GROWTH.
ACCOUNTABILITY.
RESPONSIBILITY.

37th

INTEGRATED
ANNUAL REPORT
2019-20

The obligation to sustain growth is often earmarked by the need to be accountable and responsible – towards our business objectives and our valued stakeholders

At GHCL, we are focused on operating inclusively and sustainably. As we aspire to constantly improve our functional abilities, we ensure the safety and stability of our operations and remain committed to reduce our burden on the ecosystem. With an enthusiasm to sustain a healthy growth trajectory, we consistently unlock opportunities to secure new avenues of success. As we tactically fulfil our business responsibilities, we strive to be responsive and accountable – ensuring transparency and fostering integrity in our internal processes. Emphasizing on the need to strengthen relationships and build a robust organization, we remain deeply focused on delivering phenomenal outputs that cater to the needs and requirements of all our stakeholders – from the top to the bottom – thereby facilitating Growth, Accountability and Responsibility, across the organization.

GROWTH. ACCOUNTABILITY. RESPONSIBILITY.

Our theme for the Integrated Annual Report (IAR) FY 2019-20, "GROWTH. ACCOUNTABILITY. RESPONSIBILITY." reflects our commitment towards achieving our long-term growth while taking full accountability and responsibility of our actions.

The Company's commitment towards sustainability, pushes every stakeholder in the value chain to think of new ways to be future-ready, focused not only on growth but also on proactively addressing the challenges of tomorrow. We believe that we can create a more resilient tomorrow by acting responsibly, taking accountability of our actions, and responding to the needs of stakeholders connected with the Company such as communities, suppliers, and other stakeholders. Sustainable business growth requires us to make more from less which can be achieved only if governance, strategy and sustainability go hand in hand. We aim to prepare future ready business strategies, remain committed to our stakeholders, enhance health and safety performance, and to have a positive impact on the environment and society at large.

COMPANY INFORMATION

Board of Directors

Mr. Sanjay Dalmia
Non-Executive Chairman

Mr. Anurag Dalmia
Non-Executive Vice Chairman

Smt. Vijaylaxmi Joshi, IAS
Independent Director

Justice Ravindra Singh
Independent Director

Mr. Arun Kumar Jain, IRS
Independent Director

Dr. Manoj Vaish
Independent Director

Dr. Lavanya Rastogi
Independent Director

Mr. R S Jalan
Managing Director

Mr. Raman Chopra
CFO & Executive Director (Finance)

Mr. Neelabh Dalmia
Executive Director (Textiles)

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: 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
Chartered Accountants, Gurugram

Secretarial Auditors

Chandrasekaran Associates,
Company Secretaries, New Delhi

Cost Auditors

M/s R J Goel & Co.,
Cost Accountants, New Delhi

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:
Kadinal Vayal, Vedaranyam,
Distt. Nagapattanam, Tamil Nadu – 614707

Nemeli Road, Thiruporur,
Distt. Kancheepuram, Tamilnadu – 603110

Textile Division:
Paravai, Samayanallur P.O, Distt. Madurai,
Tamil Nadu – 625402

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

Village: Chinnaputhur,
Taluk: Dharapuram,
Distt. Erode, Tamil Nadu

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
Bank of Baroda (e-Dena)
HDFC Bank
Axis Bank
IDFC First Bank
Bank of Bahrain & Kuwait
South Indian 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

ABOUT THIS REPORT

GHCL aspires to continuously improve the reporting procedure to make it more informative and transparent. Commencing last year, the Company transitioned towards Integrated Reporting. This is our second year in the journey of publishing Integrated Annual Report (IAR) and we aim to provide all stakeholders with a transparent and balanced disclosure of how we managed our material issues during the year under review and created value.

The structure of the report is drafted in line with the framework of Integrated Reporting published by the International Integrated Reporting Council (IIRC) and illustrates our commitments and focus areas. We create long-term value for all stakeholders through our strategy, activities, and commitments and the report provides a clear, concise, and comprehensive vision of our business model. Details on our governance and financial and non-financial performance is also provided in the report.

Scope and Boundary of this report

The Integrated Annual Report (IAR) covers the period from 1st April 2019 to 31st March 2020. The previous Integrated Annual Report (IAR) covered FY 2018-19. The scope of reporting boundary includes GHCL's manufacturing sites of Soda Ash, Home Textiles, Yarn and Consumer Products division. In addition, the employee data also covers our regional offices of Noida and Ahmedabad

Suggestions and feedback

We continuously strive to disclose relevant information to our stakeholders. We welcome any comments and / or suggestions on the report content and flow. Please send your comments to Corpcommunication@ghcl.co.in.

Assurance for FY 2019-20

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

In accordance with the Companies Act, 2013, the Board of Directors of GHCL approved the appointment of M/s R J Goel & Co., Cost Accountants, New Delhi as Cost Auditors and Dr. S Chandrasekaran, representing Chandrasekaran & Associates, Practicing Company Secretaries, New Delhi as the Secretarial Auditors of the GHCL.

Scan this QR code to see the online version of Annual Report

For the online version of the Annual Report please log on to http://www.ghcl.co.in

GHCL believes in maintaining harmony between its people, processes and the environment. The cover design creatively illustrates the company's commitment to continue its pursuit for growth in an accountable and responsible fashion. As an organization showing great potential, it depicts an enthusiasm to sustainably create value while keeping its core principles intact.

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.*

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CHAIRMAN'S MESSAGE

Dear Shareholders,

The world today, is going through an extraordinary situation. We are experiencing a pandemic which has severely impacted every aspect of our lives and disrupted business in unprecedented ways. The challenges are unique as COVID-19 induced lockdowns have disrupted the economic activity. So much so, that the GDP growth of the Indian economy is to be around 4.2% for FY20 and likely in the negative for FY21 as per the recent CRISIL report. CRISIL believes it will be tough for India to return to its pre-pandemic growth levels at least for the next three years. Partial relaxations are not of much use as the hindrances to supply chain, logistics and transportation continue. The recent economic stimulus announced by the government of India does have some short term measures to cushion the economy, but majorly announces various reforms which may have payoffs in the medium term. At GHCL we complied with all the regulations notified by the Government from time to time. We took the initiative of "Work from home" at our offices and the production facilities also remained closed for a major period of time which did have an impact on production and sales.

As the Chairman of the Board of Directors of GHCL, let me assure you that despite myriad challenges, your company is focused on maintaining its growth momentum and delivering value to its stakeholders. Though our revenues for the last financial year ended March 2020 were down by 3% to ₹3272 crores as compared to ₹3385 crores in the previous financial year, Earnings before depreciation, interest and taxation (EBIDTA) stood at ₹753 crores in financial year 2019-20 while Net profit for the financial year 2019-20 grew by 13% to ₹407 crores as compared to ₹361 crores in the previous financial year. As a token of gratitude towards its shareholders, the company paid an interim dividend of ₹3 per equity share for the financial year ended March 31, 2020 and a buyback of company shares amounting to ₹56.81 Crores.

