and are not allocated to Operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

Summary of Segment information

Year ended March 31, 2017 **(INR in crores)**

	Inorganic Chemicals	Textiles	Unallocated	Total
Revenue				
External customers	1,745.23	1,254.00	-	2,999.23
Total revenue	1,745.23	1,254.00	-	2,999.23
Segment profit	518.66	131.55	1.91	652.12
Total assets	1,912.28	1,537.43	53.88	3,503.60
Total liabilities	1,056.25	863.92	236.91	2,157.08
Capital expenditure	336.78	104.83	-	441.60
Depreciation and amortization	51.45	34.24	-	85.69

Year ended March 31, 2016

	Inorganic Chemicals	Textiles	Unallocated	Amount
Revenue				
External customers	1,650.56	1,056.75	-	2,707.31
Total revenue	1,650.56 -	1,056.75	-	2,707.31
Segment profit	456.60	113.12	1.26	570.98
Total assets	1,515.67	1,388.72	44.31	2,948.70
Total liabilities	957.91	759.97	194.90	1,912.78
Capital expenditure	40.66	158.12	-	198.78
Depreciation and amortization	52.52	29.22	-	81.74
As at 1 April 2015				
Total assets	1,555.82	1,251.12	49.09	2,856.03
Total liabilities	1,141.72	734.80	174.61	2,051.14

All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Reconciliations to amounts reflected in the financial statements

(INR in crores)

Reconciliation of profit	For the year ended March 31, 2017	For the year ended March 31, 2016
Segment profit	652.12	570.98
Un- allocated expenditure	(17.04)	(12.89)
Other finance costs	(136.78)	(164.92)
Exceptional item	(3.04)	(13.50)
Profit before tax	**495.27**	**379.67**

Reconciliation of assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Inorganic Chemicals	1,912.28	1,515.67	1,555.82
Home Textiles	1,537.43	1,388.72	1,251.12
Un-allocated	53.88	44.31	49.09
Total assets	**3,503.60**	**2,948.70**	**2,856.03**

(INR in crores)

Reconciliation of liabilities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Inorganic Chemicals	1,056.25	957.91	1,141.72
Home Textiles	863.92	759.97	734.80
Un-allocated	236.91	194.90	174.61
Total liabilities	**2,157.08**	**1,912.78**	**2,051.14**

Revenue from external customers	For the year ended March 31, 2017	For the year ended March 31, 2016
India	2,239.42	1,977.34
Outside India	759.81	729.97
Total revenue per Statement of profit or loss	**2,999.23**	**2,707.31**

Trade Receivable	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
India	179.62	119.10	119.89
Outside India	96.55	63.65	125.36
Total Trade Receivable	**276.17**	**182.75**	**245.25**

33. Defined Benefit and Contribution Plan

Defined Contribution Plan

Provident Fund and Superannuation Fund are Defined Contribution Plan. Contribution paid for Provident Fund and Superannuation Fund are recognised as expense for the year :

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Employer's contribution to Provident Fund/Pension Scheme	7.79	6.89
Employer's contribution to Superannuation Fund	1.23	1.09

Defined Benefit Plan

Gratuity (Funded)

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Reconciliation of opening and closing balances of the present value of defined benefit obligation in respect of gratuity Fund.

		Gratuity cost charged to profit or loss				Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2016	**Service cost**	**Net interest expense**	**Sub-total included in profit or loss**	**Benefits paid**	**Return on plan assets (excluding amounts included in net interest expense)**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Subtotal included in OCI**	**Contributions by employer**	**March 31, 2017**
Defined benefit obligation	34.18	2.13	2.86	4.99	(2.87)	-	2.37	0.31	2.69	-	**38.98**
Fair value of plan assets	33.43	-	2.80	(2.80)	(1.80)	(0.75)	-	-	(0.75)	1.91	**37.09**
Benefit liability	0.75			2.19					1.93		**1.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2015	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2016
Defined benefit obligation	34.43	2.12	2.75	4.87	(6.11)	-	(0.82)	1.81	0.99	-	34.18
Fair value of plan assets	33.60	-	2.68	(2.68)	(6.01)	0.37	-	-	0.37	3.53	33.43
Benefit liability	0.83			2.19					1.36		0.75

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets	For the year ended March 31, 2017	As at March 31, 2016	As at April 1, 2015
Insurance fund	37.10	33.44	33.59

The principal assumptions used in determining gratuity are:

Mortality Table -LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)
Discount rate	7.34%
Estimated rate of return on plan assets	7.34%
Estimated future salary growth	8.00%
Rate of Employee Turnover	2.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Assumptions	**Employee turnover**		**Salary**		**Discount rate**	
Sensitivity Level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.15)	0.17	2.59	(2.29)	(2.29)	2.63

The following payments are projected Benefits Payable in Future Years From the Date of Reporting from the fund:

	As at March 31, 2017	As at March 31, 2016
Within the next 12 months (next annual reporting period)	6.88	5.82
Following Year 2-5	13.71	13.58
Sum of Years 6 To 10	18.72	26.20
Total expected payments	**39.31**	**45.61**

34. Related Party Transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

A) **Key Managerial Personnel**

Mr. R. S. Jalan, Managing Director

Mr. Raman Chopra, CFO & Executive Director (Finance)

