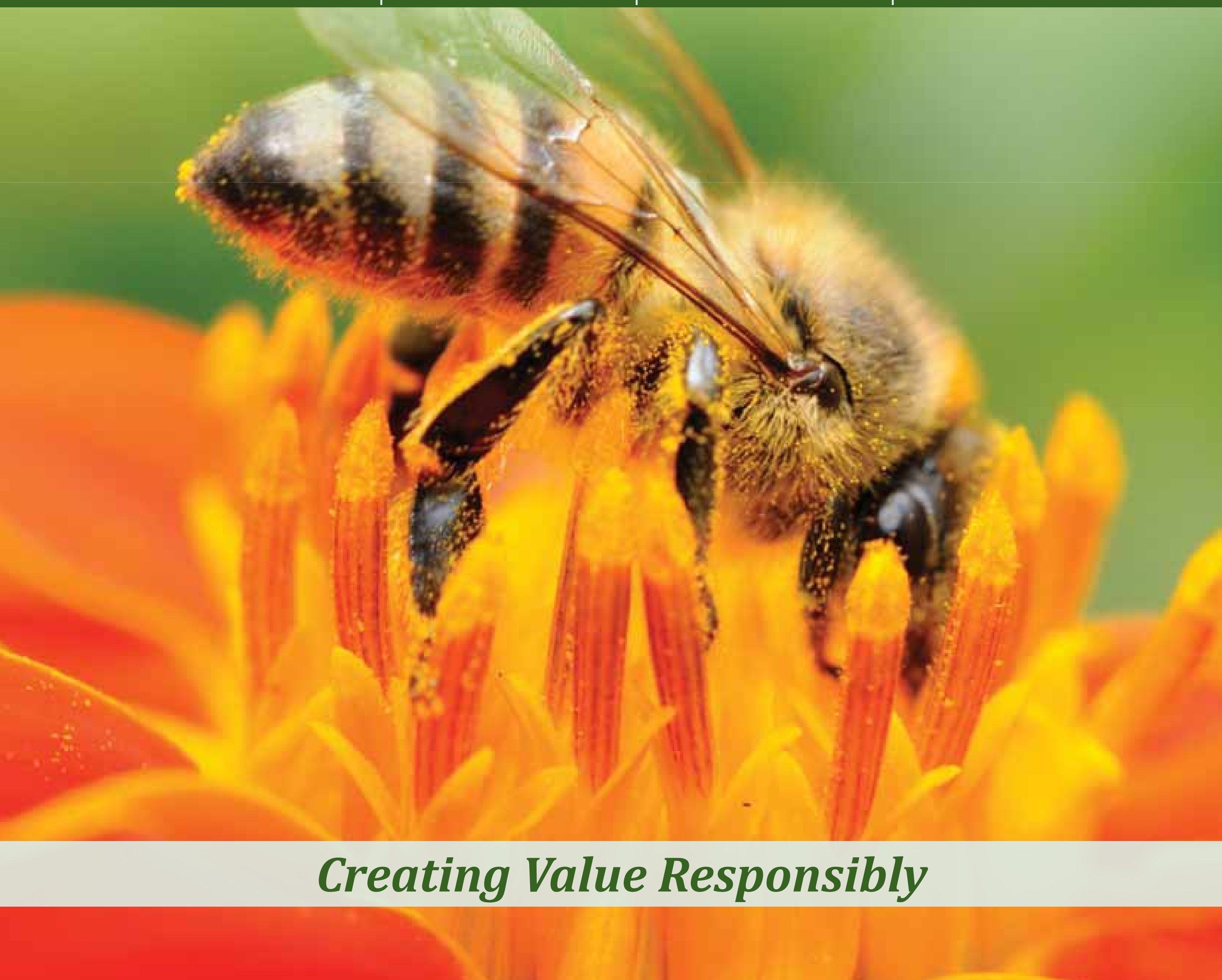
GHCL

36th INTEGRATED ANNUAL REPORT 2018-19

Business Excellence | Traceability | Sustainability | Giving Back To Society



Creating Value Responsibly

Company Information

BOARD OF DIRECTORS

Mr. Sanjay Dalmia – Non-Executive Chairman

Mr. Anurag Dalmia – Non-Executive Vice Chairman

Mr. Neelabh Dalmia – Non-Executive Director

Smt. Vijaylaxmi Joshi – Independent Director

Mr. K C Jani - Independent Director

Justice Ravindra Singh - Independent Director

Mr. Arun Kumar Jain - Independent Director

Dr. Manoj Vaish – Independent Director

Mr. Lavanya Rastogi - Independent Director

Mr. R S Jalan – Managing Director

Mr. Raman Chopra – CFO & Executive Director (Finance)

SECRETARY

Mr. Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

REGISTERED OFFICE
"GHCL HOUSE"
Opp. Punjabi Hall
Navrangpura
Ahmedabad – 380009 (Gujarat)

CORPORATE OFFICE
"GHCL HOUSE"
B-38, Institutional Area,
Sector-1, Noida – 201301 (U.P.)
Email:ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
Website: https://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

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 Mines:
713/B, Deri Road, Near Diamond Chowk, Krishnanagar,
Bhavnagar, Gujarat - 364001

Consumer Products Division

Salt Works & Refinery:
(a) 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
(c)Village: Kayathar, Distt.: Tuticorin, Tamilnadu.

BANKERS / FINANCIAL INSTITUTIONS

State Bank of India
Export Import Bank of India
IDBI Bank
Canara Bank
Oriental Bank of Commerce
Union Bank of India
Dena Bank
HDFC Bank
Axis Bank
Bank of Bahrain & Kuwait
IDFC First Bank
Shinhan Bank

DETAILS OF REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited,
C101, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai 400083.
Tel No: +91 22 49186270
Fax: +912249186060
(Email : rnt.helpdesk@linkintime.co.in)

Table of Contents

Annual General Meeting
Thursday, May 30, 2019

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, May 24, 2019 to Thursday, May 30, 2019 (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.

Creating Value Responsibly - Supporting the Balance of Life

At GHCL, we believe in a stakeholder centric, holistic approach based on the four pillars of Business Excellence, Traceability, Sustainability and Giving back to society. These four pillars enable and guide us towards making responsible and informed choices. We chose the honey bee to represent this philosophy and the work ethos at GHCL. The Honeybee is an industrious, highly social insect operating within a teamwork-based community, to ensure a healthy planet which allows a diverse number of different species to co-exist. There is no doubting the contribution of bees. Without them, our gardens would be bare and our plates empty.

Though tiny in size, these pollinators are impossible to ignore. Maintaining a green earth, they support the growth of trees, flowers, and other plants, which serve as food and shelter. A perfect example of harmonious co-existence and tireless work ethic, we owe these astonishing yet often unappreciated creatures a lot.

The leadership team at GHCL believes that as an organisation, we can be viable only if our operating context is sustainable and the basic needs of all involved parties are taken into account. It is imperative that we acknowledge the interests of all our stakeholders as well as the future generations. The honeybee philosophy ensures, that we care for and develop our people, protect the interests of local communities, create value, in various ways, for our customers, suppliers and investors while trying to protect the planet and enhance our brand image through ethical behaviour.

Basis of presentation of the Report

We present GHCL Limited's first Integrated Annual Report for FY 2018-19, which has been prepared in alignment with the <IR> Framework laid down by the International Integrated Reporting Council (IIRC). In preparing the non-financial information in the Report, GRI (Global Reporting Initiative) Standards, National Voluntary Guidelines and United Nations Global Compact principles were considered. The financial and statutory data is based on the requirements of the Companies Act, 2013 (including the Rules made thereunder and Accounting Standards), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards.

Reporting Period

The Report covers all material financial and non-financial issues relating to GHCL Limited for the period April 1, 2018 to March 31, 2019.

Independent Assurance

Assurance on financial statements has been provided by independent auditors S.R. Batliboi & Co. LLP and non-financial statements by Ernst & Young Associates LLP.

Forward looking statements

Certain statements in this Report regarding our business operations may constitute 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.

Chairman's message

Dear Shareholders,

It gives me immense pleasure to share our performance for the fiscal year 2018-19 and prospective for the ensuing year.

In the last fiscal ended March 2019, the Indian economy reportedly grew at 7.3% due to an upswing in consumption and investments especially during the second half of the year. Despite higher oil prices and rupee depreciation putting pressure on demand, positives like lower inflation, structural reforms including the new Insolvency and Bankruptcy Code, smoother implementation of the Goods and Services Tax (GST), and bank recapitalization is aiding higher growth prospects. In fact for the first time, India is expected to record fastest growth in economy at 7.5% as compared to 6.2% for China.

In the same fiscal, your company delivered a heartening performance as a result of continued focus on growth momentum, value-addition, contemporary product ranges and creating shareholder value. In FY19, GHCL registered a revenue of around Rs. 3385 Crore as against Rs. 2968 Crore in FY18, profit before financial expenses and depreciation for FY19 is Rs. 784 Crore as compared to Rs. 649.17 Crore for FY18. PBT (profit before tax) for FY19 is at Rs. 541 Crore compared to Rs. 415 Crore in FY18. In accordance with our objective of increasing shareholder value and best corporate governance practices, the company has declared a dividend of Rs. 5 per share at a healthy dividend payout of 16.38%.

The last fiscal witnessed a healthy growth in the demand for Soda Ash globally, except for China where there was a slowdown. The domestic Soda Ash market witnessed a growth in demand of around 5% in FY19. Your company successfully completed its brownfield capacity expansion increasing the current capacity to 11 Lakh tonnes during FY 19. Your company produced 9.7 Lakh tonnes of soda ash in fiscal year 2018-19 and achieved highest sales at 9.3 Lakh tonnes. The next fiscal indicates stable demand for soda ash with the main drivers being strong growth in detergent and float glass, and silicate and chemical sectors. In order to responsibly maximize value for stakeholders, your company has strengthened its Research and Development (R & D) activities so as to improve operational efficiency and productivity, and introduced innovative solutions, by focusing on environmental sustainability and energy conservation projects among other measures.

Consumer Products Division, under the brand I-FLO, expanded its product portfolio and increased the number of SKUs to more than 60. With improved market reach, distribution, and an integrated approach to marketing, it aims to consolidate its business in all operating locations.

The Textiles business, despite global headwinds has registered a Revenue of Rs. 1202 Crores as compared to Rs. 1046 Crores for FY18. The headwinds were mostly caused by a surge in online sales coupled with a shift in the wallet spends by the millennial customer which led to several retailers in the US filing for bankruptcy and rampant store closures. We were able to avert this situation due to our strategic focus on the four pillar strategy which revolves around sustainability, traceability, innovation and giving back to society. The competitive advantage of strengthening the marketing, product development and operating teams is now evident and is likely to result in huge improvement in the proliferation of business across geographies, with better margins, in times to come. In September 2018, "CIRKULARITY", a brand that supports the Circular Economy and focusses on the 3 R's – Reduce, Reuse and Recycle was launched. MEDITASI, a unique range of bedding that promotes "health and wellness", and NILE HARVEST a range of completely traceable Egyptian cotton bedding was launched in March 2019.

GHCL has also stepped up its focus on the e-commerce business in the US and is working with major retailers like Amazon, Walmart, J C Penney etc. The company has launched its own Dot Com brand called AURAA, which sells primarily on Amazon and is getting good reviews and ratings. The Yarn division's performance bettered further compared to 2017-18 which is mostly attributable to introduction of Air jet spinning and addition of value added yarn segment. Both these initiatives have evoked a positive response from the customers.

In FY19, your company was recognized as one of the "Best Workplaces in Manufacturing Sector" by Great Place to Work Institute, consecutively for the second year in a row. GHCL also won the Dun & Bradstreet Corporate Award, 2018 for its outstanding performance. A Gold Award for quality control by International Convention on Quality Concept Circle (ICQCC) and Singapore and India and Manufacturing Excellence (IME) Awards 2018 award by Frost & Sullivan are a few more recognitions received by GHCL.

Sustainability is a core element of your Company's four pillar business strategy based on Responsible Stewardship, Social Inclusiveness, Promoting Relationship and Adding Value. As a proponent of inclusive growth, GHCL believes in giving back to the society, thus undertaking projects for overall development and welfare. Through its "GHCL Foundation Trust" the Company spent Rs. 9.10 cr on CSR activities in FY19.

In order to support your company's belief in sustainable development through harmonious economic growth, social inclusion and environment protection, your company has decided to adopt governance based reporting and the <IR> framework developed by the International Integrated Reporting Council. I present to you, the first Integrated Report as a part of this Annual Report

I conclude by thanking all of you for supporting GHCL in its Mission to responsibly maximize value for all its stakeholders.

Sanjay Dalmia
Chairman

Performance snapshot

Inputs

Financial Capital

- INR 3385 crore revenue generated
- INR 361 crore Profit after tax (PAT)
- 19% CAGR growth in net profit since FY'15

Manufactured Capital

- Highest ever Soda ash production of 9.7 lakh MT with preponement of brownfield expansion
- 27k MT Yarn production
- 25 Million meter sheeting production in Home Textiles

Intellectual Capital

- 17 New products launched during the year by Textile division
- Over 1100 kaizens identified during the year
- 9.5% revenue share of new products for CPD

Human Capital

- Among top 25 organizations to work for in the Manufacturing sector in India
- 5,000+ permanent workforce
- 70 k Man-hours of formal training

Social & Relationship Capital

- INR 25.88 crores worth CSR projects executed
- INR 9.10 crore CSR contribution by GHCL
- Over 1 lakh beneficiaries of CSR projects

Natural Capital

- 7% share of bio-degradable cloth packaging in HT Division
- 27.3 MW of installed renewable power generation capacity
- Around 1,00,000 tons of fuel replaced through briquetting of coke fines

Honours, Awards & Certifications

Some of our Products

Home Textile Division- Innovative Concepts

CIRKULARITY
Join the Dots

NiLe HaRVest
AUTHENTIC EGYPTIAN COTTON

Meditasi
SLEEP AND HEAL

Consumer Product Division

Our Vision, mission and values

We believe – Respect, Trust, Ownership and Integrated Team Work lead to Business Success.

Our Core Values			
Respect	**Trust**	**Ownership**	**Integrated Team work**
Thoughtful of showing regard for another person.	Confidence in each others' capabilities and intentions.	Take responsibility for one's own decisions and actions.	Every person to work towards the larger group objective.

Our Mission

"Responsibly Maximising Stakeholder Value"

Our Vision

"Achieve Market Capitalization of 10000 Cr. by 2022 through Superior Serviceability, Business Excellence, Governance and Core Values."

Our Governance Framework

At GHCL, we believe that long-term sustainable value for our stakeholders can be created by embedding highest standards of corporate governance practices within the organisation. Good governance is an intrinsic part of the fiduciary responsibility of the Company, and the cornerstone of the company's philosophy on corporate governance is accountability to stakeholders, transparency in operations and fairness to all stakeholders. We have a robust governance mechanism in place consisting of policies and a Code of Conduct to govern the actions of the Board and Executives in line with governance best practices. We firmly believe that Corporate Governance means commitment for achievement of value-based growth and meeting the commitment without compromising with ethical standards, and this belief is perpetuated across the organization.

Governance Structure

The Board of GHCL Limited comprises a total of 11 Directors, with two Executive Directors and nine Non - Executive Directors. There are 6 independent Directors including 1 woman independent director, thereby ensuring that the requirements of the Company's Act are adhered with. The Board meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. The Board of Directors, if required and appropriate, delegate their authority to Directors who head various committees (as shown below). The structure of the Board and an overview of the committees is provided below. For more details on their functions, membership and activities during the current Fiscal, please refer to the Corporate Governance Report.


Board of Directors
Risk Management Committee
Audit Committee
Nomination & Remuneration Committee
Business Strategy & Planning Committee
Stakeholders' Relationship Committee
Corporate Social Responsibility Committee
Banking & Operations Committee
Project Committee
Compliance Committee

GHCL Key Management

Mr. R.S Jalan
Managing Director

Mr. Raman Chopra
CFO & Executive Director - Finance

Mr. N.N. Radia
President COO (Soda Ash)

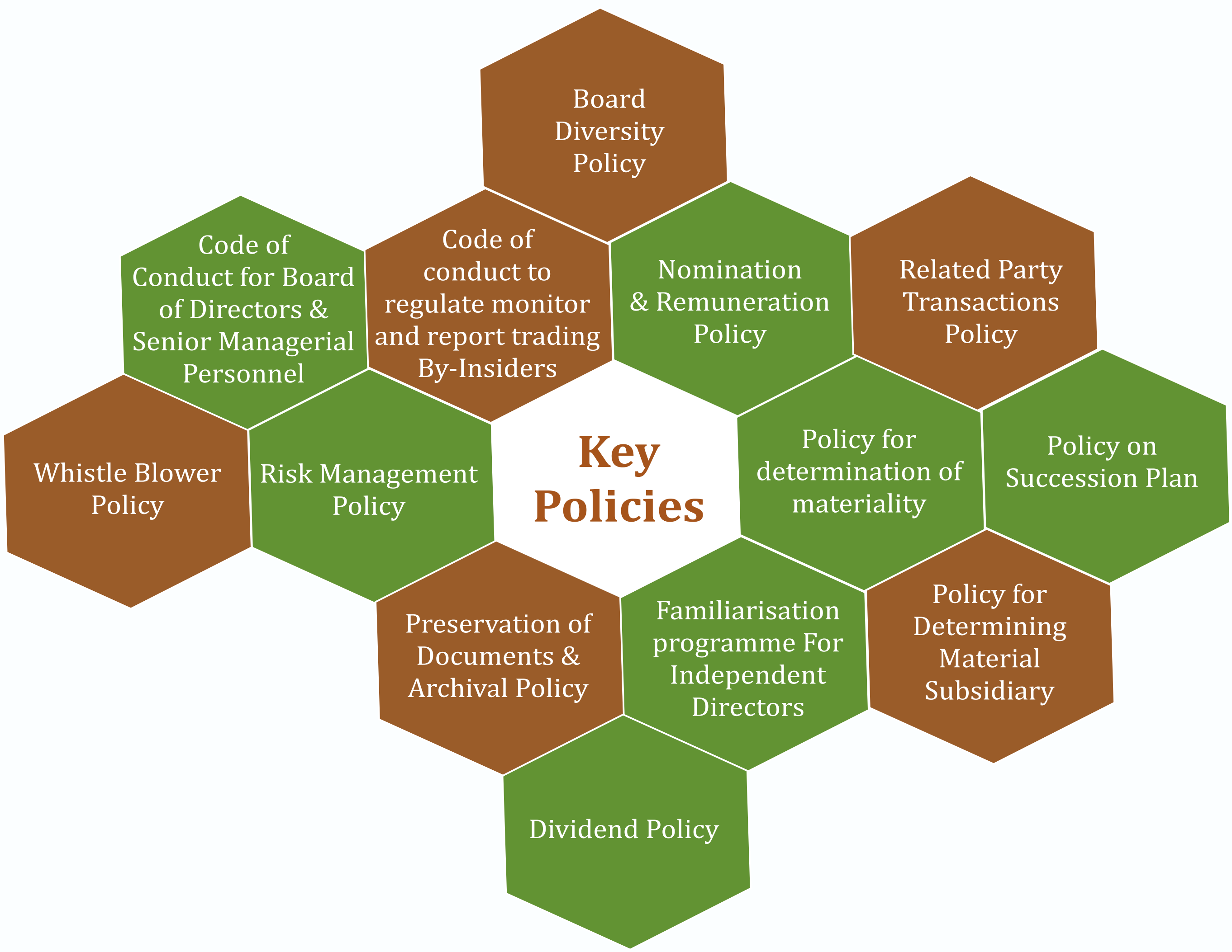
Mr. Sunil Bhatnagar
President - Marketing, Soda Ash

Mr. Manu Kapur
President & CEO – Home Textiles

Mr. M. Sivabalsubramanian
CEO (Yarn Division)

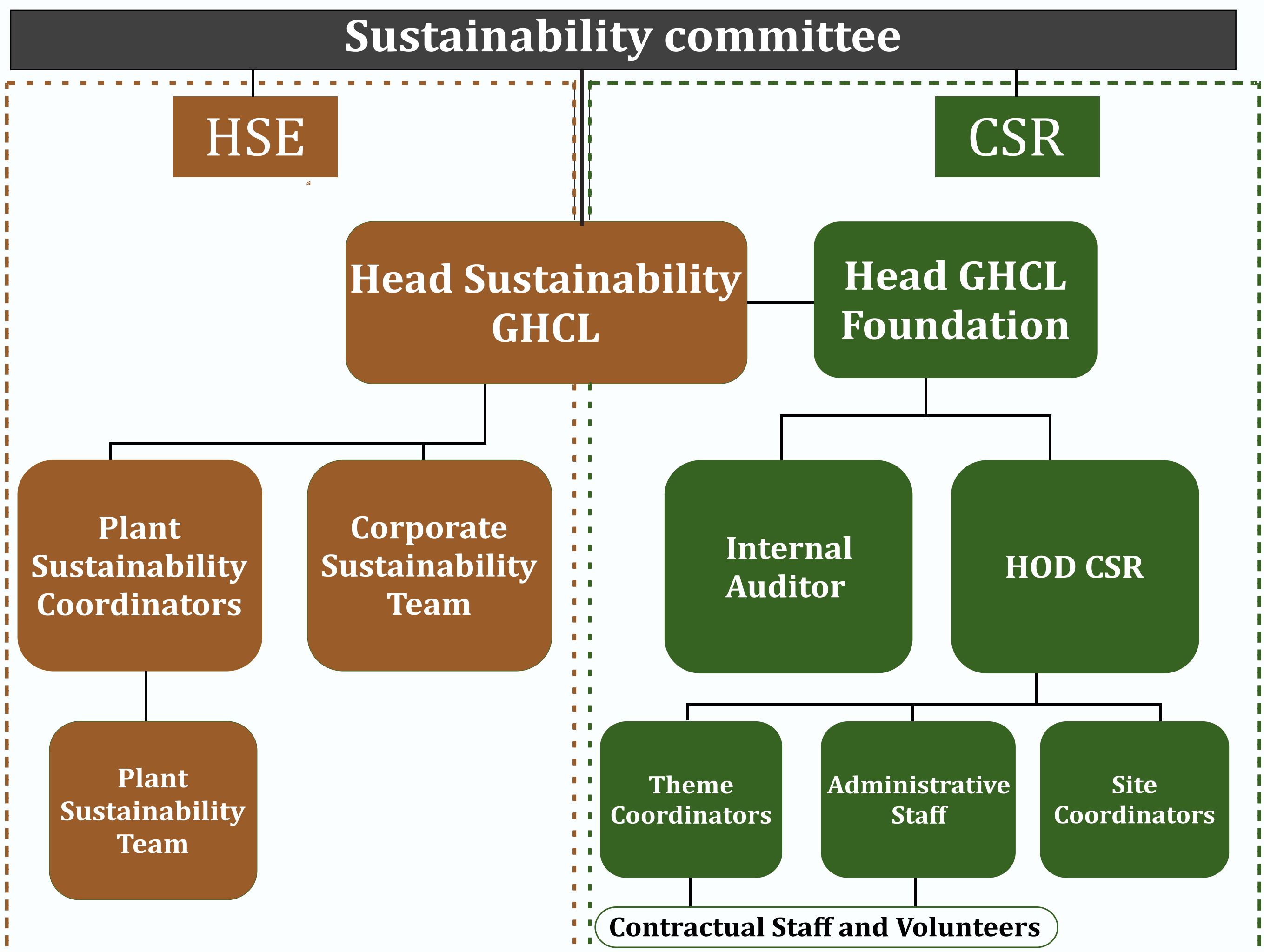
Code of Conduct

The GHCL Policies & Code of Conduct presents principles that govern and guide GHCL as a business group and its employees. It documents the ideal conduct that is expected from GHCL and its people in all business-related matters. The code clearly directs everyone involved with GHCL to act with complete honesty, integrity, and professionalism. If we can ensure our adherence to the directives of the code, we will be able to ensure that the legacy as well as future of GHCL rests in good hands.



Our Sustainability Governance

At GHCL, our endeavour is to achieve excellence in business along with active contribution towards the growth of society and protection of the environment. An internal Sustainability Committee has been established as a part of the sustainability governance structure to oversee activities relating to CSR, HSE (Health, Safety and Environment) and propagating a culture of sustainability across GHCL. The committee is headed by the Managing Director with the Head of Sustainability as its Secretary. Permanent members of the committee include the business heads, group CFO, Head of HR, Head of IR, Head of Legal and the Company Secretary, who review and approve targets for sustainability performance. Sustainability is an integral part of GHCL's medium to long term strategy and the Head of Sustainability is a part of the DISHA committee meetings wherein the top executives congregate at least thrice a year to deliberate on the company's strategy and implementation plans. This ensures that sustainability is ingrained across key functions at GHCL and as an integral part of the decision-making process. The sustainability governance structure is illustrated below.



The Head Sustainability oversees HSE activities & strategic CSR at GHCL and is assisted by sustainability coordinators at each business level. Information related to HSE (Health, Safety and Environment) performance is captured on a monthly basis and presented during the operational review with the senior most management. Plant and business level targets to improve HSE performance have been defined based on GHCL's historical performance and ambitious plans.

CSR and developmental activities are conducted through the GHCL Foundation Trust, and the Head of Sustainability works in conjunction with the Head of GHCL Foundation to provide strategic direction for CSR program and oversees its implementation. The CSR HOD (Head of Department) oversees the implementation across locations and coordinates with the site coordinators. The theme coordinators (for agriculture & animal husbandry, education, healthcare) develop frameworks for the implementation of the projects undertaken by the Foundation and are supported by a pool of contractual staff and volunteers who work closely with the beneficiaries. More details on our CSR activities is provided in the section on Social and Relationship Capital on page 58.

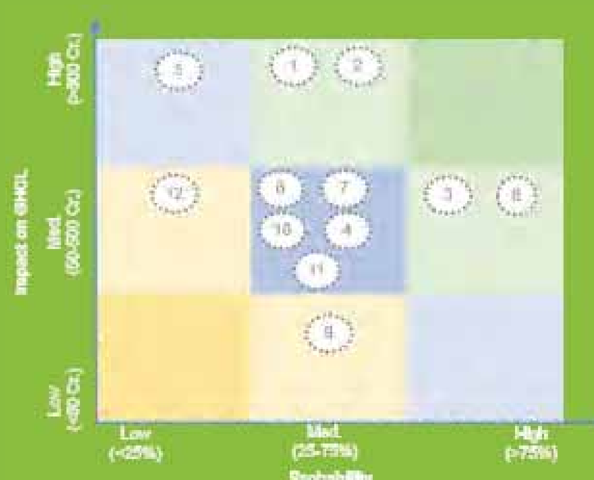
Managing Risks & Opportunities

GHCL is committed to an effective risk management in pursuit of its strategic objectives, with the ultimate aim of growing shareholder value responsibly. Our board-approved risk management policy guides our approach to risk management and is dynamic so as to ensure flexibility in view of changing operating environment. While GHCL has a proven ability to successfully take on challenges, the efforts are to become even more proactive in recognizing and managing risks, through an organized framework/approach. We recognize that risk management is an integral component of a good governance and fundamental in achieving strategic and operational objectives.

Our Board oversees the enterprise risk management process. The board's Risk Management Committee ensures that the process is robust and works effectively. It monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the organisation. GHCL's Risk Management Framework is a well-defined, integrated framework, which promotes awareness of risk and understanding the risk tolerances. It enables an orderly approach to risk identification and minimization of our losses, leveraging any opportunities and provides treatment strategies to manage transfer and avoid various risks.

The key risks for the Company have been identified, assessed and mitigation plans prepared accordingly. These risks are shortlisted based on their ability to affect the near-to mid-term strategy, long term aspirations and top priorities of GHCL.

No.	Risk
1	Regulatory changes (ESG, lease renewal, etc.)
2	Environmental Risks including Climate Change
3	Commodity prices – Fuel,
4	Currency Risk
5	Social license to operate
6	Succession Planning and Management Bandwidth
7	Margin pressure – low cost competitors and oversupply
8	Raw material availability and pricing
9	High attrition rate in worker category
10	Economic slowdown in export markets
11	Governance and Stakeholder Communication
12	Domestic economic slowdown



S.No.	Key risk	Mitigation plan
1	Regulatory changes (ESG, lease renewal, etc.)	Keeping track of changes in the regulatory landscape, coupled with systems and processes to ensure compliance with applicable laws and other legal requirements
2	Environmental risks including climate change	·Identifying improvement areas and implementing committed environmental roadmaps and targets ·Prioritising and enabling compliance with applicable legal requirements ·Continued focus on achieving energy efficiency targets and the implementation of site water use efficiency measures ·GHG inventorization & Roadmap
3	Commodity prices – Fuel	·Programs to reduce energy and subsequently fuel consumption ·Looking for opportunities to replace conventional fuels with alternate renewable fuels
4	Currency risk	Monitoring the foreign exchange market closely and taking hedging measures, principally for terms shorter than one year and generally not exceeding 18 months
5	Social license to operate	Regular engagement with the local communities to understand and address their issues
6	Succession planning and management bandwidth	·Identifying potential candidates for future leadership ·Investing in training, mentorship and development of these candidates
7	Margin pressure – low cost competitors and oversupply	·Update and implement sales and marketing strategies to deal with margin pressure ·Introducing differentiated and innovative products
8	Raw material availability and pricing	·Focusing on efficient use and reuse of raw materials ·Long terms supply contracts
9	High attrition rate in worker category	·Various training programs to drive attraction and retention of critical resources ·Due importance being given to talent management and adoption of HR best practices
10	Economic slowdown in export markets	Balanced global presence to reduce the adverse impact of economic slowdown in selected markets
11	Governance and Stakeholder Communication	Focus on transparent, responsible and effective stakeholder communication
12	Domestic economic slowdown	Systematic and formal analysis of markets and marketing challenges followed by appropriate mitigation actions

Apart from actively working towards mitigating the risks, we also work relentlessly to realise opportunities. We have been able to maintain a domestic market share through a combination of market development, enhancing customer relationships, offering innovative products and being proactive in responding to the changes and needs of the market. The Inorganic Chemicals (Soda Ash) business of GHCL is well-positioned to tap into the opportunities in Detergent, Glass industries and other industries. With the completion of our expansion in Soda Ash business, we are already tapping into a higher market share of this business.

The FMCG sector is one of the biggest sectors in the Indian economy and rising awareness, easier access and changing lifestyles are some of the key factors driving its growth further. Apart from the ever-increasing demand of branded products by the urban population, the rural consumption has also increased due to increasing incomes. Our CPD division is looking towards an expansion of its product portfolio and have ventured into new product categories in powdered as well as blended spices. We are looking at strengthening infrastructure and increasing geographical coverage.

Growth is expected in the textile industry owing to the rising government focus and favourable policies. For us product differentiation and innovation on the premise of sustainability & innovation is a part of core strategy.

Managing Stakeholder Relationships

GHCL Limited acknowledges the importance of its stakeholders in doing its business responsibly by creating a balance among the economic, social and environmental objectives. GHCL strongly believes in the concept of inclusive growth which is also guided by its governance policies leading to enhanced transparency, responsiveness, and accountability of the organisation in all its business dealings. We understand the significance of strengthening our stakeholder relationships through frequent open and transparent communication. While all stakeholders are important for GHCL, the mode of engagement and issues of five key stakeholder groups are summarized below.

Key Stakeholders	*Mode & Frequency Of Engagement*	*Key Stakeholder Concerns*
Investors	Annual General Meeting, quarterly earning calls and presentation, investor conferences, press releases and newsletters & regular road shows	Market opportunity, competition, technology implementation, changes in revenue, market & other risks
Suppliers	Suppliers/ Vendors meets, supplier feedback and periodic site visits, VENDX portal	Loading/unloading infrastructure, hygiene & sanitation infrastructure, safety system & performance, payment terms
Employees	GHCL TEA (Think, Experiment & Adopt), MILAP (Medium for Interactive, Lateral and Actionable Partnership), DISHA meeting, Employee engagement surveys, monthly and quarterly publications and newsletters	Growth opportunities, safe working environment, hygiene & sanitation, talent attraction & retention, training & development, employee & contractor grievances, long-term settlement, land use planning & employee-related policies
Community	Community meetings and visits, participatory rural appraisals including focus group discussions, awareness camps, exposure and training visits for beneficiaries, interaction with local bodies	Livelihood support, hygiene & sanitation facilities, healthcare facilities, education, local employment, infrastructure development, air & water pollution, resource exploitation
Customers	Customer satisfaction surveys, direct customer relationship management satisfaction initiatives, regular customer/ distributor meets	Product quality, delivery, Credit period, packaging, Health & safety aspects, innovation

We see these concerns/interest as both risks and opportunities for the organization and identify strategies to mitigate risks and capitalize on opportunities. The top management regularly reviews the progress in addressing the key stakeholder concerns as a part of the monthly operational review meetings. Functions and committees have been mapped to each stakeholder so that there is a clear demarcation of responsibility and actionable as deemed. For instance, there is a board level Stakeholders Relationship Committee to address investor grievances and CSR Committee to review progress on community concerns and project thereof.

In addition to these periodic modes of understanding stakeholders' concerns/interests, we've conducted a materiality assessment this year in line with the requirements of the Integrated Reporting framework. The assessment allowed us to uncover the topics that have a substantial potential in affecting the value creation journey of GHCL and is explained briefly in the following section.

Materiality Determination

Materiality analysis is a systematic approach to identify and prioritize material issues that are of prime concern to stakeholders and impact their view of an organization. Thus, identifying, prioritizing and addressing the key material issues can impact an organization's ability to meet stakeholder expectations and execute its business strategy. GHCL conducted a materiality assessment for the first time in 2018 covering its major businesses, viz. Inorganic Chemicals and Textile. The Sustainability team organized capacity building sessions on the importance of materiality determination, followed by interactions with internal teams which directly interact with the key stakeholders on a regular basis to address their concerns.

Materiality Determination Process

Identification of Stakeholders

↓

Identification of issues guided by GRI and Industrial peers

↓

Internal Review and Validation

↓

Prioritisation of Material Issues

↓

Finalisation of Material Topics

Guiding Principles

Stakeholder Inclusiveness

Comparability with Peers

GRI Guidance

The inputs received during the internal assessment were aligned to GRI issues for the Chemicals and Textile sectors. Materiality assessment of peers was also reviewed to check for any significant anomalies in the exercise. The peer review for the materiality exercise involved analysing the material aspects of more than half a dozen peers (Indian and Global) spread across each business. The issues were then consolidated at GHCL level to arrive at the list of key material issues. Subsequently, the top management deliberated on the same issues to assess the importance from the organization's perspective. Taking an integrated view of the importance to stakeholders and importance to management, a prioritized list of issues was finalized for GHCL. These issues have been categorized under five broad material topics which are of strategic importance for GHCL.

Material Topics For GHCL Limited

Human Capital Management	Envrionmental Performance Management	Human Rights & Decent Labour Practices	Sustainable Raw Material, Products and Innovation	Community Investment and Engagement
GHCL Limited's HR function is aligned with the long-term business strategy of the organisation to ensure that its manpower remains its greatest asset	GHCL Limited treats environmental challenges as its business and social imperative over a mere compliance obligation	GHCL Limited respects and promotes human rights for all individuals and is committed to identify, prevent, and mitigate adverse human rights impacts	GHCL Limited strongly believes in creating a differentiation through sustainability and innovation in product development	GHCL Limited, since inception, is committed to inclusive growth and development and ensures that it gives back to the society within which it flourishes

This prioritization is essential for strategic focus on addressing the key environmental, social and governance issues for an organization. GHCL has identified Key Performance Indicators (KPIs) relevant to these topics and is setting business level and GHCL level targets for many of the KPIs. Progress on the targets is being periodically reviewed by the top management and we may start communicating on our progress in the coming years.

GHCL's Value Creation Model

GHCL seeks to operate and grow inclusively and sustainably. GHCL caters to two businesses broadly categorised as Inorganic Chemicals and Textiles. Under our inorganic chemicals section, we now operate single largest soda ash plant having capacity of 11 lac tons at a single location in India manufacturing light and dense soda ash which is mainly used in the manufacturing of detergents, soap, glass etc. In addition, we also manufacture sodium bicarbonate and have recently doubled its production capacity to 200 MT per day. Sodium bicarbonate is marketed under three grades - food grade, animal feed grade and technical grade. Our textiles segment is an integrated set up commencing from the production of yarn, fabric & home textile products. Additionally our consumer product division is engaged in manufacturing & production of salt (edible & industrial salt) and also is also engaged in the marketing of salt, spices & honey under the brand name of i-FLO.

It is our constant endeavour to improve our operations and processes to ensure safe, reliable and efficient operations with lower environmental footprint. Meanwhile, we keep on looking for opportunities that will drive growth and expansion. It is our firm belief that even in an environment of volatility and global uncertainty, a more resilient and agile business model, geographical diversification and a strong focus on internal business conduct can sail through testing times.

Importance of stakeholder engagement

Being responsive to the concerns of our stakeholders, and advancing their interests is integral to our ability to run our business responsibly and achieve all the strategic aspirations. With this understanding, it is our constant endeavour to internalize and emphasize on their needs and requirements. Over the past years, we have worked towards strengthening the relationships with our stakeholders and consider their view point in the strategic decision making of the organisation.

Robust governance and decision-making structures

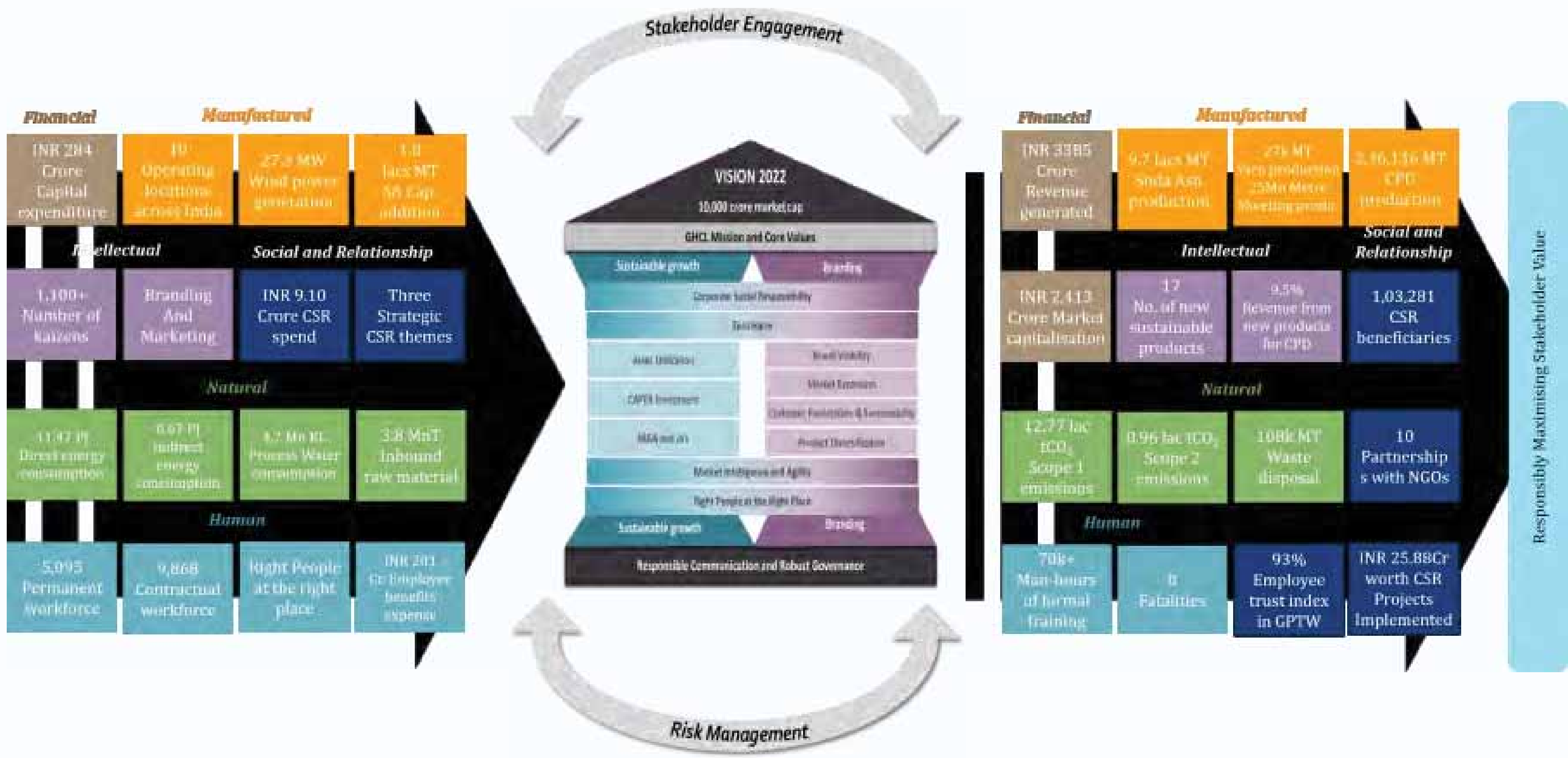
Our decision-making and control frameworks are ultimately underpinned by our commitment to maintaining high standards of business integrity and ethics in all our activities. We maintain sound corporate governance and risk management structures and processes, which the Board considers pivotal to delivering sustainable growth in the interests of all stakeholders. We are deepening our focus towards integrated and effective decision-making at all levels, which includes strategic, tactical, operational, statutory and functional support.

Risk management

Effective risk management is crucial to efficient functioning of the business model and is essential for the Company's long-term success. We are deeply focussed on anticipating risks and responding with agility and confidence in managing them. Pro-active risk management is both an essential element of sound corporate governance and a crucial enabler in realising opportunities.

Our business activities

Our business objective is to achieve a market cap of INR 10,000 crore by the year 2022. To achieve this objective, our business activities across both the business segments are focussed around two broad pillars, 'Sustainable growth' and 'Business Branding'. The First pillar, Sustainable growth involves executing our strategic agenda while ensuring world class project planning and execution. With the help of right CAPEX investment, maximise asset utilization & business excellence initiatives we aim to achieve sustainable revenue & bottom-line growth while ensuring zero harm to our people as well as the environment. Our second pillar, branding, revolves around ensuring brand visibility, transparent and responsible communication with key stakeholders and customer penetration till the last mile. To keep up with the market expectations, it is important for us to provide the users with innovative products. Our continued focus is on delivering differentiated products along with expanding our markets for the same. For products which may be considered as commodities, we focus on increasing our penetration to reach diverse set of customers and at the same time enhance our serviceability to meet customer expectations. Lastly, it is our continued effort to employ the 'Right People at the Right Place' as this ensures that correct talent with right motivation will deliver best output for achieving organisation’s objectives. Further aspects of our business model are summarized in the illustration that follows.

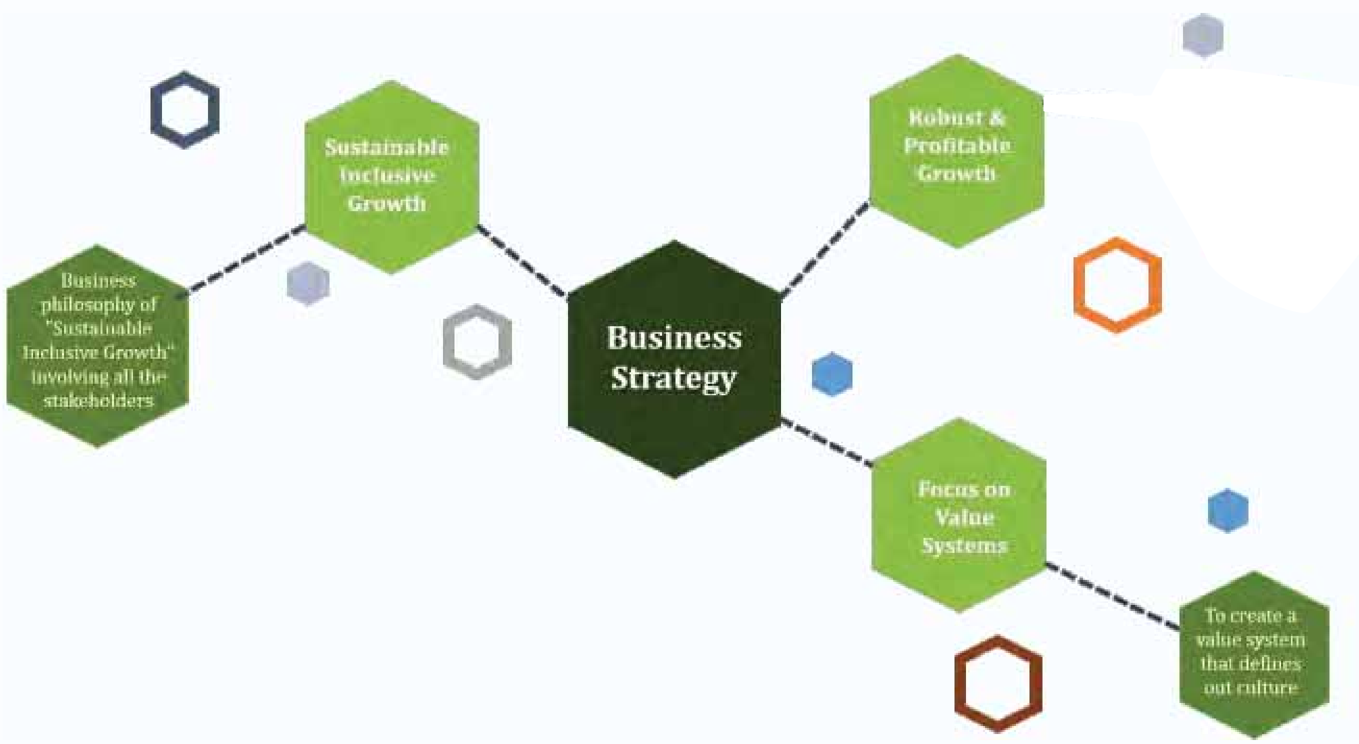


Note:
1. tCO_2 refers to the emissions measured in tons of Carbon Dioxide equivalent. The scope 1 emissions do not include a small portion of emissions generated by refrigerants
2. PJ refers to energy in Peta-Joules, where 1 PJ = 10^{15} Joules

Strategy and Resource Allocation for Sustainable Value Creation

Our strategic aspirations

GHCL strongly believes in the adoption of sustainable solutions that are based on time-tested business practices and simultaneously ensures its implementation across business functions. The functions are completely aligned with the business strategy and work towards achieving a common objective of creating sustainable value for our stakeholders. While working towards the goal, GHCL strives to adopt a de-risking strategy across its value chain, involving regular monitoring and mitigation of risks, while making growth investments. Marching forth with a clear vision to deliver high value to our stakeholders, GHCL's business strategy stands firm on the following core elements:



1. Robust and profitable growth

We are working towards enhancing our business performance and improving our marketing and sales capabilities. Our Soda Ash business is comfortably positioned with a stable profit by becoming 11 lac MT plant at one location. The textile business has been gaining momentum due to the differentiated offerings coupled with the foray into the premium product segment which are likely to act as a key driver for the segment growth.

1 Revenue	2 EBITDA	3 PAT	4 EPS
INR 3385 Crore in FY19 recording a CAGR growth of 9% in last 4 years.	INR 784 Crore in FY19 recording a CAGR growth of 10% in last 4 years.	INR 361 Crore in FY19 recording a CAGR growth of 19% in last 4 years.	INR 36.88/share in FY19 recording a CAGR growth of 19% in last 4 years.

2. Focus on value systems

GHCL is a unique work place and its core values define its culture. We believe that ultimately it is our culture and the way we do things that will determine our long-term success. Every employee in the company is expected to imbibe the core values and interact within the business ecosystem with all its stakeholders accordingly.

3. Sustainable inclusive growth

At GHCL, we believe in the principle of wellbeing of all our stakeholders and this forms an integral part of our business sustainability and strategy. We see our enduring efforts in serving the interests of all our stakeholders as an opportunity towards promoting inclusive growth. Our aim is to concentrate on the core relationship between GHCL and its stakeholders with a hawk like focus on strategy, social responsibility and business ethics.

- 4X growth in market capitalisation in last 4 years - Increase in shareholders payouts (INR 30 Cr in FY'14 to INR 59 Cr in FY'19). - Announced Dividend policy (15%-20% of PAT).	- Implemented Pay for Performance and Pay for Behavior. - Wide Allotment of ESOP's till middle management. - 360° Core value propagation across organization. - Participative culture through platforms such as Disha, Incarnation, Milap, Committees. - Established Various employee friendly polices like Leave, Exigency support, Vikas.	- More then 100000+ beneficiaries - Spent INR 25.88 Cr. during the year with other partners. (GHCL spent INR 9.10 Cr. in FY'19) - Prime focus on Education & vocational training, Health, Agriculture and Animal husbandry.	- Regular Distributors / Customer meets for two way knowledge Sharing. - Complete alignment of distributors with GHCL growth objectives. - Conduct customer index survey (CSI) for monitoring our services. - Feedback and complaints are promptly addressed to ensure customer satisfaction.	- Encouraging Strategic partnerships for sustainable product development, process improvement and quality focus. - Regular interactions through vendor meets. - Implementing Vendor Portal for smooth workflow.