In the month of March, the Board of the company also approved the Scheme of demerger of its Inorganic Chemicals and Textiles businesses through a Scheme of Arrangement U/s 230-232. This demerger is intended to deliver various operational and strategic benefits to each Business segment as separate listed entities such as focused growth, concentrated approach, business synergies and increased operational and customer focus. In addition, it will address independent business opportunities with efficient capital allocation and attract different set of investors, strategic partners, lenders and other stakeholders, thus expected to result in enhanced value creation for stakeholders. Both companies shall be listed separately post NCLT approval.

The brownfield capacity addition for the soda ash business was executed successfully and we now operate at a capacity of 1.10 million MT per annum but, due to demand suppression we may not be in a position to fully exploit the additional capacities. The Coronavirus epidemic will cast its shadow on the overall business scenario. In the Textile business, your company's strengths revolve around our penchant for innovation; consistent product development and a strong passion for sustainability and the circular economy. We have stepped up the focus on the Dot Com business in the US and are working with major retailers. But due to the COVID-19 situation, a lot of retail activity in home textiles in the US market has come to a grinding halt. This undoubtedly will have an impact on the inventory build-up in the country and will push back purchase decisions by several months. Given the softness being experienced in the demand for textiles and garments. our yarn business may also experience some headwinds. In the Consumer products business there is an increased focus on digital marketing to promote our brand.

In FY20, your company was recognized as one of the "Best Workplaces in Manufacturing Sector" by Great Place to Work Institute, consecutively for the fourth year in a row. GHCL Foundation Trust received the 'Saurashtra Eminence Award – 2019' for the great work done towards 'Rural Development and CSR' from Divya Bhaskar Group. The Federation of Indian Mineral Industries (FIMI) awarded GHCL for innovation in the field of water management and soil fertility in and around the villages of the mining areas. The 'Jury Special Social Awareness Award' was presented to the Bhimdeval Limestone Mines, GHCL at the Excellence, Sustainability, Health, Safety and Social Awareness Awards FY 2018-19.

As a proponent of inclusive growth, GHCL believes in giving back to the society. Since the last two years, the focus has been on expanding the CSR footprints along with meeting the expectations of the people. GHCL Foundation has been strategically planning and systematically executing various projects for overall development and welfare and has spent ₹9.75 cr on CSR initiatives in FY20.

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

Financial Capital

- **9.64%** CAGR of Profit After Tax since 5 years
- Below **1.0** Debt to equity ratio maintained over last 3 years.

Manufactured Capital

- Largest Soda Ash manufacturing capacity at single location in India with **91%** capacity utilisation.
- **63%** capacity utilisation of HT division
- **96%** capacity utilisation of Yarn division

Intellectual Capital

- **12** sustainable products launched by HT division
- **1,275** Kaizens implemented

Human Capital

- **190** people identified for building leadership capacity as a part of succession planning
- **19.2%** decrease in employee attrition
- **82nd** Rank achieved for best overall company in India in Great Place to Work (GPTW)

Social And Relationship Capital

- **1,24,103** CSR beneficiaries impacted
- **71%** customer satisfaction score

Natural Capital

- **20%** material savings from packaging initiatives in HT division.
- **40%** power requirement of Yarn division is met through renewable energy

HONOURS, AWARDS & CERTIFICATIONS

Mine Award – GHCL Limestones Mines received Mine award under A2 category at 26th Mines Environment and Mineral Conservation week.

Par Excellence Award – GHCL won 'Par Excellence Award' at the 6th National Conclave on 5S, Ankleshwar Chapter, Quality Circle Form of India (QCFI).

Saurashtra Eminence Award 2019 – GHCL Foundation Trust received 'Saurashtra Eminence Award – 2019' for the great work done towards 'Rural Development and CSR' from Divya Bhaskar Group.

SIMA Technofacts Award – GHCL Yarn division received SIMA Technofacts Award at the 13th CEO Conference – 60th Annual General Meeting of SIMA.

Jury Special Social Awareness Award – The Federation of Indian Mineral Industries (FIMI) awarded GHCL for innovation in the field of water management and soil fertility in and around the villages of the mining areas. The 'Jury Special Social Awareness Award' was presented to the Bhimdeval Limestone Mines, GHCL at the Excellence, Sustainability, Health, Safety and Social Awareness Awards FY 2018-19.

Excellence in E-procurement – GHCL received award for 'Excellence in E-procurement' at procurement Tech Summit for FY 2019.

GHCL AT A GLANCE

Since our inception in 1983, we have gradually positioned ourselves as a well-diversified group in chemicals, textiles, and consumer products sectors. We generate value for all our shareholders by combining science and technology to innovate products for our customers. Our professionally managed workforce combined with the business philosophy of inclusive growth of all stakeholders has enabled us to grow profits at a CAGR of 20% on a long-term horizon.

Our key focus revolves around adopting sustainable solutions hinged on time-tested business practices. We believe in sustainable and inclusive growth that focuses on robust and profitable development while embracing the core elements of our business strategy.

OUR VISION, MISSION AND VALUES

Mission:

Responsibly maximising stakeholder value

Vision:

To grow our business responsibly, with governance, sustainability and core values as our Foundation

Our Core Values

Integrated team work

Each person to work towards larger group objectives.

Respect

Thoughtful and show regards for another person.

Ownership

Take Responsibilities of own decisions and actions.

Trust

Confidence in each others capabilities and intentions.

GHCL believes that the businesses which will thrive in the future will be those who responsibly maximise value for all its stakeholders across values chain. We also believe that we have the responsibility and the opportunity to be a catalyst for good in the world. Hence, as we have done in the past, we would continue to work relentlessly towards our mission and vision and, in the process, achieve our long-term ambition. We are a responsible organisation which believes that Respect, Trust, Ownership, and Integrated Team Work lead to long term value creation. The Company is a unique place to work, which is knitted with its Core Values, defining its culture. It is expected from every employee of the company to imbibe our Core Values and interact within the business ecosystem and with all external stakeholders accordingly.

Sustainability Vision 2023

At GHCL, we endeavour to strengthen our sustainability performance in line with our corporate mission and vision. As a 36-year-young company, we realize sustainability is not only a moral obligation but a business mandate. This responsibility extends far beyond our plant walls to our customers, to our communities and even to those who will inherit our society a century from now. The Company is purposely transforming from a commodities-driven chemical company to a solution-driven, customer-focused, and market-oriented innovator. We intend to transform keeping sustainability at the core.

We have been measuring, tracking, and improving our sustainability parameters continuously over the past years. However, we acknowledge that our external environment is evolving at a fast pace, and a more structured and goal-oriented approach is required to sail through the uncertain future. In line with our futuristic thought process, we have developed our 'Sustainability Vision 2023.

Considering our focus, we have developed our sustainability targets 2023 along with a detailed road map to achieve the same. We believe that the goal-oriented approach will help each stakeholder to identify how they can contribute towards the targets and the overall vision. The targets are effectively placed on core values of respect, trust, ownership, and integrated teamwork. The base year for targets is set as FY 2018-19. We have identified four thematic areas - Zero Harm, Responsible Steward, Climate Warrier, and Stakeholder Centric and would be working rigorously towards achieving the target. Going ahead, we intend to showcase our progress on a yearly basis.