Mr. Bhuwneshwar Mishra, General Manager & Company Secretary

B) **Non-whole-time directors**

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia

Dr. B. C. Jain

Mr. G. C. Srivastava

Mrs. Padma Vinod Betai- Nominee IBDI Bank

Mr. Sanjiv Tyagi

Mr. Mahesh Kumar Kheria

Mr. K C. Jani

Mr. Lavanya Rastogi

C) **Relative of Key Managerial Personnel**

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan

Mrs. Bharti Chopra, w/o Mr. Raman Chopra

Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

D) **Enterprises over which key managerial personnel are able to exercise significant influence**

Dalmia Centre for Research & Development

GHCL Foundation Trust

GHCL Employees Group Gratuity Scheme

Gujarat Heavy Chemical Limited Superannuation Scheme

(INR in crores)

b) Transactions with Relative of Key Management Personnel	For the year ended March 31, 2017	For the year ended March 31, 2016
Leasing & Hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.12	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.09	0.09
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02

(INR in crores)

	For the year ended March 31, 2017	For the year ended March 31, 2016
c) Transactions with Enterprises over which significant influence exercised by directors		
Purchase of Goods		
Dalmia Centre for Research & Development	0.02	0.03
Royalty paid		
Dalmia Centre for Research & Development	0.06	0.06
Net Contribution		
GHCL Foundation Trust	4.00	3.36
GHCL Employees Group Gratuity Scheme	1.90	3.55
Gujarat Heavy Chemical Limited Superannuation Scheme	1.23	1.09

d) Compensation of key management personnel of the Group

	For the year ended March 31, 2017	For the year ended March 31, 2016
Mr. Ravi Shanker Jalan	7.57	4.78
Mr. Raman Chopra	4.33	2.77
Mr.Bhuwneshwar Mishra	0.52	0.38
Total compensation paid to key management personnel	**12.41**	**7.93**

	For the year ended March 31, 2017	For the year ended March 31, 2016
e) Short-term employee benefits	10.45	7.66
Post-employment gratuity and medical benefits	0.41	0.27
Share-based payment transactions	1.55	-
Total compensation paid to key management personnel	**12.41**	**7.93**

f) Transactions with Non-whole-time directors	For the year ended March 31, 2017	For the year ended March 31, 2016
Sitting Fees	0.27	0.22
Commission (excluding service tax)	3.10	2.15
	3.37	**2.37**

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a))

			(INR in crores)
Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
GHCL Employee Stock Option Trust	6.81	6.81	6.81

35. Commitments and contingencies

a) Operating lease commitments

Leases future obligation/rights as at Balance Sheet date for lease arrangements amount to:

(INR in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within one year	3.28	3.01	2.79
After one year but not more than five years	3.62	6.37	6.25
More than five years	0.11	0.25	0.31
b) Estimated value of contracts remaining to be executed on Capital Account and not provided for (net of advances)	75.16	136.71	21.84
c) Contingent Liabilities :			
Claims against the Group not acknowledged as debts*			
- Income Tax	71.92	31.47	11.17
- Sales Tax / VAT	0.04	0.04	0.15
- Excise, Custom & Service Tax	105.95	92.10	86.6
- Other claims	41.72	58.08	43.5

Cases pending before Appellate authorities/Dispute Resolution Panel in respect of which the Group has filed appeals.

*On the basis of current status of individual case for respective years and as per legal advice obtained by the Group, wherever applicable, the Group is confident of winning the above cases and is of the view that no provision is required in respect of above cases.

These include claims against the Group for recovery lodged by various parties.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
d) Guarantees:			
Guarantees issued by banks	2.72	2.67	2.69
Corporate guarantee to Bank on behalf of erstwhile subsidiaries of the Group	2.46	81.24	72.75
e) Bills discounted with banks (since realized)	3.41	24.24	24.07
f) EPCG Commitment (value of exports) - The Group has export obligations on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight /six years. Due to the remote likelihood of the Group being unable to meet its export obligations, the Group does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	313.31	299.53	271.5

36 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of expected sales and purchases, generally from one to 24 months. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. (Refer note 38(b))

37 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in crores)

	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015	April 1, 2015
Financial assets measured at fair value						
FVTOCI investments (refer note 5)	8.78	8.78	6.05	6.05	6.05	6.05
Forward contracts (refer note 11)	10.27	10.27	-	-	0.06	0.06
Financial assets measured at amortised cost						
Loan to ESOS trust (refer note 6 (a))	6.81	6.81	6.81	6.81	6.81	6.81
Security Deposits (refer note 6 (b))	8.18	8.18	9.34	9.34	12.93	12.93
Loan to Employees (refer note 11)	1.21	1.21	1.18	1.18	1.26	1.26
Financial liabilities measured at fair value						
Forward contracts (refer note 19)	-	-	2.31	2.31	-	-
Financial liabilities not measured at fair value						
Term loans (refer note 16(a))	916.67	916.67	917.06	917.06	1,026.20	1,026.20
Short term borrowings (refer note 16(b))	546.62	546.62	447.98	447.98	401.35	401.35

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i. The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

(INR in crores)

	Date of Valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments					
Quoted equity shares	31-Mar-17	8.67	8.67	-	-
	31-Mar-16	6.03	6.03	-	-
	01-Apr-15	6.03	6.03	-	-
Unquoted equity shares	31-Mar-17	0.11	-	-	0.11
	31-Mar-16	0.02	-	-	0.05
	01-Apr-15	0.02	-	-	0.01