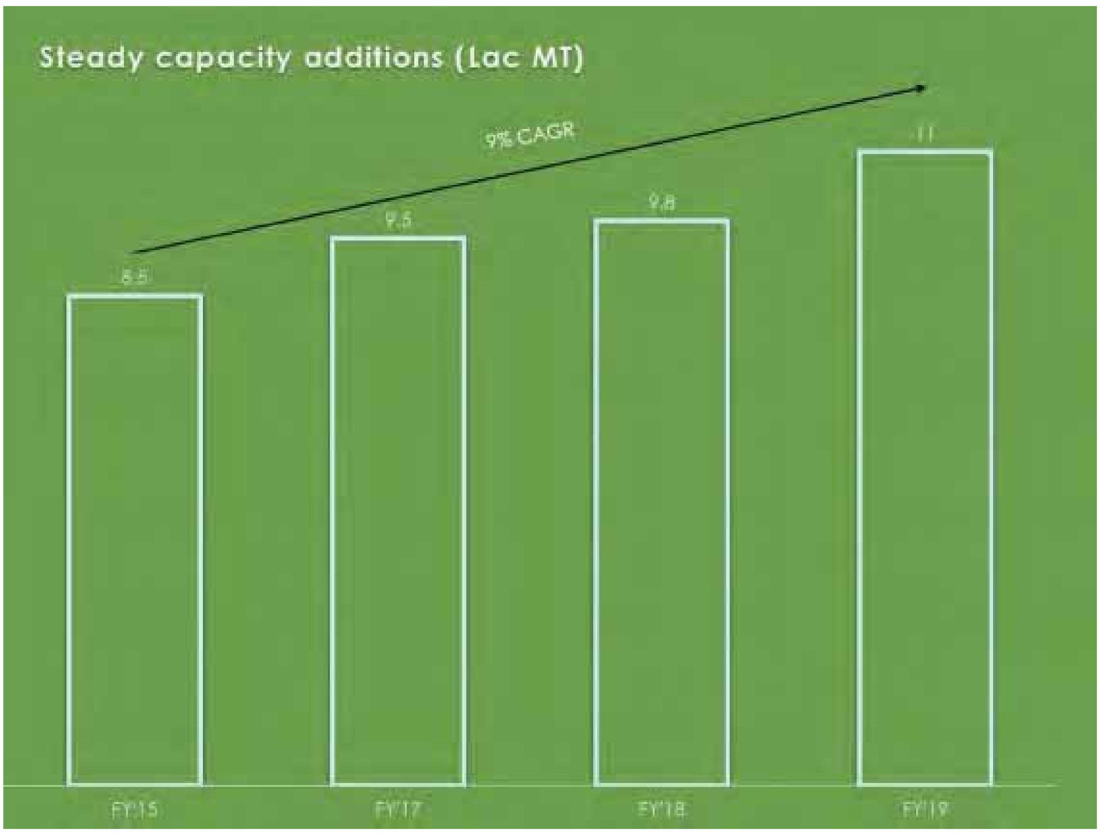
Business wise strategic overview

Inorganic Chemicals Business

Soda Ash

GHCL enjoys a leadership position in the manufacturing of Soda Ash. As a part of de-risking the business, GHCL has a captive control on fuel and is the only company in India having its own lignite mines. Also, we have innovatively replaced imported coke with in-house innovation i.e. coke briquette. We have a strategic control over key raw materials as our limestone mines are located at an adequate and convenient distance from the plant.

We are focused towards becoming the leading Soda Ash player in the country in next few years. To realise our vision, we are undertaking planned expansion and debottlenecking activities. While we have become 11 lac ton capacity at current location we are further investing to augment our production volumes by 1.0 lac MT over next two years through debottlenecking initiatives. In addition to this, we are proactively working towards a green field soda ash project wherein we are currently focussing on completing the preparatory activities to enable us to capitalise on any market opportunity that may arise in the coming years.



Consumer products

We are one of the premier edible salt manufacturers in Southern India. We have expanded our portfolio to include honey, spices and powder spices under the brand i-FLO. We have expanded our markets and have entered into Maharashtra and Goa market. Our brands Sapan & i-FLO are very well accepted among the good stores in major cities of South India.

Textiles

For our textiles segment, our strategy has always been of complete integration to leverage upon synergy and efficiency. GHCL's spindle capacity is close to double of home textile requirement thus providing an opportunity for expansion of sheeting capacity. The home textiles division has state-of-the art facilities having flexibility to process both cotton and blended fabrics.

Our strengths in this segment revolve around our penchant for innovation and consistent product development with the aim of creating a clear differentiation from competition, our strong passion for sustainability and the circular economy, our leadership in creating intellectual property and our ability to partner with multiple agencies to realise our four pillar strategy.

The Company has taken a very clear leadership position on sustainability across global home furnishing manufacturers. In the previous year, the company had launched two unique bedding brands focusing on sustainability – REKOOP, made using recycled polyester from post-consumer PET bottles, with forensic tagging by Applied DNA Sciences, USA, to secure provenance and traceability across the supply chain and CIRKULARITY, a brand that supports the Circular Economy and focusses on the 3 R's – Reduce, Reuse and Recycle.

Recently, the Company has launched a unique brand of bedding that promotes "health and wellness", called MEDITASI. This brand has 9 ranges that center around thermal regulation, moisture management, radiation control, athletic recovery and aromatic infusions. Another major initiative by the company, which has also been launched in March 2019, is 100% traceable Egyptian Cotton called NILE HARVEST.

GHCL has also stepped up its focus on the Dot Com business in the US and is working with major sites retailers like Amazon, Walmart, J C Penney etc. The company has launched its own Dot Com brand called AURAA, which sells primarily on Amazon and is getting good reviews and ratings.

Resource Allocation

At GHCL, we ensure that resources are allocated to achieve strategic objectives and aid in creating value for all stakeholders. Making sound allocation decisions to sustain and grow our business requires a critical assessment of the availability, affordability and quality of the key inputs to our processes, operations and projects.

Financial Capital

Financial capital

Financial capital is crucial for running our business and funding our growth projects. Sources of financial capital include debt and equity financing as well as cash generated by our operations and investments. We focus on making strategic investments necessary for sustaining and growing our business. We are currently investing funds in expansion in soda ash division and several Capex programs in Home textile and Yarn division.

Manufactured Capital

Manufactured capital

Our ongoing investments in the manufactured capital are focused on expansion as well as upgrading our existing equipment and infrastructure. This not only ensures growth and higher productivity but also serves to reduce the environmental footprint of our facilities. It is our constant endeavour to asses and look for opportunities for investment to maintain and enhance our existing assets, while also investing in our growth projects across our business.

Intellectual Capital

Intellectual capital

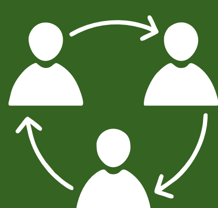
Our intellectual capital includes our knowledge-based assets such as product and process patents as well as our knowledge partnerships with external agencies. It forms a key competitive advantage for our business, especially for the textile segment, where we have invested heavily due to our sustainability and innovation agenda in the segment. While making investment decisions, we duly asses the returns of our investments in this capital against the extent to which these might aid in the growth of our business.

Human Capital

Human capital

We believe in employing the 'right people at the right place'. The talent, experience, diversity and productivity of our people enables us to operate in an efficient and safe manner and deliver within the stipulated time and budget. While making our investment decisions, we assess whether we have the necessary skills in place, and whether there is room to secure additional specialised and local skills, if needed, to deliver on our objectives.

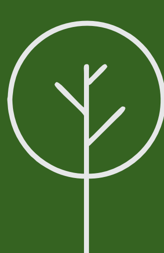
Social & Relationship Capital



Social and Relationship capital

Maintaining quality relationships with all our stakeholders, namely, investors, employees, vendors, customers and the local communities, is very important to us. They play a fundamental role is creating and sustaining an enabling external environment for our business to flourish in. We consider all these factors and look for opportunities while making investment decisions.

Natural Capital

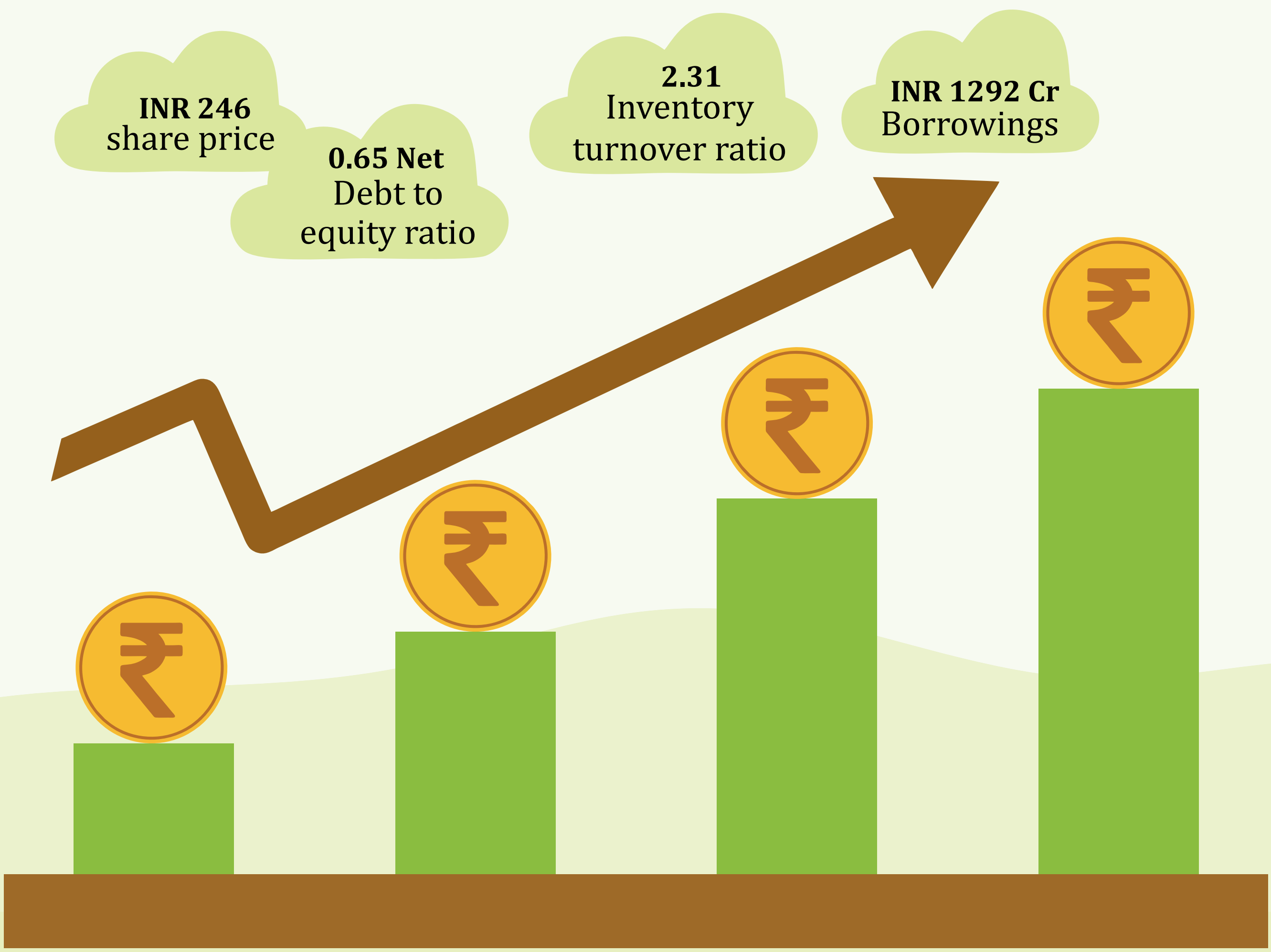


Natural capital

Our business requires that we secure sufficient raw materials as well as water, land and energy. These natural capital inputs are critical to our ability to operate efficiently and expand our business. Thus, we allocate financial and human capital to secure long-term availability of critical natural resources.

Performance of our Value Creation Model

Financial Capital



AT GHCL we understand that adequate financial capital management is imperative. It is a critical success factor and ensures business viability and sustainability from a long-term perspective. Our financial capital inputs are used to support our current business requirements and fund future growth projects. We continue to make a significant positive contribution in terms of financial capital for our stakeholders.

GHCL has delivered a healthy revenue growth of 9%* in the last 4 years. The revenue growth has been led by volume growth and realization improvement in both the business segments i.e. Inorganic Chemicals and Textiles.

*Recasted for like to like comparison

PAT has grown at a CAGR of 19 % in last 4 years. After a dip in FY'18 owing to headwinds in Textile industry, GHCL has successfully rebounded back in FY'19. FY'17 & FY'18 includes INR 82 crores & 40 crores tax credit respectively pertaining to previous years.

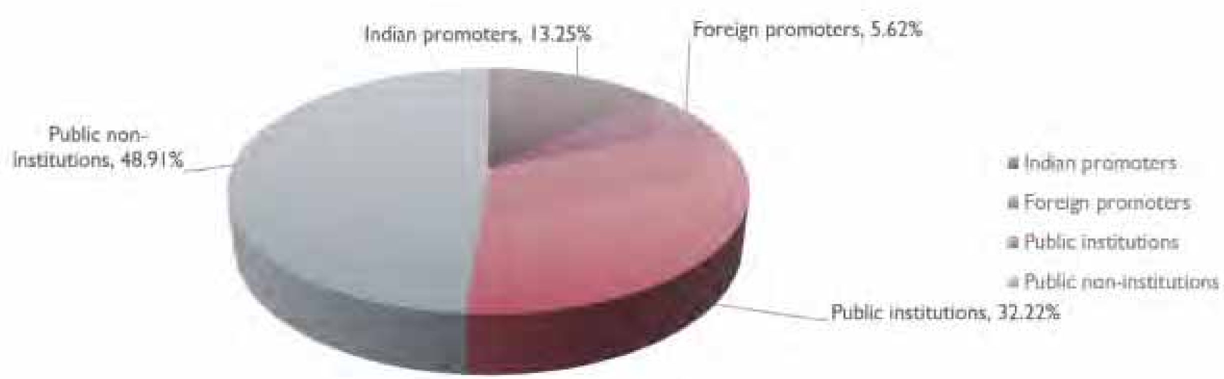
Achieved a CAGR growth 10 % in absolute EBITDA in last 4 years despite decline in Textile performance due to industry headwinds.

Since FY'15 4X increase in market capitalisation.

We expect to grow in our both the segments and expect the revenue share to remain in similar range.

The ROCE has declined in last 2 years due to fresh investments in Inorganic Chemicals, the benefits of which shall be reflected in coming years and also headwinds in Home textiles which is now improving.

In a complex and dynamic external environment, adequate financial capital management is imperative. It is a critical success factor and ensures business viability and sustainability from a long-term perspective. Our financial capital inputs are used to support our current business requirements and fund future growth projects. We continue to make a significant positive contribution in terms of financial capital for our stakeholders. In addition to generating revenue through our business activities, we reinvest the financial capital in each of the other five capitals to reap benefits. For instance, achievement of financial and production targets is reflected in employee and management incentives. Similarly, financial capital is specifically allocated for environmental and social initiatives to ensure a positive impact on the natural and social & relationship capital for the organization. Sources of financial capital include debt and equity financing as well as cash flow generated by our operations. We strategically plan, scale up and consolidate our operations to deliver on our goals while creating value for all our stakeholders. Details of our shareholding are provided briefly below:



Shareholding Pattern

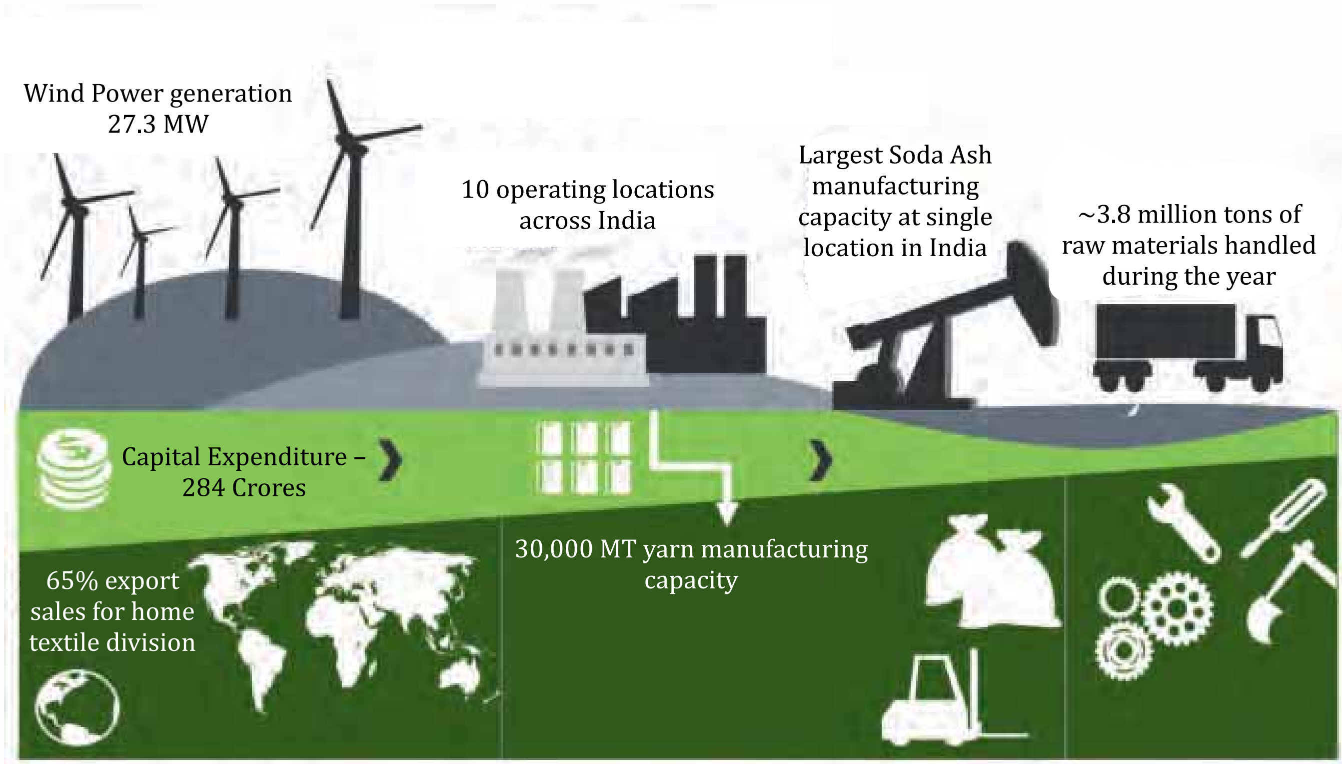
GHCL is a professionally managed organisation and the company has continued to take all positive measures with respect to Corporate Governance. We have attracted some of the leading investors in the financial markets and have been mindful of the trust placed in us by the investors through transparency and integrity. As a result, GHCL also got recongnised ("special commendation") in the Golden Peacock Awards for Corporate Governance for the year 2017.

Outcomes

- 4X increase in market capitalization in last 4 years.
- 19% CAGR growth in net profit since FY 15.
- Have successfully maintained debt equity ratio below 1.0 over last two years despite significant growth CAPEX spend.

Performance of our Value Creation Model

Manufactured Capital



GHCL Limited is a diversified group with significant manufacturing prowess in Inorganic Chemicals and Textiles. The Company has invested in best-in-class infrastructure over the years to enhance the productivity of its operations, employee efficiency and market penetration. The Company collaborated with various research departments of premier institutes and international agencies in order to explore upcoming technologies to improve product quality and process.

Inorganic Chemicals

GHCL's Inorganic Chemicals (Soda Ash) division, located at Sutrapada, Gujarat, is one of the largest single location plants with an annual production capacity of 11 lac MTPA. This plant manufactures light and dense soda ash, which are important raw materials for detergent and glass industry. Additionally, it also manufactures sodium bicarbonate. It caters to about one-fourth of India's annual domestic demand for soda ash. To cater to this demand, the Company's raw material demand is partially met through its captive lignite mines, salt pans and limestone mines, providing us with a competitive advantage. The rest is procured through local suppliers and imports.

The Company also has an extensive logistics network to ensure timely delivery of raw materials and dispatch of products. The outbound logistics network for Soda ash division consists of 12 warehouses and one dispatch hub covering pan India. Going forward, GHCL plans to complete a debottlenecking initiative resulting in 1.0 lacs MT production over 2 years at the soda ash plant in Sutrapada.

Textile (Home Textile & Yarn)

GHCL Limited is one of the largest integrated textile manufacturers in India, that produces cotton yarn, polyester yarn and home textile products. The Company has state-of-the-art facilities to carry out key operational activities of spinning, weaving, processing & dyeing, and cutting & sewing. These are coordinated industriously with the in-house spinning units at Madurai and Mannaparai, Tamil Nadu and an excellent weaving and processing facility at Vapi, Gujarat. Further, the Vapi facility comprises of finest equipment consisting of 190 Air Jet looms, 45 million meter of wide width processing capacity and 30 million meters of cut and sew. This capacity is integrated well with the 1.86 Lakh spindles and 3,320 rotors along with TFO & airjet spinning in our yarn division located in Tamil Nadu.

Excellent product development capabilities have put GHCL in forefront of major markets internationally, mainly North America, Australia, UK and Europe. Home textile products of the Company are primarily exported worldwide and some of the valued customers include Bed, Bath & Beyond, Kohl's, J C Penney, TJX Group, QVC, Gerber, Hudson Bay, Myers, Sainsbury's, etc. GHCL, through innovation & consistent product development, we have created a clear differentiation from competition.We have taken various initiaties on sustainability & innovation in developing new suite of products over the past years and have launched two unique bedding brands focussing on sustainability – REKOOP (made of recycled polyester from post consumer PET bottles with forensic tagging by Applied DNA Sciences, USA) & CIRKULARITY – supports circular economy & focusses on 3R's. Similarly, we have launched innovative bedding solutions focussing on health & wellness called as MEDITASI (characterstices of thermal regulation, moisture management etc) and NILE HARVEST with 100% traceable Egyptian Cotton.

By investing in the latest plant and equipment, GHCL strives to manage its environmental footprint and comply with the regulatory norms. For this, the Vapi facility is OEKO-Tex certified ensuring responsible manufacturing by restricting the use of harmful chemicals in the processes. The Company also follows the DETOX guidelines to ensure that procurement of chemicals and dyes is done with environmental considerations. In order to fulfil the energy requirements of the Textile division, GHCL Limited install 27.3 MW of captive wind energy and plans to set up more windmills to increase the overall installed capacity. In addition, we are in the process of commissioning close to 2 MW of rooftop solar power projects at our yarn division during the first quarter of FY'20.

Consumer Products

GHCL Limited's consumer products division (CPD) works in production and trading of edible and industrial grade salt. The division carries out its operations through its salt manufacturing facility Veda salt works spread over 3500 acres at Vedaranayam, Tamil Nadu, making it one of the region's largest manufacturer of raw salt producing 1.5 lac MTPA. GHCL also has a refinery in Chennai for edible salt producing approximately 1.0 lac MTPA of salt and industrial grade salt for institutional sales.

i-Flo online campaign

Besides, the division also markets spices, blended spices, and honey under the brand name of i-FLO to provide value benefit to the customer by giving them a good quality product coupled with a great brand experience. In order to remain compliant with food safety norms and produce standardised quality of products, the i-FLO triple refined salt manufacturing facility is accredited with “Halal certification” and “ISO 22000:2005” for Food Safety and Quality Management Systems. Currently, it is focussed on expanding its product portfolio and increasing the number of SKUs. With improved market reach, distribution, and an integrated approach to marketing it aims to consolidate its operation in all its operating locations. We are strengthening our infrastructure and improving our geographical coverage in India by entering newer geographies such as north India, where we entered in the Delhi / NCR market recently.

GHCL limited has been strengthening its manufacturing prowess in India by employing the latest technology, utilizing economies of scale and strong emphasis on best possible asset utilization. While we continue to explore debottlenecking opportunities and getting the most out of our existing facilities, we are also looking at expansion investments as option to enhance our manufacturing capabilities. Thus, our strengths in human and financial capitals play an important role in strengthening our manufactured capitals.

Outcomes

- 95 % capacity utilisation of Inorganic Chemicals (Soda Ash) manufacturing plant
- GHCL Chemical division – 2nd largest soda ash producer in India
- GHCL Home Textile division emerged as an Innovative supplier with concepts like REKOOP, CIRKULARITY, NILE HARVEST & MEDITASI.

Performance of our Value Creation Model

Intellectual Capital

In an intensely competitive and volatile business landscape, it is critical for us to stay focused on maintaining our unique value proposition, underlined by our commitment and passion for offering sustainable and innovative products while giving back to the society. Over the years, we have adopted the latest technologies and continuous improvement has been a constant endeavour across our divisions. Our approach to managing intellectual capital is one of open innovation and we actively engage with academic institutions, innovators, customers, creative agencies and even our competitors to co-create new solutions and strengthen our competitive position. Internally, we strive to enhance the skills of our employees and empower them to explore new ideas. Innovation is driven throughout our operations by recognizing and rewarding kaizens or continuous improvement initiatives.

Currently, our research & development activities are focussed on (i) Product innovation, (ii) Process improvement and (iii) Branding and marketing.

Product innovation

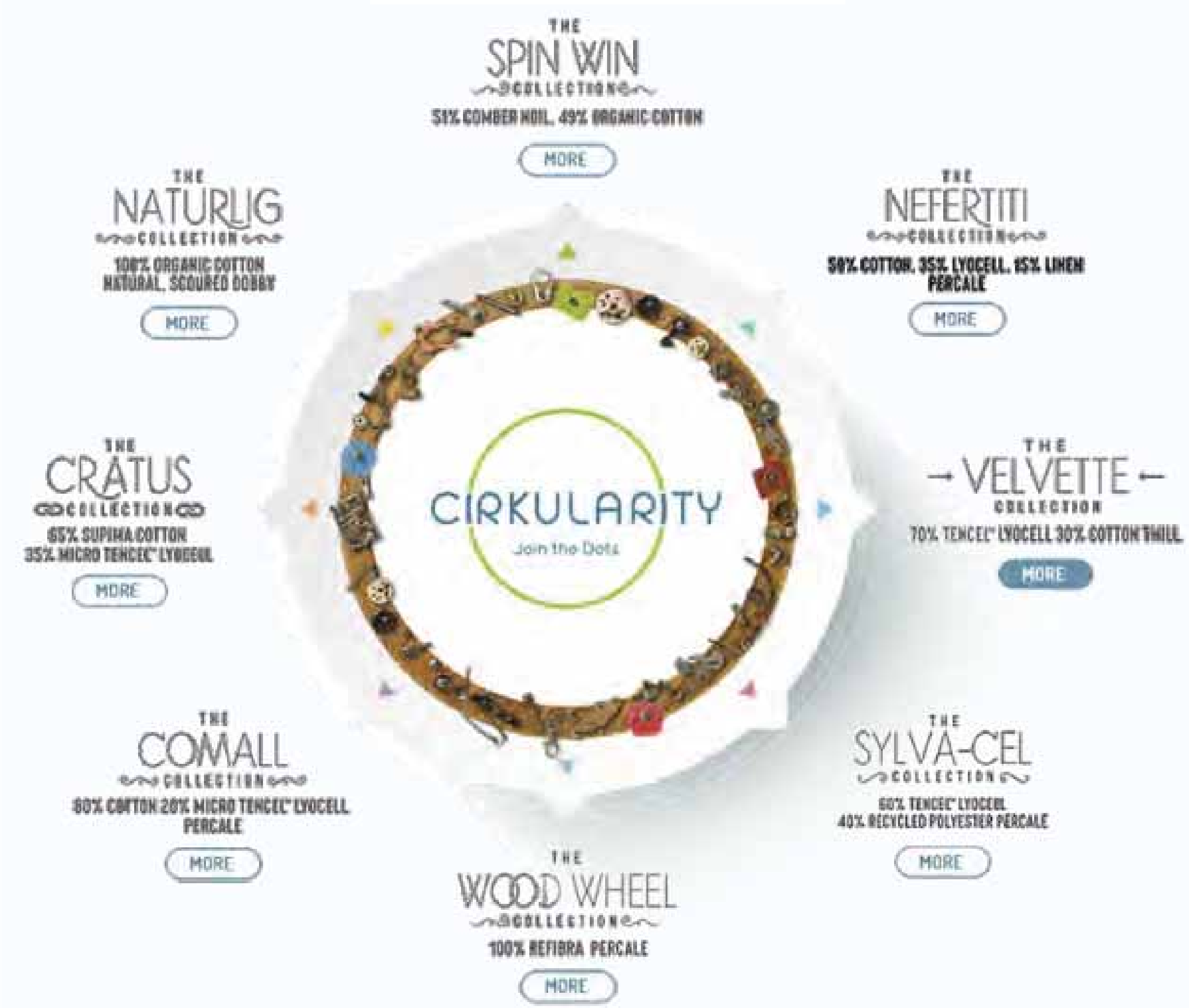
Our Home textile division is leading some pioneering innovations in the bed linen category with the introduction of sheets such as PERFECT FIT, EASYSHEET, micro TWILL, EXL Wrinkle Free sheets, Versatile reversible sheets, Soft Wash Percale and Sustainable Fibre dyed sheets. GHCL has also launched a sustainable, traceable bedding line under the brand name “REKOOP” which has been made using recycled PET fibre, with molecular tagging for complete traceability. Traceability is possible through multiple modes – forensic, paper verification and system verification, thereby ensuring complete transparency across the value chain. We are slowly moving away from being a commodity to building a brand of our own in the textiles industry. Both REKOOP and CIRKULARITY will help our textile segment in strengthening its brand.

REKOOP

The Manufacturing Process: From PET bottles to source verified bedding.

REKOOP bedding fibre is sustainable, durable and free of any hazardous chemicals. Manufactured by Reliance Industries Limited, this fibre is an eco-friendly polyester fibre. Molecular tagging of the recycled polyester fibre is done through the CertainT Platform of Applied DNA Sciences, Inc., secures its provenance and complete traceability across the supply chain.

Cirkularity is a range of bedding from GHCL based on the principles of circular economy and embraces 'Reduce, Reuse and Recycle' throughout the product lifecycle. We have launched 8 products under the **Cirkularity** brand and each of the products have been made from sustainable cotton that includes BCI, Organic, American, Pima and Australian cotton. Each of the products has one or more positive environmental attributes such as lower water consumption, reduced virgin material usage, lower emission footprint, etc. The following figures briefly illustrate the key features of the Circularity brand which are expected to resonate well with the upcoming customer demands for responsibly produced products.



To stay ahead of competition in the Home textiles segment, we are launching a **Health & Wellness** bedding collection (called **Meditasi**) with the following eight distinct ranges:

- Radi-Pure: nullifies the impact of radiation from electronic and wireless devices through the use of tiny Environchips embedded in the seam of the fitted sheet
- Hydro-Bliss: which is a hydration bedding that does not draw moisture from the skin
- Therma-Comfy: centres around cooling and rapid drying
- Derma-Gloss: inhibits allergies and nourishes the skin
- Air-Fresh: purifies the air in the sleeper's microclimate
- Youth-Renew: wrinkle resistant
- Aroma-Lure: offers aromatic infusions including lavender, jasmine, vanilla and cinnamon
- Muscle-Resto: provides infrared energy for improved blood flow
- Relax-Max: helps foster better sleep quality by blending Tencel with a variety of sustainable elements

Another major initiative by GHCL has been recently launched, 100% traceable Egyptian Cotton known as ‘**NILE HARVEST**’”. This unique initiative is a result of the proven IntegriTEX technology of Tailorlux Gmbh in Germany, where machine readable optical fibres are injected in the cotton at the ginning stage & stay on till the final product is in stores.

In the CPD business, our i-Flo brand, with product portfolio consisting of edible salt, honey, spices and sprinkles, is positioned in the Health & Wellness platform with the tagline 'The Choice of a Healthy Family'. The focus here is to provide value benefits to the customers and give a wonderful brand experience.

Process improvement

Innovation and process improvement is a way of life at GHCL and we strongly focus on improving our production efficiency. Even though our Soda Ash manufacturing process is based on the Akzo Nobel process which is followed without much tweaking, our endeavour for continual improvement in the process has ensured that our capacity utilization is at 95%. This is one of the highest in the industry. We are domestically competitive when it comes to manufacturing costs and always look for cost optimization opportunities. Some of the efficiency improvement initiatives across GHCL are explained in examples that follow:

Pneumatic Pick Fill And Sealing Machine (Pfs) With Vibro Screens

The Consumer Product Division at GHCL is the first in India to pack salt in fully automated pick fill and seal (PFS) machine. The PFS operation is pneumatic with hydraulic movement and the sequential operations are programmed and controlled by Programmable Logic Controller. The machine is installed at a controlled atmosphere with access control with the capacity of 1.5 – 2.0 MTPH.

Process:

- All the pouches are picked by machine and products are filled directly from the hopper making the entire process automated, avoiding human intervention and contamination.

- Moisture absorption during manual packing is completely eliminated as it is maintained at less than 0.2%.

- The direct packing is done at final processing stage, thereby controlling the fine particles in the product and improving the product quality.

-Sealing issues solved and production carried out in a controlled way paving way to avoid any shrinkages in the packing.

New vibro-screens at the plant increase the production efficiency and tackle quality issues. The processed finished product is untouched by human and packed in standee pouches. It is hygienically handled and packed in secondary carton boxes.

Pick Fill & Sealing Machine

Material Loading Side

Product Filling Side

Pouch Sealing

Benefits

· Three-fold improvement in the productivity i.e. from 3 MT to 9 MT in a shift

· Removal of atmospheric contamination and shrinkages while packaging

· Better quality of product and reduced contamination

Nano Plant

NANO technology is currently being used to process the water required in the section 100 of the soda ash process (Soda Ash plant). This technology has proved to be cheaper and better than other technologies such as RO. It is more efficient than RO technology and has a specific power consumption rate of 1.65 kWh/m^3 as against 4.05 kWh/m^3 in the case of RO.

Other benefits of NANO water include- lower power consumption, lesser hardness in water, lower amount of sludge formation post purification and cost-effectiveness. Through this technology, GHCL achieved a monetary saving of around INR 1.5 crores/annum.

Fuel Recovery Using Coke Briquettes

Coke briquette is produced from coke breeze as starting material using briquette technology and an environment friendly binder. It is an alternative fuel which can be used instead of metallurgical coke in vertical shaft lime kilns for calcination of limestone. Since the calorific value is comparable to metallurgical coke, briquetting provides several advantages:

(1)Briquetting leads to conservation of natural resources as waste fines generated in plant and coke fines generated in coke oven can be utilized for this purpose.

(2)This has also led to saving of cost of fuel for burning limestone as manufactured cost of briquette is cheaper than metallurgical coke.

(3)There is uniform burning due to uniform size of briquette.

Patented technology: Patent has been granted to GHCL by Government of India for 'Process for Manufacture of Lime from Limestone in Vertical Shaft Lime Kilns' and 'Cost Effective Process for Forming Coke Briquette'.

Fostering a culture of Innovation

We relentlessly work towards improving our operational activities and encourage our employees to come up with their ideas in the form of kaizens. This helps employees from all levels to proactively work to achieve regular, incremental improvements to the manufacturing process. In FY'19, over 1,100 kaizens were implemented and these have been reported under the following 11 categories:

1. Safety
2. Environment
3. Waste reduction
4. Productivity
5. Cost Saving
6. System improvement
7. Time Saving
8. Housekeeping
9. Customer satisfaction
10. Defect prevention
11. Ease of work

Kaizen – Belt Filter Enclosure Design & Installation

In calcination & densification section, two new belt filters were installed. Later, it was observed that due to lack of any enclosure arrangement, ammonia level increased significantly in that area. This could result in health issues of the people working in the area. Kaizen action taken to rectify this situation included covering of the whole belt structure to contain ammonia.

Before Kaizen

After Kaizen

After covering of whole belt structure, risk of ammonia exposure to the workers working in the area has reduced significantly. Also, the risk of product contamination due to operation in open has been eliminated.

While kaizens emphasize on continuous process improvement, we encourage innovation in all spheres of operations and across the organization. One such platform is INCARNATION where promising ideas under three topics – Strategy, Innovation and Research are presented to the top management and deserving teams / persons are recognised. Through implementation of ideas, the employees learn much more than their core technical skills as they learn other skills such as negotiation, presentation, financial assessment and collaboration. The event is presided by the company's MD and attended by the business heads. More details on the activities carried out as a part of INCARNATION are provided in the section below:

Incarnation

A platform that encourages and accepts innovative ideas from the employees is 'INCARNATION'. This is an annual event in which the employees can share their innovative ideas in the form of a presentation with a panel consisting of business and subject matter experts from within the organisation. The panel chooses the best ideas based on their feasibility under each of the three categories and the employees who generated these ideas are rewarded and the ideas are eventually implemented in the company which benefits the organization and builds competency.

Branding and marketing

Since FMCG is one of the biggest sectors in the Indian economy, our CPD business is focussed on expanding its product portfolio as well as building a brand for these products. Our revenue share from new products has been increasing continuously for the past 3 years, reaching 9.5% in FY'19. To aid increasing sales, marketing strategies consisting of a plethora of campaigns are being envisioned and devised to reach out to existing as well as prospective buyers in the best possible ways. One such strategy involves branding through social media platforms. In the current year, to increase brand recognition, we took to campaigning of our new products through Facebook. In the coming years we envisage to increase our social media impressions to platforms such as twitter, google, etc. The Textile business has also been increasing visibility of its value-added products, especially since sustainable products require some awareness creation on the environmental benefits of our products. We have developed videos, brochures and a dedicated website for our sustainable textiles. We are also creating awareness about these products in Textile industry events and other sustainability fora.

Certifications in our businesses

ISO 9001:2015


DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

GHCL Limited

ISO 9001:2015

ISO 14001:2015


DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

GHCL Limited

ISO 14001:2015

OHSAS 18001:2007


DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

GHCL Limited

OHSAS 18001:2007

GOTS


CERTIFICATE OF COMPLIANCE

GHCL Limited (Unit Sree Meenakshi Mills)

OEKO-TEX


OEKO-TEX®

CERTIFICATE

COTTON LEADS


COTTON LEADS

CERTIFICATE OF PARTNERSHIP

GHCL Limited

Egyptian Cotton


Egyptian Cotton Trade Mark Certification

GHCL LTD

INDIA

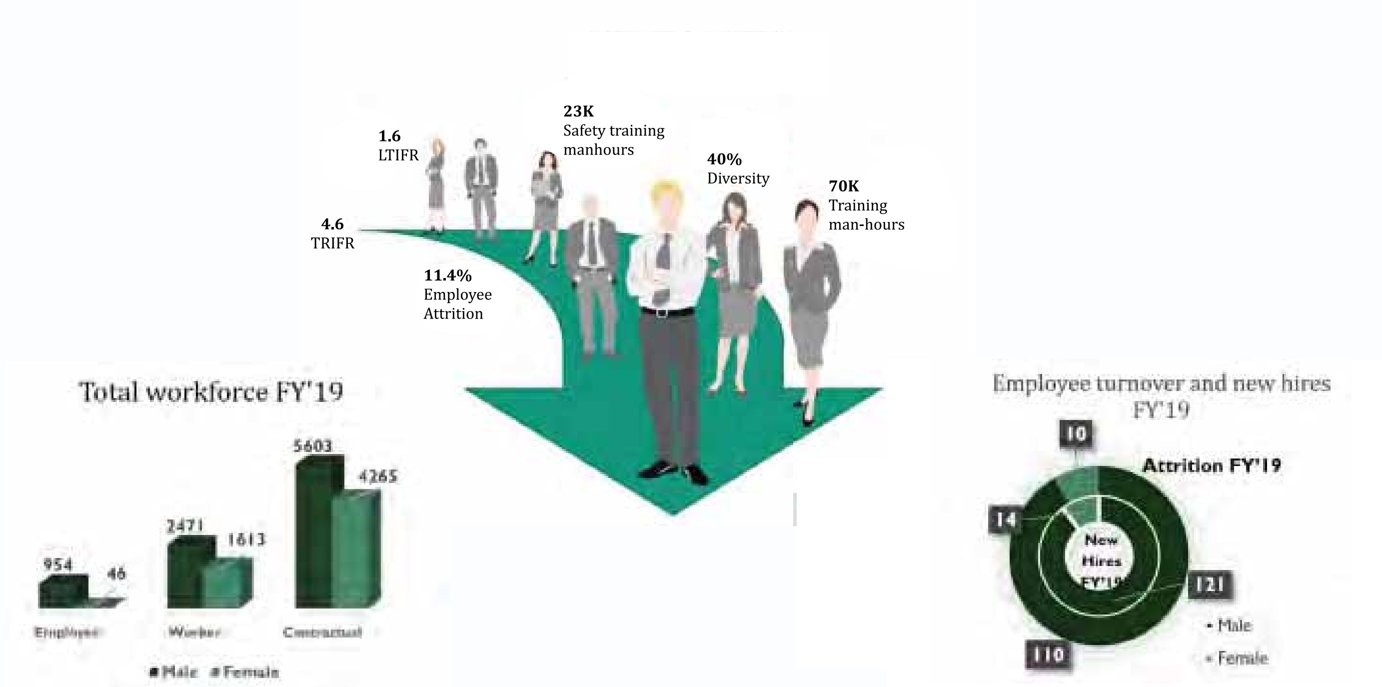
Better Cotton Initiative

Outcomes

- 17 New sustainable products launched during the year
- 9.5% revenue share of new products for CPD business

Performance of our Value Creation Model

Human Capital



GHCL, believes that success is not coincidental, it is an outcome of continuous sustained efforts, coupled with an ability to innovate by nurturing entrepreneurship. To enable the employees to deliver their best, the Company has created an environment of trust, respect and internal communication coupled with a strong focus on training, diversity, equal opportunity and fair compensation. GHCL's recruitment and training models are based on a clear understanding that each employee is unique and needs continuous support and grooming. The Company tries to understand the background, skills, psychology, motivation and personality of potential employees during our recruitment process.

GHCL's approach to learning and development rests on the foundation of development of competencies based on practical experience rather than mere theoretical knowledge. While the Company provides necessary classroom trainings, our emphasis is on building skills by getting employees involved in activities that encourage team work, critical thinking and analysis as well as using presentation skills in front of the management. GHCL follows the 'Bottom-Top' approach that allows our employees to gain insights on the working of the organisation while they are groomed through succession planning for the next role. The Company had recognized succession planning as a focus area couple of years back, and have since been working on preparing the next line of executives to lead the organization's future growth.

Our Culture and approach to Employee engagement

GHCL strives to provide a unique culture based on 'Core Values' to its stakeholders including employees. Its core values form the basis of its internal conduct as well as relationship with the external world. The Company has a core value-based culture policy in place and the strong focus on culture has helped the organization achieve a better alignment in terms of the organization and employees' goals and ambitions. This has led to a continuous improvement in our perception as an employer both internally and externally.

This can be seen from our improvement in Great Place to Work Ranking and other forums on human resource best practices.

Great Place To Work

A country-wide workplace culture study was conducted by Great Place to Work Institute, India. The assessment was based on two aspects (i) Trust Index (understanding how employees are experiencing the workplace) and (ii) Culture Audit (assessing the quality and variety of people practices and policies of an organisation). Five dimensions are covered under Trust Index and 14 dimensions under Culture Audit.

After the rigorous assessment process, GHCL has been ranked amongst the top 25 companies of in the manufacturing sector and 67th best overall in India.

The Company interacts and engages with its employees regularly and through various platforms. This helps in maintaining sound relationship with the employees. To instil a sense of security and satisfaction in the employees, GHCL offers a benefit plan that includes medical expenses reimbursement, Medi-claim cover (in an event of hospitalisation) for employees and their dependents, personal accident insurance benefits, life insurance cover, superannuation schemes (to ensure regular income after retirement), and Employee Exigency support policy to support employee families in case of any unforeseen situations. The Company also seeks to uplift its employees' living standards and provide better quality of life by focusing on their nutrition and health, hygiene and family well-being. The Company maintains positive relations with workers and the trade unions and uphold the spirit of the collective bargaining process and the collective agreements in force. Also, it ensures an effective grievance mechanism to address and rectify labour and human rights issues and concerns. For more details, refer to section pertaining to 'Employees' under Social and Relationship capital on page 58.

Learning and development

GHCL believes in developing employee skills to improve their level of productivity and ensure business viability. For continued success of our business, it is important to develop a well-rounded workforce to empower them in their duties and reach out to the organisation's strategic goals. Due investments are made to extend learning opportunities to all employees across categories. The training modules for employees are divided into 7 different categories:

Behavioural: To align individuals to broader organisational goals, the Company has identified two themes for our behavioural training & development model, namely collaboration and serviceability. These themes have been picked up from our mission & vision and have been identified as critical for the success of GHCL.

Technical: Employees are nominated for technical seminars, symposiums and workshops for upgrading their technical acumen. Apart from this, short term training courses are identified for selected potential employees like project management trainings which is spread over 6 months duration.

Core Value Based workshops: These workshops are conducted with an objective to inculcate common understanding of our core values.

Leadership Development Programs: For level 8 & above, company organizes business & leadership development programs as these set of people are seen as the leadership pipeline.

HR for Non-HR: This program is for non-HR managers & HODs who are process owners for HR Systems & Processes like Recruitment & Selection, Performance Management System, Compensation & Benefits, and Training & Development.

Finance for Non-Finance: The aim of this program is to provide non-finance functional managers with awareness and basic understanding of the way finance affects their business objectives.

Nomination for Open Programs: GHCL employees have been a part of many international as well as national level programs and conferences so as to give them a view of the best practices in their area of expertise as well as well as to keep them abreast with the latest developments in the industry.

Apart from the trainings mentioned above, the Company builds skills in a very unique way, by virtue of forming committees. The Company encourages a group of people to come together and form a team to resolve a particular issue, which could be technical, administrative or any other improvement opportunity. Then they are supposed to analyse the situation as a team, brainstorm to generate multiple solutions and finalize the most feasible option. Subsequently, the team has to prepare a presentation to explain their solution to the management, prepare an execution plan and undertake execution thereof. In this way, even by solving small problems, the employees learn a multitude of skills that can't be taught in a classroom learning environment. In addition, we also have a platform known as 'INCARNATION' that encourages innovation amongst our human capital and has been described in the section on intellectual capital.

Vikas (Vying For Individual Knowledge, Attitude And Skill Initiative) Policy

The Company has a 'VIKAS' policy in place with the objective to build a culture of Learning & Development and encourage employees to plan their personal learning & developmental needs according to their respective individual career aspiration. Under this training program, a list of activities has been identified in which an employee can participate and earn points. These points can then be redeemed against any training program that the employee wishes to undertake.

Knowledge Sharing

Knowledge sharing sessions are undertaken to ensure regular knowledge dissemination by employees on subjects that make others well informed about various business or non-business aspects. This initiative helps in development of presentation and communication skills of employees.

Talent Attraction and Management

GHCL has a very structured process of talent acquisition in which our focus is on assessing an individual on the basis of their cultural fitment to our organization as well as their potential to perform and grow. For campus hiring, we use development centre assessments and for lateral hiring we use the psychometric profiling to measure the candidates' potential on required competencies. During the entire process of recruitment, our focus is to assess an individual as a whole and not only the technical or functional expertise in specific areas of work.

Performance management

A regular performance management and feedback mechanism enhances productivity for higher production volumes, business viability and returns. It also helps to boost the level of competitiveness to sustain business viability. GHCL monitors performance of its employees at all levels and provide incentives, rewards and recognition based on performance merits.

Employee Health and Safety

GHCL takes health and safety of its employees as its utmost priority. **'Zero Harm'** lies at the core of the HSE management system and the Company supports the overall wellbeing of the workforce to enhance their work-life, morale, productivity and loyalty to the organisation. The Company believes that the ultimate responsibility for safety rests with the Board, its committees and every employee and contractor working at its operations. To facilitate better understanding of safety aspects among the employees and workers, GHCL regularly conducts several awareness and training programs. The five pillars of the Company's approach to safety management are illustrated in the figure below. The Company continuously identifies activities to strengthen each pillar and implement across businesses, thereby inculcating a Zero Harm culture across the organization.

Safety Management Approach

Hazard Identification and Risk Assessment (HIRA)

- Risk assessment methodology
- Hazard identification, risk assessment and training

Accountability and competence

- Tool-box talks
- Campaigns on injury prevention
- HSE steward training
- Road safety awareness

Engineering Controls

- Imporvement in designs

Procedures and work permit sytsems

- Safety committee procedure
- Non-negotiable guidelines for critical jobs
- Warehouse safety guidelines
- Safety legal register

Administrative controls

- Technical assessment and requirement mapping of PPE
- Risk control for old machinery and signages

GHCL quarterly conducts sustainability committee meeting in which all the safety incidents and progress with respect to strengthening safety controls are discussed. An HSE dashboard has been developed to capture HSE related data covering lagging & leading indicators. The HSE dashboard is also a key part of the monthly operational review meetings where plant wise safety data is analysed & discussed. To ensure a safe working environment, audits related to safety management are conducted regularly to check safety-preparedness of the unit, identify the system gaps and plug the loopholes as recommended in internal safety and other audits. GHCL introduced the concept of HSE stewards this year to ensure implementation of our safety approach and create a sense of ownership amongst line functions. Similarly HSE scorecard is used to evaluate the performance of businesses and the same is explained in the following section.

HSE Stewards

The concept was introduced to involve supervisors and executives in safety & environment promotional activities. HSE stewards are selected for a tenure of 1 year and are responsible for identifying and removing unsafe conditions, promote PPEs usage, pursuing all workers to follow safety rules, ensuring good housekeeping and implementation of 5S. This has improved the incident reporting at sites and improved employee awareness on unsafe acts.

HSE Scorecard

We introduced HSE scorecard to establish, maintain and continually improve the occupational health and safety through setting department wise targets in the HSE scorecard. Evaluation is based on leading & lagging indicators performance on monthly basis with thresholds to distinguish between good and bad performance. As a result, employee involvement has improved due to internal competition to excel in terms of HSE criteria.

The first batch of HSE stewards completed their term this year and were felicitated. The best HSE stewards were rewarded to increase their motivation. During the function, the stewards shared their experiences with other stewards and the management.

"I am proud to be an HSE Steward and I feel responsible for my team's health and safety. After implementation of the concept of HSE stewards, everyone in plant has become more vigil towards Safety & Environment. .- **Sachin M Kachheliya**

"Thought process has changed since the implementation of HSE stewardship concept. People are thinking about upgrading safety standard & working towards a safety system.."- **H B Goswami**

Safety training and Awareness

All employees and workers are provided required safety training and our modules focus on full range of operations as well as specific equipment. These include permit to work, machine guarding, 5s, usage of PPE (personal protective equipment), general safety precautions, building and dismantling scaffolding, excavation works, gantry operations, etc. A dedicated training program for selected employees on incident investigation was implemented to standardize safety investigation across GHCL and 45 incident investigators were trained.

Awareness on the importance of occupational health & safety has been increasing year on year in the organisation. GHCL has become proactive in tracking, investigating and reporting safety incidents. By reporting even near misses and unsafe acts, our workforce is becoming more conscious about safety. Moving forward, the Company's focus is on improving our engineering controls and behaviour-based safety to avoid repeat incidents. Also, enhancing its existing administration controls helps in dealing with any injury in the best possible way.