Sustainability Vision 2023

Zero harm

- Zero reportable injuries
- Zero environmental incidences

Responsible steward

- 20% specific freshwater consumption reduction
- 10% specific energy consumption reduction
- Green building certification for Noida office

Climate warrior

- 20% GHG emission reduction
- Implement ICP

Stakeholder centric

- 30% reduction of high-risk suppliers in supply chain
- Trusted CSR brand
- SA8000 certification ready operations at HT division
- To be among Top 100 Great Places To Work (GPTW)
- Single digit overall attrition rate
- 25% female employees' representation in overall headcount & 10% in executive cadre
- To increase employment of specially-abled candidates number by 50% than last year

PRODUCT PORTFOLIO

Inorganic Chemicals

Light Soda Ash

Light Soda Ash is an important basic industrial alkali chemical used in soap and detergents, pulp and paper, iron and steel, aluminium cleaning compounds, water softening and dyeing, in fibre-reactive dyes, effluent treatment and production of chemicals.

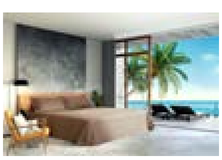
Dense Soda Ash

Dense Soda Ash is used in Glass manufacturing (Flat Glass, Container Glass, Plate Glass, deep processing to other high grade glass for example automotive glass , curtain wall glass), Silicate, Ultramarine, and other chemical industries.

Refined Sodium Bicarbonate

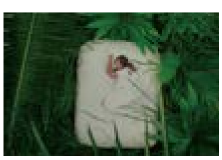
Refined Sodium Bicarbonate or baking soda, is available in- Technical grade, Animal Feed grade and Food grade. Manufactured from light Soda Ash, it is used in a variety of industries like food, food dyes, poultry and animal feed, leather tanning, fire extinguisher, vegetable cleaning applications, blasting of metals, manufacture of chemicals, pharma, deodorizers and personal care products.

Home Textiles



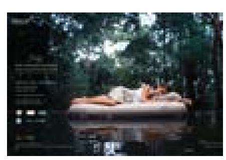
Rekoop

Rekoop bedding is made by blending cotton with polyester fiber obtained from recycling PET bottles. It is sustainable, durable and free of any hazardous chemicals. Its products are : sheet sets, duvet cover sets and comforters.



Cirkularity

Cirkularity is a range of bedding from GHCL that supports the Circular Economy and centers around 'Reduce, Reuse and Recycle'. Its products are : The Sativa, The Naturlig, The Wood Wheel and many more.



Meditasi

Meditasi, is a collection of health & wellness bedding has nine distinct ranges. Meditasi, means "meditation" in the Malay language. This collection focuses on improving the health and wellness and rejuvenating the user during sleep. Its products are: The Radi-Pure range, The Hydro-Bliss range, The Youth-Renew range and many more.

REEKOOP 2.0

REKOOP 2.0 is an evolved and expanded expression of REKOOP, a sustainable bedding concept that was launched in 2018. REKOOP 2.0 comprises of a total of 12 innovative collections, building on GHCL's passion for creating sustainable solutions.

Consumer Products

Edible Salt

Edible Salt, i-FLO boasts of a range of salts which are pure, white and free -flowing. I-FLO's competitive edge is the cost advantage when it comes to normal salt, and a differential advantage of a unique product in the premium pricing.

Honey

Honey, the liquid gold which is often called the elixir of life, is a nutritional trove . Also, GHCL has launched **Jujube Honey** with impressive essential nutrients.

Spices

Spices, the dried form of various seeds, roots, fruits, barks, vegetables, and other plant substances primarily used for colouring, flavouring, and preserving food. An essential culinary practices across all cultures, the warm smell of spices can make any stomach growl. Besides the appetising aroma spices are full of remarkable antimicrobial, medicinal and therapeutic values.

OUR STRATEGY

OUR BUSINESSES, STRATEGY AND RESOURCE ALLOCATION

We, at GHCL, strongly believe in the adoption of pragmatic and sustainable solutions that are based on time-tested business practices.

Simultaneously, we ensure implementation of business solutions that are applicable across all business functions and are 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:

ROBUST AND PROFITABLE GROWTH

We are working towards enhancing our business performance and improving our marketing and sales capabilities. Our aim is to grow profits at a CAGR of 20% on a long term horizon. Our Soda Ash business is comfortably positioned with a stable profit and we are looking towards brownfield and greenfield expansions to propel further growth.

The textile business has been gaining momentum due to the differentiated offerings coupled with the foray into the premium product segments which are likely to act as a key driver for the segment growth.

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.

FOCUS ON VALUE SYSTEM

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.

Inorganic Chemicals Business

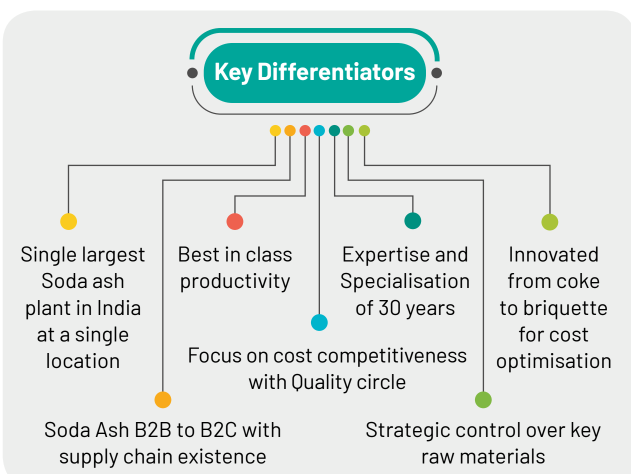
Soda Ash

Focus on driving profitable growth

- Modular, phase-wise capex to give sustained volume growth
- Emphasis on high efficiency in operations

The Company manufactures Soda Ash (Anhydrous Sodium Carbonate), a major raw material for detergents, glass, ceramics industries, and Sodium Bicarbonate (baking soda) in its manufacturing plant at Sutrapada, Gujrat with an installed production capacity of 11 lakh MTPA. In addition, the company also manufactures Sodium Bicarbonate with the production capacity of 200 MT per day.

Our soda ash segment is the 2nd largest soda ash business with 25% market share in India. We have been profitable in the last many years even during volatile market conditions. We have been a leading producer of soda ash in India and are well poised to tap opportunities in both the detergents & the glass industries.



We are extremely optimistic about the way forward and are working towards strengthening our marketing, product development and operating teams. We have consolidated our focus and forged a strong relationship with all the major customers. We endeavour to enhance our customers and consumers value proposition in a responsible manner. We reach out to customers across multiple platforms and address their concerns through robust feedback mechanism.

We have also been able to maintain a domestic market share through a combination of market development, customer centricity, pro-active Direct Customer Relationship Management Satisfaction Initiatives (CSI) and the speedy response to the needs of the marketplace.