(INR in crores)

	Date of Valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit and loss					
Forward contracts	31-Mar-17	10.27	-	-	10.27
	31-Mar-16	-			-
	01-Apr-15	0.06			0.06
Financial assets measured at amortised cost					
Security Deposits	31-Mar-17	8.18		8.18	
	31-Mar-16	9.34		9.34	
	01-Apr-15	12.93		12.93	
Loan to ESOS trust	31-Mar-17	6.81		6.81	
	31-Mar-16	6.81		6.81	
	01-Apr-15	6.81		6.81	
Loans to Employees	31-Mar-17	1.21		1.21	
	31-Mar-16	1.18		1.18	
	01-Apr-15	1.26		1.26	
Financial liability measured at fair value through profit and loss					
Forward contracts	31-Mar-17	-	-	-	
	31-Mar-16	2.31	-	2.31	
	01-Apr-15	-	-	-	
Financial liabilities not measured at fair value					
Floating rate borrowings	31-Mar-17	1,463.29		1,463.29	
	31-Mar-16	1,365.03		1,365.03	
	01-Apr-15	1,427.55		1,427.55	

There have been no transfers between Level 1 and Level 2 during the period.

(INR in crores)

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Sensitivity of the input to fair value
FVTOCI financial investments				
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets	
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, Weighted average cost of capital, Long-term operating margin, Discount for lack of marketability	3% (31 March 2016: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through profit and loss				
Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security Deposits	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future payouts, discounting cash flows	
Loan to ESOS trust				
Loan to Employees				
Financial liabilities measured at fair value through profit and loss				
Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities not measured at fair value				
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	

38. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management overseas the management of these risks. The Group's senior management is supported by a Banking and Operations committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Group in not exposed the significant interest rate as at a respective reporting date.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is effected through the impact on floating rate borrowings, as follows:

(INR in crores)

	Increase/decrease in basis points	Effect on PBT
March 31, 2017	+/(-).50%	'(-)/+ 7.32
	Increase/decrease in basis points	**Effect on PBT**
March 31, 2016	+/(-).50%	'(-)/+ 6.83

b) Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

c) Foreign Currency Sensitivity

(INR in crores)

	Change in USD rate	Effect on PBT
March 31, 2017	+/(-)1%	'(-)/+ 0.97
	Change in USD rate	**Effect on PBT**
March 31, 2016	+/(-)1%	'(-)/+ 0.98

	Change in GBP rate	Effect on PBT
March 31, 2017	+/(-)1%	'(-)/+ 0.01
	Change in GBP rate	**Effect on PBT**
March 31, 2016	+/(-)1%	'(-)/+ 0.02

d) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 0.10 crores.

At the reporting date, the exposure to listed equity securities at fair value was INR 8.68 Crore. A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 0.86 Crore on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

e) Commodity Risk

"The Group is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the Group has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Group's Commercial Department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

f) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous Group's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31st March 2017,March 2016 and 1 April 2015 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Group to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As on 31st March 2017	**within 1 year**	**More than 1 year**	**Total**
Borrowings	765.33	697.96	1,463.29
Trade and other payables	344.32	-	344.32
Other financial liabilities	81.56	-	81.56
	1,191.20	697.96	1,889.16
As on 31st March 2016	**within 1 year**	**More than 1 year**	**Total**
Term loans	690.02	675.02	1,365.04

As on 31st March 2017	within 1 year	More than 1 year	Total
Trade and other payables	285.35	-	285.35
Other financial liabilities	49.63	-	49.63
	1,025.00	675.02	1,700.02
	within 1 year	**More than 1 year**	**Total**
Term loans	646.24	781.31	1,427.55
Trade and other payables	381.72		381.72
Other financial liabilities	43.68		43.68
	1,071.64	781.31	1,852.95

39 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio of less than 75%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(INR in crores)

	As at March 31, 2017	**As at March 31, 2016**	**As at April 1, 2015**
Borrowings	1,463.29	1,365.03	1,427.55
Trade payables	344.32	285.35	381.72
Other financial liabilities	81.56	49.63	43.68
Less: Cash and bank balances	(36.14)	(42.62)	(34.63)
Net debt	1,853.02	1,657.39	1,818.33
Equity	1,346.52	(1,035.92)	804.89
Capital and Net debt	3,199.55	2,693.31	2,623.22
Gearing ratio	58%	62%	69%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017.

40. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Group's financial statements:

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of lease contract

Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Group has analyzed each lease contract on a case to case basis to classify the arrangement as operating or finance lease, based on an evaluation of the terms and conditions of the arrangements.