Employees are a source of GHCL's competitive advantage and the Company has in-house talent which is recognized as one of the best in the industry. The Company constantly works on hiring and retaining the best talent and even monitor the engagement that potential employees have with GHCL as a part of hiring activities. With a continued focus on employees and building a strong organization culture, GHCLexpects its human capital to continue to contribute to its value creation journey.

Outcomes

·42 personnel identified for building leadership capacity as a part of succession planning
·38 HSE stewards appointed and 45 incident investigators trained during FY'19

Performance of our Value Creation Model

Social & Relationship Capital

GHCL values its stakeholder relationships and protects the needs and interests of all its key stakeholders. The Company has identified community, investors, customers, employees and suppliers as its key stakeholders and engages with them periodically through various formal and informal platforms to address their concerns in a fair and appropriate manner. This helps in integrating different perspectives of stakeholders on relevant matters, understanding global trends and mitigate risks through a collaborative approach in designing systematic solutions. The Company builds and nurtures its relations with the stakeholders based on the core values of Respect, Ownership, Trust & Integrated Team work, and considers this as an investment for a sustainable future.

1.Community Relations

GHCL is committed to holistic development of the society and community at various locations in and around its business establishments. The Company carries out these developmental activities through its Corporate Social Responsibility (CSR) arm – 'GHCL Foundation Trust', which supports efforts that go beyond the areas of business interest and positively impact the society and environment. The Foundation operates with the belief that multi-stakeholder approach in designing and implementing CSR projects is required to promote ownership, integrity and sustainability of the projects. Promoting ownership among the beneficiaries ensures sustainability of the projects, with limited dependence on GHCL. By facilitating mobilization of resources from beneficiaries, government and other non-profits or trusts, the total capital mobilized by the Foundations is much more than GHCL's direct CSR contribution. During FY'19, GHCL's CSR expenditure was INR 9.10 Crores, with INR 25.88 Crores worth of CSR projects executed.

GHCL has a Board level CSR Committee to strengthen and monitor the activities of the Company under the aegis of 'Corporate Social Responsibility' and the CSR policy of the company is available online at https://www.ghcl.co.in/wp-content/uploads/2019/03/Policy-on-CSR.pdf. The Committee is tasked with monitoring the implementation of projects and achievement of the CSR objectives of the Company, which are summarized below:

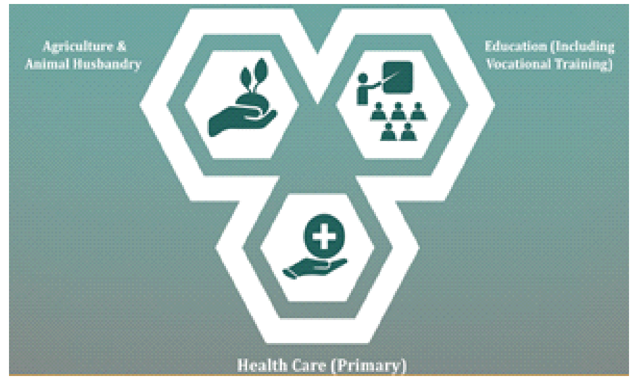
Implement initiatives through Multi-stakeholder approach that imparts “Inclusive Growth” in and around GHCL’s areas of operations, over a period of time.

Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

Generate, through its CSR initiatives, a community goodwill for GHCL and help reinforce a positive & socially responsible image of GHCL as a corporate entity and uphold its ‘Social License to Operate’.

CSR is firmly engrained in the DNA of the organisation and has organically evolved with our growing scope of operations, enabling us to fulfil responsibilities that are directed towards helping the society prosper. The Foundation follows a strategic and programmatic focus via the formal need assessment process, which serves as a key factor in selecting the CSR programs and projects. GHCL Limited periodically conducts need assessment and impact assessment studies by reputed third parties (most recently through PwC) to ensure the efficacy of its CSR initiatives. The United Nation Sustainable Development Goals and Indian CSR regulations have also helped align the Company's efforts with pressing local and global concerns.

GHCL Limited restructured its CSR programs this year to introduce three strategic themes of 'Agriculture & Animal Husbandry', 'Education & Vocational Training' and 'Healthcare' that serve pressing community needs and align with the business goals as well. The Company studies the needs and socio-cultural characteristics of the local community before chalking out the implementation strategy of the initiatives it plans to undertake.



In addition, the Company also works on other areas such as Sanitation, Rural Infrastructure Development, Women Empowerment, etc, on need basis. However, as a matter of practice, preference is given to strategic themes for major portion of spend base. Our efforts are well aligned with the global Sustainable Development Goals, and relevant SDGs are highlighted in the following sub-sections.

(I) Agriculture & Animal Husbandry

Agriculture is the dominant economic activity in the regions adjoining the_Company's largest manufacturing operations in Sutrapada. Thus, the Company through GHCL Foundation started working towards improvement in agriculture and animal husbandry practises in this region. The endeavour is to enhance farmers' income by reducing their input cost, enhancing productivity, adopting environment friendly solutions and generating supplementary income i.e. animal husbandry related activities.

Success Story Of Jivabhai Devabhai Barad, Sutrapada

Most of the villagers in Sutrapada earn their livelihood from farming. The soil in the region is of high salinity due to proximity to the coastal line, giving them low agricultural productivity and forcing them to use chemicals to enhance the productivity of the soil.

Through 'Zero Budget Farming', GHCL Foundation exposed the villagers to better farming methods, supplied organic fertilisers to the farmers and increased awareness about the remedies against crop diseases. The foundation also helped the farmers in getting the soil samples tested to diagnose problems. Jivabhai Devabhai Barad and other farmers in the region have been availing this opportunity to attend training sessions to learn the latest skills in agriculture and adopt a new approach towards farming. Today, Jivabhai is happily growing crops in his land without using chemicals and instead curing the land with homemade remedies for the past few years.

He has been able to create homemade medicines – Jivamrut and Darshparni, which are prepared from 10 different medicinal plants mixed with Neem extract, cow urine, Cow buttermilk, etc. He has also been preparing his own organic fertilizers to be used in the fields to increase the crop yield.

Zero-budget and Organic Farming: The Foundation keeps the villagers informed about the new agricultural methods and carries out capacity building on farming techniques, helps in provision of high quality seeds & manure and efficient irrigation solutions. Apart from knowledge dissemination, the Foundation also regularly arranges exposure visit-cum training programmes for the farmers. In order to promote sustainable agricultural practices, the Foundation has implemented "zero-budget farming" model in which nearby villages can source all the raw materials required from nature.

The Foundation collaborated with the Agricultural Technology Management Agency (ATMA) to promote organic farming practices amongst farmers by providing them highly specialised training sessions. Apart from this, the Foundation extends its support to promote an entrepreneurship model for subsidy-based input supply and pro-actively supports activities such as drip irrigation, agriculture innovation and horticulture, which play a crucial role in adapting to changing climatic conditions. Exposure-cum-training programs impacted over 3,500 farmers improving their understanding of better agricultural practices. Through our efforts, more than 2,000 hectares of land was covered by organic farming and 1,700+ hectares under micro-irrigation.

Animal Husbandry: GHCL also focuses on enhancing the livelihood opportunities of the farmers via proper livestock management. Efforts are directed towards improving milk yield through better cattle management practices and breed improvement measures such as artificial insemination. The Foundation regularly organises animal treatment camps for vaccination, provides treatment for deworming and organises vaccination camps for treatment of foot and mouth diseases for animals. The Foundation also provides fodder seed support and distributes supplementary nutritional kits for cattle.

Exposure Visit To Junagadh Agriculture University

GHCL Foundation organised an exposure visit for 2,500+ farmers of the area to Junagadh Agriculture University where they were made aware of the latest farming techniques and new technologies. Information on effective usage of seeds, pest & disease control, seed processing, and advanced harvesting techniques was shared with the farmers. They were also briefed about animal care in terms of cleanliness and enhancing milk production.

(II) Education & Vocational Training

GHCL strongly believes in investing in nurturing the younger generation and works on complementing the existing government infrastructure and programs related to education and vocational training. GHCL's interventions are directed at two levels – improving learning outcomes at school level and skill building to improve employment opportunities. At school level, the Foundation intends to promote quality of education and learnability amongst rural kids. Under vocational training, it imparts necessary skill-sets amongst rural and tribal population which can possibly reduce migration and make them employable in areas close to their homes. Specialized training centres are being run by the Foundation to promote vocational training.

Education: In its efforts to spread the benefits of education, it has reached out to several villages in Sutrapada (Gir-Somnath District), Port Victor, Jafrabad (Amreli District) and Bhilad (Valsad District). The Foundation plays an important role in working with the Anganwadi workers, parents, expecting and nursing mothers and the village community to ensure that children attending these centres get a sound orientation to alphabets, arithmetic and language. The Foundation also organises parents meet to create awareness about the value of education and its benefits in the life of any individual for Anganwadis and children for their capacity building.

The Foundation focuses on pre-primary education and provides support to primary schools and engages students in extra-curricular activities like story-telling sessions, tree-plantation drives, art and craft competitions for their overall development. It also organises science fairs, student competitions, special sessions for Maths and English for secondary school students, motivational sessions for students who could not clear Higher Secondary Examinations. Special remedial classes for children has been introduced as a new approach to enrich learning for deficient children. GHCL Foundation also extends its support in establishing proper infrastructure for the schools, distributes education kits consisting of bags, notebooks, uniforms, etc. to students and supports the salaries of teachers to enhance the quality of education in schools.

Donation Of School Kits During 'Shala Pravesh Utsav'

In order to bring qualitative changes in the primary education system and in the role of Anganwadis, children enrolment programme 'Shala Pravesh Utsav' has been very helpful in shaping the future of children residing in the nearby villages of Khadsaliya Lignite Mines. In June'18, this 'Utsav' was celebrated to encourage student's enrolment in the primary schools situated near the mines. GHCL donated school equipment and toy kits to the students of Bholavader Prathamik Shala and Khadsaliya Kendrava Shala. Smt. Rekha Ben, Child Development Planning Officer, Govt. of Gujrat, Bhavnagar graced the event as the Chief Guest and appreciated the welfare activities conducted by GHCL.

Vocational Training: GHCL Limited has three vocational training centres operating in Bhilad, Kaprada and Jafrabad area providing new skills to the youth in the villages, such as computer operations, tailoring, industrial electrician and nursing. These centres also arrange on-the-job trainings for the youth and regularly conducts counselling sessions for them to update them about relevant career options. Exposure visits are also organised for the enrolled youth which further helps them gain employment and support their families. The Foundation aids the development of a self-sufficient ecosystem within the community which can help in avoiding migration of youth in search of jobs and better livelihood facilities to other towns and cities away from their families.

(III) Healthcare

GHCL Foundation endeavours to work towards improving the health standards of the local community by increasing the accessibility and quality of primary health services. The Foundation has also launched mobile medical units with the support of 'Help-Age India' to organise weekly camps in the areas adjoining the Sutrapada plant and the Lignite mines. These vans are well-equipped with qualified doctors who provide preliminary treatment to the needful.

The Foundation also carried out large number of eye-camps and cancer-camps which were widely appreciated by the local community. Early detection can go a long way in successful and cost-effective treatment in case of both eye problems and cancer. 16,973 women have been scanned for cancer and further treatment is planned for the women identified to be at risk. The Foundation provides necessary support and extends help for advanced diagnosis and treatment wherever cases are identified.

The Foundation carries out general health check-up camps and distributes free medicines to the mining labourers at regular intervals. Such camps are also organised for primary schools in nearby villages to screen children for waterborne diseases and Tuberculosis. Moreover, the Foundation organises free of cost preventive healthcare programmes and regularly conducts hygiene awareness trainings for the local communities. Post Gaza cyclone this year, the Foundation recognized the immediate needs of the villagers and provided them with the requisite medical assistance through its relief camps.

Other Community Initiatives

GHCL Foundation also supports certain need-based projects for the local community which extend beyond the ambit of its three strategic theme areas. It undertakes projects in areas such as water and sanitation facilities, rural infrastructure development and women empowerment. Some of these initiatives are briefly explained below.

Women Self-help Groups

The Foundation works effectively with Self-help groups to empower local women by providing them with trainings to make them indedependent. It extends support through its income generating centres, trains them on planning finances and educates them on healthy eating habits.

Rainwater Harvesting

The Foundation set up 118 Roof Rain Water Harvesting Systems (RRWHS) to collect 21.9 lakh litres of water for next six months. The initiative proved to be beneficial in reducing the cases of health issues, water borne diseases and kidney stone problems along with ensuring provision of safe water for the community.

Sanitation

The Foundation facilitated construction of toilets in Gir Somnath region in rural Gujarat by partially funding the toilets and facilitating bulk procurement of hardware so that the prices are competitive. The beneficiary also contributed monetary and labour inputs for the construction, thereby ensuring they are also invested in maintaining the toilet after construction. We have constructed over 1300 toilets for the community, providing them with better living conditions and improved sanitation. It also led to behavioural change and promotion of safe hygiene practices amongst rural population.

2. Investor Relations

GHCL Limited recognises investors as its key stakeholders and partners in the organisation's success. The Company engages with them periodically through various platforms such as investor meets, earning concalls, investors roadshows, attending various confrences organised by broking houses and research analyst calls.These meets are organised every quarter to discuss the business & industry updates and company's financials. The Company has engaged a reputed Investor relation agency that actively engages with investors/analysts to update them on various business developments & respond to their queries on the same. The Company also frequently updates its website with the latest information relevant to the investors. As a part of good governance, the Company provides its investors with the platform to write its queries to a dedicated contact person. Complying with the Regulation 46(2)(j) in the Listing Regulations, the designated e-mail address for the investors' complaints is secretarial@ghcl.co.in. The Stakeholders Relationship Committee addresses the concerns and grievances of shareholders of the company and resolves them expeditiously and in a just, fair and equitable manner. As a result of all these measures, leading Indian and international investors have shown confidence in the company, as evidenced from the quadrupling of the company's market capitalization over the last 4 years.

3. Customer Relations

GHCL aims to provide value to its customers and consumers in a responsible manner by taking into consideration their overall well-being and educating them on safe and responsible usage of its products and services. The Company has a robust consumer feedback mechanism in place to address their concerns and grievances in a fair manner. Building strong customer relations is one of the key focus areas for our organisation and the same is enshrined in the BRR Policy-9 on Customer Value, available on the website. The Company takes feedback from customers on its core values and regularly conducts customer surveys to monitor its performance based on the Customer Satisfaction Index.

Customer Satisfaction Survey

GHCL started with the Customer Satisfaction Survey (CSS) with the objective of improving aspects such as product quality, packing & packaging, delivery performance and customer service, in addition to overall satisfaction. The survey comprises of three segments namely, buying process, value proposition and customer support & serviceability. Each segment has a set of questions against which customer responses are sought. The customers are surveyed across all regions and lines of businesses. Further, action plans are discussed with the top management and implemented throughout the survey period. At the end, loop closure letters are sent to all the customers mentioning their issues and actions taken to resolve the same by the Company. During the FY'19, the customer satisfaction score of 83% was achieved by the Inorganic Chemicals Business (Soda Ash), a substantial increase from the score of 70% achieved last year.

4. Employee Relations

GHCL Limited is an employee-centric organisation which focuses on enhancing overall health, safety, development and productivity of its employees. The Company strives to maintain the competency and willingness of employees in achieving its business objectives by undertaking various HR initiatives across all the businesses. The Company endeavours to provide a work environment that boosts up their morale leading to their career development through innovative human resource interventions. The various engagement platforms for our employees include GHCL TEA (Think, Experiment & Adopt), MILAP (Medium for Interactive, Lateral and Actionable Partnership), Employee Engagement Surveys, etc.

At GHCL, we believe that a value based culture drives performance. In line with this belief, we conduct half yearly core value adherence surveys. From the average of these surveys, top 10 scorers are identified across business and they are popularized as core value champions of the respective financial year.

MILAP

MILAP is an employee engagement platform to facilitate informal employee interaction so that they can share their thoughts and come out with relevant suggestions which can add value to existing working environment and eventually help in building organisational excellence. These meetings are held four times in a year. Interestingly, employees are invited to form committees and find solutions to the problems or issues identified during MILAP. They connect with like-minded colleagues, devise practical solutions and present to the management.

GHCL TEA

GHCL TEA (Think, Experiment & Adopt) is a concept that was introduced in 2015 with an aim to create a culture of continuous creativity and innovation. Through GHCL TEA, we motivate and support employees to nurture their raw creative ideas by providing them with a platform to present, develop and test their ideas in the organizational context and create a framework to predict its validity and subsequent impact on the organisation.

HR Excellence

To enhance motivation, employees are regularly rewarded on multiple forums to appreciate and acknowledge their extra-ordinary efforts in generating improved outcomes for the organization and to reward their association with GHCL.

Exemplary Awards

Awarded in case of an important modification done in the ongoing systems leading to drastic improvement. Innovative idea generation and realization for improvement also can be termed as exemplary. Cash prize is awarded with certificate.

On the SPOT Awards

Awarded in case a step is taken to avoid loss to business by an individual at an adverse event or emergency. Cash prize is awarded with certificate.

Star Kaizen Awards

Awarded on continuous modification of a system leading to improvement on a large scale.

Long service Awards

Silver Plate: 300 GM for Workmen: On completion of 25 years of service Silver Plate: 100 GM for Executive: On completion of 10 years of service.

Apart from these HR initiatives, various other miscellaneous activities like employee excursion trips, health talks, festival celebrations are regularly carried out to boost their morale. Last year, lignite division celebrated 'Duleti' with herbal colours followed by lunch for employees and their families. The Chemical division also observed 'Earth Hour' last year to raise awareness of climate change and energy conservation. The Yarn division also organised a special 'Puja' on the occasion Tamil New Year on April 14, 2018. A trip to Mount Abu and Vaishno Devi was also organised for employees as an effort to promote employee welfare.

Other Activities

Festival Celebration

Birthday Celebration

Sports Events

Shop floor meetings

The Company has a dedicated BRR Policy-3 on Employee Well-being, which is applicable to all business divisions. For more information on employee relations, please refer the 'Human Capital' section of the report on page 50.

5. Supplier Relations

GHCL is a value-driven organisation which maintains fairness in selection of suppliers of goods and services and strives for timely payments without any external or internal influence. The Company has taken several measures to ensure that all concerns of its suppliers are addressed and at the same time, they are also invested in our businesses' success. The Company also encourages its suppliers and vendors to adopt sustainable business practices and adhere to GHCL's policies wherever applicable. A portal called VENDX is under development to manage supply chain risks using a system-based approach. The portal will use fixed criteria to assess any vendor's ESG disclosures to approve, reject or flag them for review. GHCL strives to continuously strengthen its commitment to having sustainable practices across its value chain. High risk suppliers/vendors shall be identified and provided guidance wherever possible.

The Company's chemical business has 'Green Procurement Policy' that embeds green sourcing considerations into the decision-making process. GHCL's association with Better Cotton Initiative (BCI) and Oeko-Tex 100 / GOTS (Global Organic Textile Standard) ensure responsible sourcing of materials in its Textile division thereby, maintaining long-term healthy relationship with responsible suppliers. We prefer suppliers that have eliminated toxic chemicals in their products and processes, so as to ensure no heavy metals or dyes are a part of the consumer products. The Company prefers local sourcing of raw materials and also supports small vendors (revenue less than INR 1 crore). Produce of honey and spices is sourced from tribal communities by the consumer products division, leading to social upliftment. The percentage of local suppliers for FY'19 was 64%, and around 74% of the procurement was done from small vendors.

We firmly believe in Sustainable Development Goal 17 ('Partnership for Goals') and consider it critical to all of our relationships, be it with the community or suppliers or customers. We have undertaken ambitious targets to benefit our stakeholders, which are being achieved by leveraging our partnerships with the Government, NGOs, employees, communities, volunteers, local suppliers, key customers and various other stakeholders.

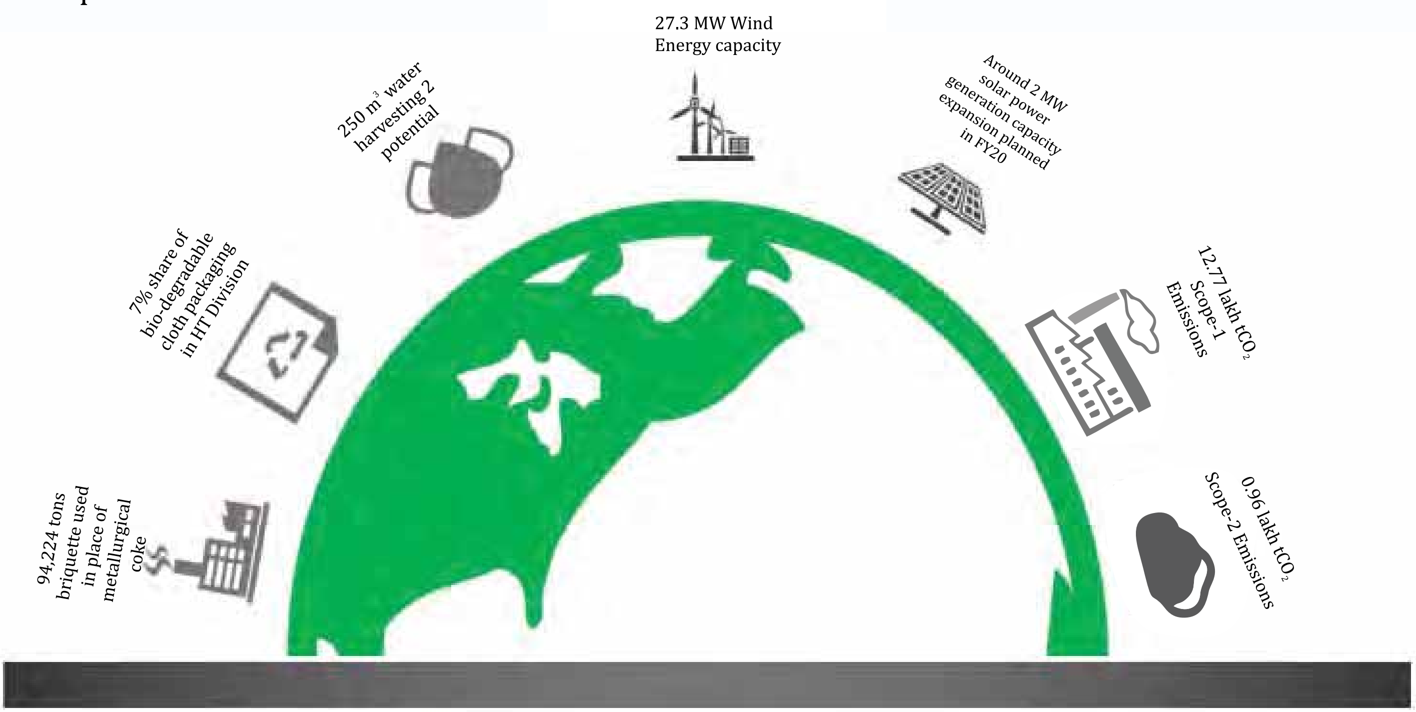
Outcomes

- Over 100,000+ CSR beneficiaries impacted through projects worth INR 25.88 crore
- Customer Satisfaction score of 83% as against 70% previous year
- 93% employee trust index in GPTW which is more than the average score of India's top 50 best companies
- Reputed FIIs & Mutual Fund Investors

Performance of our Value Creation Model

Natural Capital

GHCL relentlessly works towards reducing the environmental impact of its activities and constantly carries out innovation in its products and processes to ensure sustainability into its business operations across all divisions.



GHCL Limited acknowledges that environmental norms set the minimum expectations from any business operating in the country. The activities and approach of the Company towards sustainability and environmental stewardship are driven by the spirit of extending its efforts beyond mere compliance. The Company lays emphasis on making responsible and informed choices when it comes to driving sustainability into its business operations across all divisions. GHCL relentlessly works towards reducing the environmental impact of its activities and constantly carries out innovation in its products and processes to align its efforts in the same direction. Our environmental management practices promote material efficiency & re-use/recycle, efficient waste disposal, optimised energy use, judicious utilisation of water resources and emission reduction wherever possible. To make sustainability an important consideration in decision making, we have started a GHG (Green House Gas) inventorization exercise to develop the GHG baseline across GHCL and develop business specific roadmaps for GHG mitigation. We are also considering adopting Science Based Targets for the Inorganic Chemicals division and strive for carbon neutrality targets for the Textile division going forward.

Energy Management

The manufacturing process at GHCL are energy intensive. Within inorganic chemical segment (SA) majority of the energy requirement (power and steam) for various processes are met by a 38.7 MW cogeneration plant. In addition, grid power and diesel generators supplement the power requirements. The Yarn division's energy requirement mostly comprise of electrical power, which is met through a combination of grid electricity and power from renewable sources. GHCL's current wind power installed capacity stands at 27.3 MW, out of which 25.2 MW caters to the Yarn division and 2.1 MW caters to the Home textile division. GHCL plans to expand its renewable power portfolio through a mix of wind and solar power going forward. The Consumer Products Division (CPD) is the least energy intensive among our businesses and a large part of the energy requirement in salt pans are simply met by solar irradiation which helps in the drying process. Other energy requirements are met via power from the grid, diesel generators and firewood. The specific energy consumption of the Company for FY' 19 is tabulated below.

Specific Energy Consumption (GJ/MT)	
Division	**FY'19**
Soda Ash	10.84
Home Textile	67.45
Yarn	26.17
CPD	0.10

GHCL limited focuses on driving sustainability in its processes by adopting practices and procedures on reducing energy consumption and enhancing energy efficiency. The Company drives various energy conservation initiatives and adopt measures to minimise the energy requirements across all its businesses. We work on improving the performance of existing equipment and also invest in the latest technologies. For instance, the soda ash plant at Sutrapada is in the process of commissioning a new CFBC boiler with provisions for Variable Frequency Drives, higher boiler efficiency and flexibility in fuel usage. Similarly, we have installed belt filters in the same plant to reduce moisture content in bicarbonate cakes thereby saving steam and also improving the product quality.

Belt Filter

In the Chemical division (soda ash plant), the conventional rotary vacuum drum filters have been replaced with belt filters. The function of the filter is to remove moisture from Bicarbonate cake, thereby reducing the steam consumption when compared with the conventional rotary filters. Through this initiative, cake moisture has been reduced by approximately 2% and daily steam savings of around 150 MT/Day have been achieved in the calciner area.

The GHG inventorization project is establishing the baseline for Scope-wise emissions across GHCL. Setting the baseline will help in setting targets and providing direction to our planned initiatives related to energy efficiency, renewable capacity expansion, wheeling of renewables and offsetting of emissions through afforestation activities. The GHG inventory will also be useful in globally recognized disclosures such as CDP (Carbon Disclosure Project) and also help us in possibly adopting Science based targets to align our emission reductions in line with the global mandate for climate change mitigation.

Material Management

GHCL's businesses maintain a steady supply of key raw materials through local sourcing, captive production and imports. The following table shows major raw materials used by the company:

Business	Major Raw Material
Inorganic Chemicals	Salt
	Limestone
	Briquette & Coke
	Anthracite
Textile	Yarn
	Cotton & Man-made fibre

GHCL has undertaken various initiatives for ensuring efficient material management across various divisions in the form of material re-use, recycle and its judicious utilisation.

- Yarn division ensured re-using approximately 50% of waste cotton back into the operations.

- GHCL's Home textile division recovered approximately 92-95% of caustic by volume via installation of caustic recovery plant in its premises. They have also replaced poly-vinyl chloride (PVC) bags with biodegradable self-fabric bags for packaging purposes.

- The Chemical division reduced its natural resource consumption of metallurgical coke by using briquette. Further, the fly ash waste generated from boilers is being recycled to manufacture bricks and paver blocks.

Sustainable Procurement

The Company has a stringent supplier screening process across all its businesses to ensure responsible sourcing of raw materials. The Company promotes local sourcing of limestone & salt in the chemical business, and honey & spices from tribal communities in the CPD business. Majority of our manpower and services are sourced locally across businesses, thereby generating local employment and growth opportunities for small businesses. The company has also taken several steps to ensure sustainability across the supply chain. GHCL became 2nd Home Textile Company in India to be certified by STeP (Sustainable Textile Production).

To increase the share of sustainable raw materials in the Textile division, the company launched REKOOP bedding products made of cotton with polyester fibres obtained from recycling of PET bottles. Similarly, the CIRKULARITY range of products also sources globally recognized sustainable fibres in varying proportions. The yarn division also sources various sustainable varieties of cotton such as BCI cotton, Cotton Leads, Supima cotton, etc. Further details are provided in the 'Intellectual Capital' section on page 39 of the report.

Supply Chain Sustainability

GHCL endeavours to extend business opportunities with partners who are aligned with the Company's sustainability commitments and work in tandem with them to promote sustainability for each other. For the implementation of supply chain sustainability, the corporate sustainability team developed a framework along with a risk matrix for sustainability considerations in order to classify each supplier/vendor under various risk categories (High/Medium/Low). To digitize this process, an online portal called VENDX is being developed.

Water Conservation

Water use and pollution are highly relevant aspects for the chemical and textile industry due to its ever-increasing demand across various processes. GHCL understands the importance of water as a limited resource and hence strives to work towards carrying out operations with low water impact. GHCL constantly adopts measures to conserve water by enhancing efficiency in its plant operations and manufacturing processes. The Company strives to reduce water consumption in the entire value chain wherever possible. It undertakes various water saving initiatives across its operations including employing Reverse Osmosis and Nano technology in the Chemical Division (Soda Ash) as tertiary treatment to generate good quality permeate in order to fulfil the fresh water requirement. The Company also invested in rooftop rain water harvesting infrastructure and other potable water facilities to ensure the availability of clean drinking water resources for the local communities. The table below shows specific process water consumption of each division for FY'19:

Specific Process Water Consumption (KL/MT)	
Division	**FY'19(KL/MT)**
Soda Ash	3.42
Home Textile	88.14
Yarn*	8.77
CPD	0.10

*Currently water meters are available only at the STP and RO outlet. The water consumption has been estimated by applying appropriate factors to the treated water values. Moving forward, the company plans to have meters at the STP and RO inlet and for water withdrawal to better monitor and understand the water withdrawal and consumption

Wastewater Disposal & Re-Use

GHCL regularly monitors the quality and amount of wastewater generated as a result of its manufacturing activities from the point of generation to its point of disposal. The Company ensures that the quality and quantity of wastewater generated lies within the permissible limits as per the guidelines of CPCB/SPCB(s). The Company realises the importance of efficient disposal of its wastewater to minimize its impact on the environment and society. The Company identifies areas within the operations wherein the withdrawn water quantity can be re-utilised before discharging it as wastewater. In the yarn division, GHCL uses the treated sewage water for humidification and also in green belt development.

Waste Management

GHCL Limited strongly believes that there is nothing called as waste but the inability of an organisation to utilise the material at the right place. GHCL's approach towards waste management extends beyond waste reduction by incorporating recycle and re-use as an alternate source of raw material at a different place. Therefore, the company has been exploring opportunities to re-utilize wastes and convert them into value-added products wherever feasible. For example, the Company developed paver blocks used for construction purposes from waste materials like fly ash, limestone fines and plastic, preventing 1,314 tons of these wastes from going to landfill.

Fly Ash Utilisation

In co-ordination with a leading research institute, we have developed paver blocks from our wastes viz. fly ash, limestone fines & waste plastics. In this way, we are able to put the waste to its best use by utilising the fly ash originating from the plant boilers of the Soda Ash division in making, paver blocks to be used for construction purposes. These blocks are water resistant having properties almost similar and strength equal to concrete blocks and can be used for constructing path way, canal linings and floorings.

The Company also focuses on efficient and timely disposal of hazardous and non-hazardous wastes to ensure minimal impact on the environment and compliance with applicable environmental norms. Hazardous waste materials include empty barrels, used oil and batteries while non-hazardous waste materials include wood scrap, plastic wastes, light & heavy metal scrap, packaging and fabric wastes. The other category of wastes includes waste such as e-waste, and biomedical wastes and few other wastes which are infrequentely generated due to regular wear and tear. The total hazardous, non-hazardous and other wastes disposed in the FY'19 by GHCL Limited is tabulated below.

Waste	Soda Ash Business	Home textile Business	Yarn Business	CPD Business*
Hazardous Waste (Tons)	25.8	515.60	2.31	-
Non-Hazardous Waste (Tons)	97,668	6,066	3,852.65	-
Other Waste (Tons)	323.55	0.01	0	-

*data is insignificant

We are now taking internal targets to reduce the generation of wastes which are either generated in large quantities or have high impact on the environment. Departments are being encouraged to reduce the waste disposal needs by exploring innovative ways to utilize waste generated at one place to be utilized at another location in the same plant or at nearby industries. For instance, we have entered into an agreement for co-processing of some of our waste at Sutrapada by a nearby cement plant. On the other hand, we are utilizing waste coke fines of other industries through our patented briquetting process.

Biodiversity

Biodiversity is important for the Inorganic Chemicals business (Soda Ash) since it involves mining activities and also withdrawal and discharge of sea water. We reclaim the land at our mining sites to make the land suitable for other uses. We have developed plans to close and reclaim all of the mining sites where the lease has expired. With respect to potential impacts on the marine life, we conducted a study on marine and terrestrial biodiversity through the National Institue of Oceanography (NIO) to set the baseline for biodiversity management.

Reclamation Work At Khadsaliya Lignite Mine

GHCL has two mining locations which supply raw material required for making Soda Ash-Limestone mines and the Lignite mine both located in Gujarat. The Company has 14 mining leases covering an area of 619 hectares out of which 12 mining leases are under operation. The Company has completely mined out and reclaimed about 385 hectares of land back filled by undersize and made the area suitable for plantation or pit floor cultivation. About 55 hectares has been converted into pond where runoff water during rainy season got collected. This water helps in recharging ground water and is utilised for plantation and irrigation purposes.

The Company is continuously trying to revive the land by refilling the area extracted. Under the reclamation program for the area, green belt is developed in the de-coaled area by regularly planting saplings. Through his initiative, the Company aims to maintain the balance by reviving the natural resources again.

We also create awareness amongst employees and local communities on the benefits of afforestation using local plant species and distribute saplings from time to time as a part of employee engagement and CSR activities.

GHCL Limited strives to continue its efforts towards adopting effective environmental management practices in its operations across all the businesses to set industry benchmarks. The Company aims to continually focus on balancing the needs of the environment, society and economy at large. Several internal targets have been taken in the current year and we may start communicating on these targets and our progress moving forward.

Outcomes

- 385 Ha of mining land reclaimed for plantation or cultivation
- Approximately 38% of power requirement of Yarn division met through renewable energy
- 1,314 tons of waste utilized in making paver blocks

The Management and Board of Directors
GHCL Limited,
GHCL HOUSE,
Opp. Punjabi Hall,
Navrangpura,
Ahmedabad - 380 009 (Gujarat)

INDEPENDENT ASSURANCE STATEMENT

Ernst & Young Associates LLP (EY) was engaged by GHCL Limited (the 'Company') to provide independent assurance on its Integrated Report 2018-19 (the 'Report') covering salient features of business as well as sustainability, including performance during the period 1st April 2018 to 31st March 2019.

The development of the Report based on the (IR) Integrated Reporting Framework by International Integrated Reporting Council (IIRC), its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance criteria

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance

The scope of assurance covers the following aspects of the Report:

- Data and information related to the Company's environmental performance (including Scope 1 and Scope 2GHG emissions) and social performance for the period 1st April 2018 to 31st March 2019;
- The Company's internal protocols, processes and controls related to the collection and collation of specified environmental and social performance data;
- Verification of sample data and related information through consultations at the Company's Corporate Office in Noida and physical visits to the following manufacturing locations:
  - Sutrapada (Gujarat)
  - Madurai (Tamil Nadu)
  - Manaparai (Tamil Nadu)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation.

Limitations of our review

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2018 to 31st March 2019);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention;

- Data, statements and claims already available in the public domain through Annual Report, Corporate Social Responsibility reports, or other sources available in the public domain;
- Data, statements and claims for the sites outside the sample sites chosen for verification of sample data;
- Review of the Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

What we did to form our conclusions

In order to form our conclusions, we undertook the following key steps:

- Interviews with select key personnel and the core team responsible for the preparation of the Report to understand the Company's sustainability vision, mechanism for management of relevant issues and engagement with stakeholders;
- Physical and desktop audits of the Company's corporate office and manufacturing locations on a sample basis as mentioned in the 'Scope of Assurance' above;
- Interactions with the key personnel at the Company's manufacturing plants in order to understand and review the current processes in place for capturing environmental and social performance data;
- Review of relevant documents and systems for gathering, analyzing and aggregating environmental and social performance data in the reporting period;
- Review of the Integrated Report for detecting, on a test basis, any major anomalies between the data/ information reported in the Integrated Report and the relevant source;
- Review the level of adherence to principles of Integrated Reporting framework.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

The Company has developed the Report as per the IIRC's Integrated Reporting framework. The Report includes a description of the Company's stakeholder engagement, materiality assessment, value creation model and performance disclosures on material topics. During the review process, we observed that:

- The Company may further strengthen its internal review mechanism for improving the accuracy of the data pertaining to water, GHG emissions, safety and training.

Conclusion

On the basis of our procedures for this limited assurance, nothing has come to our attention that causes us not to believe that the information has been presented fairly, in material respects, in keeping with the Integrated Reporting framework and the Company's reporting principles and criteria.

Ernst & Young Associates LLP
Chaitanya Kalia, Partner

Dated : 30th April 2019
Place : Mumbai, India

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- 26434100, Fax: 079-26423623

NOTICE

NOTICE is hereby given that 36th 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, May 30, 2019 (गुरुवार, जयेष्ठ कृष्ण पक्ष एकादशी, विक्रम संवत २०७६) 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, 2019

"RESOLVED THAT audited Financial Statements and audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2019 along with Board's Report, Independent Auditors' Report thereon, Integrated Report, Corporate Governance Report and Secretarial Auditor's Report be and are hereby received, considered, approved and adopted."

Item no. 2: Declaration of Dividend for the financial year ended March 31, 2019

"RESOLVED THAT dividend of INR 5.00 per equity share, aggregating to INR 49,01,41,430 (i.e. 50% on the paid-up equity share capital of the Company) for the financial year ended on 31st March 2019, as recommended by the Board of Directors of the Company, be and is hereby declared."

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. Ravi Shanker Jalan

"RESOLVED THAT Mr. Ravi Shanker Jalan (DIN 00121260) 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."

Registered Office:	By Order of the Board
GHCL HOUSE	For **GHCL LIMITED**
Opp. Punjabi Hall	
Navrangpura, Ahmedabad - 380009	Bhuwneshwar Mishra
Dated: April 25, 2019	Sr. General Manager &
	Company Secretary
	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. As there is no Special Business, hence Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is not required.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, May 24, 2019 to Thursday, May 30, 2019 (both days inclusive).

5. The 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, May 23, 2019.
   - **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, May 23, 2019.

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 Director of GHCL Limited. He holds a Master of Business Administration (MBA) and a Bachelors of Science in Business Administration majoring in Finance & Entrepreneurship from the Kelley School of Business at Indiana University, USA. He has been leading and strategically guiding the company's overall growth sustainably.

   His experience includes setting up green-field projects from planning, investment to implementation and in mergers & acquisitions. He is today steering the group towards strategic investments in the business that will align with the company's long-term growth plans and create various opportunities for diversification and expansion. He has been a major contributor to initiate the company's move towards investing in captive green wind power in its portfolio and is looking further to enhance its green energy portfolio.

   Mr. Neelabh Dalmia is a member of Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Project Committee and Banking and Operations Committee of the Company.

A passionate wildlife photographer, he spends his spare time traveling to India's forests with unique animal and bird habitats. His concern for the environment and the increasing inequity in Indian society led him to mentor and initiate GHCL's extensive corporate social responsibility (CSR) programmes. He thinks this will create immense value in the long run for the company via smoother functioning through local partnerships and generate tremendous economic and social value for the country.

Mr. Neelabh Dalmia is a Co-Chairman of the International Affairs Committee for ASEAN East Asia & Oceania of the PHD Chamber of Commerce and Industry (PHDCCI). PHDCCI is a leading Industry Chamber of India ever since its inception in 1905 and has been an active participant in the India growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country.

He 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. Ravi Shanker 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. Mr. R S Jalan has more than three decades of Industrial experience. Mr. Jalan is a Director on the Board of Sumedha Worldwide LLP (formerly known as Sumedha Investments Pvt. Ltd.), Sachin Tradex Pvt. Ltd. (formerly known as Sachin Holdings Pvt. Ltd.), India Hostels Pvt. Ltd and Federation of Indian Mineral Industries. He is a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee, Risk Management Committee, Compliance Committee and Business Strategy & Planning 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 is not related to any other director or key managerial personal of the Company. Mr. Jalan holds 2,85,843 equity shares of the Company in his individual name and 100 equity shares in HUF.

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 2018-19 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 36th Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote 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. May 23, 2019, 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, May 25, 2019 and ends at 5:00 p.m. (IST) on Wednesday, May 29, 2019. 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 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.

(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 1800-225-533 (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.

(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 48 hours 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 2011-12, 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 2019. Members who have not en-cashed their dividend warrant(s) for the financial year ended March 31, 2012 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. However, shareholders may claim unclaimed dividend from IEPF Authorities by filing e-form No. IEPF-5.

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) had 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.

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura, Ahmedabad - 380009
Dated: April 25, 2019

By Order of the Board
For **GHCL LIMITED**

Bhuwneshwar Mishra
Sr. General Manager &
Company Secretary
Membership No.: FCS 5330

BOARD'S REPORT

To the Members of
GHCL Limited,

Your directors take pleasure in presenting the 1st Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the 36th Annual Accounts on the business and operations of your Company, along with the summary of standalone and consolidated financial statements for the year ended March 31, 2019.

A: FINANCIAL RESULTS

Particulars	(INR in Crores)			
	Standalone		Consolidated	
	Year ended March 31, 2019	Year ended March 31, 2018	**Year ended March 31, 2019**	Year ended March 31, 2018
Net Sales /Income	**3384.72**	2968.34	**3356.83**	3008.04
Gross profit before interest and depreciation	**783.72**	649.17	**774.91**	644.05
Finance Cost	**126.32**	124.16	**127.34**	126.56
Profit before depreciation and amortisation - (Cash Profit)	**657.40**	525.01	**647.57**	517.50
Depreciation and Amortisation	**116.29**	109.53	**116.94**	110.10
PBT before exceptional items	**541.11**	415.48	**530.63**	407.40
Exceptional items	**-**	-	**-**	-
Profit before Tax (PBT)	**541.11**	415.48	**530.63**	407.40
Provision for Tax – Current	**153.84**	106.76	**153.81**	106.84
Tax adjustment for earlier years	**0.84**	(89.81)	**0.84**	(89.81)
Provision for Tax – Deferred	**25.40**	34.02	**25.40**	34.02
Profit after Tax	**361.03**	364.51	**350.58**	356.35
Other comprehensive income (OCI)	**1.64**	3.48	**(3.24)**	5.35
Total Comprehensive income for the period	**362.67**	367.99	**347.34**	361.70
Balance brought forward from last year	1369.92	1044.48	**1357.03**	1039.75
Appropriations				
FVTOCI Reserve	**1.23**	1.40	**(3.65)**	3.27
Final Dividend	**48.74**	34.20	**48.76**	34.20
Tax on Dividend	**10.01**	6.95	**10.01**	6.95
Balance carried to Balance Sheet	**1672.64**	1369.92	**1649.30**	1357.02

1. **Dividend Distribution Policy**

   In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy ('DDP'). As per the DDP, the Board's endeavours is to ensure transparency in deciding the quantum of dividend and commit a dividend pay-out ratio including the dividend tax, in the range of 15% to 20% of profits after tax (PAT) on standalone financials of the Company. The Board of Directors while taking decision for recommendation of the dividend will take guidance from this policy and would ensure to maintain a consistent approach to dividend pay-out plans.

   The Dividend Distribution Policy is annexed to this report as Annexure **I** and is also available on the Company's website www.ghcl.co.in

2. **Dividend**

   Your Directors are pleased to inform that your Company has a consistent track-record of dividend payment for last 25 years. In line with the Dividend Distribution Policy, the Board of Directors of the Company ('the Board') has recommended a dividend of INR 5.00 per fully paid up equity share on 9,80,28,286 equity shares of face value INR 10 each for the year ended March 31, 2019 (Previous year INR 5.00 per equity share).

   The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company scheduled to be held on Thursday, May 30, 2019. The dividend once approved by Shareholders will be paid on and from Monday June 3, 2019. The total dividend payout for the financial year 2018-19 shall be INR 59.11 crores comprising of dividend amounting to INR 49.01 crores and dividend tax of INR 10.10 crores.

   The Register of Members and Share Transfer Books of the Company will remain closed from May 24, 2019 to May 30, 2019 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2019 and the Annual General Meeting.

3. **Transfer to Reserves**

   The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

4. **Share Capital**

   The paid up Equity Share Capital of the Company as on March 31, 2019 is INR 98,02,82,860/- comprising of 9,80,28,286 equity shares of INR 10/- each. Your Company would like to inform that during the financial year paid up equity share capital of the company has been increased by 6,05,000 due to issue and allotment of equity shares to the employees under Employees Stock Options Scheme. The details of the same are given below

Sl. No.	Particulars	No. of Equity shares of INR 10/- each
1.	No. of Equity Shares as on March 31, 2018	9,74,23,286
2.	No of Equity Shares allotted against exercise of Employees Stock Options by the eligible employees on June 9, 2018 for which listing and trading approval was given by BSE and NSE effective from June 20, 2018.	5,85,000
3.	No. of Equity Shares allotted against exercise of Employees Stock Options by the eligible employees on October 31, 2018 for which listing and trading approval was given by BSE and NSE effective from November 13, 2018.	20,000
4.	Total No. of Equity Shares as on March 31, 2019	**9,80,28,286**

5. 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 April 25, 2018 had granted 21.30 Lacs Stock Options to its 58 employees (including three Key Managerial Personnel) at an exercise price of INR 150 each. Employees may exercise their options during valid vesting period, subject to compliance of other terms and conditions of the Scheme approved by the shareholders.

Your Board would also like to update you that Nomination and Remuneration Committee in its meeting held on June 9, 2018, had allotted 5,85,000 Equity Shares of INR 10 each to forty two employees (including three Key Managerial Personnel) of the Company against exercise of their Employees Stock Options by the eligible employees pursuant to GHCL ESOS 2015.

Further, the Nomination and Remuneration Committee in its meeting held on October 31, 2018 had allotted 20,000 Equity Shares of INR 10 each to three eligible employees of the Company against exercise of their Employees Stock Options pursuant to GHCL ESOS 2015.

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 II and forming part of this Report.

6. FINANCE

I. UPGRADATION OF CREDIT RATING

(i) Due to timely repayment of interest and principal to lenders, CARE (Credit Analysis & Research Ltd) has upgraded rating from CARE A to CARE A+ for Long Term facilities and from CARE A1 to CARE A1+ for short term facilities of the Company.

(ii) Further, India Rating has assigned Credit Rating for Issuance of Commercial Paper program as under:

Instrument Type	:	Commercial Paper
Size of Issue	:	INR 100 Crores
Rating Assigned by the Agency	:	IND A+ (Highest)

(iii) India Rating has also assigned Credit Rating for Issuance of NCDs as under:

Instrument Type	:	Proposed Non-Convertible
Debentures (NCDs)		
Size of Issue	:	INR 300 Crores
Rating Assigned	:	IND A+ / Stable

II. RESOURCE MOBILIZATION

(i) Soda Ash Expansion Loan

Your Company has started Phase – II Soda Ash expansion at Sutrapada, Veraval with a Project Cost of INR 300 crores last year. Your company successfully tied up Term Loan for INR 225 Crores for a period of 10 years including moratorium period of 2 years. Your Company has incurred expenditure of 220 crores and availed disbursement of Term Loan of INR 128 crores till the end of current year.

(ii) Capex Program

Your company has also undertaken Capex program in Yarn Division at Madurai, Tamil Nadu at the project cost of INR 60 Crores and your company has successfully tied up term loan for INR 40 crores for a period of 10 years including moratorium period of 2 years. Your company has incurred expenditure of INR 53 crores and availed term loan of INR 31 crores during the current year for the said capex program.

(iii) Medium Term Loan

Your Company has raised medium term loan of INR 43 crores to increase Net Working Capital of the company for a period of 3.5 years including moratorium period of 6 months and has availed the same during the current year.

III. INTEREST RATE

(i) Short Term Borrowing

During the year 2018-19 short term requirements were met through Cash Credit / Short Term Loan / Working Capital Demand Loan / Packing Credit / Pre-shipment in Foreign Currency / Supplier's Credit whereby your company could manage to borrow at Weighted Average Interest rate at 6.66% p.a.

(ii) Also your company could borrow Long Term borrowing which includes Rupee Term Loans and Foreign Currency Loans at an average rate of 9.15%

(iii) Thus your company could manage to borrow Long Term Loans and Short Term Loans at an average rate of 8.17%.

Borrowing	Outstanding as on 31.3.2019 INR in Crores	ROI P.A.
Long Term Borrowing	890.00	9.15%
Short Term Borrowing (including Suppliers Credit)	575.00	6.66%
Total Borrowing	**1465.00**	**8.17%**

IV. INVESTORS' EDUCATION AND PROTECTION FUND

During the financial year, your Company has transferred to investors' education and protection fund account (IEPF) a sum of INR 32.34 lacs towards unclaimed dividend/ unclaimed deposits along with interest thereon.

7. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 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 and is incorporated herein by reference and forms an integral part of this report.

B: INTEGRATED REPORT

Your company believes that sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet through harmonising economic growth, social inclusion and environment protection. In furtherance to this commitment, your company has taken paradigm shift from compliance based reporting to governance based reporting and adopted the Integrated Report (IR) framework developed by the International Integrated Reporting Council. This is an endeavour of your Board to enhance stakeholder value by presenting first Integrated Report as a part of this Annual Report.

C. PERFORMANCE HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

1. SODA ASH

As per latest estimates of IHS Chemical (Market Advisory Service), the total Global Soda Ash capacity is around 69 million MT and demand is approximately 60 million Mts. Soda Ash demand remains stable and balanced in most global regions. While China witnessed a slowdown, demand across rest of the world saw a healthy growth.