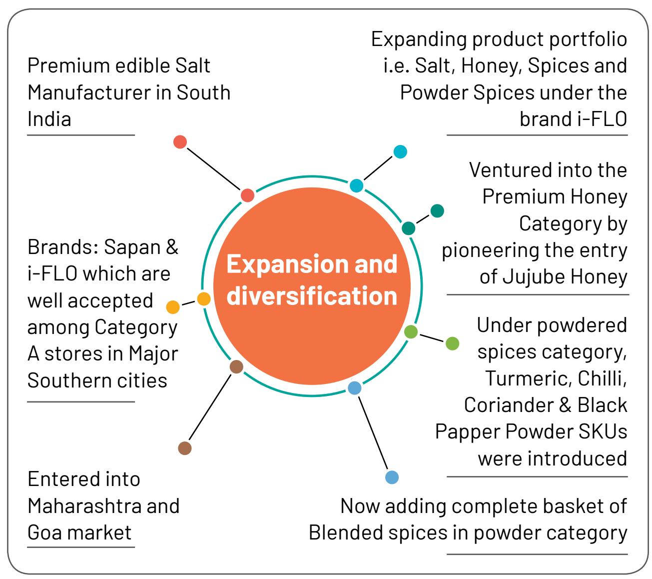
Consumer Products

Focus on driving profitable growth

- Expanding product portfolio and geographic footprint remains the key objective
- Cash flows redeployed towards gaining scale

GHCL produces and sells Edible Salt, Industrial-grade Salt, Spices, Blended Spices, and Honey. It has salt pans at Vedaranyam, Tamil Nadu, and salt refinery at Tirupurore, Tamil Nadu.

In our CPD business, we have adopted differential strategies to capture various regional markets across India in Spices category and we are ambitiously routing to become a national player in both Honey and Spices category.



Our focus is on creating an efficient operating system for healthy and safe packaging of food products to retain freshness and nutrition. For spices and honey, we plan to gradually move away from traditional distribution channels to combat the rural slowdown for the uptake of our products. The focus on digital marketing will continue while promoting the brand to the target audience. For the urbanized consumer, service will be rendered through various channels such as social media, WhatsApp, and google apps, thereby bolstering brand reach across geographic boundaries. In view of the growing e-commerce trend, we have now made a few of the product lines easily available online on channels like Amazon and Big Basket.

OUR BUSINESSES, STRATEGY AND RESOURCE ALLOCATION

Textiles Business

Focus on driving profitable growth

- Continuing to drive performance in spinning. Value-added products to be in focus
- With sustainability and innovation as core planks, home textiles to chart margin expansion

The Company has an integrated setup that supports activities from spinning yarn to weaving, dyeing, printing, and processing until shaping and export of finished products. We have an in-house spinning unit at Madurai, Tamil Nadu, and state-of-the-art home textile facility at Vapi, Gujrat, with an annual weaving capacity of 15 million meters, processing capacity of 45 million meters and cut & sew capacity of 10 million sheet sets. We are amongst India's leading manufacturers of Home Textiles and export our products predominantly to the USA, Canada, UK, Europe and Australia.

The strategic focus of the company continues to revolve around sustainability, traceability, innovation and giving back to society and our biggest strength is product differentiation. The year 2018 saw the launch of two unique bedding brands focused on sustainability – REKOOP, made by blending cotton with recycled polyester from post-consumer PET bottles, with forensic tagging by Applied DNA Sciences, USA to secure its provenance and traceability across the supply chain and CIRKULARITY, a brand that supports that Circular Economy and focusses on the 3 R's – "Reduce, Reuse and Recycle". In March 2019, we launched a unique brand of bedding that promotes "health and wellness', called MEDITASI. September 2019 saw the launch of REKOOP 2.0, now a truly circular solution, whereby used sheets can be recollected and depolymerized into fibre again, rendering the recycled polyester as a raw material for remanufacture and the cotton as a biofuel. 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, JC Penney etc. The Company has launched its own Dot Com brand called RENAURAA, which sells primarily on Amazon and is getting good reviews and ratings. Spinning, the first segment of our value chain, has capacity close to double of home textile requirement hence giving us an opportunity to benefit from expansion of sheeting capacity. Our Spinning unit located near Madurai in Tamil Nadu consists of Yarn ranging from 16s to 32s in open end, 30s to 120s in ring spun compact counts in 100% cotton and 24s to 70s counts in blended yarns.

The four pillar strategy

Sustainability

Traceability

Giving back to the society

Innovation

We continue to work diligently on sustainability of materials, processes and the supply chain. Our penchant for innovation, as a result of focused product development efforts and our thought leadership in creating intellectual property has given us a clear competitive edge over our competition. Our key weakness at the moment is our limited product basked and our lack of diversification in the field of Home Textiles, something that our competition clearly scores over us on. Moving to a situation where we could also be considered a 'one stop' solution to our customers, by expanding the width of our offer, is something we are actively working on. Foreign exchange risks are a reality in this business, but with the robust mechanics of our treasury department, we are able to take proactive measures to mitigate or minimize potential risks.

Resource Allocation

We at GHCL, strive for judicious capital allocation to achieve our strategic objectives through disciplined resource allocation policies. Our aim is to prioritise profitability and eliminate loss making production to maintain a strong balance sheet. Acknowledging that a company cannot be successful without minimizing impact on the environment and obtaining a social license to operate, our resource allocation plans incorporate all the six capitals.

Financial

- Sources include debt and equity financing and cash generated by operations and investments.
- Funds are being invested in various CAPEX projects throughout the business

Manufactured

- Investment are focused on expansion, bringing efficiency and upgrading existing equipment and infrastructure

Intellectual

- In our textile segment, we invest heavily in sustainability and innovation agenda as that provides us a competitive edge
- While making investment decisions, we duly asses the returns of our investment in this capital against the extent to which these might aid in the growth of our business

Human

- We invest in hiring the right people for the right job, in development of our workforce and maintaining our status as a Great Place To Work (GPTW)
- While making investment decisions, we assess whether we have the necessary skills and specialization to deliver on our objectives

Social & Relationship

- All our stakeholders play a fundamental role in 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

- Natural capital inputs such as raw materials, water, land, fuel and renewable energy are critical to our ability to operate efficienty
- We allocate financial and human capital to secure long term availability of these inputs

OUR GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE

Collaborative, ethical leadership is the foundation of GHCL's success. Our Board of Directors and management team is committed to upholding strong governance standards while representing the interests of the Company and its shareholders.

We are led by a Board that comprises 10 individuals with diverse experience and credentials, selected for their acumen and ability to challenge, and add value to the management. They bring forward depth of experience from a variety of industries. Each director provides the Company with unique insights and a fresh perspective.

We exemplify good governance with corporate governance guidelines, code of conduct, and financial ethics. Through this, we are committed to achieving value-based growth without compromising ethical standards.

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.

We foster a culture in which high standards of transparent disclosures, individual accountability and ethical behaviour are ingrained in all our business dealings and shared by our Board of Directors, key management and employees. The key management of the GHCL and an overview of the committees is provided below.

More information on GHCL's corporate governance is available on page 165 of this report.

Key Management at GHCL

Mr. R.S. Jalan
Managing Director

Mr. Raman Chopra
CFO & Executive Director – Finance

Mr. Neelabh Dalmia
Executive Director - Textiles

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)

Mr. Gopakumar Menon
CEO (Consumer Products)

Mr. Biswarup Goswami
CHRO

Mr. Bhuwneshwar Mishra
Senior General Manager and Company Secretary

KEY CODES AND POLICIES

- Nomination & Renumeration Policy
- Preservation of Documents and Archival Policy
- Code of Conduct to regulate monitor and report trading By-Designated Persons
- Policy on Succession Planning
- Policy for Determining Material Subsidiary
- Policy for Determination of Materiality
- Terms & Conditions of Appointment of Independent Director
- Related Party Transactions policy
- Familiarisation program for Independent Directors
- Dividend Distribution Policy
- Board Diversity Policy
- Code of conduct of Board of Directors and Senior Management Personnel Policy
- Risk Management Policy
- Whistle Blower Policy
- Policy on CSR

As GHCL evolves as a company, policies and the Code of Conduct increasingly become catalyst for our success. They define the building blocks that guide us as a business group. The ideal conduct that is expected from GHCL and its people in all business-related matters is documented in our Code of Conduct and policies. The Code clearly directs everyone involved with our Company to act with complete honesty, integrity, and professionalism. We believe our adherence to the directives of the Code will ensure our consistent legacy now and in the coming future.