Assessment of Equity instruments

The Group has designated investments in equity instruments as FVTOCI investments since the group expects to hold these investment with no intention to sale. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Group reviews the useful life of property, plant and equipment at the end of each reporting date.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

41. Raw material and Power & Fuel costs include expenditure on captive production of Salt, Limestone, Briquette and Lignite as under:

(INR in crores)

	For the Year Ended 31st March, 2017 (Rs. in Crores)	For the Year Ended 31st March, 2016 **(Rs. in Crores)**
Manufacturing Expenses	143.24	141.30
Stores and spares consumed	1.39	2.44
Power and Fuel	4.73	4.44
Excise Duty, Cess and Royalty	8.73	6.55
Repairs and maintenance		
Building	0.19	0.30
Plant and machinery	0.70	0.92
Earth work	1.74	3.27
Others	0.57	0.45
Salaries and Wages	8.60	8.53
Travelling & Conveyance	0.84	0.73
Lease Rent	0.74	0.82
Rates and taxes	0.13	0.19
Insurance	0.86	0.48
Misc. Expenses (Including Deferred Revenue & Intangible Expenses)	3.59	1.83
Less: Other Misc. Income	(5.01)	(0.80)
TOTAL	**171.04**	**171.45**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

42. ESOS Trust owns total 20,46,195 shares, out of which 15,79,922 shares were illegally sold by a party against which ESOS Trust has initiated legal proceedings and 4,66,273 shares are held by Stock Exchange based on an arbitration award. Pending final decision on these shares held by Trust, the Trust will continue for the limited purpose of litigation.

43. Share Based Compensation

In accordance with the Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014 and the Guidance Note on Accounting for 'Employees Share-based Payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Group. To have an understanding of the scheme, relevant disclosures are given below.

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Group has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on 31st March 2017.

Details of the scheme and different plans

The relevant details of the Scheme are as under.

	Plan A	Plan B	Plan C	Plan D
Date of Grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017
Date of Board Approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017
Date of Shareholder's Approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	605000	605000	15000	15000
Method of Settlement	Equity	Equity	Equity	Equity
Vesting Period (see table below)				
Fair Value on the date of Grant (In Rs)	71.79	80.68	198.55	204.79
Exercise Period	5 Years	5 Years	5 Years	5 Years
Vesting Conditions	As per policy approved by Shareholder	As per policy approved by Shareholder	As per policy approved by Shareholder	As per policy approved by Shareholder

Details of the vesting period are:

Vesting Period from the Grant date	Plan A	Plan B	Plan A	Plan B
On completion of 12 months	6,05,000	-	15,000	-
On completion of 24 months	-	6,05,000	-	15,000

Set out below is a summary of options granted under the plan

	As at March 2017		As at March 2016	
	Total No. of Stock Options	Weighted average exercise price	Total No. of Stock Options	Weighted average exercise price
Options outstanding at beginning of year	-	-	-	-
Options granted during the year	12,40,000	100	-	-
Options forfeited/lapsed during the year	40,000	100	-	-
Options exercised during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at end of year	12,00,000	100	-	-
Options vested but not exercised during the year	Nil	-	-	-

The detail of activities of the Scheme have been summarized below:-

Particulars	As at March 2017				
	Plan A	Plan B	Plan C	Plan D	Total
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	6,05,000	6,05,000	15,000	15,000	12,40,000
Forfeited during the year	20,000	20,000	-	-	40,000
Exercised during the year	-	-	-	-	-
Expired during the year	-	-			-
Outstanding at the end of the period	5,85,000	5,85,000	15,000	15,000	12,00,000
Exercisable at the end of the period	-	-	-	-	-
Weighted average remaining contractual life (in years)	0.13	1.13	0.84	1.84	
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	

Particulars	Plan A	Plan B	Plan C	Plan D
Date of Grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017
Stock Price at the date of Grant	148.1	148.1	286.05	286.05
Exercise Price	100	100	100	100
Expected Volatility	50	50	39.3	39.3
Expected life of the Option	2	3	2	3
Risk Free interest Rate (%)	7.467	7.467	6.396	6.396
Weighted average fair value as on Grant date	71.79	80.68	198.55	204.79

44. Disclosure on specified bank notes (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Amount in INR

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	9,53,500	18,54,170	28,07,670
(+) Permitted receipts	-	63,62,537	63,62,537
(-) Permitted payments	-	(46,11,895)	(46,11,895)
(-) Amount deposited in Banks	(9,53,500)	(90,007)	(10,43,507)
Closing cash in hand as on 30.12.2016	-	35,14,805	35,14,805

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016

45. Remittances during the year in Foreign currency on account of

a)	Dividend for the financial year ended	2015-16
	Dividends to non-resident shareholders (INR in crore)	2.09
	Number of non-resident shareholders	685
	Number of Shares	59,66,908
b)	Interim Dividend for the financial year	2016-17
	Interim Dividends to non-resident shareholders (INR in crore)	8.94
	Number of non-resident shareholders	675
	Number of Shares	59,57,808

(INR in Crores)