Turkey had established a new natural capacity of 2.5 Million MT last year and this facility is reportedly fully operational now. It is interesting to note that since last year Turkey has surpassed China as the second largest soda ash exporter in the world, with the US maintaining the number one position. There are 3 producers of Soda Ash in Turkey, with a total nameplate capacity of 5.4 Million MT per year. Turkey's soda ash exports reached 3.5 Million MT, which is 88% up compared to last year and domestic consumption is estimated to be 1.1 Million MT, all this additional product is reportedly absorbed in the market.

In spite of increasing economic slowdown, China continues to be the largest Soda Ash producer in the world, having a capacity of around 31 million tpa, which is 45% of the global capacity. Post environmental restrictions, production is lower than previous year by 5%. As per IHS Chemical report, China's operating rates were around 83% in 2018, reporting a production of 25.8 million tpa (down 5% over last year level of 27 million mt). Domestic consumption 24.7 million tpa (down 4% against last year), with 1.4 million tpa being exported. Domestic demand slowed down due to closure of a few glass plants (a number of which have shifted to Malaysia). Analysts feel that China may remain balanced over a period of time, in effect capacity / production growth will remain in line with demand growth and exports may remain range bound at current low levels of 1.2 to 1.5 Million MT.

Soda Ash market in Europe has improved over the last year and is expected to remain stable and balanced for some time. Demand is reporting positive growth of around 2% and markets are balanced despite influx of higher volumes from Turkey.

US capacity is 13 million tpa in 2018 and they produced around 12 million tpa of soda ash with their annual production representing 90% operating rate. The US production is down by 1% where as domestic demand for soda ash also saw a negative growth of around 1% versus 2017. The total domestic consumption was estimated at around 5 million tpa and they have exported around 7 million tpa. US exports are supported by good demand from South America, South East Asia (especially due to lower Chinese exports), Australia and parts of Europe. However, US continues facing competition from Turkey in their traditional markets of South East Asia & Asia Pacific owing to the natural freight advantage that Turkey enjoys over US however both have managed to find sufficient markets for their export bound products .

Overall global demand has shown moderate growth due to the slowdown in China where demand slowed down by about 4% over the previous year. Other than China, global demand is estimated to have gone up by 2.8%.

As far as Domestic Soda Ash market is concerned, the demand has witnessed a growth of around 5% in FY 2018-19 as against last year. The coming fiscal should see stable demand for soda ash with the main drivers being a strong detergent and float glass sector followed by container glass, silicate and chemical sectors.

Total Soda Ash installed capacity in India is around 4.0 million tons, with an estimated production of about 3.2 million tons in last financial year (2018-19). The total size of the Indian soda ash market is about 4.0 million tons and currently almost 22% of the Indian demand is being met by imports. 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.

During the year, your company has successfully completed its Brownfield Soda Ash capacity expansion and the current capacity at your Soda Ash plant stood at 1.10 Million tons as at March 31, 2019. The benefit of brownfield expansion was partially achieved in the quarter III and quarter IV of FY 2018-19 and the full benefit shall be available in FY 2019-20.

During the financial year 2018-19, your company has produced 9.72 lacs tons soda ash. This year, the Company has also achieved highest domestic sales i.e. 8.82 lacs tons and total sales of Soda Ash is 8.93 lacs tons including exports.

BI-CARBONATE (BICARB)

During the year, the Company achieved production of Bi-Carbonate 49991 tons against 35342 tons in the previous year. During the year the Company achieved sales of Bi-Carbonate 49354 tons against 34888 tons in the previous year.

R & D INITIATIVES IN SODA ASH

Business environment is very competitive and in order to have an edge over the competition, it is essential that company should consistently focus on innovation, research and development. Your company has strengthened its Research and Development (R & D) activities with an objective to introduce latest and economical technologies in area of its operations, to provide innovative solutions, to reduce carbon foot print and contribute towards environmental sustainability, energy conservation projects and improve efficiency of its operations.

The R & D department operates with the above mandate which has resulted in removing bottlenecks in its operational activities, reduction in carbon footprint, improved productivity and energy saving.

The R &D activities are carried out in association with research departments of premier chemical engineering institutes and reputed consultants. During the year, your company has carried out following activities:

(1) Alternative method for manufacture of Sodium Carbonate:

In order to reduce cost of production and maintain its edge over the competition, your Company has taken initiative in developing an alternative route for manufacture of soda ash using selective catalytic conversion technology considering scarce availability of quality raw materials.

(2) Alternative Brine Purification Method:

Your company is in process of developing an alternative method for Brine Purification, which could be cost effective and sustainable. The research activities are undertaken in association with the experts. Various experiments are in progress to work out the technical and commercial feasibility of alternative Brine Purification process.

(3) Installation of Carbonation Towers with 60% Higher Capacity

To keep pace with increasing production capacity and optimum use of space in the plant, it has been decided to phase-out old carbonation towers with new carbonation towers of 60% higher capacity equipped with latest technology. Technical know-how has been taken from overseas expert agency. Project has been taken up for implementation.

TEXTILES

The global textiles market size was valued at USD 895 billion in 2017 and is expected to reach approximately USD 1,235 billion by 2025, according to a recent study conducted by Grand View Research, Inc. Rising disposable income, urbanization and population growth in emerging economies including China, India and Mexico are factors that are expected to play an important role in driving consumerism and unprecedented demand for textile products.

On an overall level, the retail industry, especially in the USA has been ridden with several problems. Online retail is clearly the preferred channel of choice for the millennials and companies like Amazon are giving established retailers sleepless nights. The fact that retailers at an overall level are struggling with their margins and the fact that the purchase pie is shrinking (and the supply base is broadly expanding), suppliers are faced with very tight pricing requirements. Making an entry into retailers' supplier base under these circumstances has become extremely difficult.

The domestic textile industry in India is projected to reach US$ 250 billion by 2019 as per recent IBEF (India Brand Equity Foundation) report from US$ 150 billion in July 2017. Rising per capita income, favourable demographics and a shift in preference to branded products are likely to boost demand. Textile and apparel exports from India is expected to increase to US$ 82 billion by 2021 from US$ 37 billion in 2017.

At GHCL, our strengths revolve around our penchant for innovation and consistent product development with the aim of creating a clear differentiation from competition, our strong passion for sustainability and the circular economy, our thought leadership in creating intellectual property and our ability to partner with multiple agencies to realise our four pillar strategy. Our key weakness at this point in time is the limited breadth of our product basket and our lack of diversification within the realm of Home Textiles. We are actively evaluating the possibility of moving into the manufacture of related product categories and hence meaning more to end customers by offering a 'one stop shop' opportunity. The opportunity of a shift in the country of origin strategy is something that could benefit us substantially, as retailers explore business migration from countries like China and Pakistan into India, because of uncertainty with regard to trade policies and unfavourable geo-politics respectively. The risk of foreign exchange fluctuations is a reality in this business, but with the robust mechanics of our treasury department, we are able to take proactive steps to mitigate potential risks.

Your company has integrated textile manufacturing facilities centring around Spinning on one hand with 1.85 Lakh spindles and 3320 rotors and Home Textiles (Weaving, Processing and Cut & Sew of Bed Textiles) on the other. Our state-of-the art Home Textiles facility in Vapi, Gujarat comprises of 190 Air Jet looms, 45 million meter of wide width processing capacity, 12 million meter of weaving capacity and 30 million meter of cut & sew.

As informed above, Home Textile business is well integrated with spinning business. Our Spinning units situated in Tamil Nadu are considered to be one of the most efficient and modern yarn manufacturing facilities in India. During the financial year 2018-19, Yarn division has performed well as compared with 2017-18. Additional capacity added during the year by 8400 ring spindles which made overall capacity to the level of 1,85,000 spindles. The new spinning technology i.e. Air jet spinning introduced during the year with an installed capacity of 480 vortex positions with the production volume of 180 tons per month. This was very well accepted in the market.

In the Home Textile segment, your directors are pleased to inform that the Company has been continuing to work on strengthening its marketing, product development and operating teams. The strategic focus of the company continues to revolve around sustainability, traceability, innovation and giving back to society. These areas are clearly becoming the company's competitive advantage, and are likely to see a huge improvement in the proliferation of business across geographies, with better margins, in times to come.

The Company has taken a very clear leadership position on sustainability across global home furnishing manufacturers. In the previous year, the company had launched two unique bedding brands focussing on sustainability – REKOOP, made using recycled polyester from post-consumer PET bottles, with forensic tagging by Applied DNA Sciences, USA, to secure provenance and traceability across the supply chain and CIRKULARITY, a brand that supports the Circular Economy and focusses on the 3 R's – Reduce, Reuse and Recycle. The 8 collections under this brand use sustainable fibre such as Lenzing's TENCEL and REFIBRA, recycled polyester, more sustainable cotton – BCI, Organic and Cotton Leads.

In March 2019, your Company has launched a unique brand of bedding that promotes "health and wellness", called MEDITASI. This brand has 9 ranges that centre around thermal regulation, moisture management, radiation control, athletic recovery and aromatic infusions. Another major initiative by the company which has also been launched in March 2019, is 100% traceable Egyptian Cotton called NILE HARVEST.

GHCL has also stepped up its focus on the Dot Com business in the US and is working with major sites retailers like Amazon, Walmart, J C Penney etc. The company has launched its own Dot Com brand called AURAA, which sells primarily on Amazon and is getting good reviews and ratings.

The company is repeatedly getting accolades for its consistent work on innovation, sustainability and traceability. This competitive edge and the plethora of new products, will beyond doubt help the company to grow its revenue and profitability, the latter being the key focus of the company.

The Revenue of Textiles division is at INR.1202 Crores during the financial year 2018-19 against INR 1046 Crores in 2017-18.

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.

AWARDS AND RECOGNITION

Your Directors are pleased to inform that during the financial year 2018-19, your Company has received various awards and recognition. The major ones among them are as follows:

(i) Dun & Bradstreet Corporate Awards for the year 2018.

(ii) GHCL Limited achieved 25th rank in Great Place to Work survey among India's Great Place to Work in manufacturing sector for the year 2018.

(iii) Gold Award for quality control awarded by International Convention on Quality Concept Circle (ICQCC), Singapore.

(iv) India Manufacturing Excellence (IME) Awards 2018 awarded by Frost & Sullivan.

SUBSIDIARIES

Grace Home Fashion, LLC, a subsidiary of the Company in USA engaged in Home Textile segment is catering to some of the popular Home-Textile Retailers like Bed Bath Beyond and Steinmart. In addition, Grace Home Fashion is also doing online Home Textile Business in USA through Amazon.com, BBB.com, Wal-Mart.com, JCPenney.com and others. 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. 44 (refer page no. 265 of Annual Report) and also in the statement u/s 129(3) of the Companies Act, 2013 (refer page no. 205). 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, 2019.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by the SEBI. The Company has also implemented several best governance practices. The report on Corporate Governance under Regulation 34 of the SEBI Listing Regulations read with Schedule V of the said Regulations forms an integral part of this Report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance.

BOARD MEETINGS

The Board meetings of your company are planned in advance in consultation with the Board Members. During the financial year ended March 31, 2019, the Board of Directors met four times to review strategic, operational and financial performance of the company. The details of the board's meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your directors are pleased to inform that based on the recommendations of the Nomination and Remuneration Committee as well as Board of Directors, the shareholders by passing ordinary resolutions through Postal Ballot / e-voting, have appointed three new independent directors i.e. Mr Arun Kumar Jain (Ex-IRS), Dr. Manoj Vaish and Justice Ravindra Singh, as Non-Executive Independent Directors of the Company, for a term of 5 consecutive years with effect from April 1, 2019 till March 31, 2024. Further, the shareholders by passing special resolution through Postal Ballot / e-voting, have re-appointed Mr. Lavanya Rastogi, independent director of the Company, for a second term of 5 consecutive years with effect from April 1, 2019 till March 31, 2024.

Your directors would further like to update that pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations and other applicable provisions, the shareholders by passing special resolution through Postal Ballot / e-voting, accorded their approval for continuation of directorship of Mr. Sanjay Dalmia, after attaining the age of 75 years, as Non-Executive Director and Chairman of the Company liable to retire by rotation with effect from April 1, 2019.

Mr. Neelabh Dalmia and Mr. Ravi Shanker Jalan are directors retiring by rotation and being eligible, offer themselves for re-appointment. The Board recommends their appointments at the ensuing Annual General Meeting.

Your directors would like to confirm that the Company has received declaration from all the Independent Directors confirming their independence as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence". Accordingly requirement of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) & Regulation 25 (8) of the Listing Regulations are duly complied with. Pursuant to the circular relating to the "enforcement of SEBI Order regarding appointment of directors by listed companies" dated June 20, 2018, any director of the Company, is not debarred from holding the office of director pursuant to any SEBI order.

During the year, Dr. B. C. Jain (age around 80 years), one of the independent director of the Company, had resigned from the directorship of the company with effect from July 18, 2018, due to his health conditions. Further, the tenure of directorship of Mr. Mahesh Kumar Kheria and Mr. G. C. Srivastava, Independent directors, have been completed on March 31, 2019.The Board of Directors placed on record their gratitude and appreciation for the immense contribution made by the outgoing directors during their tenure as directors of the Company.

Familiarisation Programme for Independent Director

All new Independent Directors ('IDs') inducted on the Board go through a structured orientation program. Executive Directors and Company Secretary makes presentations giving an overview of operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on Company's product, corporate structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, role responsibilities, code of conduct of IDs and measure risk and risk management strategy. Visits to Plant and locations where company does its CSR activities are organized on the request of the IDs with an objective to enable them to understand the business better. Details of the same are given in Corporate Governance section of the Annual Report.

BOARD EVALUATION

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of independent directors and the Board as a whole. The Board evaluated the effectiveness of its functioning, that of the Committees and of individual directors, after taking feedback from the directors and committee members. The performance of the independent directors was evaluated by the entire Board except the person being evaluated, in their meeting held on January 21, 2019.

A separate meeting of Independent Directors was held on January 21, 2019, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

The performance evaluation of the Board and its constituents was conducted on the basis of functions, responsibilities, competencies, strategy, tone at the top, risk identification and its control, diversity, and nature of business. A structured questionnaire was circulated to the members of the Board covering various aspects of the Board's functioning, Board culture, execution and performance of specific duties, professional obligations and governance. The questionnaire is designed to judge knowledge of directors, their independence while taking business decisions; their participation in formulation of business plans; their constructive engagement with colleagues and understanding the risk profile of the company, etc. In addition to the above, the Chairman of the Board and / or committee is evaluated on the basis of his leadership, coordination and steering skills.

The Nomination and Remuneration Committee reviews the performance of individual Directors on the basis of their contribution as a member of the board or committee. The quantum of profit based commission, payable to directors is decided by the Nomination and Remuneration Committee on the basis of overall performance of individual directors.

NOMINATION AND REMUNERATION POLICY

Based on the recommendation of the Nomination & Remuneration Committee, the Board has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company. The Company's Nomination and Remuneration 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.

During the year, there have been no changes to the Policy. The same is annexed to this report as Annexure III and is available on website www.ghcl.co.in of the company.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the report as Annexure IV.

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. R S Jalan, Managing Director, Mr. Raman Chopra, CFO & Executive Director (Finance) and Mr. Bhuwneshwar Mishra, Sr. General

Manager & Company Secretary. During the year, there has been no change in the Key Managerial Personnel.

SECRETARIAL AUDIT REPORT

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to undertake Secretarial Audit and shall annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

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 Regulation 24A of the Listing Regulations and 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 2018-19.

The Secretarial Audit Report for the financial year ended March 31, 2019 are annexed with the Board's report and formed as part of the Annual Report. This report is unqualified and 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 and National Stock Exchange of India Limited, Mumbai (NSE). The annual listing fees for the year 2018-19 have been paid to all these Stock Exchanges.

WEB ADDRESS FOR ANNUAL RETURN AND OTHER POLICIES / DOCUMENTS

In line with the requirement of the Companies (Amendment) Act, 2017, effective from July 31, 2018, the extract of annual return, is no longer required to be part of the Board's Report. However, for the compliance of conditions of Section 92 and Section 134, copy of the Annual Return for the financial year ended March 31, 2019 and other policies of the Company shall be placed on the Company's website www.ghcl.co.in.

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.

The Company has in place a CSR Policy which provides guidelines to conduct its CSR activities. The CSR Policy is available on the website of the Company www.ghcl.co.in. During the year, the Company spent INR 9.10 Crs. on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 is annexed to this Report as Annexure V.

Your company under its CSR initiatives covers Agriculture & Animal Husbandry, Healthcare, Education & Vocational Training, Women Empowerment and other miscellaneous projects on need basis that are important to maintain social licence to operate the business. 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 had been reconstituted with effect from April 25, 2018, to monitor CSR related activities, comprising of Mrs. Vijaylaxmi Joshi as the Chairman of the Committee, and Mr. Mahesh Kumar Kheria, Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra as members of the Committee. Further, the Board of Directors through circular resolution dated April 1, 2019, has further reconstituted CSR Committee comprising of Mrs. Vijaylaxmi Joshi as the Chairman of the Committee and Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra as members of the Committee.

BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India ('SEBI') under Regulation 34(2)(f) of Listing Regulations, 2015, requires companies to prepare and present a Business Responsibility Report ('BRR') to its stakeholders in the prescribed format. SEBI, however, allows companies to follow an internationally recognized framework to report on the environmental and social initiative taken by the company. Further, SEBI has on February 6, 2017 advised companies that integrating reporting may be adopted on a voluntary basis by top 500 companies which are required to prepare BRR. As on March 31, 2019, GHCL Limited is mentioned on 493rd position on the basis of capitalization at NSE and on 499th position at BSE.

As stated earlier in the Report, the company has followed the Integrated Reporting (IR) framework of the International Integrated Reporting Council to report on all the six capital that your company uses to create long term stakeholder value. Your company's Integrated Report has been assessed and E&Y has provided the required assurance. Your company also provided the requisite mapping of principles between the Integrated Report, and the Business Responsibility Report as prescribed by SEBI. The same is available on Company website www.ghcl.co.in and is annexed herewith as an Annexure VI.

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. The primary objective of the audit committee is to monitor and provide effective supervision of the Management's financial reporting process, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee met four times during the year, the details of which are given in the Corporate Governance Report. As on date of this report, the committee comprises of Mr. K. C. Jani, Mrs. Vijaylaxmi Joshi, Mr. Arun Kumar Jain (Ex-IRS) and Justice Ravindra Singh, who are experts in finance, accounts, strategy, tax, law and general administration.

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. Arun Kumar Jain (Ex-IRS), Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra. The Committee details are given in the Corporate Governance Report

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 three Non-Executive directors comprising of Mr. K C Jani, Mr. Sanjay Dalmia and Mrs. Vijaylaxmi Joshi. The Committee details are given in the Corporate Governance Report.

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 behavior. 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 was Ombudsperson till March 31, 2019. Now, Mr. Arun Kumar Jain (Ex-IRS), Independent Director of the Company is Ombudsperson w.e.f. April 1, 2019.

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. Details regarding Whistle Blower Policy are also stated in the Corporate Governance Report. The Whistle Blower Policy is posted on the website of the Company www.ghcl.co.in . There are no complaints 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. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company. All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. 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 website of the Company www.ghcl.co.in. None of the Directors has any material pecuniary relationships or transactions vis-a-vis the Company.

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

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 www.ghcl.co.in.

Your company believes that several factors such as advancements in technology, prevalent geo-political environment and stringent regulatory and environmental requirements have consequential impacts across the value chain of a business. These impacts are likely to continue and intensify over time and for a business to be sustainable, it needs to adapt to the environment by managing risks and opportunities in a systematic manner.

The Board of Directors of the Company are responsible for risk oversight functions. Risk Management Committee provide guidance for implementing the risk management policy across the organisation. The operation heads of each business units are primarily responsible for implementing the risk management policy of the company and achieving the stated objective of developing a risk intelligent culture that helps to improve the company's performance.

The responsibility of tacking and monitoring the key risks of the division / business unit periodically and implementing suitable mitigation plans proactively is with the senior executives of various functional units. These risk owners are expected to avoid any undue deviations or adverse events and ultimately help in creating value for the business.

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 -VII forming part of this Report.

DISCLOSURES AS PER THE 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 had been rolled out and Internal Complaints Committee as per legal guidelines had 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 33rd AGM held on July 19, 2016, M/s S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Reg. No. 30100CE / E300005), was 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.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the notice convening the ensuing AGM does not carry any resolution on ratification of the appointment of the Statutory Auditors.

M/s S. R. Batliboi & Co. LLP has audited the books of accounts of the Company for the financial year ended March 31, 2019 and have issued the Auditors' Report thereon. There are no qualifications or reservations on adverse remarks or disclaimers in the said report.

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, 2019. Hence, they do not call for any further explanation or comment U/s 134 (3) (f) of the Companies Act, 2013.

COST AUDITORS

In terms of Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of 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 ending March 31, 2020.

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

Based on the framework of internal financial controls established and maintained by the company, work performed by the internal, statutory, secretarial and cost auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and reviews performed by the management and relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2018-19. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2019, 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, 2019 and of the profit and loss of the Company for the financial year ended March 31, 2019;

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, 2019 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 were in place and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The directors express their gratitude to customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, cooperation and support.

We thank the Government of India, the State Governments and statutory authorities and other government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors
of GHCL Limited

Date: April 25, 2019
Place: New Delhi

SANJAY DALMIA
Chairman

ANNEXURE I TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

[Regulation 43A of SEBI Listing Regulations, 2015]

1. DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of Companies Act, read with the applicable Rules framed thereunder, as may be in force for the time being ("Companies Act").

2. Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and / or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The dividend pay-out of a Company is driven by several factors. Some Companies pay a lower dividend. The idea behind paying of lower dividend is to retain profits and invest it for further expansion and modernization of the business. On the other hand, there are Companies which prefer to pay higher dividend. These Companies may not necessarily be growth oriented companies with greater emphasis on retaining their shareholder base.

The objective of this policy is to

- Ensure transparency in deciding the quantum of dividend and
- Commit a dividend pay-out ratio including the dividend tax, in the range of 15% to 20% of profits after tax (PAT) on standalone financials

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company. Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans.

The Company believes that it operates in the high potential but stable growing soda ash and textiles segments. Modernisation and setting up any green filed project would require huge investment opportunities. Therefore, the retention of surplus funds for future growth will over-ride considerations of returning cash to the shareholders. However, considering the consistent and impressive generation of profits year on year, there is a need to provide greater clarity on the dividend pay-out philosophy of the Company.

3. Category of Dividends:

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

3.1 Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Process for approval of Payment of Final Dividend:

(a) Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;

(b) Based on the profits arrived at as per the audited financial statements;

(c) Shareholders to approve in Annual General Meeting;

(d) Once in a financial year;

3.2 Interim Dividend:

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts. This would be in order to supplement the annual dividend or in exceptional circumstances.

Process for approval of Payment of Interim Dividend:

i. Board may declare Interim Dividend at its complete discretion in line with this Policy;

ii. Based on profits arrived at as per quarterly (or half-yearly) financial statements including exceptional items;

iii. One or more times in a financial year.

4. Declaration of Dividend

Subject to the provisions of the Companies Act, Dividend shall be declared or paid only out of :-

I. Current financial year's profit:

(a) after providing for depreciation in accordance with law;

(b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

II. The profits for any previous financial year(s):

(i) after providing for depreciation in accordance with law;

(ii) remaining undistributed; or

III. Out of (I) & (II) both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of

(i) extraordinary charges

(ii) exceptional charges

(iii) one off charges on account of change in law or rules or accounting policies or accounting standards

(iv) provisions or write offs on account of impairment in investments (long term or short term)

(v) non-cash charges pertaining to amortisation or ESoP or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

5. Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Dividend pay-out decision of any company depends upon certain external and internal factors-

5.1 External Factors:-

State of Economy- in case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets- when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory Restrictions- The Board will keep in mind the restrictions imposed by Companies Act with regard to declaration of dividend.

5.2 Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include

i. Profits earned during the year;

ii. Present & future Capital requirements of the existing businesses;

iii. Brand/ Business Acquisitions;

iv. Expansion/ Modernization of existing businesses;

v. Additional investments in subsidiaries/associates of the Company;

vi. Fresh investments into external businesses;

vii. Any other factor as deemed fit by the Board.

6. Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavour to maintain a Dividend pay-out ratio including the dividend tax, in the range of 15% to 20% of profits after tax (PAT) on standalone financials.

As mentioned above, for computing the PAT for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortisation or ESOP or resulting from change in accounting policies or accounting standards. Further, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision including declaring a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

7. Review

This Policy will be reviewed periodically by the Board and shall include all statutory amendment affecting the policy from time to time.

ANNEXURE II 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, 2019.

Sl. No.	Particulars	GHCL ESOS 2015 – Grant 1	GHCL ESOS 2015 – Grant 2	GHCL ESOS 2015 – Grant 3	GHCL ESOS 2015 – Grant 4	GHCL ESOS 2015 – Grant 5	GHCL ESOS 2015 – Grant 6	GHCL ESOS 2015 – Grant 7	GHCL ESOS 2015 – Grant 8
		(Date of grant – May 19, 2016)	(Date of grant – January 31, 2017)	(Date of grant – October 24, 2017)	(Date of grant – October 24, 2017)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)
1	Total no. of options in force (as on April 1, 2018)	5,70,000	30,000	50000	130000	0	0	0	0
2	Options granted during the year	0	0	0	0	18,30,000	45,000	75,000	1,80,000
3	Options vested during the year	5,70,000	0	25000	0	0	0	0	0
4	Options exercised during the year	5,70,000	15000	20000	0	0	0	0	0
5	The total number of shares arising as result of exercise of option	5,70,000	0	20000	0	0	0	0	0
6	Options lapsed during the year	0	0	0	40,000	15,000	0	0	45,000
7	The exercise price	INR 100 per share	INR 100 per share	INR 170 per share	INR 170 per share	INR 150 per share	INR 150 per share	INR 150 per share	INR 150 per share
8	Variation of terms of option	No variation	No variation	No variation	No variation	No variation	No variation	No variation	No variation
9	Money realised by exercise of options (INR In Crore)	5.70	0.15	0.34	0	0	0	0	0
10	Total number of options in force	0	15,000	30,000	90,000	18,15,000	45,000	75,000	1,35,000
11	Employee wise details of options granted to:								
	(i) Key Managerial Personnel	Nil	Nil	Nil	Nil	480000	Nil	Nil	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	Nil	Nil	Nil	Nil	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	Nil	Nil	Nil	Nil	Nil	Nil
12	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.							

Sl. No.	Particulars	GHCL ESOS 2015 – Grant 1	GHCL ESOS 2015 – Grant 2	GHCL ESOS 2015 – Grant 3	GHCL ESOS 2015 – Grant 4	GHCL ESOS 2015 – Grant 5	GHCL ESOS 2015 – Grant 6	GHCL ESOS 2015 – Grant 7	GHCL ESOS 2015 – Grant 8
		(Date of grant – May 19, 2016)	(Date of grant – January 31, 2017)	(Date of grant – October 24, 2017)	(Date of grant – October 24, 2017)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)
13	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Ind AS 33.	0.03	0.00	0.00	0.01	0.50	0.00	0.00	0.00
14	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 INR in crore	0.30	0.13	0.32	0.38	17.42	0.28	0.45	0.62
15	a) Weighted average exercise price of options	INR 100.00	INR 100.00	INR 170.00	INR 170.00	INR 150.00	INR 150.00	INR 150.00	INR 150.00
	b) Weighted average fair value of options	INR 76.23	INR 201.67	INR 113.86	INR 123.00	INR 172.58	INR 183.63	INR 183.03	INR 192.36
16	Method and significant assumptions used to estimate the fair values of options	Black – Scholes model	Black – Scholes model	Black – Scholes model	Black – Scholes model	Black – Scholes model	Black – Scholes model	Black – Scholes model	Black – Scholes model
	(i) Risk free interest rate	7.47%	6.40%	6.762%	6.762%	7.65%	7.65%	7.65%	7.65%
	(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)	2 years (for 50% vesting) & 3 years (for balance 50% vesting)	3 years (for 50% vesting) & 4 years (for balance 50% vesting)	2 years (for 1/3rd vesting), 3 years (for 1/3rd vesting) and 4 years (for balance 1/3rd vesting)	3 years (for 1/3rd vesting), 4 years (for 1/3rd vesting) and 5 years (for balance 1/3rd vesting)	3 years (for 1/3rd vesting), 4 years (for 1/3rd vesting) and 5 years (for balance 1/3rd vesting)	4 years (for 1/3rd vesting), 5 years (for 1/3rd vesting) and 6 years (for balance 1/3rd vesting)
	(iii) Expected volatility	50.00%	39.30%	36.77%	36.77%	39.51%	39.51%	39.51%	39.51%
	(iv) Expected dividend	INR 5/- per share	INR 5/- per share	-	-	INR 5/- per share	-	-	-
	(v) Market price of the underlying share on grant date*	INR 148.10	INR 286.05	INR 251.05	INR 251.05	INR 286.50	INR 286.50	INR 286.50	INR 286.50
	*The closing price of the Company's share on the date previous to the grant on NSE, being Exchange which had higher trading.								

ANNEXURE III TO THE BOARD'S REPORT

GHCL's NOMINATION & REMUNERATION POLICY

[Regulation 19 of SEBI Listing Regulations, 2015 and Section 178(4) of the Companies Act, 2013]

I. Criteria for determining qualifications, positive attributes and independence of director:

A. Qualifications

A director shall possess appropriate knowledge and experience in their domain areas such as chemicals, textiles, mines, windmills, salt industry, law, banking and finance, corporate, governance, risk management, administration, CSR etc. and such other disciplines related to the company's business. In addition to above, at the time of appointment, emphasis will be given on experience, expertise, track record and reputation of the director.

B. Positive Attributes

A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity. Director shall act objectively and constructively and exercise his/her responsibilities in a bona-fide manner in the interest of the company. A director must devote sufficient time and attention to his/her professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices for the growth of the Company and its stakeholders. A director should be able to assist the Board, have a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company. The person should be forward looking, ethical and law abiding.

C. Independence standards

The candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the SEBI Listing Regulations, 2015 with the Stock Exchanges. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a Director's independence. Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his/her independence at issue.

The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such director as per the provisions of the Companies Act, 2013 read with Rules thereon and the SEBI Listing Regulations , 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate.

II. Compensation Policy: 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 as 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 detailed under:

In accordance with the widely followed practices, broadly, performance is classified in to 4 categories viz. Top, Vital, Average and Below Average (Bottom). Subsequent to completion of the structured review process, each employee is placed in one of these categories to determine the quantum of reward to be given to him/her. As the company takes continuous efforts to maintain its workforce employable, majority of the employees i.e. app. 70% of the population is generally assessed as Vital Contributors and the salary increase to be given to that category of employees is fixed as the bench mark.

Executive cadre employees, depending upon their scope and impact of role are placed in 14 levels which are further grouped in to 5 job bands in line with the prevailing corporate practices. Revision of compensation is based on a Matrix which defines the quantum of increase applicable to an employee in a particular performance class in a particular level.

In the proposed Performance Assessment Model, Performance Class – VITAL has been taken as benchmark as majority of the employees fall in this category. The Top performers in each level would be given 130% of the increment applicable to Vital Class. Employees rated as Average will be given 50% of increment applicable to Vital Class. Employees rated Bottom will not be given any increment.

It is further proposed that an employee in a particular grade would receive 120% of increment applicable for an employee one grade below him for a similar rating. Where there is a change in the band, this increase will be 125%. This will be effected in Band 1 and 2. However, from Level 7A (7.5) and upwards, instead of band, this increase will be 125% in each level as the performance impact and competency requirements are significantly different for each senior and top level positions. Going forward, depending upon the various parameters and need of the organisation to retain high performers and dissuade mediocre performance on the job, the rate or quantum of increase to be given to various categories of performances may vary.

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.

With reference to remuneration payable to the Managing Director and Whole time Director, the shareholders have passed resolution under Section 196 and 197 of the Companies Act, 2013 and approved the overall remuneration (including the commission) upto 10% of the net profit of the company for the Managing Director and Whole time Director. The shareholders have empowered Board of Directors to decide the annual increment and fixed the quantum of commission with respect to each financial year on recommendation of the Nomination and Remuneration Committee.

The Board of Directors, in their meeting held on April 21, 2006, on recommendation of the Nomination and Remuneration Committee, had decided that the commission payable to Managing Director and Whole time director collectively shall not exceed 4% of the net profit of the company for such financial year for which the commission is payable.

The Nomination and Remuneration Committee has recommended to the Board that the variable part of the remuneration which is in the form of commission for the Managing Director and Whole time director, shall be gradually increased upto 4% of the net profit of the company, over of period of three to four years. The Board of Directors accepted the recommendation of the committee in their meeting held on April 25, 2018.

Amendment & Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the SEBI Listing Regulations, 2015 with the Stock Exchanges. Accordingly, any subsequent amendment/modifications in the Companies Act, Listing Regulations and /or other applicable laws in this regard shall automatically apply on this policy.

ANNEXURE IV 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 2018-19 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	37.09	1.94
Mr. Anurag Dalmia	30.28	0.00
Mr. Neelabh Dalmia	24.88	0.95
Dr. B C Jain	4.81	-75.00
Mr. G C Srivatava	16.78	0.00
Mr. Mahesh Kumar Kheria	16.78	6.72
Mr.Lavanya Rastogi	15.85	25.00
Mrs. Vijaylaxmi Joshi	17.49	11.19
Mr. K C Jani	18.90	1.26
Executive Directors		
Mr. R S Jalan	561.03	7.79
Mr. Raman Chopra	318.41	7.23

Note: For above calculation, remuneration includes siting fee and commission. Commission relates to the financial year ended 31st March 2019, which will be paid during FY2019-20.
The Percentage increase in remuneration of Mr. Bhuweneshwar Mishra, Sr. General Manager & Company Secretary is 17.16%.

B. Percentage increase in median remuneration in the FY 2018-19: –6.32%

C. Number of Permanent employees on the roll of the company as on 31st March 2019 5084

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 percentile increase in Salary of employees other than managerial personnel	9.95%
Average percentile increase in remuneration of managerial personnel	8.55%

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.

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 INR 8.5 Lacs or above per month during the year 2018-19

Sl. No.	Name	Age	Designation	Gross Remune-ration (INR) *	Qualification	Exp. (Years)	Date of commence-ment of Employ-ment	Previous Employment / Position held	Remark
Employment during full year									
1	R S JALAN	61	Managing Director	9,55,94,420	B Com, FCA	35	7-Jun-02	Sree Meenakshi Mills / Exec. Director	
2	RAMAN CHOPRA	53	CFO & Executive Director - Finance	5,42,54,672	B Com, FCA	30	1-Oct-03	Dalmia Brothers Pvt Ltd / VP-Spl. Proj.	
3	SUNIL BHATNAGAR	60	President - Marketing-Soda Ash	2,28,83,544	B Com , LLB, DIM	35	16-Aug-93	Ballarpur Inustries, Dy. Mgr - Mktg	
4	N N RADIA	63	COO - Soda Ash	2,08,68,662	BE -Mechnical	36	16-Jan-86	Tata Chemicals Ltd. / Shift In Charge	
5	MANU KAPUR	55	President & CEO-HT	1,74,63,441	MA (History), PG Diploma in International Trade -IIFT Delhi	29	10-Jul-17	J C Penny Purchasing India Pvt Ltd/Vice Prsident & Reginonal Director South Asia	
6	M SIVABALA-SUBRAMANIAN	58	CEO Yarn Division	1,67,01,397	BE -Textiles	34	17-May-95	Loyal Textile Mills Ltd / Manager-QA	
7	V CHANDRA-MOULI	59	Sr. Vice President - Finance	1,64,08,464	B Com, CA	31	14-Dec-92	Mafatlal Ind. Ltd / Manager - F&A	
8	SACHIN KULKARNI	46	COO-Home Textile	1,16,76,460	B. Tech-Textiles, DBM	24	5-Dec-16	Welspun Ltd/ Sr.VP-Operations	
9	RAJESH TRIPATHI	52	Vice President - Human Resource	99,38,370	M Sc,PGHR,PG Psychology, GAMP	22	15-Nov-07	Panacea Biotec Ltd/ DGM- HR	
10	JAYESH P SHAH	59	Vice Predsident - IR	87,84,312	MSW	34	24-Apr-12	Alembic Ltd/GM-HR	

*Gross remuneration includes the Commission and / or VPP entitlement for the year 2018-19 will be paid in 2019-20

Joining during the year NIL

Separation during the year NIL

ANNEXURE V TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR Report for the financial year ended March 31, 2019 [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 directors:
		(1) Smt. Vijaylakshmi Joshi - Independent Director (Chairperson) (2) Mr. Mahesh Kumar Kheria - Member (till 31 March, 2019) (3) Mr. Neelabh Dalmia - Member (4) Mr. R S Jalan - Member (5) Mr. Raman Chopra - Member
3	Average net profit of the Company for last three financial years:	431.70 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	8.63 Crores
5	Details of CSR spend for the financial year	
a.	Total amount spent for the financial year	9.10 Crores
b.	Amount unspent, if any	Nil
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	Cummulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			Local Area / Distrcts(State)	INR Crores	INR Crores	INR Crores	INR 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	0.28	0.30	0.30	Amount directly spent through implementing agencies*
2.1	Drip Irigation, Sprinkler Irrigation, Training and other various activities	Agro based livelihood		3.64	3.59	3.59	Do
2.2	Vocational Training Centre	Skill based livelihood		0.55	0.63	0.63	Do
3	Animal Treatment Camp and Artificial Insemination center	Animal Husbandry		0.91	0.84	0.84	Do

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or programs	Amount spent on the Project or programs	Cummulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			Local Area / Distrcts(State)	INR Crores	INR Crores	INR Crores	INR Crores
4.1	Mobile Dispensary, Health camps, Vaccination and Eye camps;	Health & Sanitation		1.92	1.58	1.58	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		0.89	0.86	0.86	Do
6	Formation of Self Help Group (SHG) and Training Programme	Women Empowerment		0.20	0.18	0.18	Do
7	Street light, Road repairing, construction of school boundry , Eradication Hundger Peoples	Rural Development		0.10	0.12	0.12	Do
8	Establishment & Assets	Establishment & Assets		0.99	1.00	1.00	Do
	Total			**9.48**	**9.10**	**9.10**	

*Amount spent through Implementing Agencies (GHCL Foundation Trust) of INR 9.10 Crores.

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

Vijaylaxmi Joshi
Chairperson of CSR Committee
DIN- 00032055

ANNEXURE VI TO THE BOARD'S REPORT

Business Responsibility Report – 2018-19

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

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**: 2018-19
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)	:	98,02,82,860
2.	**Total Turnover** (INR in Crore)	:	3371.18
3.	**Total profit after taxes** (INR in Crore)	:	361.03

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax** (%): Total spend on CSR during financial year 2018-19 is INR 910.45 lacs which is in compliance of Section 135 read with Schedule VII of the Companies Act, 2013. The 2% of the average profit for the last three years INR 863.34 lacs.
5. **List of activities in which expenditure in 4 above has been incurred**:
   - Agriculture & Animal Husbandry
   - Healthcare
   - Education & Vocational Training
   - Women Empowerment
   - Other Projects shall be on Need Basis & Importance to Maintain Social Licence To Operate

SECTION C:
OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes. Company has a subsidiary in the name of *"Grace Home Fashion LLC"* based in USA.
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 third year for GHCL Limited to publish Business Responsibility Report. GHCL 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%]**

   Less than 30%.

   GHCL Limited does not mandate its suppliers and distributors to participate in the business responsibility initiatives. However, on voluntarily basis, GHCL has taken initiative for supply chain sustainability.

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	Mr. R. S. Jalan	Mr. Raman Chopra
3. Designation	Managing Director	CFO & Executive Director (Finance)

(b) **Details of the BR head:**

Particulars		**Details**
1	DIN Number (if applicable)	00121260

2	Name	Mr. R. S. Jalan
3	Designation	Managing Director
4	Telephone number	0120 4939900
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 wellbeing 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. The 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 and also through the website of the company.								
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 are evaluated internally. Policies pertaining to CSR, Health, Safety and Environment have 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.

At present, the BR performance of the company is assessed annually. However, endeavour is to develop system, which can support regular assessment of the BR performance of the company.

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

The Business Responsibility Report for the financial year 2016-17 and 2017-18 were published as a part of Annual Report for the respective financial year. However, for the current financial year i.e. 2018-19, company voluntarily opted to publish ***Integrated Annual Report based on the IIRC principles.*** The ***Integrated Annual Report*** can be accessed at: https://www.ghcl.co.in/performance-reports

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 operates.

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 member 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, contractors, 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 2018-19**	**Complaints Resolved during F Y 2018-19**	**Complaints Resolved (%)**
Investors Complaints	38	38	100
Consumers' Complaints			
Soda Ash Division	14	7	50
Home Textiles Division	03	03	100
Yarn	44	44	100
Consumer Products	12	12	100
Total	**73**	**66**	**90**

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

GHCL Limited, as a responsible organisation ensures that its products and manufacturing processes have minimal impact on the society and environment. The Company focuses on doing its business responsibly by driving sustainable practices across all its businesses. Further information on our approach to responsible production are available in the 'Natural Capital' section on page 71 of the report.

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

   We have launched portfolio of products which incorporate positive environmental attributes. GHCL strives to embed the principles of sustainability across various stages of product or service life-cycle and also aims to have a positive social impact through its operations. Further details on products and processes that embrace sustainability principles are provided in the sections on 'Natural Capital' and 'Intellectual Capital' on page 71 and 39 of the report respectively.

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

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

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

   Please refer to the 'Natural Capital' & 'Intellectual Capital' section on page 71 & 39 respectively of the report for the reduction/ optimization of resources and energy consumption achieved in our operations.

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

   Yes

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

   GHCL promotes responsible sourcing of raw materials across all locations. To embed green sourcing considerations into procurement decisions, the 'Green Procurement policy' was introduced by GHCL Soda Ash business. For further details on responsible sourcing of raw materials and relevant certifications (such as OEKO-TEX, Better Cotton Initiative and GOTS to name a few), please refer to the 'Natural Capital' and 'Intellectual Capital' section on page no. 71 and 39 of the report respectively.

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

   Yes

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

   The Company strongly believes in uplifting the local economy in the vicinity of its operations by procuring material and services from local communities and vendors. We consider suppliers in the same state as our facility as local suppliers and during the current financial year, 64% of vendors were local. As a part of our CSR initiative, we are running Income generation centre in near our operations assisting local women folk in developing their skillsets around tailoring and business development related aspects. Various exposure visits are also undertaken for such groups including SHGs to promote income generation activities for them.

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.**

   GHCL strongly believes in waste minimization and increasing waste utilization as a part of our drive for process efficiency and product stewardship. For more information, refer to 'Natural Capital' section on page 71.

Principle 3: Businesses should promote the wellbeing of all employees.

GHCL Limited is an employee-centric organisation that aims to attract and retain talent by ensuring the wellbeing of all of its employees. For further details on GHCL's approach and activities pertaining to employee engagement, well-being, safety and training programmes, refer to the sections on 'Human Capital' and 'Social & Relationship Capital' on page 50 and 58 of the report respectively.

1. Please indicate the Total number of employees - 5,084
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis – 9,868
3. Please indicate the Number of permanent women employees – *1,659*
4. Please indicate the Number of permanent employees with disabilities – 20
5. Do you have an employee association that is recognized by management – Yes
6. What percentage of your permanent employees is members of this recognized employee association? – 25%
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?**

   Over Seventy thousand manhours of training were provided to our workforce during the year, including around twenty-three thousand manhours of safety training.

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

GHCL Limited believes that effective stakeholder engagement requires stakeholder identification, prioritization and regular & transparent communication. The Company has identified suppliers, customers, employees, local community and investors as its key stakeholders and uses multiple channels of communication for periodic engagement with these stakeholders. For more details on the type, mode and frequency of engagement, refer to 'Managing Stakeholder Relationships' section on page 17 of this report.

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?**

   GHCL has identified disadvantaged, vulnerable & marginalized stakeholders in the vicinity of its operations and engages with them regularly to address their needs and concerns. The Company has carried out third party need assessment of CSR activities as an effort to understand the expectations and fulfilment of the same from nearby communities. At our Chemical business we have formalised Grievance mechanism to address the concerns of various stakeholders in a systematic manner. For more details, refer to the 'Social and Relationship Capital' section on page 58 of this report.

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.**

   GHCL conducts several initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders as a part of wider community social investments/ CSR and details of few such initiatives are provided in the 'Social and Relationship Capital' section on page 58 of this report.

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?**

   Nil

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

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

   GHCL Limited values the long-term benefits of adhering to environmental best practices and is committed to respect, protect, and make efforts to restore the environment. Through our Green Procurement Policy and Vendor Code of Conduct, which apply to both new and existing vendors, we strive to encourage respect for environment in our supply chain as well. In addition this year we have launched a formal Supply Chain Sustainability project with the aim to distinguish suppliers on the basis of their sustainability performance (including environmental performance) as an effort to promote environmental stewardship in our supply chain. For further details, refer to 'Natural Capital' and 'Social and Relationship' capital sections on page 71 and 58 of this report respectively.

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.**

   GHCL has been actively addressing global climate change issues by adopting renewable energy and energy efficiency measures in its operations, and by planting trees as a part of its CSR efforts. The inorganic chemicals business which is quite energy intensive has also adopted a Climate Change Policy to ensure a long-term commitment to reduce its specific emissions. More details of GHCL's efforts to address climate change by reducing its carbon footprint are provided in the section on 'Natural Capital' on page 71 of the report.

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

   Yes, the Company has identified potential risks, assessed their potential impacts & probability of occurence, identified mitigation measures and delegated responsibilities to mitigate potential environmental risks. Please refer to the section on 'Risks & Opportunities' on page 15 for details.

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?**

   GHCL Limited has taken various initiatives to promote renewable energy. We have installed Wind capacity of 27.3 MW, of which 6.3 MW is registered under REC (Renewable Energy Certificate) scheme. In the next FY we would be adding around 1.98 MW of solar energy in our overall portfolio of renewable energy. We have further plans to increase the installed capacity of wind power and solar power. For details pertaining to these initiatives, refer to 'Natural Capital' section on page 71 of the report.

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. Refer to 'Natural Capital' section on page 71 of the report and the following link - https://www.ghcl.co.in/health-safety-environment

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 2018-19 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.**

   Nil

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, Indian Chemical Council and the Southern India Mills' Association besides other business association like CII, PHD Chambers, 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 2018-19, 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.

In order to achieve inclusive growth and equitable development, GHCL Limited believe that economic growth, social inclusion and environment protection must be harmonised. The Company through its GHCL Foundation does various CSR projects for the local communities in the strategic theme areas identified on the basis of need assessment.

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

   Yes. GHCL has three strategic CSR themes - Agriculture & Animal Husbandry, Healthcare and Education and implements multiple projects close to its operations under each of these themes. For details, refer to the section on 'Social and Relationship Capital' on page 58.

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

   The Company has adopted a collaborative approach to CSR where it collaborates with local NGOs, other trusts and local government to successfully implement projects. GHCL Limited through its CSR Foundation focuses on projects which will bridge the benefits of government schemes and their outreach to the last mile through virtue of GHCL's core strength of business management including but not limited to competencies, financial planning, innovation, decision making, partnerships and resource mobilisation & utilization. We endeavour to implement a multi-partite approach in delivering our projects, wherein we explore partnerships with suitable agencies (Government / private) along with involvement of beneficiaries to promote sustainability of the project. This approach delivers a multiplier impact for us in a manner wherein we are able to enhance the impact of the amount spent. Details of the CSR governance framework are provided in the section 'Our Governance Framework' on page 10.

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

   Yes, an independent third party carried out a comprehensive assessment (Impact and Need) of the CSR programmes implemented by GHCL in 2017-18 for all locations to assess the socio-economic impact of the various initiatives/ programs.

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 community development was INR 9.10 crore during the year 2018-19.

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 ensures that the initiatives undertaken under the aegis of CSR are thoughtfully selected, well-executed and accepted and valued by the intended beneficiaries. Ownership and participation by the community is encouraged in the initiatives to ensure self-sustenance of the initiatives in the long-run. More details on the steps taken to improve adoption of community development initiatives are available in the 'Social and Relationship Capital' section on page 58 of this report.

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 effort is 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.**

   No consumer cases are pending. 10% of the customer complaints were pending at the end of the Financial year.

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

ANNEXURE VII TO THE BOARD'S REPORT

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

1. New policy is being followed that all new motors procurement shall be energy efficient one.
2. Replacement of conventional light by energy efficient LED light at soda ash and Home Textile unit.
3. Repairing of damaged insulation over hot equipments /pipes to reduce heat loss to atmosphere at Soda Ash Unit.
4. Energy audit of the entire plant by external auditor at Soda ash unit.
5. Installation of Energy Efficient Transformer compressor at Paravai and Manaparai Unit.
6. Reduction in energy consumption through reduction of air leakage in plant at Paravai unit and Manaparai Unit.
7. Replacement of existing motor of cooling tower with high efficiency motor to reduce power consumption at Home Textile unit.
8. Installation of capacitor at distribution end to improve power quality at Home Textile unit.

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

1. Installation of new CFBC boiler of capacity 200 TPH is near completion . This boiler has higher efficiency than AFBC boiler, presently in operation . This boiler is equipped with Variable frequency drives to reduce energy consumption at Soda ash division.
2. High speed rotary drum filter is installed . It will help in reducing energy consumption in calciner at Soda Ash division.
3. Installation of energy efficient Nano plant of capacity 200 M3/Hr at Soda Ash unit.
4. TCS has been engaged for feasibility study for putting up software to establish comprehensive Energy Management System at Soda ash unit .
5. Two Mega Watt Solar project is being implemented for producing Green power at Paravai and Manaparai Unit.
6. Installation of Variable Frequency Drive is proposed for reduction of energy consumption at Manaparia Unit.
7. Installation of Energy Efficient Transformer at Manaparai Unit.
8. Steam thermo dynamic (TD) traps connected to make up water tank to save water at Home Textile unit.
9. Work started for 66KV power supply from Gujarat government grid for better power availability & quality at Textile Unit.