SUSTAINABILITY GOVERNANCE

Sustainability is a key priority at GHCL, and it is fully integrated into how we operate our business to create long term value. We aim to achieve excellence in business, along with an active contribution towards the growth of society and protection of the environment.

At GHCL, we are upholding a strong sustainability governance structure, with cross-functional representation, wherein senior leadership oversights at the board level, facilitating the embodiment of sustainability vision into all facets of our business.

We have established an internal sustainability committee as a part of the sustainability governance structure to oversee activities relating to Corporate Social Responsibility (CSR), Health Safety and Environment (HSE), and propagating a culture of sustainability across GHCL. The sustainability committee is accountable to the Managing Director. The permanent members of the sustainability committee include the group CEO, CFO, Business Heads, Head of Human Resource, Head of GHCL Foundation, Head of legal and Company Secretary, who review and approve targets, roadmap, and implementation procedures for sustainability vision. We also have sustainability coordinators at each business level who participate in the meeting.


06J04
06J03

OUR MATERIAL ASPECTS

STAKEHOLDER ENGAGEMENT PROCESS

Investors | Suppliers | Employees | Community | Customers

	Investors	Suppliers
Key stakeholder expectations	• Growth of the company • Reward to shareholders • Return on capital employed (ROCE) • Governance and risk management	• Payment terms • Growth of suppliers • Fair and transparent dealing • Loading/unloading infrastructure • Hygiene and sanitation infrastructure • Safety system and performance
Frequency and Engagement platforms	• Annual General Meetings • Quarterly earnings calls and presentation • Investor Conferences • Press releases and newsletters • Regular disclosure to stock Exchanges • Updates on website of the company	• Supplier/ Vendors meet • Supplier feedback and periodic site visits • VENDX portal
Functions	• Investor Relation & Secreterial team	• Procurement

Stakeholder inclusiveness is central to determining our most material issues. At GHCL, we conduct stakeholder engagement through multiple formal platforms. Explicit and perceived stakeholder concerns are regularly reported to the executive committee for consideration, while the company's policy and actions are shared with the stakeholders for input.

We engage with our stakeholders to uncover the economic, environmental, and social issues that are most important to them, and to improve decision making. This approach helps us to develop a comprehensive picture of various issues that our stakeholders are facing. While all stakeholders are important to GHCL, the mode of engagement and key issues of five key stakeholder groups are summarized below.

These concerns are viewed as both risks and opportunities for the Company. We identify strategies to mitigate the risks and capitalize on the opportunities that follow. Each stakeholder is mapped with specific function and committee, enabling a clear demarcation of responsibility and action as deemed. For instance, we have Board-level Stakeholder Relationship Committee to address investor grievance and CSR Committee to review progress on community concerns and projects thereof.

The Stakeholder Relationship Committee regularly updates on the novel list of topics that are raised by stakeholders. The Board-level Committee then decides on issues that can have an impact on GHCL's value creation and are critical for the stakeholders. Our materiality assessment process is explained briefly in the following section.

Employees

- Growth opportunities
- Safe working environment
- Hygiene and sanitation
- Talent attraction and retention
- Training and development
- Employee and contractor grievance
- Employee related policies

- GHCL TEA (Think, Experiment and Adopt)
- MILAP (Medium for interactive, Lateral and Actionable Partnership)
- DISHA meeting
- Engagement survey
- Monthly and quarterly publications and newsletter

- Human Resources

Community

- Livelihood support
- Hygiene and sanitation facilities
- Health care facilities
- Education
- Local employment
- Infrastructure development
- Air and water pollution
- Resource optimization

- Community meetings and visits
- Participatory rural appraisals including focus group discussions, awareness camps, exposure and training visits for beneficiaries
- Interaction for local bodies

- GHCL Foundation and CSR Team

Customers

- Product quality
- Delivery
- Customer connect
- Credit period and transparent payment terms
- Packaging
- Health and safety aspects
- Innovation

- Customer satisfaction surveys
- Direct customer relationship management satisfaction initiatives
- Regular customer/ distributor notes

- Branding and Marketing Team

MATERIALITY ASSESSMENT

One of the prominent aspects of our strategy is to identify and prioritize issues for different stakeholder groups and the Company itself. The Materiality analysis thus helps us identifying and evaluating issues and trends that are important for our business success today or could prove to be important in the future. Therefore, identifying, prioritizing, and addressing the key material issues can impact our ability to meet the expectations of stakeholders and execute aligned the business strategy.

In 2018, we conducted our first materiality assessment covering our major business – Inorganic Chemicals and Textiles – based on comprehensive brainstorming process among Sr. management and functional and operating teams who are in direct, regular contact with key stakeholders. The inputs received from internal assessments were then aligned to GRI issues of Chemical and Textile sectors. We reviewed the materiality assessment of peers to check any significant anomalies in the exercise. After analysis of more than half a dozen peers for each business sector, a list of key material issues for GHCL was consolidated, which was further shared across to top management for their inputs.

During the FY 2019-20, through multiple channels, the Company has organised structured stakeholder discussions with management personnel from different functions who represents the voice of external stakeholders, to evaluate the significance of the potential material issues. The list of material issues presented in last year's Integrated Report was revalidated through this internal stakeholder consultations. Basis discussions with internal stakeholders, the Company has finalized the material topics which are of importance to both the stakeholders and the Company. The final prioritized issues holding strategic importance to our Company are categorised under five broad topics.

Five Thematic Areas

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

Key Material Issues

Environmental Performance Management	Human Rights and Decent Labour Practices	Sustainable Raw Materials, Products and Innovation	Human Capital Management	Community Investment Engagement
• Energy and GHG emissions • Water • Waste	• Health and safety • Human rights and labour practices	• Sustainable products / packaging • Process improvement/ innovation • Responsible value chain	• Employee engagement • Learning and development	• Corporate social responsibility • Community engagement

OUR VALUE CREATION PROCESS

At GHCL, it is a continuous endeavor to integrate sustainability into our everyday decision-making process and create long term value for all our stakeholders. We cater to two businesses broadly categorized as Inorganic Chemicals (Soda Ash and Consumer Products) and Textiles. Operating in a volatile and complex external environment, we create value by utilizing resources and fostering key relationships. In alignment with our Sustainability Vision 2023, our business model describes what we use, how we manage the process, how we create value, and what value we create.