46 Reconciliations of Equity as on March 31, 2016 and April 01, 2015

Particulars	Reference	As on March 31, 2016 Previous GAAP	As on March 31, 2016 GAAP Adjustment	As on March 31, 2016 As per IND AS	As on April 1, 2015 Previous GAAP	As on April 1, 2015 GAAP Adjustment	As on April 1, 2015 As per IND AS
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment		2,048.74	-	2,048.74	1,933.56	-	1,933.56
(b) Capital work-in-progress		36.89	-	36.89	7.01	-	7.01
(c) Intangible assets		8.56	-	8.56	8.56	-	8.56
(d) Investment in subsidiaries		0.45	-	0.45	0.32	-	0.32
(e) Financial assets							
(i) Investments	1	1.54	4.50	6.05	1.54	4.50	6.05
(ii) Loans		6.81	-	6.81	6.81	-	6.81
(iii) Others non-current financial assets	2	9.53	-	9.53	12.83	0.25	13.08
(f) Other-non current assets		36.78	-	36.78	6.22	-	6.22
(2) Current assets							
(a) Inventories		503.31	-	503.31	487.39	-	487.39
(b) Financial assets				-			
(i) Trade receivables		182.75	-	182.75	245.25	-	245.25
(ii) Cash and cash equivalents		38.91	-	38.91	30.99	-	30.99
(iii) Bank balances other than cash and cash equivalents		3.71	-	3.71	3.64	-	3.64
(iv) Other current financial asset		6.26	-	6.26	6.22	-	6.22
(c) Current tax assets (net)		4.94	-	4.94	6.64	-	6.64
(d) Other current assets		55.00	-	55.00	94.30	-	94.30
		2,944.20	**4.50**	**2,948.70**	**2,851.48**	**4.75**	**2,856.03**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		100.02	-	100.02	100.02	-	100.02
(b) Other equity		888.00	47.90	935.90	670.58	34.29	704.87
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Long term borrowings	3	678.39	(3.37)	675.02	785.36	(4.05)	781.31
(b) Long Term Provisions		5.33	-	5.33	3.78	-	3.78
(c) Deferred tax liabilities (net)	7	193.34	(0.19)	193.15	172.73	1.00	173.73
(2) Current liabilities							
(a) Financial liabilities							
(i) Short term borrowings		447.98	-	447.98	401.35	-	401.35
(ii) Trade payables		285.35	-	285.35	381.72	-	381.72
(iii) Other current financial liabilities	2	289.36	2.31	291.67	288.58	-	288.58
(b) Other current liabilities		3.49	-	3.49	10.17	-	10.17
(c) Short term provisions	4	52.92	(42.14)	10.78	36.97	(26.48)	10.49
Total equity and Liabilities		**2,944.20**	**4.50**	**2,948.70**	**2,851.48**	**4.75**	**2,856.03**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

Reconciliation of Total Comprehensive Income for the year ended March, 31, 2016

Particulars	Reference	Indian GAAP	GAAP Adjustment	As per IND AS
INCOME				
Revenue from operations	6	2,707.31	-	2,707.31
Other income		10.39	-	10.39
Total Revenue		**2,717.70**	**-**	**2,717.70**
EXPENSES				
Cost of materials consumed		900.42	-	900.42
Purchase of traded goods		76.93	-	76.93
Change in inventories of finished goods, traded goods and work in progress		(30.95)	-	(30.95)
Excise duty on sales of goods	6	176.57	-	176.57
Employee benefits expenses	5	134.98	(1.36)	133.62
Finance costs		81.09	0.65	81.74
Depreciation and amortization expenses		164.92		164.92
Other expenses		821.13	0.15	821.28
Total Expenses		**2,325.09**	**(0.56)**	**2,324.53**
Profit before tax and Exceptional Items		392.62	0.56	393.18
Exceptional Items		13.50	-	13.50
Profit before tax		**379.12**	**0.56**	**379.68**
Tax expenses				
Current tax		100.25	-	100.25
Deferred tax		22.39	(0.72)	21.67
Total tax expense		**122.64**	**(0.72)**	**121.92**
Profit for the year		**256.48**	**1.27**	**257.76**
Other Comprehensive Income				
Items that not to be reclassified to profit or loss				
i) Re-measurement (gains)/ losses on defined benefit plans	5		(1.36)	(1.36)
ii) Income tax effect	7		0.47	0.47
iii) Re-measurement of investment in equity	1		(0.00)	(0.00)
Items that to be reclassified to profit or loss				
Exchange differences on translation of foreign operations			(6.28)	(6.28)
Income tax effect			2.17	2.17
Other Comprehensive Income for the year (net of tax)		**-**	**(5.00)**	**(5.00)**
Total Comprehensive Income for the year (net of tax)		**256.48**	**(3.73)**	**252.76**

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the reconciliation of equity as at 1st April 2015 and 31st March 2016 and Total comprehensive income for the year ended 31st March 2016

1 **Fair Valuation of Investments**

Under Indian GAAP, investments in equity instruments were classified as long term investments based on the intended holding period and realisability. Long term investments were carried at cost less provision for other than temporary diminution in the value of investments.

Accordingly, the group has designated investments in equity instruments as FVTOCI investments. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

2 **Derivative Instruments**

The fair value of derivative instruments (i.e. forward contracts and options) is recognized under Ind AS whereas the same was not recognized under Indian GAAP. The group has not designated these derivative instruments as hedging instruments under Indian GAAP as well as under Ind AS. Accordingly, difference on account of fair valuation of these instruments has been adjusted in retained earnings.

3 Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

4 Proposed Dividend

Under Indian GAAP, proposed dividend (including DDT) is recognized as a liability in the period to which it relates, irrespective of when it is declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the group (usually when approved by shareholders in a general meeting) or paid.

In the case of the group, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31st March 2015 recorded for the proposed dividend for the year along with dividend distribution tax is de-recognized and provided in the financial year in which it is declared or paid under IND AS.

5 Defined benefit obligation

Both under Indian GAAP and Ind AS, the group recognises costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is increased by INR 0.89 crore (net of Tax) and re-measurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

6 Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by INR 176.57 Crore for the period ended 31 March 2016 with a corresponding increase in other expense.