B. POWER & FUEL CONSUMED

	Year ended March 31,2019	Year ended March 31,2018
1 Electricity		
(i) Purchased Units (crores kwh)	**10.09**	7.10
Total amount (INR crores)	**72.98**	50.24
Rate per Unit (INR)	**7.24**	7.08
(ii) Own Generation		
(a) Through DG		
Units (crores kwh)	**0.77**	1.77
Units per ltr of Diesel Oil	**4.06**	4.32
Cost per Unit (INR)	**9.21**	6.64
(b) Through GTG		
Units (crores kwh)	**0.66**	0.56
Units per SCM of Gas	**0.04**	3.78
Cost per Unit (INR)	**10.18**	10.90
(c) Through TG		
Units (crores kwh)	**25.36**	24.39
Cost per Unit (INR)	**3.45**	3.18
(b) Through Windmill		
Units (crores kwh)	**4.66**	5.39
Total amount (INR crores)	**17.14**	13.61
Rate per Unit (INR)	**3.68**	2.52

	Year ended March 31,2019	Year ended March 31,2018
Coal		
Quantity (MT)	**2,99,787**	3,05,149
Total Cost (INR crores)	**264.25**	205.74
Average Rate (INR/MT)	**8,815**	6,742
Lignite		
Quantity (MT)	**1,96,960**	1,67,100
Total Cost (INR crores)	**70.37**	58.40
Average Rate (INR/MT)	**3,573**	3,495
Petroleum Coke		
Quantity (MT)	**47,010**	31,914
Total Cost (INR crores)	**45.88**	25.97
Average Rate (INR/MT)	**9,760**	8,136

Consumption per Unit of Production

		Electricity (kwh/MT)	
	Production (MT)	Year ended March 31, 2019	Year ended March 31, 2018
Soda Ash	9,72,288	**266.87**	263.77
Salt	46,624	**23.58**	26.91
Yarn	28,754	**4.01**	4.52
Cloth (Fabric '000 Meters)	33,038	**1.20**	1.41
Coal -Soda Ash (MT/MT)	9,72,288	**0.28**	0.31
Lignite - Soda Ash (MT/MT)	9,72,288	**0.20**	0.17
Petroleum Coke - Soda Ash (MT/MT)	9,72,288	**0.05**	0.03

C. TECHNOLOGY ABSORPTION

1 Research & Development

a) Alternative route for manufacture of sodium carbonate:

We have engaged an professional agency to carry out research work to develop an alternative route for manufacture of soda ash using selective catalytic conversion technology considering scarce availability of quality raw materials.

b) Carbonation towers with 60 % higher capacity :

Technical know how has been taken from overseas expert agency to install carbonation towers of 60 % higher capacity with latest technology in the existing configuration.

c) Alternative brine purification method :

Project to develop process for purifying raw brine without use of soda ash is going on and research partner has identified some adsorbent and work on same is going on.

2 Future Action Plan

Plan to add one more high speed rotary drum filter 800TPD in next year which will result into reduction in steam consumption in calciner at Soda Ash Unit.

3 Technology - Absorption, Adoption and Innovation

a) The carbonation tower with higher 60% higher capacity ,from overseas expert agency, is being adopted and towers are already ordered.

4 Information Regarding Technology imported during last three year

High speed filter technology from M/S Andritz Germany

D. FOREIGN EXCHANGE EARNING AND OUTGO

	For the Year Ended 31st March, 2019 (INR in Crores)	For the Year Ended 31st March, 2018 (INR in Crores)
Earnings	569.73	587.12
Outgo (Includes CIF value of imports)	697.62	563.31

MANAGEMENT DISCUSSION AND ANALYSIS 2019

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. This report is prepared on the basis of public information available on website / report / articles etc. of various institutions such as United Nations, PWC, IMF, World Bank, Government, and Moody’s etc. 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, 2019 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 last financial year, 2018, was a year of two halves. The annual global growth in the first half clocked in at 4% before decelerating in the second half. While global economic indicators remain largely favourable, concerns have been raised over the sustainability of global economic growth in the face of rising financial, social and environmental challenges. The International Monetary Fund (IMF) in its World Economic Outlook of January 2019 has highlighted a weakening global expansion in 2019. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage points below IMF’s October 2018 projections. Morgan Stanley research economists are also projecting the base case for the year 2019 to fluctuate around these trend lines, gearing down the overall growth to about 3.6%.

Therefore, outlook for the global economy from various sources for 2019 shows clear indications of GDP growth slowdown in aggregate terms, and in most major economies, including the US. In the US, growth is expected to decline to 2.5 percent in 2019 and soften further to 1.8 percent in 2020 with the unwinding of fiscal stimulus and as the federal funds rate temporarily overshoots the neutral rate of interest. Concerns about a US government shutdown during the second half of 2018 had a dampening effect on the economy and also contributed to the decline in equity prices.

Slowdown is expected for developed economies in Europe due to several emerging factors and uncertainties. Introduction of new automobile fuel emission standards and subdued foreign demand have reduced growth momentum in Germany. Italy is facing concerns about sovereign and financial risks which have weighed on domestic demand and also weakened financial market sentiment. France has been reeling under the negative impact of street protests and industrial action. A “no-deal” withdrawal of the United Kingdom from the European Union (EU) is expected to have significant impact on the UK economy and the EU may also be impacted.

For emerging markets and developing economy group, growth is expected to tick down to 4.5 percent in 2019 (from 4.6 percent in 2018), before improving to 4.9 percent in 2020. Growth in emerging and developing Asia will dip from 6.5 percent in 2018 to 6.3 percent in 2019 and 6.4 percent in 2020. Overall, the growth trajectory remains relatively strong, which can be attributed to robust domestic demand conditions. China’s long-term economic slowdown is set to continue in 2019-20, but its overall contribution to the global economy will remain substantial. The trade conflict with the US, which escalated towards the end of 2018 would result in the Chinese government introducing stimulus measures to support the domestic economy. This could delay the progress in debt restructuring and deleveraging the economy. A growth slowdown to 6.3% is expected in 2019, with a further reduction to 6.2% in 2020.

Crude oil prices have been volatile since August 2018, reflecting supply influences, including US policy on Iranian oil exports and fears of softening global demand. Oil prices surpassed $80 in early October 2018, their highest level since November 2014. However, the US administration issued waivers that allowed several major importing countries to continue importing crude oil from Iran and increased its crude oil production to record levels. Other major producers like Canada, Iraq, Russia, and Saudi Arabia also produced at high levels, leading to a correction in prices. Oil producers’ cuts, coupled with unplanned outages supported oil prices, which rebounded to above $60 in February. Baseline assumptions based on futures prices, suggest average annual prices of $59.2 a barrel in 2019 i.e. a decrease of 13.4 percent from the 2018 average and $59.0 a barrel in 2020 for the IMF’s average petroleum spot prices. On account of the lower than expected rise in oil prices, India’s economy is poised to pick up in 2019.

Domestic Economy Overview

After expanding by 7.4 percent in 2018, the Indian economy is expected to register a growth of 7.6% and 7.4% in the years 2019 and 2020, respectively, thus retaining the distinction of being the fastest growing major economy. This growth continues to be supported by robust private consumption, a more expansionary fiscal stance and benefits from previous reforms. While the government spending announced in the interim budget for 2019 would support near-term growth, it runs the risk of crowding-out private investments. Thus, medium-term growth rests upon a robust and sustained recovery of private investment. The World Bank has stated that private investment in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

Rating agency Moody's has also provided similar forecast for India, predicting a growth rate of 7.3 per cent for 2019 and 2020. The agency stated that India is less exposed to a slowdown in global manufacturing trade growth than other major Asian economies and emerging markets and is poised to grow at a relatively stable pace in the next two years. Reacting to the Interim Budget for 2019-20 Moody's estimates a fiscal stimulus contribution of about 0.45 per cent of GDP on account of direct cash transfer programme for farmers and middle-class tax relief measures.

OECD (Organisation for Economic Co-operation and Development) forecasts growth rates of 7.3% in 2019 and 7.4% in 2020 for the Indian economy, which are in line with IMF and Moody's estimates. Though higher oil prices and rupee depreciation are putting pressure on demand, inflation, the current account and public finances, and structural reforms will aid business investment and exports. These reforms include the new Insolvency and Bankruptcy Code, smoother implementation of the Goods and Services Tax (GST), better roads and electricity and bank recapitalisation. OECD expects that US tariffs on Chinese imports could benefit India's exports particularly in the textile sector.

The interim Union Budget was announced on 1st February 2019 and the thrust areas of the budget were social infrastructure, ease of living and technology led governance aimed at inclusive and equitable growth. The salaried class will receive tax relief, which would lead to higher disposable incomes and Direct Benefit Transfer to farmers will also support rural demand. The Pradhan Mantri Shram-Yogi Maandhan Yojana will provide social security to a large number of marginal wage earners in the country. The Real Estate sector will see more activity on account of reforms in the sector and the allied sectors such as steel and cement will get a boost. However, these measures would have a strain on the finances of the government.

In the current fiscal, the government deficit was higher than planned, reflecting lower-than-expected revenues from telecom spectrum auctions and low dividends from public sector enterprises. The central government is budgeting a reduction in the fiscal deficit for next fiscal year. The economy is expected to go through a period of uncertainty on account of union elections in 2019. A stable government at the centre is expected to provide a boost to the economy and investments in Indian equity markets. In the past year, lot of investment has entered various sectors of the Indian economy. The manufacturing sector has benefitted greatly as evidenced from the Nikkei India Manufacturing Purchasing Managers' Index (PMI) standing at 53.2 in December 2018, and the rise in India's Index of Industrial Production (IIP) by 5.6% year-on-year in April-October 2018. While India is little short of achieving its target of 25 per cent GDP from manufacturing, more progress is expected on account of global leaders in the electronics and automotive sectors opening manufacturing facilities in the coming years.

Improving the ease of doing business, moving towards digital governance and a stable economy helps in attracting foreign direct investment. India has improved its ranking in terms of 'Ease of Doing Business' by leaping 23 spots over its 2018 ranking of 100. India is now ranked 77 among 190 countries in the 2019 edition of the World Bank's Doing Business Report. Credit rating company Moody's Investors Service had raised India's rating from the lowest investment grade of Baa3 to Baa2 last year. This rating has been retained in the current year on account of "High (+)" economic strength, reflecting the large scale and strong growth rate of the economy; "Moderate" institutional strength, reflecting progress toward economic reforms balanced by uncertain implementation of reforms; "Low" fiscal strength, underpinned by India's relatively high general government debt burden and low debt affordability; and "Moderate (-)" susceptibility to event risk, reflecting contingent liabilities from the banking sector, which is mostly government-owned and relatively weak due to high non-performing loans and limited capital adequacy.

COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS

- Revenue for the financial year ended 31st March 2019 is around INR 3384.72 Crore as against INR INR 2968.34 Crore for the previous Financial Year ended 31st March 2018.
- Profit before financial expenses and depreciation for the financial year ended 31st March 2019 is INR 783.72 Crore as compared to INR 649.17 Crore for the previous Financial Year ended 31st March 2018.
- PBT (Profit Before Tax) for the financial year ended 31st March, 2019 is at INR 541.11 Crore against INR 415.48 Crore for the previous Financial Year ended 31st March 2018.

DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

As per the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor are given below:

Sl. No.	Particulars	Current FY Year ended March 31, 2019	Previous FY ended March 31, 2018	Changes between current FY & Previous FY
1	Debtors Turnover	10.12	9.66	0.46
2	Inventory Turnover	2.31	2.28	0.03
3	Interest Coverage Ratio	23.51	21.56	1.95
4	Current Ratio	1.08	0.95	0.13
5	Debt Equity Ratio	1.05	1.23	(0.18)
6	Operating Profit Margin (%)	19.80	18.40	1.40
7	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	10.67	12.43	(1.76)
8	Return on Net Worth (%)	18.57	22.68	(4.11)
Note: Above ratios are based on the standalone financial statements of the Company.				

INORGANIC CHEMICALS (SODA ASH) GLOBAL SODA ASH INDUSTRY

DEMAND-SUPPLY SCENARIO

DEMAND

As per latest estimates of IHS Chemical (Market Advisory Service), the total Global Soda Ash capacity is around 69 million MT and demand is approximately 60 million MTs. Soda Ash demand remains stable and balanced in most global regions. While China witnessed a slowdown, demand in rest of the world saw a healthy growth. Overall global demand has shown moderate growth on the back of slowdown in China where demand slowed down by about 4% over the previous year. Other than China, global demand is estimated to have gone up by 2.8%.

SUPPLY

Turkey had established a new natural capacity of 2.5 Million MT last year and this facility is reportedly fully operational now. It is interesting to note that since last year Turkey has surpassed China as the second biggest soda ash exporter in the world, with the US maintaining the number one position. There are 3 producers of Soda Ash in Turkey, with a total nameplate capacity of 5.4 Million MT per year. Turkey's soda ash exports reached 3.5 Million MT, which is 88% up compared to last year and domestic consumption is estimated to be 1.1 Million MT, all this additional product is reportedly absorbed in the market.

In spite of increasing economic slowdown, China continues to be the largest Soda Ash producer in the world, having a capacity of around 31 million tpa, which is 45% of the global capacity. Post environmental restrictions, production is lower than previous year by 5%. As per IHS Chemical report, China's operating rates were around 83% in 2018, reporting a production of 25.8 million tpa (down 5% over last year level of 27 million mt). Domestic consumption 24.7 million tpa (down 4% against last year), with 1.4 million tpa being exported. Domestic demand slowed down due to closure of a few glass plants (a number of which have shifted to Malaysia). Analysts feel that China may remain balanced over a period of time, in effect capacity / production growth will remain in line with demand growth and exports may remain range bound at current low levels of 1.2 to 1.5 Million MT.

Soda Ash market in Europe has improved over the last year and is expected to remain stable and balanced for some time. Demand is reporting positive growth of around 2% and markets are balanced despite influx of higher volumes from Turkey.

US capacity was 13 million tpa in 2018, they produced around 12 million tpa of soda ash, and their annual production represents a 90% operating rate. The US production is down by 1% where as domestic demand for soda ash also saw a negative growth of around 1% versus 2017. The total domestic consumption was estimated at around 5 million tpa and they have exported around 7 million tpa. US exports are supported by good demand from South America, South East Asia (especially due to lower Chinese exports), Australia and parts of Europe. However, US continues facing competition from Turkey in their traditional markets of South East Asia & Asia Pacific owing to the natural freight advantage that Turkey enjoys over US however both have managed to find sufficient markets for their export bound products.

INDUSTRY OUTLOOK

Global

The world estimated 2018 distribution of soda ash by end use is as under;

Glass	53%
Detergent & Soap formulations	14%
Chemical	9%
Alumina /Metals and mining	6%
Pulp & Paper	1%
Others (Environmental Protection/ Effluent treatment etc.)	17%

INDIAN SCENARIO

The Indian economy is expected to accelerate in 2019-20 by plus 7% due to robust growth in private consumption. Most institutions and private economists have already predicted growth rate for India to be around 7 to 7.6%. As far as Domestic Soda Ash market is concerned, the demand has witnessed a growth of around 5% in FY 2018-19 as against last year. The upcoming fiscal should see stable demand for soda ash with the main drivers being a strong detergent and float glass sector followed by container glass, silicate and chemical sectors.

The Indian Soda Ash market constitutes to be 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 of Soda Ash in India is 4 million tons, with an estimated production of about 3.2 million tons in last financial year (2018-19). The total size of the Indian soda ash market is about 4 million tons and currently almost 23% of the Indian demand is being met by imports. 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 to the industry 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 producer of soda ash in India and is well poised to tap opportunities in both the detergents & the glass industries. The total soda ash business contributes about 65% of total standalone revenue of the company.

In India, the company has a significant advantage in maintaining tight control on cost of soda ash due to its captive sources of some raw materials i.e. 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.

During the year, GHCL has successfully completed its Brownfield Soda Ash capacity expansion and the current capacity of the Soda Ash is 1.10 Million tons as on March 31, 2019. The benefit of brownfield expansion was partially achieved in the quarter III and quarter IV of FY 2018-19 and the full benefit shall be available in FY 2019-20.

OPPORTUNITY AND CONCERNS

The Indian industry suffers from the weaknesses of concentration of 97% production capacity in Gujarat and the cost of transportation to markets in South and East India, which constitutes about 25% of the National consumption, is high when compared to the ocean freights of imported Soda Ash South from US/China/Kenya and Europe. Currently around 23% of the Indian demand is being met by cheap imports. Import price variance continues to be extremely high.

Our Brownfield expansion will propel growth for the company. 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

Fast moving consumer goods (FMCG) continue to be an important part of the Indian economy being the 4th largest sector with Food & Beverages Segment accounting for 19% of the sector. The sector is seeing an interesting phase where the increased rural consumption & performance of modern retail is unprecedented and is expected to touch US$ 100 billion by 2020. Products under natural category will stay to spring up due to strong shift in consumer preference to purchase natural, herbal & organic products. Online shopping will continue to grow in prominence largely due to the convenience it brings in the shopping experience. Also, this will be fueled by the rapid rise in internet users and 50% of the growth will be seen in rural internet users. FMCG firms are likely to allocate more budgets for digital marketing and approach with a customized digital strategy to cater to both urban and rural internet users.

Last year, Consumer Products Division (CPD) expanded its product portfolio and increased the number of Stock Keeping Units (SKUs) to more than 60 under the brand I-FLO. After yearlong efforts to improve market expansion and distribution, with the distribution channel relatively set, CPD is looking forward to consolidate its business in all operating locations. Consumers will be targeted with an integrated approach to marketing. Sales Operations will be strengthened by multiple digital initiatives planned for the year. Owing to these initiatives, CPD will be looking forward to achieving 30% Growth overall. Given the current trends and strategic efforts, Honey and Spices are expected to be the flagship categories driving home majority of the revenue. Additionally, Salt, as a category, is expected to grow by 15% in the forthcoming cycle.

The productivity of Thiruporur Salt Refinery unit was stabilized by implementing corrective measures. We have introduced a SECONDARY AUTOMATION LINE for the pouches packing in 25 kilo bags. In this secondary automation process, the pouches will no more be handled by shop-floor workers. Number of pouches can be programmed in the system depending on the SKUs. Shift production and day production can be taken directly from the system. All the conveyors and system components are made suitable for salt refinery units. Shop-floor work force required for secondary packing has been cut down by half due to the process change. The unit is certified for the recent version of ISO 9001 and accredited with “ISO 9001:2015”, “ISO 22000:2005” and “Halal certification” for Food Safety and Quality Management Systems.

TEXTILES – OUTLOOK & GROWTH

The global textiles market size was valued at USD 895 billion in 2017 and is expected to reach approximately USD 1,235 billion by 2025, according to a recent study conducted by Grand View Research, Inc. Rising disposable incomes, urbanization and population growth in emerging economies including China, India and Mexico are factors that are expected to play an important role in driving consumerism and unprecedented demand for textile products.

At an overall level, the retail industry, especially in the USA has been ridden with several problems lately. The mindset of the millennial customer is such that experience matters more than the possession of material goods. The share of the wallet spend on Textiles is hence dwindling, in favour of travel and tourism, for instance. Online retail is clearly the preferred channel of choice for the millennials and companies like Amazon are giving established retailers sleepless nights. Department stores are struggling to keep up the validity of their existence, with the format itself facing redundancy, thanks to the mushrooming of a plethora of specialty stores. Major iconic retailers such as Sears, Toys R Us and Bon Ton have gone under and others such as JCPenney seem to be hanging precariously for survival. The fact that retailers on an overall level are struggling with their margins and the fact that the purchase pie is shrinking (and the supply base is broadly expanding), suppliers are faced with very tight pricing requirements. Making an entry into retailers’ supplier base under these circumstances has become extremely difficult and the need for a strong competitive advantage has never been more accentuated.

The domestic textile industry in India is projected to reach US$ 250 billion by 2019 as per recent IBEF (India Brand Equity Foundation) report from US$ 150 billion in July 2017. Rising per capita income, favourable demographics and a shift in preference to branded products are likely to boost demand. Textile and apparel exports from India is expected to increase to US$ 82 billion by 2021 from US$ 37 billion in 2017.

GHCL - TEXTILES

GHCL has integrated textile manufacturing facilities centering around Spinning on one hand with 1.85 Lakh spindles and 3320 rotors and Home Textiles (Weaving, Processing and Cut & Sew of Bed Textiles) on the other. The state-of-the art Home Textiles facility in Vapi, Gujarat comprises of 190 Air Jet looms, 45 million meter of wide width processing capacity, 12 million meter of weaving capacity and 30 million meter of cut & sew.

The Company has been continuing to work on strengthening its marketing, product development and operating teams. It has consolidated its focus to fewer, meaningful customers and has ceased work with small customers who did not adhere to defined Minimum Order Quantities and were spread in isolated, non- strategic geographies.

The strategic focus of the company continues to revolve around sustainability, traceability, innovation and giving back to society. These areas are clearly becoming the company’s competitive advantage, and are likely to see a huge improvement in the proliferation of business across geographies, with better margins, in times to come.

The Company has taken a very clear leadership position on sustainability across global home furnishing manufacturers. In the previous year, the company had launched two unique bedding brands focusing on sustainability – REKOOP, made using recycled polyester from post-consumer PET bottles, with forensic tagging by Applied DNA Sciences, USA, to secure provenance and traceability across the supply chain and CIRKULARITY, a brand that supports the Circular Economy and focusses on the 3 R’s – Reduce, Reuse and Recycle. The 8 collections under this brand use sustainable fiber such as Lenzing’s TENCEL and REFIBRA, recycled polyester, more sustainable cotton – BCI, Organic and Cotton Leads.

In March 2019, the Company has launched a unique brand of bedding that promotes "health and wellness", called MEDITASI. This brand has 9 ranges that center around thermal regulation, moisture management, radiation control, athletic recovery and aromatic infusions. In keeping with our penchant for sustainability, fibers such as Kapok and Cupro, which are sustainable, have been used in the development of this range.

Another major initiative by the company which has also been launched in March 2019, is 100% traceable Egyptian Cotton called NILE HARVEST. This unique initiative is a result of the proven IntegriTEX technology of Tailorlux Gmbh in Germany, where machine readable optical fibers are injected in the cotton at the ginning stage and stay on till the final product is in stores overseas. The traceability management is done through a cloud based IoT mechanism. This technology proves the origin of the ultra-luxurious Egyptian Cotton, which has in the past been very difficult to do and secures its presence all across the supply chain.

GHCL has also stepped up its focus on the Dot Com business in the US and is working with major sites retailers like Amazon, Walmart, J C Penney etc. The company has launched its own Dot Com brand called AURAA, which sells primarily on Amazon and is getting good reviews and ratings.

The company is repeatedly getting accolades for its consistent work on innovation, sustainability and traceability. This competitive edge and the plethora of new products, will beyond doubt help the company to grow its revenue and profitability, the latter being the key focus of the company.

GHCL's yarn division has started producing value added yarn and is catering to niche markets both domestic and international. Many specialized products are produced against tailor-made application (specialized yarn) which will help to position this division in upper segment in near future. Our product basket increased to multifold which helps to cater to different applications to maintain the sustainability. The division is bench marking to use 90% sustainable cotton over a period of time.

The Revenue of Textiles division is at INR 1202 Crores during the financial year 2018-19 against INR 1046 Crores in 2017-18.

OPPORTUNITIES, THREATS AND RISK MITIGANTS

At GHCL, our strengths revolve around our penchant for innovation and consistent product development with the aim of creating a clear differentiation from competition, our strong passion for sustainability and the circular economy, our thought leadership in creating intellectual property and our ability to partner with multiple agencies to realise our four pillar strategy. Our key weakness at this point in time is the limited breadth of our product basket and our lack of diversification within the realm of Home Textiles. We are actively evaluating the possibility of moving into the manufacture of related product categories and hence meaning more to end customers by offering a 'one stop shop' opportunity. The opportunity of a shift in the country of origin strategy is something that could benefit us substantially, as retailers explore business migration from countries like China and Pakistan into India, because of uncertainty with regard to trade policies and unfavourable geo-politics respectively. The risk of foreign exchange fluctuations is a reality in this business, but with the robust mechanics of our treasury department, we are able to take proactive steps to mitigate potential risks.

INTERNAL CONTROLS AND RISK MANAGEMENT

GHCL Limited has a well-established framework of internal controls across all the businesses and in all the areas of its operations. The Company has adequate monitoring procedures and has appointed competent personnel to safeguard its assets, protect loss from unauthorized use or disposition ensuring reliably authorized, accurately recorded and transparently reported transactions. Establishment of highly efficient management information and reporting systems combined with robust corporate policies form the overall control mechanisms.

The Company conducts its business with integrity, high standards of ethical behaviour and in compliance with all applicable laws and regulations that govern its business. To supplement the internal control mechanism, the Company has appointed an external independent internal audit agency to carry out concurrent internal audit at all its locations. The Audit Committee of the Board of Directors reviews the internal control systems on a regular basis to improve their effectiveness besides verifying statutory compliances. 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 address weaknesses of the system. The statutory audits are conducted by globally recognized 'Big 4' audit agencies to ensure that the company's practices are in line with global best-practices. A compliance management tool has also been adopted recently to ensure timely compliance with legal, financial, environmental, labour and other relevant regulations.

At GHCL, Risk Management and Internal Audit functions complement each other to form an elaborate risk management system that evaluates the efficacy of the framework relating to risk identification and mitigation. The Company strives to adopt a de-risking strategy in its operations while making growth investments. This involves setting up and monitoring risks on a regular basis. GHCL 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. Each risk is provided with different number of control measures depending upon its potential impact and probability of occurrence. The risk management framework incorporates both financial and non-financial risks, as explained in the section on "Risks and Opportunities" on page 15.

HUMAN CAPITAL MANAGEMENT IN GHCL

Human Capital Management has always been a key focus area for GHCL Limited. It is our firm belief that nurturing and strengthening the human resource or human capital is of utmost importance. Therefore, the HR function plays a critical role in creating a unique organisational structure and corporate identity for the Company through various initiatives, incentives and learning and development programmes. Good human resource is vital for the success of any business, therefore GHCL regularly revisits its policies and practices to ensure that they comply with the values of the Company and can be benchmarked against the leaders in the industry. For more details on Human Capital Management at GHCL, refer to 'Human Capital' section on page 50 of the report.

CSR Initiatives

GHCL Limited continues to remain focused on positively impacting the society, particularly in the region of its operations to establish social license to operate and ensure a harmonious relationship with local stakeholders. The GHCL Foundation along with its NGO partners plays a pivotal role in strategically planning and systematically executing our CSR initiatives. For more details on Corporate Social Responsibility at GHCL Limited, refer to 'Social & Relationship Capital' section on page 58 of the report.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

(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) and other applicable laws.

Role and responsibilities of Board of Directors is also extended towards strengthening of CSR activities and sustainability of the business. In addition to the above, Board is also responsible for the following:

(i) To play an oversight role with an objective to ensure that companies have systems in place to effectively manage key risks, including the potential for reputational harm and legal liability associated with adverse social and environmental impacts.

(ii) To establish and reinforce an overarching set of expectations with regard to the short- and long-term management of social and environmental risks.

(iii) To make strategies on CSR and developing framework for its implantation.

(iv) To ensure that the executive management has complied with the applicable statutory compliances related to CSR and other applicable laws.

2.1 Composition

The Composition of the Board as on March 31, 2019 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2019			
Category	**Name of Directors**	**No. of Directors**	**% of total number of Directors**
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	30.00%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalmia		
Non - Executive - Independent Director	Mrs. Vijaylaxmi Joshi	5	50.00%
	Mr. K C Jani		
	Mr. G. C. Srivastava		
	Mr. Mahesh Kumar Kheria		
	Mr. Lavanya Rastogi		
Managing Director / Executive Director	Mr. R S Jalan – Managing Director	2	20.00%
	Mr. Raman Chopra – CFO & Executive Director (Finance)		
	TOTAL NO. OF DIRECTORS	**10**	**100%**

Note:

1. During the year, Dr. B. C. Jain (age around 80 years), one of the independent director of the Company, had resigned from the directorship of the company with effect from July 18, 2018, due to his health conditions.
2. The tenure of directorship of Mr. Mahesh Kumar Kheria and Mr. G. C. Srivastava, Independent directors, have been completed on March 31, 2019.

3. During the year, the shareholders by passing ordinary resolutions through Postal Ballot / e-voting, appointed three new independent directors i.e. Mr Arun Kumar Jain (Ex-IRS), Dr. Manoj Vaish and Justice Ravindra Singh, as Non-Executive Independent Directors of the Company, for a term of 5 consecutive years with effect from April 1, 2019 and for a term upto March 31, 2024.

4. Pursuant to the requirement of Regulation 17 (1A) of the Listing Regulations and other applicable provisions, the shareholders by passing special resolution through Postal Ballot / e-voting, accorded their approval for continuation of directorship of Mr. Sanjay Dalmia, as Non-Executive Director and Chairman of the Company liable to retire by rotation with effect from April 1, 2019 notwithstanding that Mr. Sanjay Dalmia attains the age of 75 years on March 17, 2019.

5. The shareholders by passing special resolution through Postal Ballot / e-voting, re-appointed Mr. Lavanya Rastogi, independent director of the Company, for a second term of 5 consecutive years with effect from April 1, 2019 and for a term upto March 31, 2024.

The Board of GHCL Limited is having an optimum combination of executive and non-executive directors and the Board consists of 10 Directors, 8 of whom are Non - Executive Directors including one woman independent director. 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 5 Independent Directors. All of the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

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, 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 on the agenda is permitted after obtaining permission of the Chairman of the meeting and with the concurrence of Independent Directors. During the financial year ended March 31, 2019, four Board Meetings were held on April 25, 2018, July 18, 2018, October 31, 2018 and January 21, 2019. 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, 2019 is given herein below:

SL. NO.	NAME	DATE OF BOARD MEETING & ATTENDANCE				AGM ATTENDANCE (MAY 31, 2018)
		APRIL 25, 2018	JULY 18, 2018	OCTOBER 31, 2018	JANUARY 21, 2019	
1	Mr. Sanjay Dalmia	Yes	Yes	Yes	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	No
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes
4	Dr. B C Jain	Yes	N/A	N/A	N/A	Yes
5	Mr. G. C. Srivastava	Yes	Yes	Yes	Yes	No
6	Mrs. Vijaylaxmi Joshi	Yes	Yes	Yes	Yes	No
7	Mr. Mahesh Kumar Kheria	Yes	Yes	Yes	Yes	No
8	Shri K C Jani	Yes	Yes	Yes	Yes	Yes
9	Shri Lavanya Rastogi	Yes	Yes	Yes	Yes	No
10	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
11	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. During the year, Dr. B. C. Jain (age around 80 years), one of the independent director of the Company, had resigned from the directorship of the company with effect from July 18, 2018, due to his health conditions.

3. Mr. Neelabh Dalmia and Mr. R. S. Jalan, directors retiring by rotation and are eligible for re-appointment. 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, 2019 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	Mr. K C Jani	02535299	1	-	1
5	Mr. Mahesh Kumar Kheria	00161680	N/A	N/A	N/A
6	Mr. G. C. Srivastava	02194331	N/A	N/A	N/A
7	Mr. Lavanya Rastogi	01744049	-	-	-
8	Mrs. Vijaylaxmi Joshi	00032055	1	-	1
9	Mr. R S Jalan	00121260	-	-	-
10	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. Name of the listed companies (including the categories of directorship) in which any of the above directors is director, have been given under the Director's profile.

**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, 2019, 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 as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence". Accordingly, requirement of Section 149(6) of the Companies Act, 2013 read with Regulation 16(1) (b) & 25 (8) 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.

During the year, the Board of Directors accepted all the recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10 (j) of schedule V of the SEBI Listing Regulations.

2.2 Independent Directors' Meeting

During the year under review, the Independent Directors met on January 21, 2019, inter alia, to discuss:

(a) Evaluation of the performance of Non-Independent Directors and the Board of Directors & Committees as a whole;

(b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

(c) 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.

Apart from the above, the Independent Directors also discussed various aspect related to Independent Directors including Role and Responsibilities of Independent Directors. Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary presented detailed presentation on Role, Responsibility, Code of Conduct and other aspects for Independent Directors. Independent Directors act as a guide to the company and their roles broadly include improving corporate credibility and governance standards functioning as a watchdog, and playing a vital role in risk management.

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. He is a Non-executive Director of the Company since inception of the Company. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He has a vast knowledge and experience in field of entrepreneurship, leadership and business. He is Promoter of the Company and under his guidance, the Company has achieved a new heights in terms of excellent growth in business and profitability, return on the equity shares and serving the interests of all the stakeholders. Mr. Dalmia also guides the Board members for creating a balance between the economic, environmental and social objectives of the Company. Mr. Sanjay Dalmia 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 a member of the Project Committee of the Company.

Mr. Neelabh Dalmia:

Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Director of GHCL Limited. He holds a Master of Business Administration (MBA) and a Bachelors of Science in Business Administration majoring in Finance & Entrepreneurship from the Kelley School of Business at Indiana University, USA. He has been leading and strategically guiding the company's overall growth sustainably.

His experience includes setting up green-field projects from planning, investment to implementation and in mergers & acquisitions. He is today steering the group towards strategic investments in the business that will align with the company's long-term growth plans and create various opportunities for diversification and expansion. He has been a major contributor to initiate the company's move towards investing in captive green wind power in its portfolio and is looking further to enhance its green energy portfolio.

Mr. Neelabh Dalmia is a member of Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Project Committee and Banking and Operations Committee of the Company.

A passionate wildlife photographer, he spends his spare time traveling to India's forests with unique animal and bird habitats. His concern for the environment and the increasing inequity in Indian society led him to mentor and initiate GHCL's extensive corporate social responsibility (CSR) programmes. He thinks this will create immense value in the long run for the company via smoother functioning through local partnerships and generate tremendous economic and social value for the country.

Mr. Neelabh Dalmia is a Co-Chairman of the International Affairs Committee for ASEAN East Asia & Oceania of the PHD Chamber of Commerce and Industry (PHDCCI). PHDCCI is a leading Industry Chamber of India ever since its inception in 1905 and has been an active participant in the India growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country.

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. At present, Mr. Jani is a Director on the Board of HTL Limited, TFS Business Advisors India Pvt. Ltd. and a Non-official Director of National Housing Bank. He is also a member of the Audit Committee of HTL Limited and National Housing Bank. He is the Chairman of Nomination and Remuneration Committee and also a member of the Audit Committee of the Company.

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. Currently he is CEO of LV Futures Group - a diversified group with investments in areas of IT, Digital Media, Sports, Real Estate, Education & Health Care, headquartered in USA. In 2009, Academy for Global Business Advancement (AGBA) awarded him the "Distinguished Young Entrepreneur Award". He has been an 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 a Director on the Board and also a member of the Audit Committee of Adani Enterprises Limited. She is a member of the Audit Committee and also a member of Nomination and Remuneration Committee of the Company and Chairperson of CSR Committee. She does not hold any shares in the Company.

Mr. Arun Kumar Jain

Mr Arun Kumar Jain, Ex-IRS (DOB – January 4, 1956) and M. Sc., LL.B is a Non-Executive Independent Director of the Company, with effect from April 1, 2019. Mr. Jain is a retired Indian Revenue Service (IRS) and he had served in various posts under Department of Revenue including Chairman of Central Board of Direct Taxes. He is having a vast knowledge and experience in the field of taxation. With effect from April 1, 2019, Mr Arun Kumar Jain is appointed as the Chairman of the Stakeholders Relationship Committee and also a member of the Audit Committee and the Risk Management Committee of the Company. Mr. Jain is also the Ombudsperson to administer and effectively implement the "Whistle Blower Policy" of the Company.

At present, Mr. Jain is a Director on the Board of West End Housing Finance Ltd., M R Technofin Consultancy Pvt. Ltd., Electrotherm (India) Ltd. and West End Investment And Finance Consultancy Pvt. Ltd. Mr. Jain is also the Chairman of the Stakeholders' Relationship Committee of Electrotherm (India) Ltd. Mr. Jain is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.

Dr. Manoj Vaish

Dr. Manoj Vaish (DOB – May 24, 1961) is a Non-Executive Independent Director of the Company, with effect from April 1, 2019. Dr. Vaish is B.Com. (Hon.) from S.R.C.C. and M.B.A. (Major-Finance) from F.M.S., Delhi University and also Ph.D. He was awarded Dr. J. C. Ghosh Gold Medal for his MBA Examination. Dr. Vaish is having very rich experience of finance, forex and securities market and had served various organisations including BSE, Dun & Bradstreet, Deutsche Bank, NSDL Database Management Ltd. etc. He is also having good exposure of Financial Educations & Training, Sales & Marketing, Risk Management, Credit Ratings and e-governance etc.

Dr. Manoj Vaish is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is not a member or Chairman of any Board or Committee in any other listed Company. He does not hold any shares in the Company.

Justice Ravindra Singh

Justice Ravindra Singh (DOB – July 2, 1953) is a Non-Executive Independent Director of the Company, with effect from April 1, 2019. Justice Ravindra Singh is B.Sc. and LL. B. He was an Advocate in Allahabad and elevated as judge of Allahabad High Court in 2004 and retired on 01.07.2015. He was designated as Senior Advocate by Supreme Court of India on 31.08.2016. Justice Ravindra Singh is having very rich legal experience and an icon in the legal arena. With effect from April 1, 2019, Justice Ravindra Singh is a member of the Audit Committee of the Company.

Justice Ravindra Singh is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is not a member or Chairman of any Board or Committee in any other Company. He does not hold any shares in the Company.

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 and Risk Management 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 30 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, CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee and Risk Management 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, 2019, 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. 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. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary, whichever is lower including existing loans / advances / investments existing as on date w.e.f April 1, 2019.

v. 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, 2019, 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 till July 17, 2018	**Mrs. Vijaylaxmi Joshi**	**Mr. K C Jani – Chairman w.e.f. July 18, 2018**	**Mr. G C Srivastava**	**Mr. Mahesh Kumar Kheria**
Category	**Independent Director (Expertise in Finance, Banking & Accounting)**	**Independent Director - (Ex –IAS)**	**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					
April 25, 2018	Yes	Yes	Yes	Yes	N/A
July 18, 2018	N/A	Yes	Yes	Yes	Yes
October 31, 2018	N/A	Yes	Yes	Yes	Yes
January 21, 2019	N/A	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	No	Yes	No	No

Note:

1. Mr. Neelabh Dalmia, Non-Executive Director of the Company is permanent invitee to the Audit Committee. Managing Director, Executive Director (Finance), Statutory Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit Committee Meetings whenever required.

2. The Board of Directors had reconstituted the Audit Committee in their meeting held on July 18, 2018 and appointed Mr. K C Jani as Chairman of the Committee in place of Dr. B C Jain, who resigned on health ground and also appointed Mr. Mahesh Kumar Kheria as a member of the Committee.

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, then Chairman of the Audit Committee was a qualified Chartered Accountant and an expert in Finance, Banking and Accounting. He was present in the 35th Annual General Meeting held on May 31, 2018 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 is constituted as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2019, Nomination & Remuneration Committee comprises of three non-executive directors including two 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 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.

4. To devise a policy on diversity of Board of Directors.
5. To formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.
6. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Any other activities as per the requirement of Regulation 19 of the Listing Regulations and the Companies Act, 2013.

The Nomination and 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 and 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, 2019, the Nomination and Remuneration Committee met four times on April 25, 2018, June 9, 2018, October 31, 2018 and January 21, 2019. The Nomination and 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, 2019				
	Name of the Nomination & Remuneration Committee Members			
	Mr. K C Jani – Chairman of the Committee	**Mr. Sanjay Dalmia**	**Dr. B C Jain**	**Mrs. Vijaylaxmi Joshi**
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 (Ex –IAS)**
Date of the Meeting				
April 25, 2018	Yes	Yes	Yes	N/A
June 9, 2018	Yes	Yes	No	N/A
October 31, 2018	Yes	Yes	N/A	Yes
January 21, 2019	Yes	Yes	N/A	Yes
Whether attended Last AGM (Yes/ No)	Yes	No	Yes	N/A

Note:

1. The Board of Directors had reconstituted the Nomination and Remuneration Committee in their meeting held on July 18, 2018 and appointed Mrs. Vijaylaxmi Joshi as a member of the Committee in place of outgoing director Dr. B C Jain.

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, 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 and 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.

During the financial year 2018-19, the Company paid sitting fees of INR 40,000 per meeting to the Non-Executive Directors for attending each meeting of the Board, Audit Committee, Nomination and Remuneration Committee, CSR Committee and Independent Directors meeting.

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 criteria:-

- Attendance and time spent in the board meeting, audit committee meeting, nomination & remuneration committee meeting, project committee meeting, CSR committee meeting and risk management 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, 2019 are given below:

Non-Whole time Directors		**(in Rupees)**
Name	**Sitting Fees**	**Commission**
Mr. Sanjay Dalmia	3,20,000	60,00,000
Mr. Anurag Dalmia	1,60,000	50,00,000
Mr. Neelabh Dalmia	2,40,000	40,00,000
Dr. B. C. Jain	1,20,000	7,00,000
Mr. G. C. Srivastava	3,60,000	25,00,000
Mrs. Vijaylaxmi Joshi	4,80,000	25,00,000
Mr. Mahesh Kumar Kheria	3,60,000	25,00,000
Mr. K C Jani	5,20,000	27,00,000
Mr. Lavanya Rastogi	2,00,000	25,00,000
TOTAL	**27,60,000**	**2,84,00,000**

Note: Commission payable to all 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.

Managing Director / Whole Time Director (in Rupees)			
Name	**Salary and other perquisites**	**Commission**	**Total**
Mr. R S Jalan, Managing Director	4,30,94,920	5,25,00,000	9,55,94,920
Mr. Raman Chopra, CFO & Executive Director (Finance)	2,32,54,672	3,10,00,000	5,42,54,672
Total	**6,62,54,672**	**8,35,00,000**	**14,97,54,672**

(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 three lakh Employees Stock Options and Mr. Raman Chopra is holding one lakh fifty thousand Employees Stock Options, which is yet to be exercised.

Performance Evaluation:

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of independent directors and the Board as a whole.

The performance of the independent directors was evaluated by the entire Board except the person being evaluation in their meeting held on January 21, 2019. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

A separate meeting of Independent Directors was held on January 21, 2019, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

The performance evaluation of the Board and its constituents was conducted on the basis of functions, responsibilities, competencies, strategy, tone at the top, risk identification and its control, diversity, and nature of business. A structured questionnaire was circulated to the members of the Board covering various aspects of the Board's functioning, Board culture, execution and performance of specific duties, professional obligations and governance. The questionnaire was designed to judge knowledge of directors, their independence while taking business decisions; their participation in formulation of business plans; their constructive engagement with colleagues and understanding the risk profile of the company, etc. In addition to the above, the chairman of the Board and / or committee is evaluated on the basis of their leadership, coordination and steering skills.

Thereafter, the Nomination and Remuneration Committee used to review the performance of individual Directors on the basis of their contribution as a member of the board or committee. The quantum of profit based commission, payable to directors is decided by the Nomination and Remuneration Committee on the basis of overall performance of individual directors.

(iii) Stakeholders Relationship Committee:

In line with the requirement of Section 178(6) of the Companies Act, 2013 read with Regulation 20(4) of the Listing Regulations, the Nomination and Remuneration Committee shall be responsible for following activities:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA).

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Board had constituted the Stakeholders Relationship Committee, which meets the requirement of Section 178(5) of the Companies Act, 2013 read with Regulation 20(2) & (2A) of the Listing Regulations. Further, due to the reason that tenure of directorship of Mr. Mahesh Kumar Kheria, Independent director and also Chairman of the Stakeholders Relationship Committee, has been completed on March 31, 2019. Hence, the Board have reconstituted the Stakeholders Relationship Committee by passing resolution through circulation, effective from April 1, 2019 and accordingly adequate intimation was given to the Stock Exchanges as per requirement of the Listing Regulations.

The Committee look into various aspects of the interest of the shareholders. 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 meetings of the Stakeholders Relationship Committee were held during the financial year ended March 31, 2019.

The composition of Committee as on March 31, 2019 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 14 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 14 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2019:

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2018	Total No. of Complaints received during the financial year ended March 31, 2019	Total No. of Complaints resolved during the financial year ended March 31, 2019	No. of Complaints pending as on March 31, 2019
1	Non-receipt of dividend	0	19	19	0
2	Share transfer including Demat request	0	19	19	0
3	Non receipt of Annual Report	0	0	0	0
	Total	**0**	**38**	**38**	**0**

Note: There is no complaint pending as on March 31, 2019. 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 apart from those that are disputed or sub–judice.

Mr. Bhuwneshwar Mishra, Sr. 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, 2019 is as under:

Sl. No.	Name	Status
1	Mr. Neelabh Dalmia –Director	Member
2	Mr. R S Jalan –Managing Director	Member
3	Mr. Raman Chopra –CFO & 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, 2019 is as under:

Sl. 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 & CSR activities

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 Board of Directors had reconstituted the CSR Committee in their meeting held on April 25, 2018 and appointed Mrs. Vijaylaxmi Joshi as the Chairperson of the Committee in place of Mr. Mahesh Kumar Kheria and Mr. Raman Chopra as a member of the Committee. However, Mr. Mahesh Kumar Kheria remains as a member of the Committee. Accordingly, adequate intimation was given to the Stock Exchanges. Further, due to the reason that tenure of directorship of Mr. Mahesh Kumar Kheria, Independent director and also a member of the CSR Committee, has been completed on March 31, 2019. Hence, the Board have reconstituted the CSR Committee by passing resolution through circulation, effective from April 1, 2019 and accordingly adequate intimation was given to the Stock Exchanges.

The Board of Directors of GHCL through CSR Committee / GHCL Foundation Trust / management is responsible for following CSR related activities:

- To approve CSR strategies, budgets, plans and corporate policies;
- To approve CSR's risk management strategy and frameworks and monitoring their effectiveness;
- Considering the social, ethical and environmental impact of CSR's activities and monitoring compliance with CSR's sustainability policies and practices;
- To review the CSR activities undertaken during the financial year;
- To review and modify the approved budget based on the progress report of GHCL Foundation Trust as recommended by CSR Committee from time to time;
- Inclusion and modification of CSR activities based on the survey conducted by the independent agency and impact assessment analysis with respect to CSR activities undertaken by the Company;
- To empower CSR committee and managing director for taken appropriate steps with an objective to achieve CSR goal determined by the Board;
- To ensure that company shall resect human rights concern throughout its operations and if required develop a framework for managing, mitigating and preventing adverse human rights impacts;
- Reconstitution of CSR Committee as and when required depending upon the vacancy in CSR Committee;
- To review of the progress report of CSR Activities;
- Giving of directions for effective implementation of CSR projects.

All CSR activities of GHCL Limited are carried out by a dedicated team engaged in our GHCL Foundation Trust and progress are monitored by the management every month. The CSR activities are carried out throughout year. The thrust areas are Water Resource, Sanitation, Health & Hygiene, Agro based livelihood, Animal Husbandry, Education, Women Empowerment, Skill development etc.

During the financial year ended March 31, 2019, the CSR Committee met twice on April 20, 2018 and October 29, 2018. The CSR Committee of the Board comprises of following five 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, 2019				
	Name of the CSR Committee Members				
	Mrs. Vijaylaxmi Joshi – Chairperson of the Committee	**Mr. Neelabh Dalmia**	**Mr. R S Jalan**	**Mr. Mahesh Kumar Kheria**	**Mr. Raman Chopra**
Category of Director	**Independent Director**	**Non-executive Director**	**Managing Director**	**Independent Director**	**CFO & Executive Director (Finance)**
Date of the Meeting					
April 20, 2018	N/A	Yes	Yes	Yes	N/A
October 29, 2018	Yes	Yes	Yes	Yes	Yes

Note:

1. The Board of Directors had reconstituted the CSR Committee in their meeting held on April 25, 2018 and appointed Mrs. Vijaylaxmi Joshi as Chairperson of the Committee and appointed Mr. Raman Chopra as a member of the Committee.

(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 as well as all the Key Managerial Personnel (KMP) was empowered by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the stock exchanges under Regulation 30 of the Listing Regulations.

The composition of the Compliance Committee as on March 31, 2019 is as under:

Sl. No.	**Name**		**Status**
1	Mr. R S Jalan	– Managing Director	Chairman
2	Mr. Neelabh Dalmia	– Non-executive Director	Member
3	Mr. Raman Chopra	– CFO & Executive Director (Finance)	Member
4	Mr. Bhuwneshwar Mishra	– Sr. General Manager & Company Secretary	Member

(viii) 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. Due to the reason that tenure of directorship of Mr. Mahesh Kumar Kheria, Independent director and also the Chairman of the Risk Management Committee, has been completed on March 31, 2019. Hence, the Board have reconstituted the Risk Management Committee by passing resolution through circulation, effective from April 1, 2019 and accordingly adequate intimation was given to the Stock Exchanges. 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, 2019 is as under:

Sl. 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

Risk Management Framework

Details of Risk management framework have been given under the Integrated Report.

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
2017-18	May 31, 2018	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2016-17	July 29, 2017	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2015-16	July 19, 2016	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
35th AGM	May 31, 2018	**(a)** Pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, special resolution was passed for authorisation to borrow money exceeding aggregate of the paid up capital and free reserves of the Company (i.e. not more than INR 2500 Crores). **(b)** Pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013, special resolution was passed for creation of charges or mortgages and hypothecations on Company properties in respect of above borrowings.
34th AGM	June 29, 2017	No Special Resolution
33rd AGM	July 19, 2016	No Special Resolution

(c) **Extraordinary General Meeting (EGM)**

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2018-19, 2017-18 and 2016-17.

(d) **Postal Ballot**

During the year, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, 2015, the Company had provided the facility of remote e-voting facility by CDSL and Postal Ballot for obtaining the approval of the Members of the Company by requisite majority for following five items:

Special Resolutions:

1. Approval for continuation of Directorship of Mr. Sanjay Dalmia (DIN: 00206992), Non-Executive Director and Chairman of the Company

2. Approval for re-appointment of Mr. Lavanya Rastogi (DIN: 01744049), as an Independent Director of the Company for second term of five years w.e.f April 1, 2019.

Ordinary Resolution:

3. Approval for appointment of Mr. Arun Kumar Jain, Ex-IRS (DIN: 07563704), as an Independent Director of the Company for a period of five years w.e.f. April 1, 2019.