BUSINESS MODEL

What We Use

Financial Capital

- INR 225.33 Cr. Payment for capital expenditure

Manufactured Capital

- 10 operating locations across India
- 41.5 lakh MT major raw material used

Intellectual Capital

- 1,275 Number of kaizens

Human Capital

- 5,107 Permanent workforce
- 3,842 Contractual workforce
- INR 188 Cr. Employee benefits expense

Natural Capital

- 120.4 lakh GJ Direct energy consumption
- 5.4 lakh GJ Indirect enery consumption
- 43.3 lakh KL Fresh water consumption

Social & Relationship Capital

- INR 9.75 Cr. CSR spend
- 17 partnership with NGOs

Our Value Chain

Enablers

Governance

Vision

Key Considerations

Strategy and Resources Allocation I Stakeholder Engagement I

Chemicals

Raw material Procurement → Manufacturing → Distribution → Customers

Textiles

Raw material Procurement → Spinning → Weaving → Fabric Processing → Cute & Sew → Distribution → Customers

Consumer Products

Raw material Procurement → Branding & Packing → Distribution → Customers

Refining Salt

Core Values

Respect

Trust

How We Create

Mission

Code of Conduct

Risk | Performance

Soda Ash

We are the second largest manufacturer of Soda Ash in India with 25% market share and 11 lakh MTPA MT capacity.

Textiles

Our home textiles division is based on a 4 pillar strategy of sustainability, traceability, innovation and giving back to the society. We have the best plants and equipment sourced from Germany and Japan.

Consumer Products

We have a strong FMCG presence in South India with edible salt, honey and spices. Our brands Sapan & i-FLO are well accepted among Category A stores in Major Southern cities.

Ownership

Team work

What We Create

Financial Capital

INR **3,272** Cr.
Revenue generated

Manufactured Capital

10 lakh MT
Soda Ash division production

0.28 lakh MT
Yarn division production

0.06 lakh MT
HT division production

1.13 lakh MT
CPD production

Intellectual Capital

12 Number of new sustainable products

Human Capital

41,683 Manhours
of formal training

Natural Capital

9.5 lakh tCo2
Scope 1 emissions

0.92 lakh tCo2
Scope 2 emissions

87,460 MT
Waste disposal

Social & Relationship Capital

82 Rank in GPTW

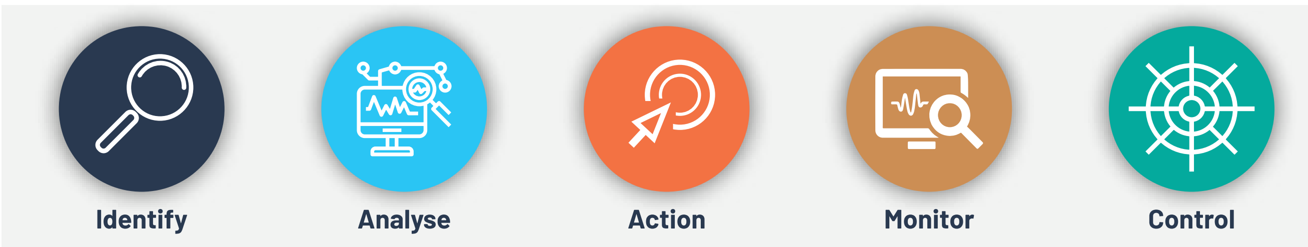
INR **24.21** Cr.
Worth CSR projects implemented

1.24 lakh
CSR beneficiaries

OUR BUSINESS ENVIRONMENT

MANAGING RISK, MAXIMISING RETURN

Risk Management Framework



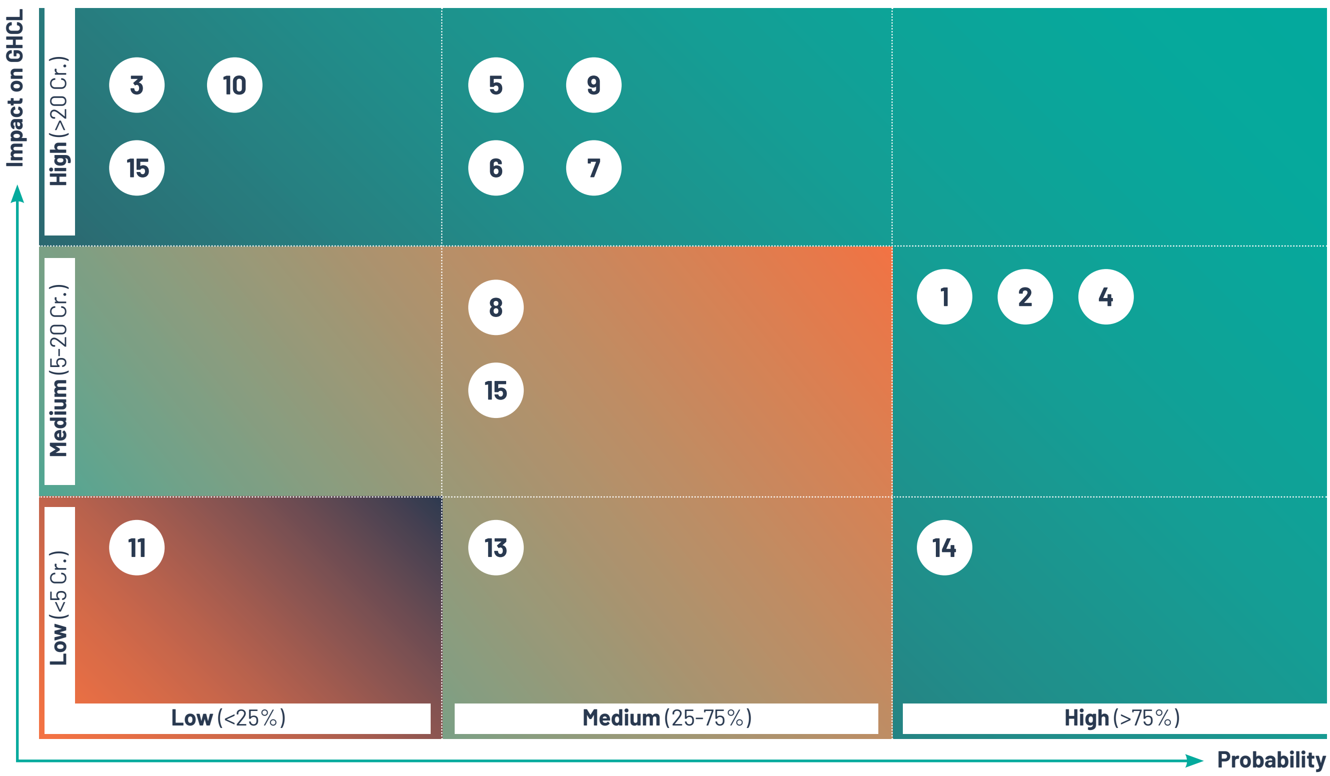
Risks are inherent to any enterprise, and effective governance and risk management underlines a company's foundation. Sustainable business requires that the risks are managed proactively and promptly before they can start to damage the performance of the company.

We regularly engage with our strategic stakeholders and domain experts to identify and understand global megatrends and their impact on both – us and the world around us. With this trend-spotting exercise, complemented by rigorous scenario modeling, we evaluate our current business models against various probable future scenarios. Consequently, the Company updates its business models, execution strategies, and risk profiles. As a result, we ensure updated systems, refined processes, and updated training to become future-ready and continue generating value for our stakeholders.