7 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS has resulted in recognition of deferred tax on temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies adopted by the group it has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

8 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

9 Other comprehensive income

Under Indian GAAP, the group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

47 First Time Adoption Of Indian Accounting Standards

These are group's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ended 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2015, the group's date of transition to Ind AS. This note explains the principal adjustments made by the group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has applied the following exemptions:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

1 **Mandatory exemptions :**

I **Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP

2 **Optional exemptions:**

I **Deemed Cost for Property Plant & equipment**

Ind AS 101 permits a first time adopter to elect to fair value its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

Accordingly, as per Ind AS 101, the group has elected to consider fair value of its property, plant and equipment, capital work in progress and intangibles as its deemed cost on the date of transition to Ind AS.

II **Leases**

Appendix C to Ind AS 17-" Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 allows a first-time adopter to determine whether an arrangement existing at the date of transition to Ind AS contains a lease on the basis of facts and circumstances existing at that date. Except where the effect is expected to be not material.

The group has elected to apply this exemption for such contracts/arrangements.

3 **Fair value measurement of financial assets and liabilities**

Under IGAAP the financial assets and liabilities were being carried at the transaction value.

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transaction, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

The group has measured its financial assets and liabilities at amortised cost or fair value.

4 **Investments in subsidiaries**

Ind AS 101 permits the first time adopter to measure investment in subsidiaries in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The group has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

5 **Embedded Derivatives**

As per Ind AS 101 a first-time adopter shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date of reassessment. The group has evaluated all its agreements on the basis of conditions that existed at the later of the date it first became a party to the contract and the date of reassessment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

48 Group information

(i) The Consolidated financial statement of the group includes subsidiaries are mentioned below :-

S.No	Name of the entity	Country of incorpo-ration	Nature	Ownership interest held by the group	Year Ended	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive income	
						As % of consolidated Net Assets	Amount (Rs. In crores)	As % of consolidated profit or loss	Amount (Rs. In crores)	As % of consolidated other comprehensive Income	Amount (Rs. In crores)	As % of consolidated comprehensive Income	Amount (Rs. In crores)
1	2	3	4		6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	GHCL Limited	India	Parent Company		Mar 31, 2017	100.36%	1,351.31	101.77%	386.77	54.75%	1.39	101.46%	388.16
					Mar 31, 2016	99.75%	1033.28	99.56%	256.63	17.87%	(0.89)	101.18%	255.74
					April 01, 2015	99.89%	804.02						
(II)	**Foreign Subsidiaries having no minority interests**												
1	Grace Home Fashions LLC	USA	Wholly Owned Subsidiary	100%	Mar 31 ,2017	-0.59%	-7.90	-2.25%	(8.56)	45.25%	1.15	-1.94%	-7.41
				100%	Mar 31, 2016	0.18%	1.84	-0.05%	-0.14	82.13%	(4.11)	-1.68%	-4.25
				100%	April 01, 2015	0.11%	0.87						
2	Dan River Properties LLC	USA	Wholly Owned Subsidiary	100%	Mar 31, 2017	0.15%	2.31	0.49%	1.85	0.00%	0.00	0.48%	1.85
				100%	Mar 31, 2016	0.08%	0.80	0.49%	1.26	0.00%	0.00	0.50%	1.26
				100%	April 01, 2015	0.08%	0.80						
					Total - March 31, 2017	100%	1346.52	100%	380.05	100%	2.53		382.58
					Total - March 31, 2016	100%	1035.91	100%	257.75	100%	(5.01)		252.75
					Total - April 1, 2015	100%	804.89	0%	0.00				

Note i) WOS refers to 'Wholly Owned Subsidiary'

(ii) In the consolidated financial statements, the figures of subsidiary Company ' Grace Home Fashions LLC and Dan River properties LLC' have been incorporated based on the audited financial statements as at March 31, 2017 and March 31, 2016 .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2017
(INR in Crores)

49 Remittances during the year in Foreign currency on account of :

a)	Dividend for the financial year ended	2015-16
	Dividends to non-resident shareholders (INR in crores)	2.09
	Number of non-resident shareholders	685
	Number of Shares	59,66,908
b)	Interim Dividend for the financial year	2016-17
	Interim Dividends to non-resident shareholders (INR in crores)	8.94
	Number of non-resident shareholders	675
	Number of Shares	59,57,808

50 Standards issued but not yet effective up to the date of Financial Statements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

I) **Amendment to Ind AS 7 Statement of Cash Flows**

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

II) **Amendment to Ind AS 102 Share-based Payment**

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact.

The Group will adopt these amendments from their applicability date.

51 The financial statements for the previous year ended March 31, 2016 prepared in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) were audited by one of the predecessor joint auditor and continuing joint auditor.

52 The previous period figures have been regrouped / reclassified, wherever considered necessary.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration
No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: 20/05/2017

For Rahul Gautam Divan & Associates
Chartered Accountants
ICAI Firm Registration No. 120294W

per Rahul Divan
Partner
Membership No. 100733
Place : New Delhi
Date: 20/05/2017

For and on behalf of the Board of Directors of GHCL Limited

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Dr. B.C. Jain
Director

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date: 20/05/2017

GHCL Limited
(CIN: L24100GJ1983PLC006513)
Registered Office: GHCL House, Opp. Punjabi Hall,Navrangpura, Ahmedabad – 380009 (Gujarat)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in, Website: www.ghcl.co.in
Phone: 079- 39324100, Fax: 079-26423623

RE: E-SERVICE OF DOCUMENTS THROUGH EMAIL

Dear Members,

The Companies Act, 2013 has provided the facility of service of documents on members by a Company through electronic mode.