4. Approval for appointment of Dr. Manoj Vaish (DIN: 00157082), as an Independent Director of the Company for a period of five years, w.e.f. April 1, 2019.

5. Approval for appointment of Justice Ravindra Singh (DIN: 08344852), as an Independent Director of the Company for a period of five years w.e.f. April 1, 2019.

The Company had sent the Postal Ballot Notice dated January 21, 2019 together with the Explanatory Statement, the postal ballot form and self-addressed envelope to the Members in the permitted mode. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Equity Shareholders on the cut-off date i.e. February 1, 2019.

The voting period for remote e-voting as well as postal ballot commenced at 9:00 a.m. on Monday, February 11, 2019 and ended at 5:00 p.m. on Tuesday, March 12, 2019 (inclusive of both days) and the CDSL e-voting platform was blocked thereafter.

The Board of Directors had appointed Dr. S Chandrasekaran (Membership No. F1644), Senior Partner and failing him, Mr. Rupesh Agarwal (Membership No. A16302), Managing Partner of M/s Chandrasekaran Associates, Company Secretaries as the Scrutinizer for conducting the Postal Ballot and Remote e-voting process thereto in accordance with the provisions of the Act and the Rules in a fair and transparent manner.

Based on the Scrutinizer's' report, all the five items of the business contained in the Postal Ballot Notice dated January 21, 2019 as mentioned above were approved by the shareholders with requisite majority.

The results were declared on March 14, 2019, and as per secretarial standard, for all the above resolutions of Postal Ballot "deemed date of passing of the resolutions" shall be March 12, 2019, which was the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

(e) Two Special Resolutions were passed in the 35th Annual General Meeting, with the requisite majority by combined result of the remote e-voting and voting at the AGM venue by 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, 2019 (Audited)**
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 19, 2018	November 1, 2018	January 22, 2019	April 26, 2019	April 26, 2019
		The Hindu - Business Line	July 19, 2018	November 1, 2018	January 22, 2019	April 26, 2019	April 26, 2019
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times – Gujarati	July 19, 2018	November 1, 2018	January 22, 2019	April 26, 2019	April 26, 2019
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, 2019 (Audited)**
	Name of Stock Exchange(s)	**Website Address**	**Date of Filing of Results**				
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 18, 2018	October 31, 2018	January 21, 2019	April 25, 2019	April 25, 2019
	BSE Limited (BSE)	www.bseindia.com	July 18, 2018	October 31, 2018	January 21, 2019	April 25, 2019	April 25, 2019
5	Presentation made to institutional investors or to the analysts	During the year under review, conference call and /or Investors meeting were facilitated on April 26, 2018, July 18, 2018, October 31, 2018 and January 22, 2019, 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, May 30, 2019	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, 2019)	By 2nd week of August 2019		
	Financial Reporting for - Quarter - II (ending September 30, 2019)	By 2nd week of November 2019		
	Financial Reporting for - Quarter - III (ending December 31, 2019)	By 2nd week of February 2020		
	Financial Reporting for - Quarter - IV (ending March 31, 2020)	By 4th week of May 2020		
	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, May 24, 2019 to Thursday, May 30, 2019 (both days inclusive)		
4	Dividend Payment Date	Dividend of INR 5.00 per share (i.e. 50% on the paid up capital) will be paid on or after Monday, June 3, 2019, if approved by the members in the ensuing Annual General Meeting		

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, 2019		
7	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083.Tel No: +91 22 49186270 Fax: +912249186060 (Email : rnt.helpdesk@linkintime.co.in)		

8 Outstanding GDRs / ADRs / Warrants or any convertible instruments:

Not applicable

9 Commodity price risk or foreign exchange risk and hedging activities:

As per the SEBI Circular dated November 15, 2018, disclosure regarding exposure of the Company to various commodities for the financial year ended on March 31, 2019, is as under:

a. Total exposure of the Company to commodities in INR: 89.10 Crore

b. Exposure of the Company to various commodities:

Commodity Name	Exposure INR in Crore	Exposure in Quantity terms (MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Cotton	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Coal	89.10	1,38,000	Nil	Nil	Nil	Nil	Nil

c.	Commodity risks faced by the listed entity during the year and how they have been managed	Senior management monitors commodity price risk and foreign exchange risk and based on the expert advice taken necessary step for its coverage / hedging as given below: **For Cotton**: Company has a very robust and well proven policies of cotton sourcing. Most of the cotton procurement is done at the beginning of the season which starts from October onwards every year and covers almost 70-80% of its yearly requirement during October – March period where the quality of the cotton is the best and prices are generally on the lower side. The Company has adequate working capital arrangements in place to adhere to the above policy of cotton procurement every year. **For Coal**: 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 vendors. 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.

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, L. B. S. Marg, Vikhroli (West), Mumbai 400083.Tel No:*** : +91 22 49186270 ***Fax: +91 22 49186060 (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)**

Sl. No.	Particulars	Details
11	**Dematerialization of Shares and Liquidity:** 97.32% of the Company's total equity shares representing 9,54,01,548 equity shares were held in dematerialized form as on March 31, 2019. After allotment of equity shares against Stock Option, total paid-up capital of the Company as on March 31, 2019 is 9,80,28,286 equity shares of INR 10 each. 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.	

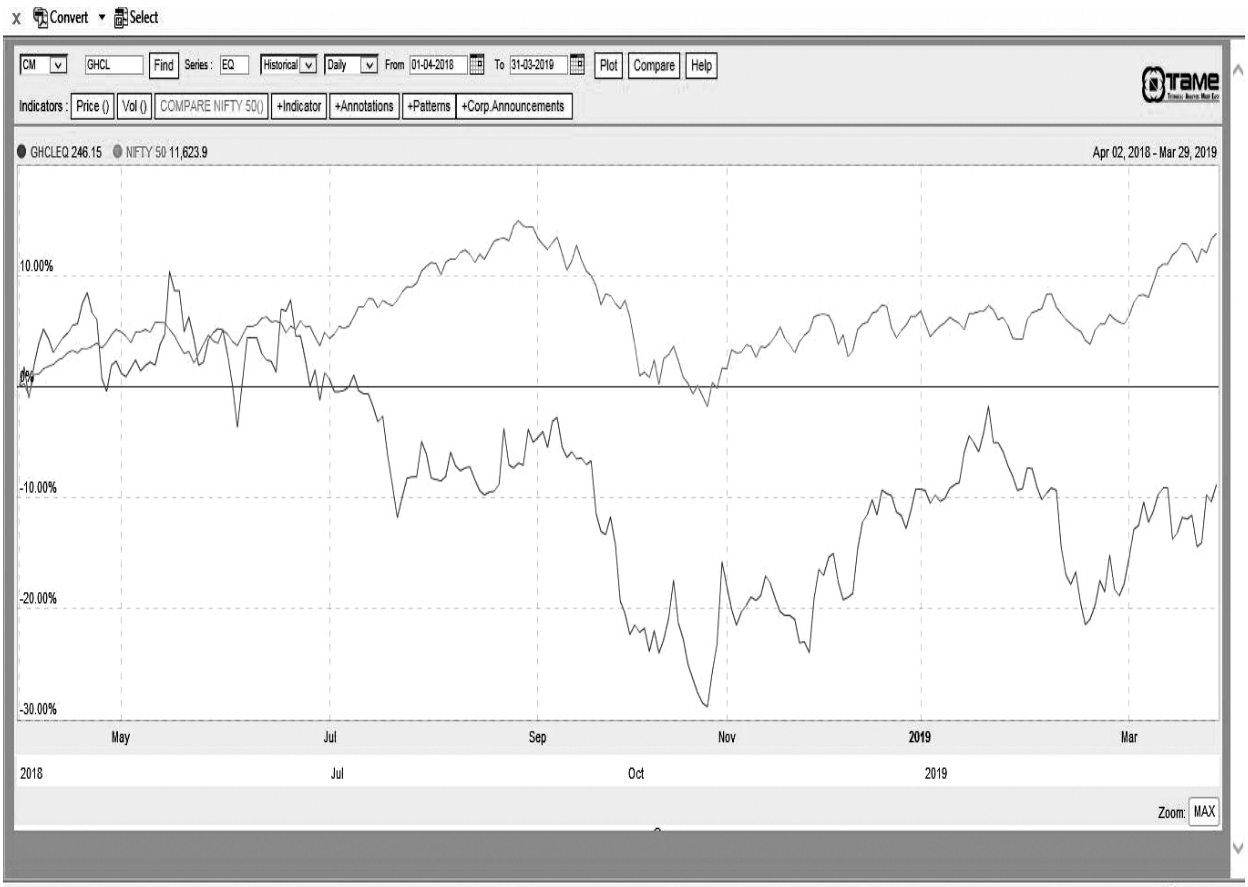
7. **Corporate Benefits to Shareholders**

Dividend declared for last 10 years		
Financial Year	**Dividend**	**Dividend (INR per Share)**
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
2016-17	50.00%	5.00*
2017-18	50.00%	5.00
*Interim dividend @ INR1.50 per share & Final dividend @ INR 3.50 per share.		
Equity share of paid up value of INR 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, 2019**

MARKET PRICE DATA						
Month of the financial year 2018-19	**BSE, MUMBAI**			**NSE, MUMBAI**		
	Share Price		**Traded Quantity**	**Share Price**		**Traded Quantity**
	High	**Low**		**High**	**Low**	
April 2018	299.35	262.40	5,77,167	299.70	261.00	51,05,125
May 2018	301.00	268.00	6,15,181	301.45	267.65	50,86,272
June 2018	297.10	258.15	3,64,359	297.90	258.00	35,26,215
July 2018	278.90	232.20	2,47,769	274.90	231.05	28,45,327
August 2018	268.45	241.00	7,54,643	268.80	242.80	38,32,484
September 2018	265.40	215.10	2,20,021	266.00	214.00	23,12,684
October 2018	243.00	189.50	3,71,269	230.95	189.00	35,15,299
November 2018	232.80	205.00	2,84,026	231.75	205.10	21,61,857
December 2018	252.00	214.05	2,07,990	253.00	213.45	21,41,443
January 2019	268.90	240.00	3,96,021	268.80	240.00	34,21,420
February 2019	252.50	209.60	2,90,248	252.45	208.45	18,21,318
March 2019	249.90	223.30	8,64,962	250.75	222.80	28,39,220

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, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, already transferred by the Company in favour of Investor Education and Protection Fund (IEPF). The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF. The Company had also uploaded the details of such shareholders and shares transferred to IEPF on the website of the Company at www.ghcl.co.in

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 2010-11 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 2010-11. 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 or have not received the same are requested to seek issue of duplicate warrant by writing to Link Intime India Private Limited confirming non – encashment / non - receipt of dividend warrant.

Financial Year	Date of Meeting	Due for T ransfer to IEPF
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
2016-17 (Interim Dividend)	31-01-2017	January 2024
2016-17 (Final Dividend)	29-06-2017	June 2024
2017-18	31-05-2018	May 2025

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2019					
No. of Shares held of INR 10 each between		**No. of shareholders**	**% of total shareholders**	**No. of shares**	**% of total shares**
From	To				
1	500	54100	90.09%	7027860	7.17%
501	1000	3130	5.21%	2627104	2.68%
1001	2000	1360	2.26%	2140605	2.18%
2001	3000	431	0.72%	1097720	1.12%
3001	4000	210	0.35%	757445	0.77%
4001	5000	189	0.32%	897490	0.92%
5001	10000	263	0.44%	1937922	1.98%
10001	Above	369	0.61%	81542140	83.18%
		60052	**100.00%**	**98028286**	**100.00**

SHAREHOLDING PATTERN AS ON 31ST MARCH 2019			
	Category	**No. of shares held**	**% of shareholding**
A	**Promoters & Promoters Group Holding**		
1	**Promoters**		
	Indian Promoters	12820488	13.08%
	Foreign Promoters	5507900	5.62%
2	**Others**		
	Trust	165000	0.17%
	Sub-Total	**18493388**	**18.87%**
B	**Non-promoters Holding**		
3	**Institutional Investors**		
	Mutual Funds	12070926	12.31%
	Banks, Financial Institutions	347785	0.36%
	Insurance Companies (including LIC)	3366423	3.43%
	Foreign Portfolio Investors (including FIIs)	15803961	16.12%
	Sub-Total	**31589095**	**32.22%**
4	**Non-institutional Investors**		
	Bodies Corporate	20567356	20.98%
	NBFC registered with RBI	143168	0.15%
	Indian public (Individuals & HUF)	24108200	24.59%
	NRIs & Foreign Companies	1484658	1.51%
	Government Companies (i.e. IEPF)	762710	0.78%
	Other Directors & relatives	410943	0.42%
	Others (Trusts & Clearing Members)	468768	0.48%
	Sub-Total	**47945803**	**48.91%**
	Grand Total	**98028286**	**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 Mines:	713/B, Deri Road, Near Diamond Chowk, Krishnanagar, Bhavnagar, Gujarat - 364001
Consumer Products Division - Salt Works & Refinery:	**(a)** 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 **(c)** Village: Kayathar, Distt.: Tuticorin, Tamilnadu.

List of all Credit Ratings (along with revisions) obtained by the Company during the financial year ended March 31, 2019:

The complete details on Credit Ratings obtained by the Company during the financial year ended March 31, 2019, are placed in the Board's Report under finance section.

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 Ind-AS. The particulars of transactions between the Company and the related parties for the year ended March 31, 2019, 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.

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. 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. Mr. Mahesh Kumar Kheria, Independent Director of the Company was Ombudsperson till March 31, 2019.

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. Further, due to the reason that tenure of directorship of Mr. Mahesh Kumar Kheria, Independent director and also member of the Audit Committee and Ombudsperson, has been completed on March 31, 2019. Hence, the Board have appointed Mr. Arun Kumar Jain as Ombudsperson, by passing resolution through circulation, effective from April 1, 2019 and accordingly adequate intimation was given to the Stock Exchanges.

The details of new Ombudsperson is given below:

Name: Mr. Arun Kumar Jain

Email ID: akjaincit@gmail.com

Mobile No.: 9428511559

Address: B-802, Prateek Stylhome, Sector-45, Noida, U.P., PIN-201303

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) read with Part E of Schedule II 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) **Shareholders' 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. The Company is in compliance of the requirement, Mr. Sanjay Dalmia is Non-executive Chairman and Mr. R S Jalan is Managing Director of the Company. However, as per the SEBI (LODR) (Amendment) Regulations, 2018, this clause has been omitted w.e.f. April 1, 2020.

(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.

12.6 Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under regulation 32(7A).

This clause is not applicable to the Company as the Company has not raised any funds through preferential allotment and /or QIP.

12.7 Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from Dr. S Chandrasekaran (Membership No. F1644), Senior Partner of M/s Chandrasekaran Associates, Company Secretaries, and also secretarial auditor of the Company, regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate from Dr. S Chandrasekaran, the secretarial auditor of the Company confirming compliance of this condition is attached to the Report on Corporate Governance.

12.8 Total fees for all services paid by GHCL Limited and its subsidiaries, on a consolidated basis, to S. R. Batliboi & Co. LLP and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2019, is as follows:

	Amount (INR in Crore)
Fees for audit and related services paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	1.13
Other fees paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.16
Total fees	1.29

12.9 The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

The Company is in compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

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*.

The Company has implemented automated track in system for effective administration and monitoring of trading by insiders in the shares of the Company. There is system generated report prepared by service provider after comparing with benepose report. Automatic email sent to respective employees for giving them instructions that they should not indulge in counter transaction within the prohibited time period.

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. Share Capital & Reconciliation of Share Capital Audit

During the year, Nomination and Remuneration Committee of the Company at its meetings held on June 9, 2018 and October 31, 2018 had allotted had allotted 5,85,000 and 20,000 equity shares of INR 10 each, respectively, against exercise of the Stock Options by the eligible employees of the Company. Consequently, after said allotment of equity shares, the issued & paid-up capital of the Company is INR 98,02,82,860/- comprising of 9,80,28,286 equity shares of INR 10/- each as on March 31, 2019.

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, 2019.

For GHCL LIMITED

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

Date: April 25, 2019

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, 2019 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 internal control system over financial reporting.

For GHCL LIMITED

R S Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director (Finance)
DIN: 00954190

Date: April 25, 2019

CERTIFICATE UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Date:

To,
The Members
GHCL Limited
GHCL House
Opp. Punjabi Hall Navrangpura
Ahmedabad, Gujrat 380009

Based on the disclosures/declarations received from Directors appointed on the Board of GHCL Limited ("Company") as on March 31, 2019, we hereby certified that as on March 31, 2019, none of the Directors on the Board of Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

For Chandrasekaran Associates
Company Secretaries

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

Date : April 4, 2019
Place : New Delhi

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 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, 2019. 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 3 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, 2019 and verified that at least one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held from April 1, 2018 to March 31,2019:

      (a) Board of Directors meeting;

      (b) Audit committee;

      (c) Annual General meeting;

      (d) Nomination and remuneration committee;

      (e) Stakeholders Relationship Committee;

      (f) Independent directors meeting; and

      (g) Risk management committee;

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

vi. Verified the fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

vii. 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.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 2 above.

Other matters and Restriction on Use

9. 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.

10. 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 compliance with the relevant regulations of Corporate Governance 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**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner
Membership Number: 086370
UDIN: 19086370AAAAAE3546

Place : New Delhi
Date : April 25, 2019

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

The Members
GHCL Limited
GHCL House
Opp. Punjabi Hall Navrangpura
Ahmedabad, 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, 2019 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, 2019 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 during the period

(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; Not Applicable during the period

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable during the period

(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;

(b) Legal Metrology Act, 2009 and 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 event which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

(a) Nomination and Remuneration Committee of the Company in their meeting held on June 09, 2018 has allotted 5,85,000 Equity Shares of INR 10/- each to its 42 (forty two) eligible employees (including thee KMPs) of the company against exercise of vested stock options pursuant to GHCL ESOS 2015 - Series 1 & 2;

(b) Nomination and Remuneration Committee of the Company in their meeting held on October 31, 2018 has allotted 20,000 Equity Shares of INR 10/- each to its 03 (three) eligible employees of the company against exercise of vested stock options pursuant to GHCL ESOS 2015 - Series 3.

Accordingly, the issued & paid up capital of the company stands increased from 9,74,23,286 Equity Shares of INR 10/- each to 9,80,28,286 Equity Shares of INR 10/- each.

For Chandrasekaran Associates
Company Secretaries

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

Date : 04.04.2019
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
Ahmedabad, Gujrat 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 : 04.04.2019
Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of GHCL Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
<u>Impairment assessment of home textile division</u> *(as described in note 3 of the standalone Ind AS financial statements)*	
Property, plant and equipment includes assets that are related to the integrated textile manufacturing facilities (at Tamil Nadu), Home Textiles facility (in Gujrat) and investments made in subsidiary to support the business hereafter collectively referred to as the "Home Textile Division or HT Division" with a carrying value amounting to Rs. 494 crores. Home Textile Division has incurred losses in the last two years, as a result the management has performed an impairment assessment as per the accounting policy stated in note 2.2.L to the standalone Ind AS financial statements. Our audit focused on this area because the assessment of recoverable value of the aforesaid assets of HT Division requires management to make a number of key judgements and estimates with respect to the future performance and profitability of the HT Division which involves judgements and estimates on future growth rates, discount rates, etc. Accordingly, Impairment assessment of the Company's Home Textile division has been considered as a key audit matter.	• Understood management and the board's controls over the assessment of the carrying value of HTD's property, plant and equipment to determine whether any asset impairment was required. • Together with our valuation specialists, we assessed the Company's valuation methodology applied in estimating the recoverable amount of the Company's Home Textile Division. • Together with our valuation specialists, we tested the assumptions around the key drivers of the cash flow forecasts , i.e. future growth rates, discount rates used. • Performed sensitivity analysis around the key assumptions used by management in impairment testing to understand the impact of reasonable changes in assumptions on the estimated recoverable amounts. • Assessed the disclosures included in the financial statements in note 3 to the standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition *(as described in note 2.2.c of the standalone Ind AS financial statements)*	
For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers amounting to 3,371.18 Crores. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer. The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period. Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual. Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred. Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.	Our audit procedures included the following: • Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates. • Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms. • To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods. • Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. • Performed monthly analytical procedures of revenue by streams to identify any unusual trends. • Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2018-19, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes 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, the 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) 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, as amended 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 34 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.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

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 property, plant and equipment.

(b) All property, plant & equipment 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 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, 2019 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loan to a subsidiary company 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 loans are not prejudicial to the company's interest.

(b) The Company has granted loan to a subsidiary covered in the register maintained under section 189 of the Companies Act 2013. The schedule of repayment of principal has been stipulated for the loans granted and the repayment are regular.

(c) There are no amount 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 loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(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, goods and service 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, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service 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 employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues ,on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Demand raised (Amount in Rs Crore)	Pre - Deposit (Amount in Rs Crore)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Differential duty on account of classification under different chapters of CETA	6.78	0.20	F.Y. 2012-13, 2014-15	Customs, Excise and Service tax Appellate Tribunal, Chennai & Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
	Denial of Import Eligibility	0.59	0.04	F.Y 2015-16	Principal Commissioners Customs- (Chennai-III)
Central Excise Act, 1944	Denial of service tax credit on ineligible services	3.68	1.54	F.Y 2004-2005, F.Y 2009-10, F.Y. 2011-12, F.Y. 2012-13	Dy. Commissioner, Junagadh & Commissioner, Bhavnagar
	Demand of excise duty on Fly Ash	0.23	0.02	F.Y 2015-2016, F.Y 2016-2017	Commissioner (Appeals), Rajkot
	Denial of CENVAT Credit & Non Payment of Service Tax, changes in classification of duty rate, short reversal of CENVAT credit on goods under duty drawback scheme	66.58	5.01	F.Y. 2005-06 & F.Y 2015-16	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Denial of service tax credit on foreign services	1.29	0.10	2005-2006	Customs, Excise and Service Tax Appellate Tribunal, Delhi
	Denial of cenvat credit on capital goods and others	0.03	-	2001-2002	Hon'ble High Court, Chennai
The Employee's State Insurance Act, 1948	Contribution Demand	0.03	-	1989-2002	ESI Court, Madurai
	Contribution Demand	0.01	-	1985-1986	Hon'ble Supreme Court of India
Income Tax Act	Disallowance of write off of loans to subsidiaries and interest thereon, corporate guarantees encashed by third parties on subsidiaries' s behalf, foreign sales commission, service income of subsidiaries and disallowances under section 14A	154.65	-	F.Y 2008-09 to FY 2013-14	ITAT Ahmedabad
	Disallowances under section 80HHC and section 14A	0.20	-	FY 2000-2001	Hon'ble High Court, Gujarat
Gujarat Sales Tax Act, 1969	Disallowance of Set off of Sales Tax	0.02	-	FY 2002-2003	VAT Tribunal, Ahmedabad
		0.02	-	FY 2003-2004	Joint Comm. (Audit), Ahmedabad

According to the information and explanations given to us, there are no dues of Provident Fund, service tax, value added tax, goods and service 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 by 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**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

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 ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(INR in crores)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,576.92	2,486.37
(b) Capital work-in-progress	3	113.64	73.00
(c) Other Intangible assets	4	4.56	5.18
(d) Intangible assets under development		3.82	0.51
(e) Investment in subsidiaries	5(a)	34.97	0.04
(f) Financial assets			
(i) Investments	5(b)	11.59	10.28
(ii) Loans	6(a)	11.45	13.25
(iii) Other non-current financial assets	6(b)	-	0.01
(g) Other-non current assets	7	24.37	30.51
(2) Current assets			
(a) Inventories	8	668.26	587.88
(b) Financial assets			
(i) Trade receivables	9	380.23	285.56
(ii) Cash and cash equivalents	10	4.44	9.01
(iii) Bank balances other than cash and cash equivalents	10A	23.32	15.23
(iv) Other current financial asset	11	0.50	2.06
(v) Loans	11A	4.86	3.49
(vi) Foreign exchange forward contracts		2.26	5.17
(c) Current tax assets (net)	12	-	20.21
(d) Other current assets	13	99.18	76.98
		3,964.37	3,624.74
(3) Asset classified as held for sale	3	39.23	-
Total assets		**4,003.60**	**3,624.74**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	98.03	97.42
(b) Other equity	15	1,853.92	1,524.52
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16 (a)	701.35	744.33
(b) Provisions	17(a)	6.15	6.33
(c) Deferred tax liabilities (net)	12	253.00	194.95
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16(b)	398.86	399.76
(ii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		14.83	1.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		369.44	380.55
(iii) Other financial liabilities	19	254.55	228.11
(b) Other current liabilities	20	29.00	31.80
(c) Provisions	17(b)	15.13	15.08
(d) Current tax liabilities (net)	12	9.34	-
Total equity and liabilities		**4,003.60**	**3,624.74**

The accompanying notes are Internal 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(INR in crores)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from operations	21	3,371.18	2,932.59
Other income	22	13.54	35.75
Total Income		**3,384.72**	**2,968.34**
Expenses			
Cost of raw materials consumed	23	1,246.46	1,100.08
Purchase of stock in trade		237.17	125.54
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(31.77)	23.62
Excise duty on sale of goods		-	50.87
Employee benefit expenses	25	200.91	176.37
Depreciation and amortization expense	26	116.29	109.53
Finance costs	27	126.32	124.16
Other expenses	28	948.23	842.69
Total expenses		**2,843.61**	**2,552.86**
Profit before tax		**541.11**	**415.48**
Tax expense:			
Current tax		153.84	106.76
Less: Tax adjustment for Earlier years (Refer Note 12)		0.84	(89.81)
Deferred tax		25.40	34.02
Total tax expense		**180.08**	**50.97**
Profit for the year		**361.03**	**364.51**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		0.63	3.18
Income tax effect		(0.22)	(1.10)
Re-measurement of investment in equity		1.23	1.40
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	29	**1.64**	**3.48**
Total comprehensive income for the year, net of tax		**362.67**	**367.99**
Earnings per equity share (nominal value of shares INR 10 each) (Previous year INR 10 each)	30		
Basic (INR)		36.88	37.32
Diluted (INR)		36.56	37.08

The accompanying notes are Internal 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2019

(INR in crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Operating activities		
Profit before tax	541.11	415.48
Adjustments for:		
Depreciation and amortisation expense	116.29	109.53
Profit on sale of investments	(0.72)	(0.18)
Loss/(gain) on sale of PPE	(0.41)	0.40
Interest income	(1.19)	(2.42)
Finance cost	125.01	124.16
Income from dividend	(0.05)	(0.05)
Employees share based payments	19.90	3.51
Unrealised exchange (gain)/loss	(7.36)	7.94
Operating profit/(loss) before working capital changes	**792.58**	**658.37**
Movement in working capital		
(Increase)/decrease in trade receivables	(90.13)	54.36
(Increase)/decrease in inventories	(80.38)	(78.64)
(Increase)/decrease in other current financial assets	3.10	8.54
(Increase)/decrease in other current assets	(21.57)	(4.97)
(Increase)/decrease in other non-current financial assets	1.81	1.90
(Increase)/decrease in other non-current assets	(0.32)	(0.25)
Increase/(decrease) in trade payables	(0.49)	48.33
Increase/(decrease) in other current financial liabilities	51.77	(68.64)
Increase/(decrease) in other current liabilities	(2.80)	18.21
Increase/(decrease) in provisions	(0.13)	(1.41)
Cash generated from operations	**653.44**	**635.80**
Direct taxes paid (net of refunds)	(92.70)	(71.43)
Net cash generated from operating activities	**560.74**	**564.37**
Cash flow from investing activities		
Purchase of PPE including CWIP and capital advances	(282.72)	(287.79)
Sale proceeds of PPE	9.77	6.05
Sales/ (Purchase) of Investment (Net)	(34.30)	0.07
Interest received	1.19	2.42
Dividend received	0.05	0.05
Net cash used in investing activities	**(306.01)**	**(279.20)**

(INR in crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	6.19	5.60
Buyback of equity share capital	-	(65.32)
Dividend paid	(48.75)	(34.20)
Dividend distribution tax paid	(10.01)	(6.95)
Proceeds from long-term borrowings	136.45	313.02
Repayment of long-term borrowings	(201.55)	(266.65)
Proceeds from short-term borrowings	(0.90)	(114.26)
Unpaid dividend account (Net)	(0.33)	(0.02)
Bank depsoit in escrow account and Margin Money	(7.76)	11.64
Interest paid	(132.64)	(124.16)
Net cash generated from financing activities	**(259.30)**	**(281.30)**
Net (decrease) / increase in cash and cash equivalents	**(4.57)**	**3.87**
Cash and cash equivalents at the beginning of the year	**9.01**	**5.14**
Cash and cash equivalents at the end of the year	**4.44**	**9.01**
Components of cash and cash equivalents		
Cash on hand	0.21	0.17
Balances with banks:		
- On current accounts	4.23	8.84
Total cash and cash equivalents (note 10)	**4.44**	**9.01**

Notes:

1. The 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 Internal 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(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, 2017	9.95	99.47
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.56
Changes in share capital- Shares buy back during the year (Refer note 14 on buy back)	(0.26)	(2.61)
Balance as at March 31, 2018	**9.75**	**97.42**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.61
Balance as at March 31, 2019	**9.81**	**98.03**

B. Other equity

	Reserves and Surplus							FVTOCI Reserve (H)	Total
	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium (D)	Retained earnings (E)	Share based payment reserve (F)	General reserve (G)		
Balance as at April 1, 2017	**7.57**	**73.89**	**10.55**	**4.30**	**1,044.48**	**5.75**	**98.16**	**7.15**	**1,251.85**
Reserve created on account of ESOS issued during the year	-	-	-	9.06	-	-	-	-	9.06
Reserve created on account of buy back during the year	-	-	2.61	-	-	-	(2.61)	-	-
Reserve utilised on account of buy back during the year	-	-	-	(4.30)	-	-	(58.42)	-	(62.72)
Profit for the year	-	-	-	-	364.51	-	-	-	364.51
Employee stock option scheme	-	-	-	-		(0.51)		-	(0.51)
Proposed Dividend	-	-	-	-	(34.20)	-	-	-	(34.20)
Dividend distribution tax	-	-	-	-	(6.95)	-	-	-	(6.95)
Other comprehensive income	-	-	-	-	2.08	-	-	1.40	3.48
Balance as at March 31, 2018	**7.57**	**73.89**	**13.16**	**9.06**	**1,369.92**	**5.24**	**37.13**	**8.55**	**1,524.52**
Reserve created on account of ESOS issued during the year	-	-	-	10.68	-	-	-	-	10.68
Profit for the year	-	-	-	-	361.03	-	-	-	361.03
Employee stock option scheme	-	-	-	-	-	14.80	-	-	14.80
Dividend paid	-	-	-	-	(48.74)	-	-	-	(48.74)
Dividend distribution tax	-	-	-	-	(10.01)	-	-	-	(10.01)
Other comprehensive income	-	-	-	-	0.41	-	-	1.23	1.64
Balance as at March 31, 2019	**7.57**	**73.89**	**13.16**	**19.74**	**1,672.61**	**20.04**	**37.13**	**9.78**	**1,853.92**

The accompanying notes are Internal 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 and sewing of home textiles products).

Information on related party relationships of the Company is provided in Note 33.

The financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 25th April 2019.

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 (as amended).

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 Company 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 from contracts with customers

The Company derives revenues primarily from sale of inorganic chemicals, textile and other products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 21 and disclosures of transition approach along with impact of adoption of Ind AS 115 on financial statements are provided in Note 2.2(x).

Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 45-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

The Company provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Critical judgements

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

d) **Other revenue streams**

Export Benefits

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme, Merchandise Export Incentive Scheme, Rebate of State Levies (ROSL), Rebate of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

State and Central Taxes and Levies (ROSCTL), and Focus Market Scheme are recognised on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme, Merchandise Export Incentive Scheme, ROSL, ROSCTL and Focus Market Scheme are recognised on shipment of direct exports.

Revenue from exports benefits measured at the fair value of 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.

e) Taxes

Current income tax

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

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.

f) Property, plant and equipment

Property, plant and equipment and capital work-in-progress is stated at net of CENVAT/goods & service tax (GST) 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
• Temporary structures	3 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

g) 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 comprising of computer software and trademark 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.

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.

h) Asset classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

i) 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.

j) Leases

The determination of whether an arrangement is 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.

k) 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 basis, except in case of cotton, for which cost is determined on specific cost basis.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses taking into account the stage of completion.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

- 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.

l) 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.

m) 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

n) 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

o) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 Statement of Profit and Loss.

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 byinstrument 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 cpmpany 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

(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 AS 18

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 ofrecognition, 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 combinedinstrument 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 Statement of Profit and Loss 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

p) 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.

q) 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.

r) 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.

s) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it Is recognised as Income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

t) 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 e recognised in Statement of Profit and Loss. 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 nonmonetary 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).

u) 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.

v) 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

w) Contingent Liabilities

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.

x) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company’s financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(INR in crores)

3. Property, plant and equipment (PPE)

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Office Equipments	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Amount
As at April 1, 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	25.49	-	2,560.67
Additions	-	-	21.68	176.61	2.89	2.10	0.54	0.89	-	-	204.71	257.69	-	462.40
Disposals	-	-	(1.44)	(20.58)	(1.40)	(0.67)	-	(0.41)	-	-	(24.50)	(210.18)	-	(234.68)
As at March 31, 2018	**382.04**	**352.75**	**224.95**	**1,585.40**	**8.96**	**6.62**	**2.38**	**3.26**	**9.47**	**139.56**	**2,715.39**	**73.00**	**-**	**2,788.39**
Additions	1.48	-	20.60	226.27	2.85	1.30	0.13	0.46	-	-	253.09	293.18	39.23	585.50
Disposals	(4.45)	-	(0.27)	(18.56)	(3.34)	(1.45)	-	(0.64)	-	-	(28.71)	(252.54)	-	(281.25)
Adjustments	(39.23)	-	-	-	-	-	-	-	-	-	(39.23)	-	-	(39.23)
As at March 31, 2019	**339.84**	**352.75**	**245.28**	**1,793.11**	**8.47**	**6.47**	**2.51**	**3.08**	**9.47**	**139.56**	**2,900.54**	**113.64**	**39.23**	**3,053.41**

Depreciation	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	Asset classified as held for sale	Total Amount
As at April 1, 2017	-	9.71	14.70	90.29	2.16	1.28	1.29	0.12	7.29	10.36	137.20	-	-	137.20
Depreciation charge for the year	-	4.87	9.75	80.51	2.59	0.87	0.43	0.57	1.36	7.21	108.16	-	-	108.16
Disposals	-	-	(1.44)	(12.50)	(1.40)	(0.67)	-	(0.33)	-	-	(16.34)	-	-	(16.34)
As at March 31, 2018	**-**	**14.58**	**23.01**	**158.30**	**3.35**	**1.48**	**1.72**	**0.36**	**8.65**	**17.57**	**229.02**	**-**	**-**	**229.02**
Depreciation charge for the year	-	4.87	10.52	87.70	2.39	0.79	0.09	0.59	0.44	6.56	113.95	-	-	113.95
Disposals	-	-	(0.27)	(13.81)	(3.30)	(1.45)	-	(0.52)	-	-	(19.35)	-	-	(19.35)
As at March 31, 2019	**-**	**19.45**	**33.26**	**232.19**	**2.44**	**0.82**	**1.81**	**0.43**	**9.09**	**24.13**	**323.62**	**-**	**-**	**323.62**

Net book value	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	Asset classified as held for sale	Total Amount
As at March 31, 2019	339.84	333.30	212.02	1,560.92	6.03	5.65	0.70	2.65	0.38	115.43	2,576.92	113.64	39.23	2,729.79
As at March 31, 2018	382.04	338.17	201.94	1,427.10	5.61	5.14	0.66	2.90	0.82	121.99	2,486.37	73.00	-	2,559.37

Net book value	**March 31, 2019**	**March 31, 2018**
Property, plant and equipment	2,576.92	2,486.37
Capital work in progress	113.64	73.00
Asset classified as held for sale	39.23	-

Property plant and equipment are subject to charge to secure the company's borrowings as discussed in Note 16

Finance leases *

Land for soda ash plant and for corporate office are taken on lease from the Government of India for a period of 90 to 99 years.

Leased Mines #

Leased mines represents expenditure incurred on development of mines.

Capitalised borrowing costs

The amount of borrowing cost capitalised during the year ended March 31, 2019 was INR 7.63 Crore (for the year March 31, 2018: INR 4.32 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 9.17%, (for the year March 31 2018: 8.49%) which is the effective interest rate of the specific borrowing.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Outlook for Home Textiles Business and impairment assessment

The Textile business of Company encompasses sophisticated, integrated operations within the areas of Spinning and Home Textiles production. Our Spinning business has been consistently delivering profitable growth for past many years. The home textile division (HT) after performing well for two years faced severe Industry headwinds from last quarter of 2016 and incurred loss in the year 2017-18. For the financial year 2018-19 though there has been an improvement in performance on quarter-to-quarter basis, the same still lags the performance achieved in 2016-17.

Through innovation and consistent product development, company has created a clear differentiation from competition. The Company has taken a very clear leadership position on sustainability across global home furnishing manufacturers with launch of major brands like REKOOP, CIRKULARITY, MEDITASI, NILE HARVEST with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Company has also stepped up its focus on the Dot Com business in the US and is working with major sites retailers like Amazon, Walmart, J C Penney etc.

This competitive edge and the plethora of new products, will beyond doubt help the company to grow its revenue and profitability, the latter being the key focus of the company.

As a policy, the company annually assesses the impairment of property plant and equipment by comparing the carrying value of PPE with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Due to loss in home textile division, management has performed an impairment assessment of property plant and equipment of HT division. Basis the business plan and fair vale calculated using the discounted future cash flow method, which are higher than the carrying value of PPE of HT division; management has concluded that there is no impairment of PPE in home textile division.

4 Other Intangible assets

	Trademarks	Software	Total Amount
Cost			
As at April 1, 2017	0.00	1.56	1.56
Additions (refer note below)	2.65	2.83	5.48
Disposals	-	-	-
As at March 31, 2018	**2.65**	**4.39**	**7.04**
Additions	-	1.73	1.73
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**2.65**	**3.92**	**6.57**

	Trademarks	Software	Total Amount
Amortisation			
As at April 1, 2017	0.00	0.49	0.49
Amortization	0.66	0.71	1.37
Disposals	-	-	-
As at March 31, 2018	**0.66**	**1.20**	**1.86**
Amortization	0.88	1.47	2.35
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**1.54**	**0.47**	**2.01**

	Trademarks	Software	Total Amount
Net book value			
As at March 31, 2019	1.11	3.45	4.56
As at March 31, 2018	1.99	3.19	5.18

Note: Intangible assets include license for trademark acquired for obtaining exclusive manufaturing and marketing rights for one of its innovative textile product in USA.

5 (a) Investment in subsidiaries

	As at March 31, 2019	As at March 31, 2018
Unquoted equity shares		
Investment in Subsidiary Companies, at cost		
Investment in Grace Home Fashion LLC	34.97	0.04
Investment in Dan River Properties LLC	0.00	0.00
Total Investments in subsidiaries	**34.97**	**0.04**

During the year the company has invested INR 34.93 Crores (USD 5 Million) as a capital contribution in its wholly owned subsidiary Grace home fashions LLC, USA.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

			As at March 31, 2019	As at March 31, 2018
5	(b)	**Financial assets**		
		Investments		
		Investments in equity instruments at fair value through OCI (fully paid)		
		Quoted equity shares		
		41,500 equity shares (as at March 31, 2018: 41,500 equity shares) of HDFC Bank Limited of INR 2/- each fully paid up	9.62	7.85
		68,598 equity shares (as at March 31, 2018: 68,598 equity shares) of IDBI Limited of INR 10/- each fully paid up	0.32	0.50
		2,595 equity shares (as at March 31, 2018: 2,595 equity shares) of Dena Bank of INR 10/- each fully paid up	0.00	0.00
		272,146 equity shares (as at March 31, 2018: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	1.22	1.60
		4,500 equity shares (as at March 31, 2018: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.13	0.12
		100 equity shares (as at March 31, 2018: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
		Unquoted equity shares		
		5200 equity shares (as at March 31, 2018: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01
		2,11,800 equity shares (as at March 31, 2018: 1,75,900 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.25	0.19
		Unquoted debt securities (at amortised cost)		
		Investment in government securities		
		7 year national savings certificates	0.04	0.01
		(Pledged with government authorities)		
		Total	**11.59**	**10.28**
		Non-current	**11.59**	**10.28**
		Current	**-**	**-**
		Aggregate market value of quoted investments	11.30	10.07
		Aggregate fair value of unquoted investments	0.29	0.21

			As at March 31, 2019	As at March 31, 2018
6	(a)	**Loans**		
		(Unsecured, considered good, unless stated otherwise)		
		(at amortised cost)		
		Loan to subsidiary company (refer note 33)	-	1.64
		Loan to ESOS trust (refer note 41)	6.21	6.81
		Security deposits	5.24	4.80
		Total loan	**11.45**	**13.25**

6	(b)	**Other non-current financial assets**		
		Other Financial assets		
		Demand deposit	0.00	0.01
		Total other non-current financial assets	**0.00**	**0.01**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

7 Other-non current assets

	As at March 31, 2019	As at March 31, 2018
Capital advances	16.84	23.30
Deposit with statutory authorities under protest	7.53	7.21
Total	**24.37**	**30.51**

8 Inventories

	As at March 31, 2019	As at March 31, 2018
Raw materials [includes in transit INR 25.50 Crore (At March 31 2018: 17.90 Crore)]	366.36	263.64
Work-in-progress	47.16	48.01
Finished goods [includes in transit INR 34.49 Crore (At March 31 2018: 27.34 Crore)]	121.98	103.67
Stock-in-trade [includes in transit INR 2.41 Crore (At March 31 2018: INR 5.49 Crore)]	30.28	15.97
Stores and spares [includes in transit INR 0.78 Crore (At March 31 2018: INR 61.25 Crore)]	102.48	156.59
Total inventories at the lower of cost and net realisable value	**668.26**	**587.88**

9 Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables	267.12	206.69
Receivable from related parties (Refer Note 33)	113.11	78.87
Total trade receivables	**380.23**	**285.56**

Break-up for security details:	**As at March 31, 2019**	**As at March 31, 2018**
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	380.23	285.56
Trade Receivables which have significant increase in Credit Risk	2.03	-
Less: Impairment for trade receivable*	(2.03)	-
Trade Receivables - credit impaired	-	-
Current trade receivables	**380.23**	**285.56**

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 33

Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

*The provision for the impairment of trade receivable has been made basis the expected credit loss method and other cases based on management judgement.

10 Cash and cash equivalent

	As at March 31, 2019	As at March 31, 2018
Balances with bank	4.23	8.84
Cash on hand	0.21	0.17
Total cash and cash equivalents	**4.44**	**9.01**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Changes in liabilities arising from financing activities

	April 01, 2018	Cash flow	March 31, 2019
Current borrowings	399.76	(0.90)	398.86
Non current borrowings	744.33	(42.98)	701.35
Current maturities of non current borrowings	169.46	22.12	191.58
Total liabilities from financial activities	**1,313.55**	**(21.76)**	**1,291.79**

	April 01, 2017	Cash flow	March 31, 2018
Current borrowings	514.02	(114.26)	399.76
Non current borrowings	697.96	46.37	744.33
Current maturities of non current borrowings	218.71	(49.25)	169.46
Total liabilities from financial activities	**1,430.69**	**(117.14)**	**1,313.55**

10A Bank balances other than cash and cash equivalents

- On unpaid dividend account	3.81	3.48
- On escrow account	5.82	3.95
- On account of margin money deposited*	13.69	7.80
Bank balances other than cash and cash equivalents	**23.32**	**15.23**

* Margin money held with banks against opening of letter of credit (LC).
As at March 31 2019, the Company had available INR 104.81 Crore (As at March 31 2018: INR 191.74 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, 2019	As at March 31, 2018
Balances with bank	4.23	8.84
Cash on hand	0.21	0.17
	4.44	**9.01**

11 Other current financial asset

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2019	As at March 31, 2018
Others (include Insurance claim receivable)	0.50	2.06
	0.50	**2.06**

11A Loans

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2019	As at March 31, 2018
Security deposits	0.73	-
Loan to employees	2.11	1.59
Loan to subsidiary company (refer note 33)	2.02	1.90
	4.86	**3.49**

Break up of financial assets carried at amortised cost

	As at March 31, 2019	As at March 31, 2018
Loans (Refer note 6(a) & 11A)	16.31	16.74
Trade receiveables (Refer note 9)	380.23	285.56
Cash and cash equivalents (Refer note 10)	4.44	9.01
Total financial assets carried at amortised cost	**400.98**	**311.31**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

12 Income Tax and deferred tax

Current tax assets (net)	**As at March 31, 2019**	**As at March 31, 2018**
Income tax paid / TDS (net of provisions) of INR 153.84 Crore (At March 31 2018: INR 106.76 Crore)	-	1.04
Income tax refund receivable	-	19.17
Total	**-**	**20.21**

Current tax liabilities (net)	**As at March 31, 2019**	**As at March 31, 2018**
Income tax payable (net of income tax paid/TDS)	9.34	-
Total	**9.34**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

	As at March 31, 2019	**As at March 31, 2018**
Accounting profit before tax from continuing operations	541.11	415.48
Accounting profit before income tax	**541.11**	**415.48**
At India's statutory income tax rate of 34.944% (March 31 2018: 34.608%)	189.08	143.79
Adjustment for tax purposes:		
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	(19.53)	(26.27)
- 43B items	0.36	(1.72)
- Charity, donation and CSR expenses	4.09	4.11
- Deduction under chapter VI-A	(18.89)	(15.02)
- VRS expenses	(1.17)	(1.16)
- Others	(0.10)	3.03
At the effective income tax rate of 28.15% (March 31 2018: 25.70%)	**153.84**	**106.76**
Income tax expense reported in the statement of profit and loss	153.84	106.76
Deferred tax expense reported in the statement of profit and loss	25.40	34.02
Tax adjustment for Earlier years	0.84	(89.81)
	180.08	**50.97**

Deferred tax expense/(income) relates to the following:	**As at March 31, 2019**	**As at March 31, 2018**
Depreciation & amortisation	26.57	30.38
Mark to Mark Gain on Forward Contract	(0.52)	0.95
Employee benefit	1.17	1.17
Disallowance u/s 40 (a) & 43B	(1.54)	0.86
Unamortised cost of Term loans	(0.28)	0.66
Deferred tax expense/(income)	**25.40**	**34.02**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.22	1.10
Total Deferred tax expense/(income)	**25.62**	**35.12**

Deferred tax relates to the following:	**As at March 31, 2019**	**As at March 31, 2018**
Accelerated depreciation for tax purposes	(302.46)	(275.89)
Employee benefit	1.29	2.46
Disallowance u/s 40 (a) & 43B	7.45	5.91
Foreign exchange forwards	(0.43)	(0.95)
Unamortised cost of term loans	(1.25)	(1.53)
MAT Credit*	42.40	75.05
Net deferred tax assets/(liabilities)	**(253.00)**	**(194.95)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	As at March 31, 2019	As at March 31, 2018
Reflected in the balance sheet as follows:		
Deferred tax assets	51.14	83.42
Deferred tax liabilities	(304.14)	(278.37)
Deferred tax liabilities, net	**(253.00)**	**(194.95)**

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 March 31, 2019, 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.

* During the year the Company utilised MAT credit amounting to INR 32.65 crore (March 31 2018: INR 11.95 crore)

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

	As at March 31, 2019	As at March 31, 2018
Balances with statutory authorities	29.29	26.52
Export incentives receivable	17.59	20.18
Advances recoverable in cash or kind	39.96	18.79
Prepaid expenses	4.62	6.98
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	4.72	3.78
Subvention receivable	3.00	0.73
Total other current assets	**99.18**	**76.98**

14 Share capital

Authorised share capital

	Number of Shares (of INR 10 each)	Amount
At April 1, 2017	17.50	175.00
Changes during the year	-	-
At March 31, 2018	**17.50**	**175.00**
Changes during the year	**-**	**-**
At March 31, 2019	**17.50**	**175.00**

Terms / rights attached to equity shares

The 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 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.

Issued, Subscribed and fully paid up equity shares

	Number of Shares (of INR 10 each)	Amount
Equity shares issued, subscribed and fully paid		
At April 1, 2017	9.95	99.47
Changes in share capital- ESOS issued during the year	0.06	0.56
Changes in share capital- Buy back during the year *	(0.26)	(2.61)
At March 31, 2018	**9.75**	**97.42**
Changes in share capital- ESOS issued during the year	0.06	0.61
At March 31, 2019	**9.81**	**98.03**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	As at March 31, 2019	As at March 31, 2018
Shareholder's holding more than 5 % shares	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 INR 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding INR 315. During the previous year, the Company has bought back 26,09,450 equity share and extinguished at 31.03.2018.

15 Other equity

	As at March 31, 2019	As at March 31, 2018
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	13.16	13.16
Securities premium	19.74	9.06
Retained earnings	1,672.61	1,369.92
Share based payment reserve	20.04	5.24
General reserve	37.13	37.13
FVTOCI reserve	9.78	8.55
Total	**1,853.92**	**1,524.52**

Notes:

15A Capital reserve

	Amount
At April 1, 2017	7.57
Changes during the year	-
At March 31, 2018	**7.57**
Changes during the year	-
At March 31, 2019	**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

	Amount
At April 1, 2017	73.89
Changes during the year	-
At March 31, 2018	**73.89**
Changes during the year	-
At March 31, 2019	**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.

15C Capital redemption reserve

	Amount
At April 1, 2017	10.55
Changes during the year	2.61
At March 31, 2018	**13.16**
Changes during the year	-
At March 31, 2019	**13.16**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

The Company had issued 10,000,000/- 10.75% cumulative Redeemable Preference Shares (CRPS) of INR 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. INR 10 Crore), was created out of profit of the company available for payment of dividend.