We, as a company, ensure that risks are managed in a systematic manner wherein we identify, evaluate, and finally mitigate any operational, strategic, or external risks. Our Board oversees the enterprise risk management (ERM) process.

Regular monitoring and review of these risks have enabled us to analyse the changes in the business ecosystem, evaluate assumptions underlying the existing business model, the effectiveness of strategies, and identify alternate future scenarios. Through our enterprise risk management process, we have identified the risks which can impact the business and have subsequently updated our risk matrix from the previous Integrated Report FY 2018-19. However, towards the end of the FY 2019-20, we saw an unprecedented risk to human lives, economies and businesses, in the form of COVID-19. Such an event reaffirms the business case for a robust ERM process and the need for attention and swift action. Spread of infectious diseases is a fast-emerging risk with uncertain consequences that cannot be ignored. We acknowledge the graveness of the situation and are planning to integrate such risks in the ERM system so that such situations can be managed effectively.

The risks, we believe, that could impact our business are grouped under the four broad categories, that is, cost competitiveness, sustainability, governance, and business growth and innovation. Based on the outcome of the enterprise risk process, it was observed that sustainability is one of the emerging risks. Hence, we at GHCL have defined a structured and goal-oriented approach towards mitigating this risk. Our Sustainability Vision 2023 is our first step towards the evolving external environment.



Identified Risks

High

1. Raw Material availability & Volatility
2. Margin Pressure – Low cost competitors & Oversupply
3. Financial Cost & disciplined Allocation
4. Currency Fluctuation
5. Social Licence to Operate
6. Climate Change & Natural Calamity
7. EHS Performance
9. Compliance & Regulatory Changes
10. Ethical Business Practices
12. Capex & Non-Capex Growth
14. Digitization/Automation

Medium

8. Succession Planning: Right People at Right Place
13. New Product & Process Enhancement
14. Superior Customer Serviceability

Low

11. Cyber Security

MANAGING RISK, MAXIMISING RETURN

S. No.	Risk Name	Mitigation Strategy	Capital
		Cost Competitiveness	
1.	Raw Material availability & Volatility	1. Focus on efficient use and re-use of raw material as well as captive raw material (Backward Integration)	
		2. Long term supply contracts and vendor diversification for commodity supplies	
		3. Due Diligence & effective management for optimized settlements with raw material suppliers	
2.	Margin Pressure – Low cost competitors & Oversupply	1. Update & Implement sales and marketing strategies to deal with Margin Pressure	
		2. Introducing differentiated & Innovative products	
3.	Financial Cost & disciplined Allocation	1. Targeted deployment of financial funds, meticulous allocation of capital, and making future ready investments	
		2. Efficient capital management thereby deriving the maximum output for each unit of capital disbursed	
4.	Currency Fluctuation	1. Monitoring the foreign exchange market closely and taking hedging measures, principally for terms shorter than one year and generally not exceeding 18 months	
		2. Management of exchange rate exposures by utilising forward foreign exchange contracts	
		3. Engagement with multiple rating agencies on our financial processes	
		Sustainability	
5.	Social Licence to Operate	1. Regular engagement with the local communities to understand and address their issues	
6.	Climate Change & Natural Calamity	1. Investment in upgrading existing technology to minimise our GHG footprint	
		2. Internal carbon price (the project is underway) is used to manage carbon risks and opportunities. Through ICP we aim to prepare ourselves for future regulatory changes including Emission Trading Scheme (ETS) and Carbon Tax (CT)	
		3. Continued focus on understanding the broader implications of climate change on GHCL's operations and supply chain and exploring climate change mitigation and adaptation solutions	
7.	EHS Performance	1. EHS policies are in place, and there is continuous monitoring of environmental and health & safety KPIs	
		2. Improvement areas are identified on a periodic basis, and EHS targets are also included in the sustainability roadmap that are regularly monitored	
		3. Compliance with applicable legal norms is a priority	
		4. Environmental Management Plan (EMP) is in place to mitigate any further risks	

S. No.	Risk Name	Mitigation Strategy	Capital
8.	Succession Planning: Right People at Right Place	1. Identifying potential candidates for future leadership 2. Investing in training, mentorship, and development of these candidates.	
Governance			
9.	Governance, Compliance & Regulatory Changes	1. Dedicated Compliance department with a compliance management framework in place to ensure highest standards 2. Keeping track of changes in the regulatory landscape, coupled with systems and processes to ensure compliance with applicable laws with and other legal standards. 3. Single point accountability with appropriate responsibility cascading down the organisation	
10.	Ethical Business Practices	1. Ensuring that all employees, including long-term contractors, are trained on GHCL's Code of Conduct. Compliance with the Code of Conduct is a requirement in employment contracts for new hires. 2. Mechanism of reporting and Investigation of the breaches of the Code of Conduct in place	
11.	Cyber Security	1. Systems are upgraded regularly with the latest security standards. For critical applications, security policies and procedures are updated on a periodic basis 2. Periodic security compliance check, firewalls up-gradation, installation of threat monitoring systems, and regular patch updates	
12.	Capex & Non-Capex Growth	1. Efficient capital allocation to enhance business and ensure optimal shareholder growth while taking financial and funding risks into consideration. 2. Continuously review of assets to ensure continuous gain in the return on invested capital	
Business Growth and Innovation			
13.	New Product & Process Enhancement	1. Focus on developing new, innovative, customer-centric and differentiated products catering to stakeholder expectations 2. Building brands and increasing customer reach	
14.	Digitization/ Automation	1. Strategic focus on technology to make processes simpler for all stakeholders 2. Uptake of new-age technology to increase operational efficiency, improve processes and provide enhanced customer engagement 3. Engaging with reputed partners for automation	
15.	Superior Customer Serviceability	1. Empowering the staff, the employees, the customer-facing people to make customer success the company culture. 2. Collaborating with the customers to understand their needs and help them achieve the desired outcome	