Accordingly the company is permitted to send various notices and documents, including Annual Report, to its members in electronic form at the email address provided by him/her and/or made available to the Company by his/her Depository. Please note that these documents shall be available at the Company's website www.ghcl.co.in for download by the shareholders.

In case you have not yet registered your email id (or you wish to change your already registered email id) you may get the same registered/ updated –

- With your Depository Participant, in case you hold the shares in Demat form;
- By writing to the Company's Registrar & Transfer Agent (RTA), C-101, 247 Park, Vikhroli (West), Mumbai - 400 083, Tel: 022-49186000/49186270, Fax: 022-49186060, E-mail : mumbai@linkintime.co.in by sending back the Form given below, in case you hold shares in physical form.

Kindly note that, as a member of the Company, in addition to receiving documents by e-mail, you will be entitled to receive, free of cost, a copy of the documents referred above upon receipt of a request by the Company from you.

We look forward for your continued support in this initiative.

Best Regards

Bhuwneshwar Mishra
General Manger & Company Secretary

E- COMMUNICATION REGISTRATION FORM

To, The Company Secretary
GHCL House, Opp. Punjabi Hall,
Navrangpura, Ahmedabad – 380009, (Gujarat)

Dear Sir,

I / We shareholder(s) of GHCL Limited agree to receive all future correspondence / documents of the Company in electronic mode at the Email Id mentioned below:

Email id to be registered : ____________________

Folio No. / DP ID & Client ID : ____________________

Name of First holder : ____________________

Address of First holder : ____________________

Name of Joint holder (s) : 1) ____________________

2) ____________________

Date : ____________________

____
(Signature of First holder)

(Note: Shareholder(s) may also send a scanned copy of this form, duly filled and signed, at the Email id for investors: mumbai@linkintime.co.in*)*

FORM NO. SH-13-NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,
(Name of the Company) ____________________
(Address of the Company) ____________________
____________________ Pin code ____________________

I/We ____________________ residing at ____________________ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) **Particulars of the Securities** (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) **Particulars of Nominee**

Name:	Date of Birth: ___/___/_____		Please affix recent passport size photograph of the Nominee signed across
Father's/Mother's/ Spouse's name:	Occupation:	Nationality:	
E-mail id:			
Phone No :	Relationship with the security holder:		
Address: ____________________ ____________________ Pincode ____________________			Signature of the Nominee

3) **In case Nominee is a Minor**

Date of birth: ___/___/_____	Date of attaining Majority ___/___/______	Name of guardian:
Address of guardian: ____________________ ____________________ Pincode ____________________		

Name of the Security Holder(s)	Signature
1.	
2.	
3.	

Name of witness		Signature of Witness with date
Address of witness: ____________________ ____________________ ____________________ Pin code ____________________		
Place:	Date: ____/____/_____	

Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination can be made by individual's only holdings shares singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.

2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.

3. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.

4. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.

5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.

6. The nomination form filled in "**duplicate"** should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT LTD,** C-101, 247 Park, Vikhroli (West), Mumbai - 400 083. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.

7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)

8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.

9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.

10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.

11. Affixing photograph of the Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	**Date of Registration**	**Signature of Employee with Code No.**

FORM NO. SH-14-CANCELLATION OR VARIATION OF NOMINATION

[Pursuant to sub section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies(Share Capital and Debentures) Rules 2014]

(Name of the Company) ____________________

(Address of the Company) ____________________

____________________ Pincode ____________

I/ We hereby ____________________ residing at ________ ____________________ the nomination(s) made by me/us in favor of ____________ residing at ____________________ in respect of the below mentioned securities.

Or

I/We hereby ____________________ residing at ____________________ ____________________ nominate the following person in place of ____________________ residing at ____________________ ____________________ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being cancelled/varied

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) **(a) Particulars of Nominee/s**

Name:	Date of Birth:___/___/_____	
Father's/Mother's/ Spouse's name:	Nationality:	Phone No:
E-mail id:		
Relationship with the security holder:		
Address: ____________________ ____________________ Pincode ____________		

Please affix recent passport size photograph of the Nominee signed across

Signature of the Nominee

(b) In case New Nominee is a Minor

Date of birth: ___/___/_____	Date of attaining Majority _____/_____/__________	Name of guardian:
Address of guardian: ____________________ ____________________ Pincode ____________		

Name of the Security Holder(s)	1.	2.	3.
Signature of the Security Holder(s)	1.	2.	3.
Name of witness		**Signature of Witness with date**	
Address of witness: ____________________ ____________________ ____________ Pin code ____________			
Place:		**Date: ______/______/__________**	

Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination made earlier can be cancelled and new nomination can made either singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.

2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.

3. The shareholder[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.

4. As per sub section (3) of section 72 of Companies Act 2013, if the shares are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the securities of the Company shall vest, in the event of death of all the joint holders.

5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.