An amount of INR 2.61 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company in the year ended March 2018) 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 14)

	Amount
15D Securities premium	
At April 1, 2017	4.30
Changes - Shares buy back during the year	(4.30)
Changes - Shares issued under ESOS scheme during the year	9.06
At March 31, 2018	**9.06**
Changes - Shares issued under ESOS scheme during the year	10.68
At March 31, 2019	**19.74**

During the earlier years, the Company issued 4,500,000 preferential convertible warrants which were converted into equity shares of INR 10 each at a premium of INR 55.10 per share in the year ended March 31, 2007. The premium amounting to INR 24.80 Crore received on such conversion was transferred to the securities premium.

During the earlier years, the Company has bought back and cancelled 26,09,450 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 4.30 Crore, is adjusted against the securities premium. (Refer Note 14)

During the earlier years, the Company has issued 560,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 9.06 Crore, is credited to securities premium. (Refer Note 14)

During the Current year, the Company has issued 605,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 10.68 Crore, is credited to securities premium. (Refer Note 14)

	Amount
15E Retained earnings	
At April 1, 2017	1,044.48
Changes during the year	325.44
At March 31, 2018	**1,369.92**
Changes during the year	302.69
At March 31, 2019	**1,672.61**

15F Share based payment reserve	**Amount**
At April 1, 2017	5.75
Changes during the year	(0.51)
At March 31, 2018	**5.24**
Changes during the year	14.80
At March 31, 2019	**20.04**

The Company has share option scheme 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 42 for further details of these plans

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

15G General reserve	Amount
At April 1, 2017	98.16
Changes during the year	(61.03)
At March 31, 2018	**37.13**
Changes during the year	-
At March 31, 2019	**37.13**

15H FVTOCI reserve	Amount
At April 1, 2017	7.15
Changes during the year	1.40
At March 31, 2018	**8.55**
Changes during the year	1.23
At March 31, 2019	**9.78**

The company recognises the profit or loss on fair value of investments under fair value through other comprehensive income (FVTOCI) reserve.

Grand Total (15) as at March 2017	**1,251.85**
Grand Total (15) as at March 2018	**1,524.52**
Grand Total (15) as at March 2019	**1,853.92**

Distributions made and proposed	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019: INR 5.00 per share (March 31, 2018: INR 3.50 per share)	48.75	34.20
Dividend distribution tax on final dividend (DTT)	10.01	6.95
	58.76	**41.15**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31 2019: INR 5.00 per share (March 31 2018: INR 5.00 per share)	49.03	48.76
Dividend distribution tax on proposed dividend (DTT)	10.08	9.93
	59.11	**58.69**

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 thereon) as at year end.

16 Borrowings

(a) Long term borrowings

Particulars	Non Current		Current	
	As at March 31 2019	As at March 31 2018	As at March 31 2019	As at March 31 2018
Term Loans from Banks				
Rupee Term Loans (secured)	638.65	392.97	125.75	92.58
Foreign currency loans (secured)	44.52	299.73	40.83	76.88
Others (secured)	18.18	26.63	-	-
Total Secured Loans from Banks	**701.35**	**719.33**	**166.58**	**169.46**
Rupee Term Loans (Unsecured)	-	25.00	25.00	-
Current maturities of long term loan	-	-	(191.58)	(169.46)
Total	**701.35**	**744.33**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

16.1 Term loans from banks / institutions have been secured against: -

a) Loan aggregating to INR 53.50 crores (Previous Year INR 72.29 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 6 years.

b) Loan aggregating to INR 353.71 crores (Previous Year INR 338.59 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 7 to 9 years.

c) Loan aggregating to INR 31.71 crores (Previous Year INR 89.65 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 1 years.

d) Loan aggregating to INR 73.38 crores (Previous Year INR 72.89 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 1 to 9 years.

e) Loan aggregating to INR 42.96 crores (Previous Year NIL) is secured by exclusive charge on specific movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loan is 5 years.

f) Loan aggregating to INR 8.47 crores (Previous Year INR 9.15 crores) is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project 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 8 years.

g) Loan aggregating to INR.186.70 crores (Previous Year INR152.58 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 1 to 10 years.

h) Loan aggregating to INR 13.35 crores (Previous Year INR 25.14 crores) is secured by first charge on pari passu basis over entire movable and immovable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamilnadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 1 year.

i) Loan aggregating to INR 42.00 crores (Previous Year INR 57.15 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The remaining tenure of the loan is 2 years.

j) Loan aggregating to INR 36.91 (Previous Year INR 42.13 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

k) Loan aggregating to INR 25.23 crores (Previous Year INR 29.22 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (k) totaling INR 867.92 crores (Previous Year INR 888.79 crores), an amount of INR 191.58 crores (Previous Year INR 169.46 crores) is due for payment in next 12 months and accordingly reported under Note 19 under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings".

(b) Short term borrowings

Particulars	**As at March 31 2019**	**As at March 31 2018**
Short term loans from banks (Secured)		
Cash credit facilities	149.92	23.95
Working capital demand loan	9.00	71.00
Export Packing Credit (Rupee loan)	96.08	138.77
Bill Discounting	2.78	-
Packing Credit in foreign currency	-	5.01
Buyers credit in foreign currency	-	70.68
Total Secured Short Term Borrowing	**257.78**	**309.41**
Short term loans from banks - (Unsecured)		
Cash credit facilities	30.33	0.13
Short Term Loan	35.00	46.00
Export Packing Credit (Rupee loan)	43.61	-
Bill Discounting	32.14	44.22
Total Unsecured Short Term Borrowing	**141.08**	**90.35**
Total	**398.86**	**399.76**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

16.2 Short term borrowings: This facility is secured by way of hypothecation on inventory and trade receivables and 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 8.12% p.a (Previous Year 7.22% 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, Supplier's Credit and buyer's credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 3.42% p.a (Previous Year 4.24% 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 (a) Provisions

(A) Long term provisions	**Provision for mines restoration ***
At April 1, 2017	6.13
Arising during the year	1.02
Utilised	(0.82)
At March 31 2018	**6.33**
Arising during the year	0.64
Utilised	(0.82)
At March 31 2019	**6.15**
Long term provisions	**6.15**

* 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.

(b) Short term provisions	**As at March 31, 2019**	**As at March 31, 2018**
Employee benefits (refer note 32)		
Provision for Compensated absences	12.19	12.14
Provision for litigation	2.94	2.94
	15.13	**15.08**

18 Trade payables

	As at March 31, 2019	**As at March 31, 2018**
(a) Total outstanding dues of micro enterprises and small enterprises	14.83	1.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	369.44	380.55
	384.27	**382.44**
Non-current	-	-
Current	384.27	382.44

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 no 37(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, 2019 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

		As at March 31, 2019	As at March 31, 2018
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	14.83	1.89
	Interest	1.32	-
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.	1.32	-
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.	1.32	-

19 Other financial liabilities Current

	As at March 31, 2019	As at March 31, 2018
Other financial liabilities at amortised cost		
Current maturity of long term borrowings	191.58	169.46
(refer note 16)		
Other financial liabilities		
Dealer deposits	5.89	5.44
Security deposits	0.74	0.70
Capital creditors	25.92	23.99
Unpaid dividend	3.81	3.48
Interest accrued	1.32	-
Employee benefit payable	23.58	21.67
Others	1.71	3.37
	254.55	**228.11**

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

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	3.66	2.24
Deferred Income	-	14.96
Statutory dues	25.34	14.60
	29.00	**31.80**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

21 Revenue from operations

Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
- Soda Ash	1,895.31	-	-	**1,895.31**	1,731.14	-	-	**1,731.14**
- Textile products	-	1,195.49	-	**1,195.49**	-	1,021.65	-	**1,021.65**
- Consumer products	40.44	-	-	**40.44**	29.38	-	-	**29.38**
Sale of traded products								
- Consumer products	28.41	-	-	**28.41**	20.09	-	-	**20.09**
- Chemicals	211.53	-	-	**211.53**	130.33	-	-	**130.33**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**
India	2,152.82	595.86	-	**2,748.68**	1,871.40	504.01	-	**2,375.41**
Outside India	22.87	599.63	-	**622.50**	39.54	517.64	-	**557.18**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**
Timing of revenue recognition								
Goods transferred at a point in time	2,175.69	1,195.49	-	**3,371.18**	1,910.94	1,021.65	-	**2,932.59**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Revenue								
External customer	2,175.69	1,195.49	-	**3,371.18**	1,910.94	1,021.65	-	**2,932.59**
Inter-segment	-	105.04	-	**105.04**	-	111.32	-	**111.32**
	2,175.69	**1,300.53**	**-**	**3,476.22**	**1,910.94**	**1,132.97**	**-**	**3,043.91**
Inter-segment adjustment and elimination	-	-105.04	-	**-105.04**	-	-111.32	-	**-111.32**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**

Note:
Revenue from operations for the year ended March 31 2019 includes excise duty NIL (Previous year INR 50.87 Crore). From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2019 is not comparable with March 31, 2018.

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	As at March 31, 2019	As at March 31, 2018
Trade receivables *	380.23	285.56
Contract liabilities		
Advances from customers (Refer Note no 20)	3.66	2.24

* Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

3) **Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Revenue as per contracted price	3,494.02	3,067.18
Adjustments		
Significant financing component	-	-
Sales return	(1.27)	(2.37)
Rebate	(0.07)	(0.36)
Discount	(121.50)	(131.86)
Revenue from contract with customers	**3,371.18**	**2,952.59**

4) **The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2019 are, as follows:**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Advances from customers (Refer Note no 20)	3.66	2.24
	3.66	**2.24**

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

22 Other income

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
Interest income	1.19	2.42
Dividend income	0.05	0.05
Other non-operating income		
Gain on exchange (net)	-	26.18
Profit on sale of investments	0.72	0.18
Gain on sale of PPE	0.41	-
Sale of scrap	6.82	5.61
Miscellaneous income	4.35	1.31
	13.54	**35.75**

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
23 Cost of raw material consumed (Refer no 40)		
Inventory at the beginning of the year	263.64	202.70
Add: purchases during the year	1,349.18	1,161.02
	1,612.82	1,363.72
Less: inventory at the end of the year	(366.36)	(263.64)
Cost of raw material consumed	**1,246.46**	**1,100.08**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2019	**For the year ended March 31, 2018**	**(Increase)/decrease in inventories**
Opening stock			
Finished goods	103.67	125.21	21.54
Stock in process	48.01	51.45	3.44
Stock in trade	15.97	14.61	(1.36)
	167.65	**191.27**	**23.62**
Closing stock			
Finished goods	121.98	103.67	(18.31)
Stock in process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	199.42	**167.65**	**(31.77)**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	**(31.77)**	**23.62**	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

25 Employee benefit expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	163.24	154.57
Contribution to provident and other funds	10.19	9.54
Share based payment expenses	19.90	3.51
Gratuity expenses	2.38	2.95
Staff welfare expenses	5.20	5.80
	200.91	**176.37**

26 Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets	114.59	108.16
Amortization of intangible assets	1.70	1.37
	116.29	**109.53**

27 Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	94.09	98.42
(Net of TUF interest subsidy amounting to INR 3.95 Crore (March 31, 2018 INR 3.66 Crore))		
Exchange differences regarded as an adjustment to borrowing costs	16.82	15.43
Interest others	8.45	4.50
Bank charges	6.96	5.81
	126.32	**124.16**

28 Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spares	64.63	63.53
Power, fuel and water	505.33	390.30
Job Work charges	50.26	51.06
Other manufacturing expenses	35.76	39.72
Packing expenses	96.66	89.22
Bad Debts - written Off	0.38	5.32
Freight and forwarding	45.42	63.45
Commission on sales	10.01	11.41
Advertisement and business promotion expenses	14.10	7.04
Travelling and conveyance	16.88	16.65
Rent	6.71	5.87
Repairs and maintenance		
Plant and machinery	26.11	29.99
Buildings	4.58	3.82
Others	5.06	6.25
Rates and taxes	1.57	1.36
Insurance	9.63	10.38
Deficit on sale/discarding of PPE (Net)	-	0.40
Commission to Non Whole time Directors	2.84	2.99

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Communication expenses	1.75	1.79
Legal and professional expenses	11.46	14.57
Donation	0.13	-
Donation to Political Parties	2.36	3.20
CSR Expenditure (refer details below)	9.10	8.61
Excise duty on increase/decrease of stock	-	(2.10)
Loss on exchange (net)	6.03	-
Miscellaneous expenses	21.47	17.86
	948.23	**842.69**

Payment to auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
To Statutory auditor:		
Audit fee	0.40	0.30
Limited review	0.60	0.45
In other capacity		
Other services (certification fees)	0.10	0.15
Reimbursements of expenses	0.03	0.05
	1.13	**0.95**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	0.00
	0.03	**0.03**

Details of CSR expenditure

			In cash	Yet to be paid in cash	For the year ended March 31, 2019	For the year ended March 31, 2018
a	Gross amount required to be spent by the Company during the year				8.63	7.57
b	Amount spent during the year					
	i)	Construction / acquisition of any asset	-	-	-	-
	ii)	On purpose other than (i) above	9.10	-	9.10	8.61

29 Components of Other Comprehensive Income (OCI)	For the year ended March 31, 2019	For the year ended March 31, 2018
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Re-measurement gains (losses) on defined benefit plans	0.41	2.08
Re-measurement of investment in equity	1.23	1.40
Total	**1.64**	**3.48**

30 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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

The following reflects the income and share data used in computation of Basic EPS:	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to the equity holders of the Company	361.03	364.51
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Basic earnings per share (Face value of INR 10/- per share)	36.88	37.32
Profit attributable to the equity holders of the Company	361.03	364.51
Weighted average number of equity shares and common equivalent shares outstanding	9,87,60,495	9,82,92,614
Diluted earnings per equity share - (face value of INR 10/- per share)	36.56	37.08

***Weighted average number of Equity shares adjusted for the effect of dilution**	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Effect of dilution:		
Employee Share Option Scheme	8,54,469	6,27,471
Weighted average number of equity shares and common equivalent shares outstanding	9,87,60,495	9,82,92,614

31 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 approximately 65% 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

Year ended March 31, 2019

	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,175.69	1,195.49	-	3,371.18
Inter-segment	-	-	-	-
Total revenue	**2,175.69**	**1,195.49**	**-**	**3,371.18**
Segment profit	620.19	66.62	-	686.81
Total assets	2,221.24	1,704.13	78.23	4,003.60
Total liabilities	880.41	908.02	263.22	2,051.65
Capital expenditure	155.66	99.18	-	254.84
Depreciation and amortization	71.22	45.07	-	116.29

Year ended March 31, 2018

	Inorganic Chemicals	Textiles	Others / unallocated	Amount
Revenue				
External customers	1,910.94	1,021.65	-	2,932.59
Inter-segment	-	-	-	-
Total revenue	**1,910.94**	**1,021.65**	**-**	**2,932.59**
Segment profit	554.46	3.73	-	558.19
Total assets	2,039.13	1,522.86	62.75	3,624.74
Total liabilities	1,007.31	799.54	194.95	2,001.80
Capital expenditure	96.87	113.32	-	210.19
Depreciation and amortization	64.40	45.13	-	109.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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

Reconciliation of profit	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Segment profit	686.81	558.19
Un-allocated expenditure	(19.38)	(18.55)
Other finance costs	(126.32)	(124.16)
Profit before tax	**541.11**	**415.48**

Reconciliation of assets	**As at March 31, 2019**	**As at March 31, 2018**
Inorganic chemicals	2,221.24	2,039.13
Home textiles	1,704.13	1,522.86
Un-allocated	78.23	62.75
Total assets	**4,003.60**	**3,624.74**

Reconciliation of liabilities	**As at March 31, 2019**	**As at March 31, 2018**
Inorganic chemicals	880.41	1,007.31
Home textiles	908.02	799.54
Un-allocated	263.22	194.95
Total liabilities	**2,051.65**	**2,001.80**

Revenue from external customers	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
India	2,748.68	2,375.41
Outside India	622.50	557.18
Total revenue per statement of profit and loss	**3,371.18**	**2,932.59**

Trade receivable	**As at March 31, 2019**	**As at March 31, 2018**
India	213.99	173.89
Outside India	166.24	111.67
Total trade receivable	**380.23**	**285.56**

32 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 :

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
Employer's contribution to provident fund/pension scheme	8.23	8.29
Employer's contribution to superannuation fund	1.25	1.28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 01, 2018	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, 2019
Defined benefit obligation	39.88	2.79	3.05	5.84	(2.74)		(0.26)	(0.63)	(0.89)		42.09
Fair value of plan assets	43.66		(3.46)	(3.46)	-	0.38			0.38	0.07	46.81
Benefit liability	(3.78)			2.38					(0.51)		(4.72)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 01, 2017	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, 2018
Defined benefit obligation	38.98	2.81	2.86	5.67	(2.91)		(1.18)	(0.68)	(1.86)		39.88
Fair value of plan assets	37.09		(2.72)	(2.72)	-	(1.32)			(1.32)	2.53	43.66
Benefit liability	1.89			2.95					(3.18)		(3.78)

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, 2019	For the year ended March 31, 2018
Insurance fund	46.81	43.66

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)
Discount rate	7.94%
Estimated rate of return on plan assets	7.94%
Estimated future salary growth	8.00%
Rate of employee turnover	2.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 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	(0.06)	0.07	2.52	(2.23)	(2.21)	2.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

The following payments are projected benefits payable in future years from the date of reporting from the fund:

	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	9.84	8.38
Following year 2-5	16.18	15.12
Sum of years 6-10	17.53	18.34
Total expected payments	**43.55**	**41.84**

33 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, Sr. General Manager & Company Secretary

C) Non-whole-time directors
Mr. Sanjay Dalmia
Mr. Anurag Dalmia
Mr. Neelabh Dalmia
Mrs. Vijaylaxmi Joshi
Mr. K C. Jani
Mr. Lavanya Rastogi
Dr. B. C. Jain (upto July 17, 2018)
Mr. G. C. Srivastava (upto March 31, 2019)
Mr. Mahesh Kumar Kheria (upto March 31, 2019)

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
Dalmia Biz Private Limitd.
Dalmia Healthcare Limited

b) Transactions with subsidiaries

	As at March 31, 2019	As at March 31, 2018
Investment in equities		
Grace Home Fashions LLC	34.93	-
Sales of Goods		
Grace Home Fashions LLC	136.18	105.06
Net payment/(receipt) of loans & advances		
Dan River Properties LLC	(1.52)	(2.69)

	As at March 31, 2019	As at March 31, 2018
Loans & advances recoverable at the year end		
Dan River Properties LLC	2.02	3.54
Balance of investment in equities at the year end		
Grace Home Fashions LLC	34.97	0.04
Balance receivable at the year end		
Grace Home Fashions LLC	113.11	78.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

		As at March 31, 2019	As at March 31, 2018
c)	**Transactions with relative of key management personnel**		
	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
d)	**Transactions with enterprises over which significant influence exercised by directors**		
	Purchase of goods		
	Dalmia Centre for Research & Development	0.02	0.02
	Royalty paid		
	Dalmia Centre for Research & Development	0.07	0.07
	Rent & Other Receipts		
	Dalmia Biz Private Limitd.	0.26	0.06
	Dalmia Healthcare Limited	0.23	0.04
	Rent deposit received		
	Dalmia Biz Private Limitd.	-	0.05
	Dalmia Healthcare Limited	-	0.05
	Net contribution		
	GHCL Foundation Trust	9.10	8.57
	GHCL Employees Group Gratuity Scheme	0.07	2.53
	Gujarat Heavy Chemical Limited Superannuation Scheme	1.25	1.28

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 March 31, 2019, 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 Group

	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Ravi Shanker Jalan	9.56	8.75
Mr. Raman Chopra	5.46	4.98
Mr.Bhuwneshwar Mishra	0.67	0.54
Total compensation paid to key management personnel	**15.69**	**14.27**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	12.40	12.07
Post-employment gratuity and medical benefits	0.67	0.65
Share-based payment transactions*	2.62	1.55
Total compensation paid to key management personnel	**15.69**	**14.27**

*** Taxable component of ESOS**

	For the year ended March 31, 2019	For the year ended March 31, 2018
f) Transactions with non-whole-time directors		
Sitting fees	0.28	0.28
Commission	2.84	2.98
	3.12	**3.26**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a) and Note 11A)

Name of the Loanee	As at March 31, 2019	As at March 31, 2018
GHCL Employee Stock Option Trust	6.21	6.81
Dan River Properties LLC (Subsidiary Company)	2.02	3.54

34 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, 2019	As at March 31, 2018
Within one year	1.76	2.19
After one year but not more than five years	4.46	0.62
More than five years	3.09	0.01
b) Estimated value of contracts remaining to be executed on Capital Account and not provided for	20.29	109.38
c) Contingent liabilities :		
Claims against the Company not acknowledged as debts*		
- Income tax	154.85	161.60
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	124.08	110.66
- Other claims	36.54	48.09

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.

	As at March 31, 2019	As at March 31, 2018
d) Guarantees:		
Guarantees issued by banks	-	1.84
Corporate guarantee to bank on behalf of erstwhile subsidiaries of the Company	2.72	2.75
e) Bills discounted with banks (since realized)	-	11.11
f) EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 253.25 crores (as at March 31, 2018 INR 338.61 crores) of 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.	42.21	56.43

g) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

35 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

36 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:

	Carrying value March 31, 2019	Fair value March 31, 2019	Carrying value March 31, 2018	Fair value March 31, 2018
Financial assets measured at fair value				
FVTOCI investments (refer note 5 (b))	11.59	11.59	10.28	10.28
Foreign exchange forward contracts (Refer Balance sheet)	2.26	2.26	2.91	2.91
Financial assets measured at amortised cost				
Loan to subsidiary (refer note 11A)	2.02	2.02	3.54	3.54
Loan to ESOS trust (refer note 6 (a))	6.21	6.21	6.81	6.81
Security deposits (refer note 6 (a))	5.24	5.24	4.80	4.80
Loan to employees (refer note 11A)	2.11	2.11	1.59	1.59
Demand deposits (refer note 6 (b))	0.00	0.00	0.01	0.01
Others (refer note 11)	0.50	0.50	2.06	2.06
Financial liabilities carried at amortised cost				
Term loans (refer note 16)	892.93	892.93	913.79	913.79
Short term borrowings (refer note 16)	398.86	398.86	399.76	399.76

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 March 31, 2019:

			Fair value measurement using		
	Date of valuation	Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments					
Quoted equity shares (refer note 5)	March 31, 2019	11.30	11.30		
	March 31, 2018	10.07	10.07		
Unquoted equity shares (refer note 5)	March 31, 2019	0.25			0.25
	March 31, 2018	0.20			0.20
Financial assets measured at fair value through statement of profit and loss					
Foreign exchange forward contracts (Refer Balance sheet)	March 31, 2019	2.26			2.26
	March 31, 2018	5.17			5.17
Financial assets measured at amortised cost					
Security deposits (refer note 6 (a))	March 31, 2019	5.24		5.24	
	March 31, 2018	4.80		4.80	
Loan to subsidiary (refer note 11A)	March 31, 2019	2.02		2.02	
	March 31, 2018	3.54		3.54	
Loan to ESOS trust (refer note 6 (a))	March 31, 2019	6.21		6.21	
	March 31, 2018	6.81		6.81	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

			Fair value measurement using		
	Date of valuation	Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Loan to employees (refer note 11A)	March 31, 2019	2.11		2.11	
	March 31, 2018	1.59		1.59	
Demand deposits (refer note 6 (b))	March 31, 2019	0.00		0.00	
	March 31, 2018	0.01		0.01	
Others (refer note 11)	March 31, 2019	0.50		0.50	
	March 31, 2018	2.06		2.06	
Financial liabilities carried at amortised cost					
Floating rate borrowings (India)	March 31, 2019	1,291.79		1,291.79	
	March 31, 2018	1,313.56		1,313.56	

There have been no transfers between Level 1 and Level 2 during the year.

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% (March 31, 2018: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through statement of profit and loss				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	
Loan to subsidiary				
Loan to ESOS trust				
Loan to employees				
Financial liabilities measured at fair value				
Foreign exchange forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities carried at amortised cost				
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, future payouts	

37 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 oversees 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 March 31, 2019 and March 31, 2018. 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, 2019	+/(-).50%	INR (-)/+ 6.46
	Increase/decrease in basis points	**Effect on PBT**
March 31, 2018	+/(-).50%	INR (-)/+ 6.57

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, 2019	+/(-)1%	INR +/(-) 2.19
	Change in USD rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ -2.19
	Change in GBP rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR (-)/+ 0.02
	Change in GBP rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.02
	Change in EUR rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR +/(-) 0.09
	Change in EUR rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.00

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

At the reporting date, the exposure to unlisted equity securities at fair value was INR 0.25 crores as on March 31, 2019 (INR 0.20 as on March 31, 2018).

At the reporting date, the exposure to listed equity securities at fair value was INR 11.30 Crore as on March 31, 2019 (INR 10.07 as on March 31, 2018). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.01 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.

Set out below is the information about the credit risk exposure of the company's trade receivables using provision matrix:

	1-181 days	181-270 days	271-365 days	1 year to 2 years	More than 2 years	Total
ECL rate	0.01%	0.55%	3.48%	5.81%	9.26%	
Estimated total gross carrying amount at default	86.68	84.04	0.1	0.14	0.00	170.96
ECL - simplified approach	0.01	0.46	0.00	0.01	0.00	0.48

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 2019 and March 2018 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 it should have sufficient liquidity to meet its 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

As at March 31, 2019	within 1 year	More than 1 year	Total
Borrowings	590.44	701.35	1,291.79
Trade and other payables	384.27	-	384.27
Other financial liabilities	62.97	-	62.97
	1,037.68	**701.35**	**1,739.03**

As at March 31, 2018	within 1 year	More than 1 year	Total
Borrowings	569.22	744.33	1,313.55
Trade and other payables	382.44	-	382.44
Other financial liabilities	58.65	-	58.65
	1,010.31	**744.33**	**1,754.64**

38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, security 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.

	As at March 31, 2019	As at March 31, 2018
Borrowings	1,291.79	1,313.55
Trade payables	384.27	382.44
Other financial liabilities	62.97	58.65
Less: Cash and bank balances	4.44	9.01
Net debt	**1,734.59**	**1,745.63**
Equity	1,951.95	1,621.94
Capital and net debt	**3,686.54**	**3,367.57**
Gearing ratio	47%	52%

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 year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019.

39 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives, impairment assessment of property plant and equipment, investment in subsidiary companies, recognised by the Company. Company has done the impairment assessment of Home Textile Division during the year refer note 3 for details.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

40 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing expenses*	191.58	178.70
Stores and spares consumed	1.37	2.18
Power and fuel	5.32	4.55
Excise duty, cess and royalty	9.67	6.78
Repairs and maintenance	-	
Building	0.29	0.15
Plant and machinery	0.99	0.65
Earth work	3.57	1.01
Others	0.43	0.33
Salaries and wages	9.90	9.50
Travelling & conveyance	0.77	0.94
Lease rent	0.71	0.84
Rates and taxes	0.36	0.13
Insurance	0.87	0.95
Misc. expenses (including deferred revenue & intangible expenses)	2.62	1.51
Less: Other misc. income	(0.52)	(1.83)
Total	**227.93**	**206.39**

* It includes consumption of breeze, starch binder and other production and mining cost.

41 In prior years as per SEBI (ESOS & ESPS) guidelines 1999 the Employees Stock Option Schemes of GHCL was administered by the registered Trust named GHCL Employees Stock Option Trust. However, the SEBI circular dated November 29, 2013, required the closure of all Employee Stock Option Trusts by June 2014. Accordingly, GHCL closed its ESOS Scheme, disposed of GHCL shares but retained its ESOS Trust for a limited purpose of litigation. ESOS Trust owns 20,46,195 GHCL 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.

During the tenure of ESOS Trust, the company had advanced interest free loan to the Trust to buy the shares and at the end of March'2014, the company had written off an amount of INR 23.34 crores due from ESOS Trust on account of permanent diminution in the value of 20,46,195 shares as on 31st March, 2014 held by the Trust.

Once the legal matter is settled and ESOS Trust gets the possession of 20,46,195 shares, the sale proceeds from the disposal of these shares by ESOS Trust will first be used to repay the loan amounting to INR 29.54 crores due to GHCL which includes restatement of earlier write-off of INR 23.34 crores taken in March, 2014 and the balance surplus (if any) will be used for the benefit of the employees of the company as per the recommendation of GHCL's Compensation Committee

42 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 2019.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

The relevant details of the Scheme are as under:

	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,05,000	6,05,000	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)								
Fair value on the date of grant (In INR)	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 1		Grant 2		Grant 3		Grant 4	
On completion of 12 months	6,05,000	-	15,000	-	25,000	-	-	-
On completion of 24 months	-	6,05,000	-	15,000	-	25,000	90,000	-
On completion of 36 months	-	-	-	-	-	-	-	90,000

	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	161.33	173.00	183.41	173.00	183.41	192.68
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 5			Grant 6		
On completion of 12 months	6,10,000	-	-	-	-	-
On completion of 24 months	-	6,10,000	-	15,000	-	-
On completion of 36 months	-	-	6,10,000	-	15,000	
On completion of 48 months	-	-	-	-	-	15,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	25,000	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	173.00	183.41	192.68	183.41	192.68	200.98
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 7			Grant 8		
On completion of 24 months	25,000	-	-	-	-	-
On completion of 36 months	-	25,000	-	60,000	-	-
On completion of 48 months	-	-	25,000	-	60,000	-
On completion of 60 months	-	-	-	-	-	60,000

Set out below is a summary of options granted under the plan:				
	As at March 2019		As at March 2018	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	7,80,000	121	12,00,000	100
Options granted during the year	21,30,000	150	2,30,000	170
Options forfeited/lapsed during the year	1,00,000	158	90,000	100
Options exercised during the year	6,05,000	100	5,60,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	22,05,000	151	7,80,000	121
Options vested but not exercised during the year	5,000	170	20,000	100

The details of activity of the Scheme have been summarized below:-

Particulars	As at March 2019								Total
	Grant 1		Grant 2		Grant 3		Grant 4		
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	20,000	5,50,000	15,000	15,000	25,000	25,000	65,000	65,000	7,80,000
Granted during the year	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	20,000	20,000	40,000
Exercised during the year	20,000	5,50,000	15,000	-	20,000	-	-	-	6,05,000
Expired during the year	-	-			-	-			-
Outstanding at the end of the year	-	-	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Exercisable at the end of the year	-	-	-	-	5,000	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.57	0.57	1.57	-
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Particulars	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	148.1	148.1	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	100	100	170	170	170	170
Expected volatility	50	50	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	2	3	3	4
Risk free interest rate (%)	7.467	7.467	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18

Particulars	As at March 2019						Total
	Grant 5			Grant 6			
	Number of options	Number of options	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	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000	18,75,000
Forfeited during the year	5,000	5,000	5,000	-	-	-	15,000
Exercised during the year	-	-	-	-	-	-	-
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Exercisable at the end of the year	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	0.07	1.07	2.07	1.07	2.07	3.07	-
Weighted average fair value of options granted during the year	161.33	173.00	183.41	173.00	183.41	192.68	-

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	4	3	4	5
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	161.33	173	183.41	173	183.41	192.68

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Particulars	As at March 2019						Total	Grand Total of ESOS
	Grant 7			Grant 8				
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	-	-	-	-	-	-	7,80,000
Granted during the year	25,000	25,000	25,000	60,000	60,000	60,000	2,55,000	21,30,000
Forfeited during the year	-	-	-	15,000	15,000	15,000	45,000	1,00,000
Exercised during the year	-	-	-	-	-	-	-	6,05,000
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Exercisable at the end of the year	-	-	-	-	-	-	-	5,000
Weighted average remaining contractual life (in years)	1.07	2.07	3.07	2.07	3.07	4.07	-	-
Weighted average fair value of options granted during the year	173.00	183.41	192.68	183.41	192.68	200.98	-	-

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	3	4	5	4	5	6
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	173	183.41	192.68	183.41	192.68	200.98

43 Remittances during the year in Foreign currency on account of

a)

Dividend for the financial year ended	2017-18
Dividends to non-resident shareholders	2.98
Number of non-resident shareholders	666
Number of shares	59,53,723

44 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company 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 Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Form AOC-1 Part"A" Subsidiaries
Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

			INR In Cr.
S. No.	**Particulars**	**Particulars**	**Particulars**
i.	Name of Subsidiary	Grace Home Fashion LLC	Dan River Properties LLC
ii.	Reporting period for the subsidiary concerned,	31st March 2019	31st March 2019
iii.	Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period.	USD 1 USD = INR 69.16	USD 1 USD = INR 69.16
iv.	Share Capital	34.62	-
v.	Reserve & Surplus	-31.01	5.98
vi.	Total Assets	133.78	8.68
vii.	Total Liabilities	130.17	2.70
viii.	Investments	-	-
ix.	Turnover	106.32	1.97
x.	Profit before Taxation	-15.27	1.15
xi.	Provison for taxation	-0.03	-
xii	Profit after Taxation	-15.24	1.15
xiii.	Proposed Dividend	-	-
xiv.	% of Shareholding	100.00%	100.00%

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

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 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of home textile division *(as described in note 3 of the consolidated Ind AS financial statements)*	
Property plant and equipment includes assets that are related to the integrated textile manufacturing facilities (at Tamil Nadu), Home Textiles facility (in Gujrat) and overseas operations to support the business hereafter collectively referred to as the "Home Textile Division or HT Division" with a carrying value amounting to INR 460 crores. Home Textile Division has incurred losses in the last two years, as a result the management has performed an impairment assessment as per the accounting policy stated in note 2.2.L to the Consolidated Ind AS financial statements. Our audit focused on this area because the assessment of recoverable value of the aforesaid assets of HT Division requires management to make a number of key judgements and estimates with respect to the future performance and profitability of the HT Division which involves judgements and estimates on future growth rates, discount rates, etc. Accordingly, Impairment assessment of the Company's Home Textile division has been considered as a key audit matter.	• Understood management and the board's controls over the assessment of the carrying value of HTD's property, plant and equipment to determine whether any asset impairment was required. • Together with our valuation specialists, we assessed the Company's valuation methodology applied in estimating the recoverable amount of the Company's Home Textile Division. • Together with our valuation specialists, we tested the assumptions around the key drivers of the cash flow forecasts , i.e. future growth rates, discount rates used etc . • Performed sensitivity analysis around the key assumptions used by management in impairment testing to understand the impact of reasonable changes in assumptions on the estimated recoverable amounts. • Assessed the disclosures included in the financial statements in note 3 to the standalone Ind AS financial statements

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Revenue Recognition
(as described in note 2.2.c of the standalone Ind AS financial statements)</td></tr>
<tr><td>For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers amounting to INR 3,341.32 crores.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer.

The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.

Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively ‘discount and rebates’). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Company measures its performance,. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 ‘Revenue from contracts with customers’, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</td><td>Our audit procedures included the following:
• Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.
• Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
• Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms.
• To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
• Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.
• Performed monthly analytical procedures of revenue by streams to identify any unusual trends.
• Obtained confirmations from customers on sample basis to support existence of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</td></tr>
</table>

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) 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; 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 consolidated Ind AS 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose Ind AS financial statements include total assets of INR 142.46 Crores as at March 31, 2019, and total revenues of INR 108.29 Crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 and reports of the other auditors;

(c) The Consolidated Balance Sheet, the 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 maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 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 with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 34 to the consolidated Ind AS financial statements;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GHCL LIMTED

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, 2019, we have audited the internal financial controls over financial reporting of **GHCL Limited** (hereinafter referred to as the "Holding Company"), as of that date. The subsidiary companies which are part of the Group are 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 Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 Holding Company have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding 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**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(INR in Crores)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,577.95	2,487.98
(b) Capital work-in-progress	3	113.64	73.00
(c) Investment Property	4	8.56	8.56
(d) Other Intangible assets	4A	4.56	5.18
(e) Intangible assets under development		3.82	0.51
(f) Financial assets			
(i) Investments	5	11.59	10.28
(ii) Loans	6(a)	11.45	11.61
(iii) Other non-current financial assets	6(b)	0.24	0.23
(g) Other-non current assets	7	24.37	30.51
(2) Current assets			
(a) Inventories	8	768.50	636.70
(b) Financial assets			
(i) Trade receivables	9	290.62	228.67
(ii) Cash and cash equivalents	10	12.18	11.58
(iii) Bank balances other than cash and cash equivalents	10A	23.32	15.23
(iv) Other current financial asset	11	0.50	2.06
(v) Loans	11A	2.84	1.59
(vi) Foreign exchange forward contracts		2.26	5.17
(c) Current tax assets (net)	12	-	20.21
(d) Other current assets	13	99.28	79.07
		3,955.68	3,628.14
(3) Asset classified as held for sale	3	39.23	-
Total assets		**3,994.91**	**3,628.14**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	98.03	97.42
(b) Other equity	15	1,827.47	1,513.42
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16(a)	702.03	744.33
(b) Provisions	17(a)	6.15	6.33
(c) Deferred tax liabilities (net)	12	253.00	194.95
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16(b)	408.56	408.20
(ii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		14.83	1.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		371.00	380.55
(iii) Other financial liabilities	19	254.55	228.11
(b) Other current liabilities	20	34.82	37.86
(c) Provisions	17(b)	15.13	15.08
(d) Current tax liabilities (net)	12	9.34	-
Total equity and liabilities		**3,994.91**	**3,628.14**

The accompanying Note are Internal parts 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(INR in Crores)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from operations	21	3,341.32	2,970.10
Other income	22	15.51	37.94
Total Income		**3,356.83**	**3,008.04**
Expenses			
Cost of raw materials consumed	23	1,246.46	1,100.08
Purchase of stock in trade		249.83	126.08
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(83.70)	49.44
Excise duty on sale of goods		-	50.87
Employee benefit expenses	25	201.21	176.67
Depreciation and amortization expense	26	116.94	110.10
Finance costs	27	127.34	126.56
Other expenses	28	968.12	860.84
Total expenses		**2,826.20**	**2,600.64**
Profit before exceptional items and tax		530.63	407.40
Exceptional items		-	-
Profit before tax		**530.63**	**407.40**
Tax expense:			
Current tax		153.81	106.84
Less: Tax adjustment for Earlier years (Refer Note 12)		0.84	(89.81)
Deferred tax		25.40	34.02
Total tax expense		**180.05**	**51.05**
Profit for the year		**350.58**	**356.35**
Other comprehensive income			
Items that not to be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		0.63	3.18
Income tax effect		(0.22)	(1.10)
Re-measurement of investment in equity		1.23	1.40
Exchange differences on translation of foreign operations		(4.88)	1.88
Income tax effect		-	(0.01)
Other Comprehensive Income/(Loss) for the year net of tax	29	**(3.24)**	**5.35**
Total Comprehensive income for the period		347.34	361.70
Profit attributable to :			
Owners of the Company		350.58	356.35
Non-controlling interest		-	-
Total comprehensive Income attributable to :			
Owners of the Company		347.34	361.70
Non controlling interest		-	-
Earnings per equity share (nominal value of shares INR 10 each) (Previous year INR 10 each)	30		
Basic (INR)		35.81	36.48
Diluted (INR)		35.50	36.25

The accompanying Note are Internal parts 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2019

(INR in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Operating activities		
Profit before tax	530.63	407.40
Adjustments for:		
Depreciation and amortisation expense	116.94	110.10
Profit on sale of investments	(0.72)	(0.18)
Loss/(gain) on sale of PPE	(0.41)	0.40
Interest income	(1.19)	(2.42)
Finance cost	126.02	126.55
Income from dividend	(0.05)	(0.05)
Employees share based payments	19.90	3.51
Unrealised Exchange (Gain) / Loss	(12.24)	7.94
Operating profit/(loss) before working capital changes	**778.88**	**653.25**
Movement in working capital		
(Increase) /Decrease in trade receivables	(57.41)	60.56
(Increase)/ Decrease in inventories	(131.80)	(52.37)
(Increase) /Decrease in other current financial assets	3.22	7.76
(Increase)/ Decrease in other current assets	(19.58)	(7.44)
(Increase) /Decrease in other non-current financial assets	0.15	3.44
(Increase) /Decrease in other non-current assets	(0.32)	(0.25)
Increase/ (Decrease) in trade payables	1.07	48.33
Increase/ (Decrease) in other current financial liabilities	51.77	(67.03)
Increase/ (Decrease) in other current liabilities	(3.04)	16.24
Increase/ (Decrease) in provisions	(0.13)	(1.47)
Cash generated from operations	**622.81**	**661.02**
Direct taxes paid (net of refunds)	(92.66)	(71.51)
Net cash generated from operating activities	**530.15**	**589.51**
Cash flow from investing activities		
Purchase of PPE including CWIP and capital advances	(282.83)	(287.98)
Sale proceeds of PPE	9.77	6.05
Sales/ (Purchase) of Investment (Net)	0.64	0.07
Interest received	1.19	2.42
Dividend received	0.05	0.05
Net cash used in investing activities	**(271.18)**	**(279.39)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2019

(INR in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	6.19	5.60
Buyback of equity share capital	-	(65.32)
Dividend paid	(48.75)	(34.20)
Dividend distribution tax paid	(10.01)	(6.95)
Proceeds from long-term borrowings	137.13	313.02
Repayment of long-term borrowings	(201.55)	(266.65)
Proceeds from short-term borrowings	0.36	(138.42)
Unpaid dividend account (Net)	(0.33)	(0.02)
Bank deposit in escrow account and Margin Money	(7.76)	11.64
Interest paid	(133.65)	(126.53)
Net cash generated from financing activities	**(258.37)**	**(307.83)**
Net (decrease) / increase in cash and cash equivalents	**0.60**	**2.29**
Cash and cash equivalents at the beginning of the year	**11.58**	**9.29**
Cash and cash equivalents at the end of the year	**12.18**	**11.58**
Components of cash and cash equivalents		
Cash and cheques on hand	0.21	0.17
Balances with banks:		
- On current accounts	11.97	11.41
Total cash and cash equivalents (note 10)	**12.18**	**11.58**

Notes:

The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying Note are Internal parts 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(INR in Crores)

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

	Number of share	Amount
Balance as at April 1, 2017	9.95	99.47
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.56
Changes in share capital- Buy back during the year (Refer note 14 on buy back)	(0.26)	(2.61)
Balance as at March 31, 2018	**9.75**	**97.42**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.61
Balance as at March 31, 2019	**9.81**	**98.03**

B. Other Equity

(INR in Crores)

	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium (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, 2017	**7.57**	**73.89**	**10.55**	**4.30**	**7.15**	**1,039.75**	**5.75**	**(0.07)**	**98.16**	**1,247.05**
Reserve created on account of ESOS issued during the year	-	-	-	9.06	-	-	-	-	-	9.06
Reserve created on account of buy back during the year	-	-	2.61	-	-	-	-	-	(2.61)	-
Reserve Utilised on account of buy back during the year	-	-	-	(4.30)	-	-	-	-	(58.42)	(62.72)
Profit for the year	-	-	-	-	-	356.35	-	-	-	356.35
Employee stock option scheme	-	-	-	-	-	-	(0.51)	-	-	(0.51)
Proposed Dividend	-	-	-	-	-	(34.20)	-	-	-	(34.20)
Dividend distribution tax	-	-	-	-	-	(6.95)	-	-	-	(6.95)
Other comprehensive income	-	-	-	-	1.40	2.08	-	1.87	-	5.35
Balance as at March 31, 2018	**7.57**	**73.89**	**13.16**	**9.06**	**8.55**	**1,357.03**	**5.24**	**1.80**	**37.13**	**1,513.42**
Reserve created on account of ESOS issued during the year	-	-	-	10.68	-	-	-	-	-	10.68
Profit for the year	-	-	-	-	-	350.58	-	-	-	350.58
Employee stock option scheme	-	-	-	-	-	-	14.80	-	-	14.80
Dividend paid	-	-	-	-	-	(48.76)	-	-	-	(48.76)
Dividend distribution tax	-	-	-	-	-	(10.01)	-	-	-	(10.01)
Other comprehensive income	-	-	-	-	1.23	0.41	-	(4.88)	-	(3.24)
Balance as at March 31, 2019	**7.57**	**73.89**	**13.16**	**19.74**	**9.78**	**1,649.24**	**20.04**	**(3.08)**	**37.13**	**1,827.47**

The accompanying notes are Internal 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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(INR in crores unless specified otherwise)

1 Corporate information

The consolidated financial statements comprise financial statements of GHCL Limited (GHCL) and its subsidiaries (collectively, the Group) for the year ended March 31, 2019. 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 primarly two business segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufaturing, weaving, processing and cutting & sewing of home textiles products).

Information on the Group’s structure is provided in Note 44.

Information on related party relationships of the is provided in Note 33.

The consolidated financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 25th April 2019.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. 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 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, 2019. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

Consolidation Procedure:

(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.

2.3 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 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 economic best 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 from contracts with customers

The Company derives revenues primarily from sale of inorganic chemicals, textile and other products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 21 and disclosures of transition approach along with impact of adoption of Ind AS 115 on financial statements are provided in Note 2.3(w).

Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 45-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs. Some contracts for the sale of goods provide customers with volume rebates and pricing incentives, which give rise to variable consideration.

The Company provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Critical judgements

The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

d) Other revenue streams

Export Benefits

In case of sale made by the Company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme, Merchandise Export Incentive Scheme, Rebate of State Levies (ROSL), Rebate of State and Central Taxes and Levies (ROSCTL) and Focus Market Scheme are recognised on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the Company, export benefits arising from DEPB, Duty Drawback scheme, Merchandise Export Incentive Scheme, ROSL, ROSCTL and Focus Market Scheme are recognised on shipment of direct exports.

Revenue from exports benefits measured at the fair value of 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.

e) Taxes

Current income tax

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 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.

f) Property, plant and equipment

Property, plant and equipment is stated at net of CENVAT/goods & service tax (GST) 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
• Temporary structures	3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

* 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.

Capital work in progess is stated at cost, net of accumulated impairment loss, if any.

g) 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 comprising of computer software and trademark 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.

h) Asset classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

i) 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.

j) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

k) 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, except in case of cotton, for which cost determined on specific cost basis.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses, taking into account the stage of completion.
- 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.

l) 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.

m) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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

n) 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

o) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

- 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 Statement of Profit and Loss.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 Statement of Profit and Loss 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.

p) Derivative financial instruments and hedge accounting

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.

q) 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.

r) 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.

s) Government Grant:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

t) 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 Group, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 Banking and Operation 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.

u) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

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 are recognised in Statement of Profit and Loss.

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 nonmonetary 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)."

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

v) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

w) Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Group.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group’s financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group’s financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group’s financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(INR in crores)

3 Property, Plant and equipment (PPE)

	Free-hold Land	Lease-hold Land *	Build-ings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Amount
As at April 1, 2017	382.04	352.75	204.71	1,429.41	7.52	7.11	1.84	2.79	9.47	139.56	2,537.20	25.49	-	2,562.69
Additions	-	-	21.68	176.61	2.89	2.26	0.54	0.90	-	-	204.88	257.69	-	462.57
Disposals	-	-	(1.44)	(20.58)	(1.40)	(0.67)	-	(0.41)	-	-	(24.50)	(210.18)	-	(234.68)
As at March 31, 2018	**382.04**	**352.75**	**224.95**	**1,585.44**	**9.01**	**8.70**	**2.38**	**3.28**	**9.47**	**139.56**	**2,717.58**	**73.00**	**-**	**2,790.58**
Additions	1.48	-	20.60	226.27	2.85	1.37	0.13	0.46	-	-	253.16	293.18	39.23	585.57
Disposals	(4.45)	-	(0.27)	(18.56)	(3.34)	(1.45)	-	(0.64)	-	-	(28.71)	(252.54)	-	(281.25)
Adjustments	(39.23)	-	-	-	-	-	-	-	-	-	(39.23)	-	-	(39.23)
As at March 31, 2019	**339.84**	**352.75**	**245.28**	**1,793.15**	**8.52**	**8.62**	**2.51**	**3.10**	**9.47**	**139.56**	**2,902.80**	**113.64**	**39.23**	**3,055.67**

Depreciation	Land	Lease-hold Land	Build-ings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Amount
As at April 1, 2017	-	9.71	14.70	90.31	2.14	1.29	1.29	0.12	7.29	10.36	137.21	-	-	137.21
Depreciation charge for the year	-	4.87	9.75	80.51	2.59	1.44	0.43	0.57	1.36	7.21	108.73	-	-	108.73
Disposals	-	-	(1.44)	(12.50)	(1.40)	(0.67)	-	(0.33)	-	-	(16.34)	-	-	(16.34)
As at March 31, 2018	**-**	**14.58**	**23.01**	**158.32**	**3.33**	**2.06**	**1.72**	**0.36**	**8.65**	**17.57**	**229.60**	**-**	**-**	**229.60**
Depreciation charge for the year	-	4.87	10.52	87.70	2.39	1.44	0.09	0.58	0.44	6.56	114.59	-	-	114.59
Disposals	-	-	(0.27)	(13.81)	(3.30)	(1.45)	-	(0.52)	-	-	(19.34)	-	-	(19.34)
As at March 31, 2019	**-**	**19.45**	**33.26**	**232.21**	**2.42**	**2.05**	**1.81**	**0.42**	**9.09**	**24.13**	**324.85**	**-**	**-**	**324.85**
Net book value														
As at March 31, 2019	339.84	333.30	212.02	1,560.94	6.10	6.57	0.70	2.68	0.38	115.43	2,577.95	113.64	39.23	2,730.82
As at March 31, 2018	382.04	338.17	201.94	1,427.12	5.68	6.64	0.66	2.92	0.82	121.99	2,487.98	73.00	-	2,560.98

Net book value	**March 31, 2019**	**March 31, 2018**
Property, plant and equipment	2,577.95	2,487.98
Capital work in progress	113.64	73.00
Asset classified as held for sale	39.23	-

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 lease from the Government of India for a period of 90 to 99 years.

Leased Mines # Leased mines represents expenditure incurred on development of mines.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Capitalised borrowing costs

Addition to block of plant and equipments and others includes borrowing cost of INR. 7.63 Crore (for the year ended March 31, 2018: INR. 4.32 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 9.17% (for the year ended March 31, 2018: 8.49%), which is the effective interest rate of the specific borrowing.

Outlook for Home Textiles Business and impairment assessment

The Textile business of Group encompasses sophisticated, integrated operations within the areas of Spinning and Home Textiles production. Our Spinning business has been consistently delivering profitable growth for past many years. The home textile division (HT) after performing well for two years faced severe Industry headwinds from last quarter of 2016 and incurred loss in the year 2017-18. For the financial year 2018-19 though there has been an improvement in performance on quarter-to-quarter basis, the same still lags the performance achieved in 2016-17.

Through innovation and consistent product development, group has created a clear differentiation from competition. The Group has taken a very clear leadership position on sustainability across global home furnishing manufacturers with launch of major brands like REKOOP, CIRKULARITY, MEDITASI, NILE HARVEST with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Group has also stepped up its focus on the Dot Com business in the US and is working with major sites retailers like Amazon, Walmart, J C Penney etc.

This competitive edge and the plethora of new products, will beyond doubt help the company to grow its revenue and profitability, the latter being the key focus of the group.

As a policy, the group annually assesses the impairment of property plant and equipment by comparing the carrying value of PPE with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Due to loss in home textile division, management has performed an impairment assessment of property plant and equipment of HT division. Basis the business plan and fair vale calculated using the discounted future cash flow method, which are higher than the carrying value of PPE of HT division; management has concluded that there is no impairment of PPE in home textile division.

4. Investment Property

Opening Balance at 1st April 2017	8.56
Additions (Subsequent Expenditure)	-
Closing Balance at March 31, 2018	**8.56**
Additions (Subsequent Expenditure)	-
Closing Balance at March 31, 2019	**8.56**
Depreciation and Impairment	
Opening Balance at 1st April 2017	-
Depreciation	-
Closing Balance at March 31, 2018	**-**
Depreciation	-
Closing Balance at March 31, 2019	**-**
Net Block	
March 31, 2019	8.56
March 31, 2018	8.56

	March 31, 2019 INR Crores	**March 31, 2018 INR Crores**
Rental income derived from investment properties direct operating expenses (including repairs & maintenance) generating rental income	1.97	2.19
Direct operating expenses (including repairs and maintenance) that did not generate rental Income	0.59	0.57
Profit arising from investment properties before depreciation and indirect expenses	1.39	1.62
Less- Depreciation	-	-
Profit arising from investment properties before indirect expenses	1.39	1.62

The Group's investment properties consist of one commercial property comprising of land and building thereon in USA.

As at March 31, 2019, the fair market value of the property are INR 12.60 Crores (INR 14.58 Crore as at March 31, 2018). 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.

Investment at the year end is valued at the Fair Value which is broadly comparable with the carrying value as on the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

4A. Other Intangible assets

	Trademarks	Software	Total
Cost			
As at April 1, 2017	0.00	1.56	1.56
Additions (refer note below)	2.65	2.83	5.48
Disposals	-	-	-
As at March 31, 2018	**2.65**	**4.39**	**7.04**
Additions	-	1.73	1.73
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**2.65**	**3.92**	**6.57**

	Trademarks	Software	Total
Amortisation			
As at April 1, 2017	0.00	0.49	0.49
Amortization	0.66	0.71	1.37
Disposals	**-**	**-**	-
As at March 31, 2018	**0.66**	**1.20**	**1.86**
Amortization	0.88	1.47	2.35
Disposals	**-**	**(2.20)**	(2.20)
As at March 31, 2019	**1.54**	**0.47**	**2.01**

	Trademarks	Software	Total
Net book value			
As at March 31, 2019	1.11	3.45	4.56
As at March 31, 2018	1.99	3.19	5.18

Note: Intangible assets include license for trademark / patent acquired from Applied DNA Sciences Inc. New York, USA for obtaining exclusive manufaturing and marketing for one of its innovative textile product in USA

5 Investments

	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments at fair value through OCI (fully paid)		
Quoted equity shares		
41,500 equity shares (as at March 31, 2018: 41,500 equity shares) of HDFC Bank Limited of INR 2/- each fully paid up	9.62	7.85
68,598 equity shares (as at March 31, 2018: 68,598 equity shares) of IDBI Limited of INR 10/- each fully paid up	0.32	0.50
2,595 equity shares (as at March 31, 2018: 2,595 equity shares) of Dena Bank of INR 10/- each fully paid up	0.00	0.00
272,146 equity shares (as at March 31, 2018: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	1.22	1.60
4,500 equity shares (as at March 31, 2018: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.13	0.12
100 equity shares (as at March 31, 2018: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
Unquoted equity shares		
5200 equity shares (as at March 31, 2018: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01
2,11,800 equity shares (as at March 31, 2018: 1,75,900 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.25	0.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	As at March 31, 2019	As at March 31, 2018
Unquoted debt securities (at amortised cost)		
Investment in Government Securities		
7 year National Savings Certificates	0.04	0.01
(Pledged with govt authorities)		
Total	**11.59**	**10.28**
Non-current	**11.59**	**10.28**
Current	**-**	**-**
Aggregate market value of quoted investments	11.30	10.07
Aggregate Fair value of unquoted investments	0.29	0.21

6 (a) Loans

	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good, unless stated otherwise)		
(at amortised cost)		
Loan to ESOS trust (refer note 41)	6.21	6.81
Security deposits	5.24	4.80
Total loans (a)	**11.45**	**11.61**

(b) Other non-current financial assets

Other Financial assets		
Security Deposit	0.24	0.22
Demand deposit	0.00	0.01
Total non-current other financial assets (b)	**0.24**	**0.23**

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

	As at March 31, 2019	As at March 31, 2018
Capital advances	16.84	23.30
Deposit with statutory authorities under protest	7.53	7.21
Total	**24.37**	**30.51**

8 Inventories

	As at March 31, 2019	As at March 31, 2018
Raw materials [includes in transit INR 25.50 Crore (At March 31, 2018: 17.90 Crore)]	366.36	263.64
Work-in-progress	47.16	48.01
Finished goods [includes in transit INR 34.49 Crore (At March 31, 2018: 27.34 Crore)]	222.22	151.98
Stock-in-trade [includes in transit INR 2.41 Crore (At March 31, 2018: INR 5.49 Crore)]	30.28	15.97
Stores and spares [includes in transit INR 0.78 Crore (At March 31, 2018: INR 61.25 Crore)]	102.48	157.10
Total inventories at the lower of cost and net realisable value	**768.50**	**636.70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

9 Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables	290.62	228.67
Total trade receivables	**290.62**	**228.67**
Break-up for security details:		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	290.62	228.67
Trade Receivables which have significant increase in Credit Risk	2.03	-
Less: Impairment for trade receivable*	(2.03)	-
Trade Receivables - credit impaired	-	-
Current trade receivables	**290.62**	**228.67**

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 to related party receivables, refer Note 33
Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.
*The provision for the impairment of trade receivable has been made basis the expected credit loss method and other cases based on management judgement.

10 Cash and cash equivalent

	As at March 31, 2019	As at March 31, 2018
Balances with bank	11.97	11.41
Cash on hand	0.21	0.17
Total cash and cash equivalents	**12.18**	**11.58**

Changes in liabilities arising from financing activities

	April 01, 2018	Cash flow	March 31, 2019
Current borrowings	408.20	0.36	408.56
Non current borrowings	744.33	(42.31)	702.02
Current maturities of non current borrowings	169.46	22.12	191.58
Total liabilities from financial activities	**1,321.99**	**(19.83)**	**1,302.16**

	April 01, 2017	Cash flow	March 31, 2018
Current borrowings	514.02	(105.82)	408.20
Non current borrowings	697.96	46.37	744.33
Current maturities of non current borrowings	218.71	(49.25)	169.46
Total liabilities from financial activities	**1,430.69**	**(108.70)**	**1,321.99**

10A Bank balances other than cash and cash equivalents

- On unpaid dividend account	3.81	3.48
- On escrow account	5.82	3.95
- On account of margin money deposited*	13.69	7.80
Bank balances other than cash and cash equivalents	**23.32**	**15.23**

* Margin money held with banks against opening of letter of credit (LC).
As at March 31, 2019, the holding company had available INR 104.81 Crore (As at March 31, 2018: INR 191.74 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, 2019	As at March 31, 2018
Balances with bank	11.97	11.41
Cash on hand	0.21	0.17
	12.18	**11.58**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

		As at March 31, 2019	As at March 31, 2018
11	**Others current financial asset**		
	(Unsecured, considered good, unless stated otherwise)		
	Others (include Insurance Claim receivable)	0.50	2.06
		0.50	**2.06**
11A	**Loans current**		
	(Unsecured, considered good, unless stated otherwise)		
	Security deposits	0.73	-
	Loan to employees	2.11	1.59
		2.84	**1.59**

Break up of financial assets carried at amortised cost

	As at March 31, 2019	As at March 31, 2018
Loans (Refer note 6(a) & 11A)	14.29	13.20
Trade receiveables (Refer note 9)	290.62	228.67
Cash and cash equivalents (Refer note 10)	12.18	11.58
Total financial assets carried at amortised cost	**317.09**	**253.45**

12 Income Tax and deferred Tax

Current tax assets (net)	As at March 31, 2019	As at March 31, 2018
Income tax paid / TDS (net of provisions) of INR 153.81 Crore (At March 31, 2018: INR 106.84 Crore)	-	1.04
Income Tax refund receivable	-	19.17
Total	**-**	**20.21**

Current tax liabilities (net)	As at March 31, 2019	As at March 31, 2018
Income tax payable (net of income tax paid/TDS)	9.34	-
Total	**9.34**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax from continuing operations	530.63	407.40
Accounting profit before income tax	**530.63**	**407.40**
At India's statutory income tax rate of 34.944 % (March 31, 2018: 34.608%)	185.42	140.99
Adjustment for tax purposes:		
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	(19.53)	(26.27)
- 43B items	0.36	(1.72)
- Charity, donation and CSR expenses	4.09	4.11
- Deduction under chapter VI-A	(18.89)	(15.02)
- VRS expenses	(1.17)	(1.16)
- Others	(0.10)	5.91
At the effective income tax rate of 28.02% (March 31, 2018: 26.23%)	**150.18**	**106.84**
Income tax expense reported in the statement of profit and loss	153.81	106.84
Deferred tax expense reported in the statement of profit and loss	25.40	34.02
Tax adjustment for Earlier years	0.84	(89.81)
	180.05	**51.05**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Deferred tax expense/(income) relates to the following:	**As at March 31, 2019**	**As at March 31, 2018**
Depreciation & amortisation	26.57	30.38
Mark to Mark Gain on Forward Contract	(0.52)	0.95
Employee benefit	1.17	1.17
Disallowance u/s 40 (a) & 43B	(1.54)	0.86
Unamortised cost of Term loans	(0.28)	0.66
Deferred tax expense/(income)	**25.40**	**34.02**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.22	1.10
Total Deferred tax expense/(income)	**25.62**	**35.12**

Deferred tax relates to the following:	**As at March 31, 2019**	**As at March 31, 2018**
Accelerated depreciation for tax purposes	(302.46)	(275.89)
Employee benefit	1.29	2.46
Disallowance u/s 40 (a) & 43B	7.45	5.91
Carry forward loss as per IT Act	(0.43)	(0.95)
Unamortised cost of Term loans	(1.25)	(1.53)
MAT Credit*	42.40	75.05
Net deferred tax assets/(liabilities)	**(253.00)**	**(194.95)**
Reflected in the balance sheet as follows:		
Deferred tax assets	51.14	83.41
Deferred tax liabilities	(304.14)	(278.36)
Deferred tax liabilities, net	**(253.00)**	**(194.95)**

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 March 31, 2019, 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.

* During the year the holding company utilised MAT credit amounting to INR 32.65 crore (March 31, 2018: INR 11.95 crore)

13 Other current assets
(Unsecured, Considered good, unless stated otherwise)

	As at March 31, 2019	**As at March 31, 2018**
Balances with statutory authorities	29.29	26.52
Export incentives receivable	17.59	20.18
Advances recoverable in cash or kind	40.02	21.07
Prepaid expenses	4.66	6.79
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	4.72	3.78
Subvention receivable	3.00	0.73
Total other current assets	**99.28**	**79.07**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

14 Share capital

Authorised share capital

	Number of Shares (of INR 10 each)	Amount
At April 1, 2017	**17.50**	**175.00**
Changes during the year	-	-
At March 31, 2018	**17.50**	**175.00**
Changes during the year	-	-
At March 31, 2019	**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.

Issued equity capital

	Number of Shares (of INR 10 each) In crores	Amount In crores
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2017	9.95	99.47
Changes during the year	(0.20)	(2.05)
At March 31, 2018	**9.75**	**97.42**
Changes during the year	0.06	0.61
At March 31, 2019	**9.81**	**98.03**

	As at March 31, 2019	As at March 31, 2018
Shareholder's holding more than 5 % shares	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 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 INR 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding INR 315. During previous year, the Company has bought back 26,09,450 equity share and extinguished at 31.03.2018.

15 Other equity

	As at March 31, 2019	As at March 31, 2018
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	13.16	13.16
Securities premium	19.74	9.06
FVTOCI reserve	9.78	8.55
Retained earnings	1,649.24	1,357.03
Share based payment reserve	20.04	5.24
Foreign currency translation reserve	(3.08)	1.80
General reserve	37.13	37.13
Total	**1,827.47**	**1,513.42**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Notes:

15A Capital reserve

	Amount
At April 1, 2017	7.57
Changes during the year	-
At March 31, 2018	**7.57**
Changes during the year	-
At March 31, 2019	**7.57**

The parent has recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeted shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B Business development reserve

	Amount
At April 1, 2017	73.89
Changes during the year	-
At March 31, 2018	**73.89**
Changes during the year	-
At March 31, 2019	**73.89**

In earlier years, Certain Fixed assets of the Group were revalued at their respective fair value as determined by governement 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.

15C Capital redemption reserve

	Amount
At April 1, 2017	10.55
Changes during the year	2.61
At March 31, 2018	**13.16**
Changes during the year	-
At March 31, 2019	**13.16**

The holding company had issued 10,000,000/- 10.75% Cumulative Redeemable Preference Shares (CRPS) of INR 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. INR 10 Crore), was created out of profit of the parent available for payment of dividend.

An amount of INR 2.61 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the company earlier 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 14)

15D Securities premium

	Amount
At April 1, 2017	4.30
Changes - Shares buy back during the year	(4.30)
Changes - Shares issued under ESOS scheme during the year	9.06
At March 31, 2018	**9.06**
Changes - Shares issued under ESOS scheme during the year	10.68
At March 31, 2019	**19.74**

During the earlier years, the holding company issued 4,500,000 Preferential convertible warrants which were converted into equity shares of INR 10 each at a premium of INR 55.10 per share in the year ended March 31, 2007. The premium amounting to INR 24.80 Crore received on such conversion was transferred to the securities premium.

During the earlier year, the holding company has bought back and cancelled 26,09,450 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to INR 4.30 Crore, is adjusted against the securities Premium. (Refer Note 14)

During the earlier year, the holding company has issued 560,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 9.06 Crore, is credited to securities Premium. (Refer Note 14)

During the current year, the holding company has issued 605,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 10.68 Crore, is credited to securities Premium. (Refer Note 14)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

15E FVTOCI reserve	**Amount**
At April 1, 2017	7.15
Changes during the year	1.40
At March 31, 2018	**8.55**
Changes during the year	1.23
At March 31, 2019	**9.78**

The parent recognises the profit or loss on fair value of quoted investments under fair value through other comprehensive income (FVTOCI) reserve.

15F Retained earnings	**Amount**
At April 1, 2017	1,039.75
Changes during the year	317.28
At March 31, 2018	**1,357.03**
Changes during the year	292.21
At March 31, 2019	**1,649.24**

15G Share based payment reserve	**Amount**
At April 1, 2017	5.75
Changes during the year	(0.51)
At March 31, 2018	**5.24**
Changes during the year	14.80
At March 31, 2019	**20.04**

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 42 for further details of these plans

15H Foreign currency translation reserve	**Amount**
At April 1, 2017	**(0.07)**
Changes during the year	1.87
At March 31, 2018	**1.80**
Changes during the year	(4.88)
At March 31, 2019	**(3.08)**

15I General reserve	**Amount**
At April 1, 2017	98.16
Changes during the year	(61.03)
At March 31, 2018	**37.13**
Changes during the year	-
At March 31, 2019	**37.13**
Grand Total (15) as on March 2017	**1,247.05**
Grand Total (15) as on March 2018	**1,513.42**
Grand Total (15) as on March 2019	**1,827.47**

Distributions made and proposed	**As at March 31, 2019**	**As at March 31, 2018**
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019: INR 5.00 per share (March 31, 2018: INR 3.50 per share)	48.75	34.20
Dividend distribution tax on final dividend (DTT)	10.01	6.95
	58.76	**41.15**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on March 31, 2019: INR 5.00 per share (March 31, 2018: INR 5.00 per share)	49.03	48.76
Dividend distribution tax on proposed dividend (DTT)	10.08	9.93
	59.11	**58.69**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

16 Borrowings

(a) Long term borrowings

Particulars	Non current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Term loans from banks				
Rupee Term Loans (secured)	638.65	392.97	125.75	92.58
Foreign currency loans (secured)	44.52	299.73	40.83	76.88
Others (secured)	18.86	26.63	-	-
Total secured loans from banks	**702.03**	**719.33**	**166.58**	**169.46**
Rupee term loan (unsecured)	-	25.00	25.00	-
Current maturities of long term loan (refer note 19)	-	-	(191.58)	(169.46)
Total	**702.03**	**744.33**	**-**	**-**

16.1 Term loans from banks / institutions have been secured against:

a) Loan aggregating to INR.53.50 crores (Previous Year INR 72.29 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 6 years.

b) Loan aggregating to INR 353.71 crores (Previous Year INR 338.59 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 7 to 9 years.

c) Loan aggregating to INR 31.71 crores (Previous Year INR.89.65 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 1 years.

d) Loan aggregating to INR 73.38 crores (Previous Year INR 72.89 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 1 to 9 years.

e) Loan aggregating to INR 42.96 crores (Previous Year NIL) is secured by exclusive charge on specific movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loan is 5 years.

f) f) Loan aggregating to INR 8.47 crores (Previous Year INR 9.15 crores) is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project 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 8 years.

g) g) Loan aggregating to INR.186.70 crores (Previous Year INR.152.58 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 1 to 10 years.

h) Loan aggregating to INR 13.35 crores (Previous Year INR 25.14 crores) is secured by first charge on pari passu basis over entire movable and immovable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamilnadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 1 year.

i) Loan aggregating to INR 42.00 crores (Previous Year INR 57.15 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The remaining tenure of the loan is 2 years.

j) Loan aggregating to INR 36.91 (Previous Year INR.42.13 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

k) Loan aggregating to INR 25.23 crores (Previous Year INR 29.22 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (k) totaling INR 893.61 crores (Previous Year INR 913.79 crores), an amount of INR 191.58 crores (Previous Year INR 169.46 crores) is due for payment in next 12 months and accordingly reported under Note 19 under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

(b) Short term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Short term loans from banks - Secured		
Cash credit facilities	149.92	23.95
Working capital demand loan	9.00	71.00
Export Packing Credit (Rupee loan)	96.08	138.77
Bill Discounting	2.78	-
Packing Credit in foreign currency	-	5.01
Buyers credit in foreign currency	-	70.68
Total Secured Short Term Borrowing	**257.78**	**309.41**
Short term loans from banks - (Unsecured)		
Cash credit facilities	30.33	0.13
Short Term Loan	35.00	46.00
Export Packing Credit (Rupee loan)	43.61	-
Bill Discounting	41.84	52.66
Total Unsecured Short Term Borrowing	**150.78**	**98.79**
Total	**408.56**	**408.20**

16.2 Short term borrowings: This facility is secured by way of hypothecation on inventory and trade receivables and 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 8.12% p.a (Previous Year 7.22% 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 3.42% p.a (Previous Year 4.24% 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 2017	6.13
Arising during the year	1.02
Utilised	(0.82)
At March 31, 2019	**6.33**
Arising during the year	(0.18)
Utilised	-
At March 31, 2019	**6.15**
Long Term Provisions	**6.15**

*** 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.

(B) Short term provisions	**As at March 31, 2019**	**As at March 31, 2018**
Employee benefits (refer note 32)		
Provision for Compensated absences	12.19	12.14
Provision for litigation	2.94	2.94
	15.13	**15.08**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

18 Trade payables

	As at March 31, 2019	As at March 31, 2018
(a) Total outstanding dues of micro enterprises and small enterprises	14.83	1.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	371.00	380.55
	385.83	**382.44**
Non-current	-	-
Current	385.83	382.44

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, 2019 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, 2019	As at March 31, 2018
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	14.80	1.89
	Interest	1.32	-
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	1.32	-
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	1.32	-

19 Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Other financial liabilities at amortised cost		
Current maturity of long term borrowings	191.58	169.46
(refer note 16)		
Other financial liabilities		
Dealer deposits	5.89	5.44
Security deposits	0.74	0.70
Capital creditors	25.92	23.99
Unpaid dividend	3.81	3.48
Interest accrued	1.32	-
Employee benefit payable	23.58	21.67
Others	1.71	3.37
	254.55	**228.11**

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

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	3.66	2.24
Statutory dues	25.34	14.96
Deferred Income	-	14.60
Others	5.82	6.06
	34.82	**37.86**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

21 Revenue from operations

Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
Sale of Soda Ash	1,895.31	-	-	1,895.31	1,731.14	-	-	1,731.14
Sale of Textile products	-	1,165.63	-	1,165.63	-	1,059.16	-	1,059.16
Sale of Consumer products	40.44	-	-	40.44	29.38	-	-	29.38
Sale of traded products								
Sale of Consumer products	28.41	-	-	28.41	20.09	-	-	20.09
Sale of Chemicals	211.53	-	-	211.53	130.33	-	-	130.33
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**
India	2,152.82	595.86	-	2,748.68	1,871.40	504.01	-	2,375.41
Outside India	22.87	569.77	-	592.64	39.54	555.14	-	594.69
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**
Timing of revenue recognition								
Goods transferred at a point in time	2,175.69	1,165.63	-	3,341.32	1,910.94	1,059.16	-	2,970.10
Services transferred over time	-	-	-	-	-	-	-	-
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Revenue	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
External customer	2,175.69	1,165.63	-	3,341.32	1,910.94	1,059.16	-	2,970.10
Inter-segment	-	105.04	-	105.04	-	111.32	-	111.32
	2,175.69	**1,270.67**	**-**	**3,446.36**	**1,910.94**	**1,170.48**	**-**	**3,081.42**
Inter-segment adjustment and elimination	-	-105.04	-	-105.04	**-**	-111.32	-	-111.32
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**

Note: Revenue from operations for the year ended March 31, 2019 includes excise duty NIL (Previous year INR 50.87 Crore). From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The holding company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2019 is not comparable with March 31, 2018.

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	As at March 31, 2019	As at March 31, 2018
Trade receivables *	290.62	228.67
Contract liabilities		
Advances from customers	3.66	2.24

* Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue as per contracted price	3,470.07	3,053.20
Adjustments		
Significant financing component	-	-
Sales return	(1.27)	(2.37)
Rebate	(0.08)	(0.36)
Discount	(127.40)	(140.37)
Revenue from contract with customers	**3,341.32**	**2,970.10**

4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2019 are, as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers (Refer Note no 20)	3.66	2.24
	3.66	**2.24**

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

22 Other income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	1.19	2.42
Dividend income	0.05	0.05
Other non-operating income		
Gain on exchange (net)	-	26.18
Profit on sale of investments	0.72	0.18
Rental income	1.97	2.19
Gain on sale of PPE	0.41	-
Sale of scrap	6.82	5.61
Miscellaneous income	4.35	1.31
	15.51	**37.94**

23 Cost of raw material consumed (Refer no 40)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	263.64	202.70
Add: Purchases during the year	1,349.18	1,161.02
	1,612.82	1,363.72
Less: inventory at the end of the year	(366.36)	(263.64)
Cost of raw material consumed	**1,246.46**	**1,100.08**

24. (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2019	For the year ended March 31, 2018	(Increase)/ decrease in inventories
Opening stock			
Finished Goods	151.98	199.34	47.36
Stock in Process	48.01	51.45	3.44
Stock in trade	15.97	14.61	(1.36)
	215.96	**265.40**	**49.44**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	For the year ended March 31, 2019	For the year ended March 31, 2018	(Increase)/ decrease in inventories
Closing stock			
Finished Goods	222.22	151.98	(70.34)
Stock in Process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	299.66	**215.96**	**(83.70)**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	(83.70)	49.44	

25 Employee benefit expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	163.55	154.87
Contribution to provident and other funds	10.19	9.54
Share based payment Expenses	19.90	3.51
Gratuity	2.38	2.95
Staff welfare expenses	5.19	5.80
	201.21	**176.67**

26 Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depriciation of tangible assets	114.59	108.73
Amortization of intangible assets	2.35	1.37
	116.94	**110.10**

27 Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	94.09	98.42
(Net of TUF interest subsidy amounting to INR 3.95 crore (March 31, 2018 INR 3.14 crore))		
Exchange differences regarded as an adjustment to borrowing costs	16.82	15.43
Interest others	9.47	6.89
Bank charges	6.96	5.81
	127.34	**126.55**

28 Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spares	64.63	63.53
Power, fuel and water	505.33	390.30
Job Work charges	50.26	51.06
Other manufacturing expenses	35.76	39.72
Packing expenses	96.71	89.22
Bad Debts - Written Off	0.38	5.32
Freight and forwarding	45.42	63.51
Commission On Sales	12.24	14.45
Advertisement and Business promotion expenses	17.20	7.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling and conveyance	16.99	16.65
Rent	12.07	15.86
Repairs and maintenance		
Plant and machinery repair & maintenance	26.11	29.99
Buildings repair & maintenance	4.58	3.82
Others repair & maintenance	5.06	6.25
Rates and taxes	1.86	1.63
Deficit on sale/discarding of PPE (Net)	-	0.40
Insurance	9.88	10.68
Commission to Non Whole time Directors	2.84	2.99
Communication expenses	1.93	1.90
Legal and professional expenses	15.21	17.10
Donation	0.13	-
Donation to Political Parties	2.36	3.20
CSR Expenditure (refer details below)	9.10	8.61
Excise duty on increase/decrease of stock	-	(2.10)
Miscellaneous expenses	26.04	19.35
Loss on exchange (net)	6.03	-
	968.12	**860.84**

Payment to auditors

	For the year ended March 31, 2019	For the year ended March 31, 2018
To Statutory auditor:		
Audit fee	0.40	0.30
Limited review	0.60	0.45
In other capacity		
Other services (certification fees)	0.10	0.15
Reimbursements of expenses	0.03	0.05
	1.13	**0.95**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	0.00
	0.03	**0.03**

Details of CSR expenditure

		In cash	Yet to be paid in cash	For the year ended March 31, 2019	For the year ended March 31, 2018
a	Gross amount required to be spent by the Group during the year			8.63	7.57
b	Amount spent during the year	In cash	Yet to be paid in cash	Total	Total
	i) Construction / acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	9.10	-	9.10	8.61

29 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Re-measurement gains (losses) on defined benefit plans	0.41	2.08
Re-measurement of investment in equity	1.23	1.40
Exchange differences on translation of foreign operations	(4.88)	1.87
Total	**(3.24)**	**5.35**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

30 Earnings per share (EPS)

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.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

The following reflects the income and share data used in computation of Basic EPS:	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Profit attributable to the equity holders of the Group	350.58	356.35
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Basic Earnings Per share (Face value of INR 10/- per share)	35.81	36.48
Profit attributable to the equity holders of the Company	350.58	356.35
Weighted average number of equity shares and common equivalent shares outstanding*	9,87,60,495	9,82,92,614
Diluted earnings per equity share - (Face value of INR 10/- per share)	35.50	36.25

***Weighted average number of Equity shares adjusted for the effect of dilution**	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Effect of dilution:		
Employee Share Option Scheme	8,54,469	6,27,471
Weighted average number of equity shares and common equivalent shares outstanding*	9,87,60,495	9,82,92,614

31 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 Company basis and are not allocated to Operating segments.

Summary of Segment information

Year ended March 31, 2019

	Inorganic Chemicals	**Textiles**	**Others unallocated**	**Total**
Revenue				
External customers	2,175.69	1,165.63	-	3,341.32
Inter-segment	-	-	-	-
Total revenue	**2,175.69**	**1,165.63**	**-**	**3,341.32**
Segment profit	620.19	55.77	1.39	677.35
Total assets	2,219.22	1,688.78	86.91	3,994.91
Total liabilities	880.41	925.78	263.22	2,069.41
Capital expenditure	155.66	99.24	-	254.90
Depreciation and amortization	71.22	45.64	-	116.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Year ended March 31, 2018

	Inorganic Chemicals	Textiles	Others unallocated	Total
Revenue				
External customers	1,910.94	1,059.16	-	2,970.10
Inter-segment	-	-	-	-
Total revenue	**1,910.94** -	**1,059.16**	**-**	**2,970.10**
Segment profit	554.46	(3.57)	1.62	552.51
Total assets	2,035.59	1,521.04	71.51	3,628.14
Total liabilities	1,007.31	815.04	194.95	2,017.30
Capital expenditure	96.87	113.49	-	210.36
Depreciation and amortization	64.40	45.70	-	110.10

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

Reconciliation of profit	For the year ended March 31, 2019	For the year ended March 31, 2018
Segment profit	677.35	552.51
Un- allocated expenditure	(19.37)	(18.56)
Other finance costs	(127.35)	(126.55)
Profit before tax	**530.63**	**407.40**

Reconciliation of assets	As at March 31, 2019	As at March 31, 2018
Inorganic chemicals	2,219.22	2,035.59
Home textiles	1,688.78	1,521.04
Un-allocated	86.91	71.51
Total assets	**3,994.91**	**3,628.14**

Reconciliation of liabilities	As at March 31, 2019	As at March 31, 2018
Inorganic chemicals	880.41	1,007.31
Home textiles	925.78	815.04
Un-allocated	263.22	194.95
Total liabilities	**2,069.41**	**2,017.30**

Revenue from external customers	For the year ended March 31, 2019	For the year ended March 31, 2018
India	2,814.00	2,375.41
Outside India	527.32	594.69
Total revenue per statement of profit and loss	**3,341.32**	**2,970.10**

Trade receivable	As at March 31, 2019	As at March 31, 2018
India	213.99	173.89
Outside India	76.63	54.78
Total Trade Receivable	**290.62**	**228.67**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

32 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 :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to provident fund/pension scheme	8.23	8.29
Employer's contribution to superannuation fund	1.25	1.28

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, 2018	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, 2019
Defined benefit obligation	39.88	2.79	3.05	5.84	(2.74)	-	(0.26)	(0.63)	(0.89)	-	42.09
Fair value of plan assets	43.66	-	(3.46)	(3.46)	-	0.38	-	-	0.38	0.07	46.81
Benefit liability	(3.78)			2.38					(0.51)		(4.72)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2017	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, 2018
Defined benefit obligation	38.98	2.81	2.86	5.67	(2.91)		(1.18)	(0.68)	(1.86)		39.88
Fair value of plan assets	37.09		(2.72)	(2.72)	-	(1.32)			(1.32)	2.53	43.66
Benefit liability	1.89			2.95					(3.18)		(3.78)

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, 2019	As at March 31, 2018
Insurance fund	46.81	43.66

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality (2006-08)
Discount rate	7.94%
Estimated rate of return on plan assets	7.94%
Estimated future salary growth	8.00%
Rate of employee turnover	2.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 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	(0.06)	0.07	2.52	(2.23)	(2.21)	2.55

The following payments are projected benefits payable in future years from the date of reporting from the fund:

	As at March 31, 2019	**As at March 31, 2018**
Within the next 12 months (next annual reporting period)	9.84	8.38
Following year 2-5	16.18	15.12
Sum of years 6 To 10	17.53	18.34
Total expected payments	**43.55**	**41.84**

33 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, Sr. General Manager & Company Secretary

B) Non-whole-time directors

Mr. Sanjay Dalmia
Mr. Anurag Dalmia
Mr. Neelabh Dalmia
Mrs. Vijaylaxmi Joshi
Mr. K C. Jani
Mr. Lavanya Rastogi
Dr. B. C. Jain (upto July 17, 2018)
Mr. G. C. Srivastava (upto March 31, 2019)
Mr. Mahesh Kumar Kheria (upto March 31, 2019)

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
Dalmia Biz Pvt. Ltd.
Dalmia Healthcare Limited

b) Transactions with relative of key management personnel

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

		For the year ended March 31, 2019	For the year ended March 31, 2018
c)	**Transactions with enterprises over which significant influence exercised by directors**		
	Purchase of goods		
	Dalmia Centre for Research & Development	0.02	0.02
	Royalty paid		
	Dalmia Centre for Research & Development	0.07	0.07
	Rent & Other Receipts		
	Dalmia Biz Private Limitd.	0.26	0.06
	Dalmia Healthcare Limited	0.23	0.04
	Rent deposit received		
	Dalmia Biz Private Limitd.	-	0.05
	Dalmia Healthcare Limited	-	0.05
	Net contribution		
	GHCL Foundation Trust	9.10	8.57
	GHCL Employees Group Gratuity Scheme	0.07	2.53
	Gujarat Heavy Chemical Limited Superannuation Scheme	1.25	1.28

d) Compensation of key management personnel of the Group

	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Ravi Shanker Jalan	9.56	8.75
Mr. Raman Chopra	5.46	4.98
Mr.Bhuwneshwar Mishra	0.67	0.54
Total compensation paid to key management personnel	**15.69**	**14.27**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	12.40	12.07
Post-employment gratuity and medical benefits	0.67	0.65
Share-based payment transactions*	2.62	1.55
Total compensation paid to key management personnel	**15.69**	**14.27**

*** Taxable component of ESOS**

f) Transactions with non-whole-time directors

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sitting fees	0.28	0.28
Commission	2.84	2.98
	3.12	**3.26**

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a) and Note 11A)

Name of the Loanee	As at March 31, 2019	As at March 31, 2018
GHCL Employee Stock Option Trust	6.21	6.81

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

34 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, 2019	As at March 31, 2018
	Within one year	1.76	2.19
	After one year but not more than five years	4.46	0.62
	More than five years	3.09	0.01
b)	Estimated value of contracts remaining to be executed on capital account and not provided for	20.29	109.38
c)	Contingent Liabilities :		
	Claims against the Group not acknowledged as debts*		
	- Income tax	154.85	161.60
	- Sales tax / VAT	0.04	0.04
	- Excise, custom & service tax	124.08	110.66
	- Other claims	36.54	48.09

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, 2019	As at March 31, 2018
d)	Guarantees:		
	Guarantees issued by banks	-	1.84
	Corporate guarantee to Bank on behalf of erstwhile subsidiaries of the Group	2.72	2.75
e)	Bills discounted with banks (since realized)	-	11.11
f)	EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 253.25 crores (as at March 31, 2018 INR 338.61 crores) of 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.	42.21	56.43

g) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

35 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 statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

36 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:

	Carrying value	Fair value	Carrying value	Fair value
	March 31, 2019	**March 31, 2019**	**March 31, 2018**	**March 31, 2018**
Financial assets measured at fair value				
FVTOCI investments (refer note 5 (b))	11.59	11.59	10.28	10.28
Foreign exchange forward contracts (Refer Balance sheet)	2.26	2.26	5.17	5.17
Financial assets measured at amortised cost				
Loan to ESOS trust (refer note 6 (a))	6.21	6.21	6.81	6.81
Security deposits (refer note 6 (a))	5.24	5.24	4.80	4.80
Loan to employees (refer note 11A)	2.11	2.11	1.59	1.59
Demand deposits (refer note 6 (b))	0.00	0.00	0.01	0.01
Others (refer note 11)	0.50	0.50	2.06	2.06
Financial liabilities carried at amortised cost				
Term loans (refer note 16)	893.61	893.61	913.79	913.79
Short term borrowings (refer note 16)	408.56	408.56	408.20	408.20

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 March 31, 2019:

	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 (refer note 5)	March 31, 2019	11.29	11.29		
	March 31, 2018	10.07	10.07		
Unquoted equity shares (refer note 5)	March 31, 2019	0.26			0.26
	March 31, 2018	0.20			0.20
Financial assets measured at fair value through statement of profit and loss					
Foreign exchange forward contracts (Refer Balance sheet)	March 31, 2019	2.26			2.26
	March 31, 2018	5.17			5.17
Financial assets measured at amortised cost					
Security deposits (refer note 6 (a))	March 31, 2019	5.24		5.24	
	March 31, 2018	4.80		4.80	
Loan to ESOS trust (refer note 6 (a))	March 31, 2019	6.21		6.21	
	March 31, 2018	6.81		6.81	
Loan to employees (refer note 11A)	March 31, 2019	2.11		2.11	
	March 31, 2018	1.59		1.59	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

	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)
Demand deposits (refer note 6 (b))	March 31, 2019	0.00		0.00	
	March 31, 2018	0.01		0.01	
Others (refer note 11)	March 31, 2019	0.50		0.50	
	March 31, 2018	2.06		2.06	
Financial liabilities carried at amortised cost					
Floating rate borrowings (India)	March 31, 2019	1,302.17		1,302.17	
	March 31, 2018	1,321.99		1,321.99	

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% (March 31, 2018: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through statement of profit and loss				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts.	
Loan to ESOS trust				
Loan to employees				
Financial liabilities measured at fair value				
Foreign exchange forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities carried at amortised cost				
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	

37 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 oversees the management of these risks. The Group's senior management is supported by a Banking and Opeartions 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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 March 31, 2019 and March 31, 2018. 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:

	Increase/decrease in basis points	Effect on PBT
March 31, 2019	+/(-).50%	INR (-)/+ 6.51
	Increase/decrease in basis points	**Effect on PBT**
March 31, 2018	+/(-).50%	INR (-)/+ 6.61

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.

Foreign currency sensitivity	Change in USD rate	Effect on PBT
March 31, 2019	+/(-)1%	INR +/(-) 2.19
	Change in USD rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ -2.19
	Change in GBP rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR (-)/+ 0.02
	Change in GBP rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.02
	Change in EUR rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR +/(-) 0.09
	Change in EUR rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.00

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 0.25 crores as on March 31, 2019 (INR 0.20 as on March 31, 2018).

At the reporting date, the exposure to listed equity securities at fair value was INR 11.30 Crore as on March 31, 2019 (INR 10.07 as on March 31, 2018). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.01 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.

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,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

Set out below is the information about the credit risk exposure of the group's trade receivables using provision matrix:

	1-181 days	181-270 days	271-365 days	1 year to 2 years	More than 2 years	Total
ECL rate	0.01%	0.55%	3.48%	5.81%	9.26%	
Estimated total gross carrying amount at default	86.68	84.04	0.1	0.14	0.00	170.96
ECL - simplified approach	0.01	0.46	0.00	0.01	0.00	0.48

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 March 31, 2019 and March 2018 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 March 31, 2019	**within 1 year**	**More than 1 year**	**Total**
Borrowings	600.14	702.02	1,302.16
Trade and other payables	385.83	-	385.83
Other financial liabilities	62.97	-	62.97
	1,048.94	**702.02**	**1,750.96**

As on March 31, 2018	**within 1 year**	**More than 1 year**	**Total**
Borrowings	577.66	744.33	1,321.99
Trade and other payables	382.44	-	382.44
Other financial liabilities	58.65	-	58.65
	1,018.75	**744.33**	**1,763.08**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

38 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, security 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.

	As at March 31, 2019	As at March 31, 2018
Borrowings	1,302.16	1,321.99
Trade payables	385.83	382.44
Other financial liabilities	62.97	58.65
Less: Cash and bank balances	12.18	11.58
Net debt	**1,738.78**	**1,751.50**
Equity	1,925.50	1,610.84
Capital and net debt	**3,664.28**	**3,362.34**
Gearing ratio	47%	52%

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 year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019.

39 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 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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives, impairment assessment of property plant and equipment, investment in subsidiary companies, recognised by the Company. Holding company has done the impairment assessment of Home Textile Division during the year refer note 3 for details.

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.

40 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 March 31, 2019	For the year ended March 31, 2018
Manufacturing expenses*	191.58	178.70
Stores and spares consumed	1.37	2.18
Power and fuel	5.32	4.55
Excise duty, cess and royalty	9.67	6.78
Repairs and maintenance		-
Building	0.29	0.15
Plant and machinery	0.99	0.65
Earth work	3.57	1.01
Others	0.43	0.33
Salaries and wages	9.90	9.50
Travelling & conveyance	0.77	0.94
Lease rent	0.71	0.84
Rates and taxes	0.36	0.13
Insurance	0.87	0.95
Misc. expenses (including deferred revenue & intangible expenses)	2.62	1.51
Less: Other misc. income	(0.52)	(1.83)
Total	**227.93**	**206.39**

* It includes consumption of breeze, starch binder and other production and mining cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

41 In prior years as per SEBI (ESOS & ESPS) guidelines 1999 the Employees Stock Option Schemes of GHCL was administered by the registered Trust named GHCL Employees Stock Option Trust. However, the SEBI circular dated November 29, 2013, required the closure of all Employee Stock Option Trusts by June 2014. Accordingly, GHCL closed its ESOS Scheme, disposed of GHCL shares but retained its ESOS Trust for a limited purpose of litigation. ESOS Trust owns 20,46,195 GHCL 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.

During the tenure of ESOS Trust, the holding company had advanced interest free loan to the Trust to buy the shares and at the end of March'2014, the holding company had written off an amount of INR 23.34 crores due from ESOS Trust on account of permanent diminution in the value of 20,46,195 shares as on 31st March, 2014 held by the Trust.

Once the legal matter is settled and ESOS Trust gets the possession of 20,46,195 shares, the sale proceeds from the disposal of these shares by ESOS Trust will first be used to repay the loan amounting to INR 29.54 crores due to GHCL which includes restatement of earlier write-off of INR 23.34 crores taken in March, 2014 and the balance surplus (if any) will be used for the benefit of the employees of the company as per the recommendation of GHCL's Compensation Committee

42 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 March 31, 2019.

	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,05,000	6,05,000	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)								
Fair value on the date of grant (In INR)	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 1		Grant 2		Grant 3		Grant 4	
On completion of 12 months	6,05,000	-	15,000	-	25,000	-	-	-
On completion of 24 months	-	6,05,000	-	15,000	-	25,000	90,000	-
On completion of 36 months	-	-	-	-	-	-	-	90,000

	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	161.33	173.00	183.41	173.00	183.41	192.68
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Details of the vesting period are:

Vesting Period from the Grant date	Grant 5			Grant 6		
On completion of 12 months	6,10,000	-	-	-	-	-
On completion of 24 months	-	6,10,000	-	15,000	-	-
On completion of 36 months	-	-	6,10,000	-	15,000	
On completion of 48 months	-	-	-	-	-	15,000

	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	25,000	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	173.00	183.41	192.68	183.41	192.68	200.98
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 7			Grant 8		
On completion of 24 months	25,000	-	-	-	-	-
On completion of 36 months	-	25,000	-	60,000	-	-
On completion of 48 months	-	-	25,000	-	60,000	-
On completion of 60 months	-	-	-	-	-	60,000

Set out below is a summary of options granted under the plan:

	As at March 2019		As at March 2018	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	7,80,000	121	12,00,000	100
Options granted during the year	21,30,000	150	2,30,000	170
Options forfeited/lapsed during the year	1,00,000	158	90,000	100
Options exercised during the year	6,05,000	100	5,60,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	22,05,000	151	7,80,000	121
Options vested but not exercised during the year	5,000	170	20,000	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

The details of activity of the Scheme have been summarized below:-

Particulars	As at March 2019								Total
	Grant 1		Grant 2		Grant 3		Grant 4		
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	20,000	5,50,000	15,000	15,000	25,000	25,000	65,000	65,000	7,80,000
Granted during the year	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	20,000	20,000	40,000
Exercised during the year	20,000	5,50,000	15,000	-	20,000	-	-	-	6,05,000
Expired during the year	-	-			-	-			-
Outstanding at the end of the year	-	-	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Exercisable at the end of the year	-	-	-	-	5,000	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.57	0.57	1.57	-
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18	-

Particulars	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	148.1	148.1	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	100	100	170	170	170	170
Expected volatility	50	50	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	2	2.5	2.5	3.5
Risk free interest rate (%)	7.467	7.467	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	71.79	80.68	198.55	204.79	110.59	117.13	117.13	128.87

Particulars	As at March 2019						Total
	Grant 5			Grant 6			
	Number of options	Number of options	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	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000	18,75,000
Forfeited during the year	5,000	5,000	5,000	-	-	-	15,000
Exercised during the year	-	-	-	-	-	-	-
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Exercisable at the end of the year	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	0.07	1.07	2.07	1.07	2.07	3.07	-
Weighted average fair value of options granted during the year	161.33	173.00	183.41	173.00	183.41	192.68	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	4	3	4	5
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	161.33	173	183.41	173	183.41	192.68

Particulars	As at March 2019						Total	Grand Total of ESOS
	Grant 7			Grant 8				
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	-	-	-	-	-	-	7,80,000
Granted during the year	25,000	25,000	25,000	60,000	60,000	60,000	2,55,000	21,30,000
Forfeited during the year	-	-	-	15,000	15,000	15,000	45,000	1,00,000
Exercised during the year	-	-	-	-	-	-	-	6,05,000
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Exercisable at the end of the year	-	-	-	-	-	-	-	5,000
Weighted average remaining contractual life (in years)	1.07	2.07	3.07	2.07	3.07	4.07	-	-
Weighted average fair value of options granted during the year	173.00	183.41	192.68	183.41	192.68	200.98	-	-

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	3	4	5	4	5	6
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	173	183.41	192.68	183.41	192.68	200.98

43 Remittances during the year in Foreign currency on account of

a)

Dividend for the financial year ended	2017-18
Dividends to non-resident shareholders	2.98
Number of non-resident shareholders	666
Number of shares	59,53,723

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

44 Group information

(i) The Consolidated financial statement of the Group includes subsidiarires as mentioned below :

S.No	Name of the entity	Country of incorporation	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 (INR In crores)	As % of consolidated profit or loss	Amount (INR In crores)	As % of consolidated other comprehensive Income	Amount (INR In crores)	As % of consolidated comprehensive Income	Amount (INR In crores)
1	2	3	4		6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	GHCL Limited	India	Parent Company		Mar 31 ,2019	101.37%	1,951.95	102.98%	361.03	-50.62%	1.64	104.41%	362.67
					Mar 31 ,2018	100.69%	1,621.94	102.29%	364.51	65.13%	3.48	101.74%	367.99
(II)	**Foreign Subsidiaries having no minority interests**												
1	Grace Home Fashions LLC	USA	WOS	100%	Mar 31 ,2019	-1.68%	(32.43)	-3.37%	(11.84)	143.16%	(4.64)	-4.74%	(16.46)
				100%	Mar 31 ,2018	-0.99%	(15.94)	-2.74%	(9.76)	36.15%	1.94	-2.17%	(7.83)
2	Dan River Properties LLC	USA	WOS	100%	Mar 31 ,2019	0.31%	5.98	0.40%	1.39	7.46%	(0.24)	0.33%	1.15
				100%	Mar 31 ,2018	0.30%	4.84	0.45%	1.60	-1.27%	(0.07)	0.43%	1.53
Other consolidation adjustment					Mar 31 ,2019	0.00%	-	0.00%	-				
					Mar 31 ,2018	0.00%	-	0.00%	-				
		Total - March 31, 2019				100%	1,925.50	100%	350.58	100%	(3.24)		347.34
		Total - March 31, 2018				100%	1,610.84	100%	356.35	100%	5.35		361.70

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, 2019 and March 31, 2018 .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
(INR in crores unless specified otherwise)

45 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

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 Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The holding company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The holdng company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The holding company has elected certain available practical expedients on transition.

The holding company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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: April 25, 2019

For and on behalf of the Board of Directors of GHCL Limited

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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 36th **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, May 30, 2019 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 **36th Annual General Meeting** of the Company to be held on Thursday, May 30, 2019 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 financial statements) of the Company for the financial year ended March 31, 2019
2	Declaration of Dividend for the financial year ended March 31, 2019
3	Re-appointment of Mr. Neelabh Dalmia as a director retiring by rotation
4	Re-appointment of Mr. Ravi Shanker Jalan as a director retiring by rotation

Signed this___________day of _____________2019

Affix
Re. 1
Revenue
stamp

Signature of Shareholder_____________________

Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

Notes:

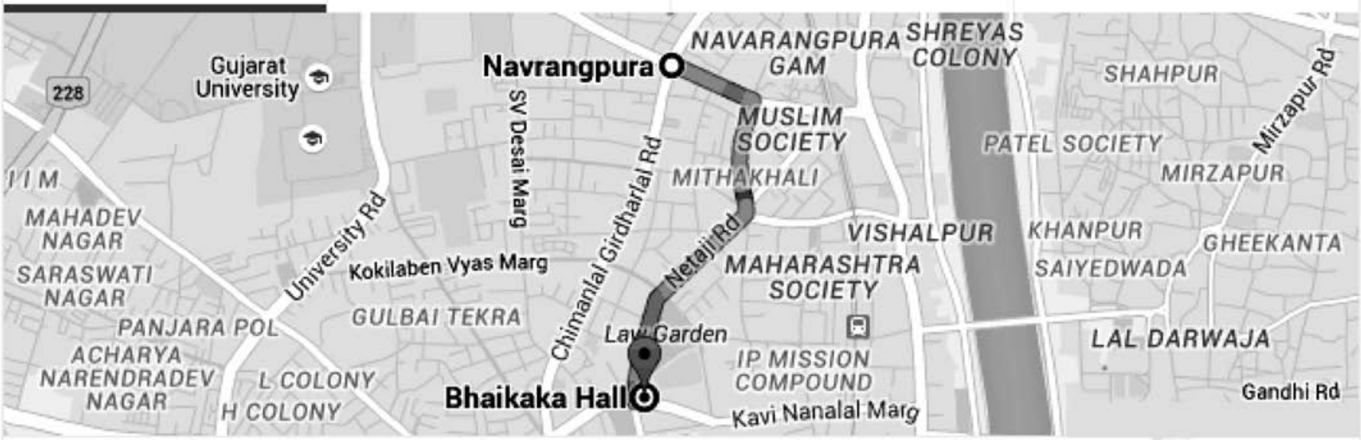
1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not 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 Limited

Registered Office:
GHCL House, Opp Punjabi Hall, Navrangpura, Ahmedabad – 380009 (INDIA)
www.ghcl.co.in

A Dalmia Brothers Enterprise