6. The nomination form filled in "**duplicate"** should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT LTD,** C-101, 247 Park, Vikhroli (West), Mumbai - 400 083. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.

7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)

8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.

9. Kindly note that the nomination being a legal document the same should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.

10. Affixing photograph of New Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	**Date of Registration**	**Signature of Employee with Code No.**

GHCL Limited
(CIN: L24100GJ1983PLC006513)
Registered Office: GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380009 (Gujarat)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in Website: www.ghcl.co.in
Phone: 079- 39324100, Fax: 079-26423623

ATTENDANCE SLIP

Folio No./DP ID & Client ID No.		No. of Shares :	
Name of Member(s)/ Proxy: ____________			
Address : ____________			
Email Id:			

I/We certify that I/We am/are member(s)/proxy for the member(s) of the Company.

I hereby authorise GHCL Limited to send me all notices, Annual Report and other communications at the aforesaid email id.

I/We hereby record my/our presence at the 34th **Annual General Meeting** of the Company being held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, June 29, 2017 at 9.30 AM

Signature of First holder/Proxy	Signature of 1st Jointholder	Signature of 2nd Jointholder

Note (s):

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the Meeting Venue Shareholder / Proxy attending the meeting is requested to bring his/ her copy of the Annual Report.

GHCL Limited
(CIN: L24100GJ1983PLC006513)
Registered Office: GHCL House, Opp. Punjabi Hall
Navrangpura, Ahmedabad – 380009 (Gujarat)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in Website: www.ghcl.co.in
Phone: 079- 39324100, Fax: 079-26423623

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ____________________

Registered Address: ____________________

____

Email ID ____________________

Folio No. / DP ID & Client ID No.:	

I/we, being the member(s) of ______________ shares of GHCL Limited hereby appoint:

1. Name:______________Address:______________
______________ E-mail Id ______________or failing him
2. Name:______________Address:______________
______________ E-mail Id ______________or failing him
3. Name:______________Address:______________
______________ E-mail Id ______________or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **34th Annual General Meeting** of the Company to be held on Thursday, June 29, 2017 at 9.30 AM at The Institution of Engineers

(India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	
Ordinary Business	
1	Adoption of audited financial statements (including consolidated) of the Company for the financial year 2016-17
2	Confirmation of Interim Dividend and Declaration of final dividend for the financial year 2016-17
3	Re-appointment of Mr. Neelabh Dalmia as a director retiring by rotation
4	Re-appointment of Mr. Raman Chopra as a director retiring by rotation
5	Ratification for the appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company
Special Business	
6	Re-appointment of Mr. Ravi Shanker Jalan as Managing Director of the Company
7	Appointment of Mrs. Vijaylaxmi Joshi (Ex-IAS) as an Independent Director of the Company

Signed this____________day of _______________2017

Affix Re. 1 Revenue stamp

Signature of Shareholder______________________

Signature of 1st Proxy holder   Signature of 2nd Proxy holder   Signature of 3rd Proxy holder

Notes:

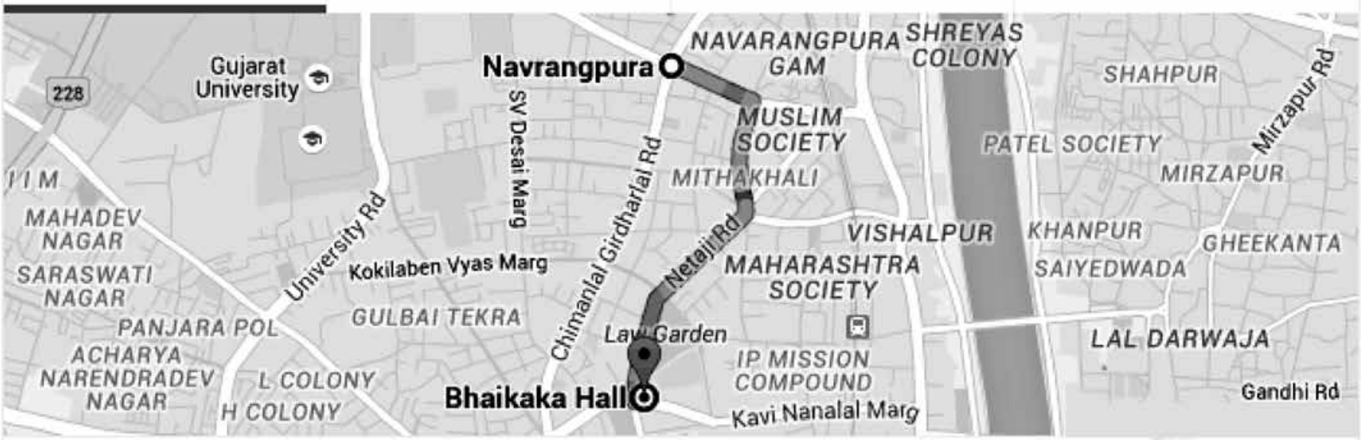
1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Route Map

From Navrangpura, Ahmedabad, Gujarat

To Bhaikaka Hall, Law Garden, Ellisbridge, Ahmedabad, Gujarat 380006

Closed now See opening hours



6 min (1.9 km) via Netaji Rd

Directions

GHCL

GHCL Limited

Registered Office:
"GHCL HOUSE" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009 (Gujarat)
www.ghclindia.com