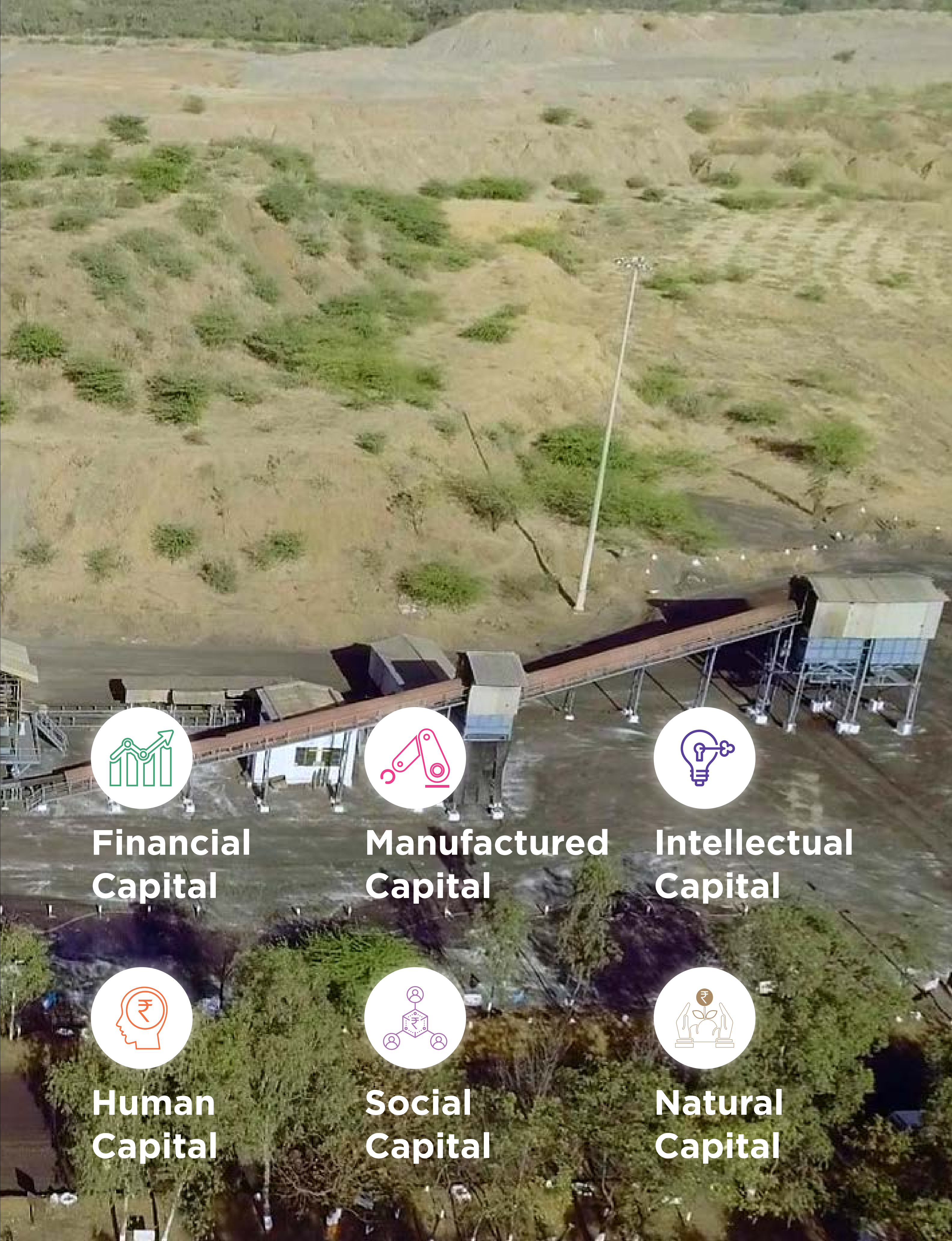
OUR PERFORMANCE

We, at GHCL, understand the changing Volatile, Uncertain, Complex and Ambiguous (VUCA) business environment and believe that we must think beyond the conventional mindset to stay ahead of the challenges.

We are taking a step forward to adopt a broader perspective in our decision-making process, i.e. integrated thinking, where we bring together financial considerations with social and environmental aspects of our business.

We seek to develop and justify the reason of our existence through value creation in management and processes. Our approach to managing the Company stands on the core values of – Respect, Trust, Ownership, and Integrated Teamwork. We are working to strengthen our moves to achieve goals with the principles of being decisive, innovative, inspiring, empowering, dynamic and process driven to take our integrated approach forward. This is a fitting approach for an organization such as ours, where we interact and have intense relationships with a broad and diverse set of stakeholders.

This year, we are enhancing and refining the reporting of our value creation initiatives, in our second Integrated Annual Report, in line with the <IR> Framework. We bring forward to you a dedicated section on capital management and performance, where the capital reviews are presented in the ensuing sections to establish how we interact with the capitals and build on our Sustainability Vision 2023. The reporting demonstrates our actions, resultant outputs, outcomes and the trade-offs.



Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social Capital

Natural Capital

FINANCIAL CAPITAL

We as well as our stakeholders understand that proper and conscientious use of financial capital is a prerequisite for long-term sustainability and expansion. In this section, we discuss how our management gives priority to understand the broader aspects of our business, bring in the necessary financial resources to enable and manage our value creation process. Our performance during the year reflects challenges as well as the strategies and actions we put in place to respond to these trends effectively. Our primary objective is to deliver a sustainable attractive return on investment to our shareholders while ensuring their wellbeing. Our constant aim is to remain fully committed to generating competitive value while ensuring sustainability, before the short-term maximization of profits. GHCL reports its financial parameters - total revenue, profit after tax, borrowings, return on invested capital and share price, etc. in a clear and transparent manner.

3,272
Total Revenue (INR Cr.)

23%
EBIDTA

18.6%
Return on Invested capital (ROIC)

406
Profit After Tax (PAT) (INR Cr.)

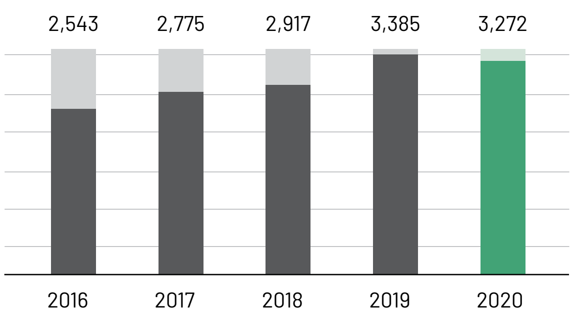
2,185
Net worth (Equity) (INR Cr.)

0.57%
Debt to equity ratio

1,240
Borrowings (INR Cr.)

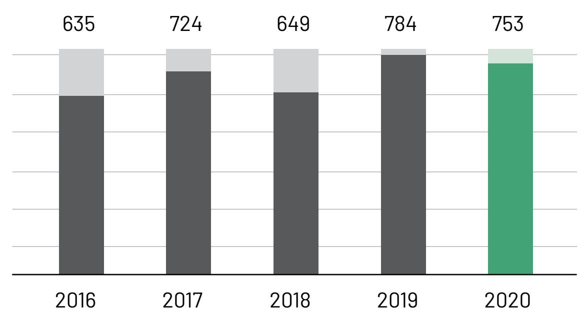
Total Revenue

(INR Cr.)



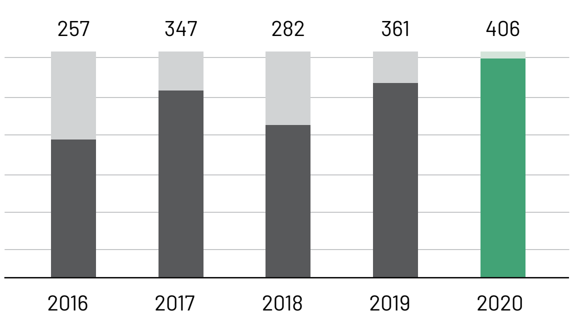
EBIDTA

(INR Cr.)



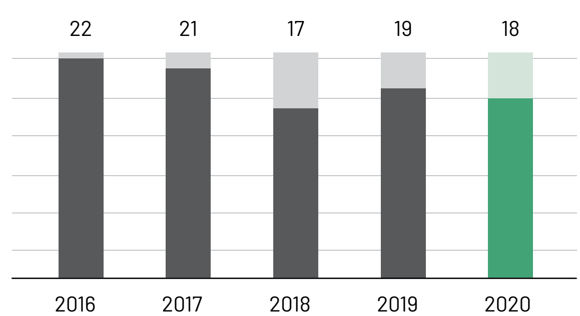
Profit After Tax

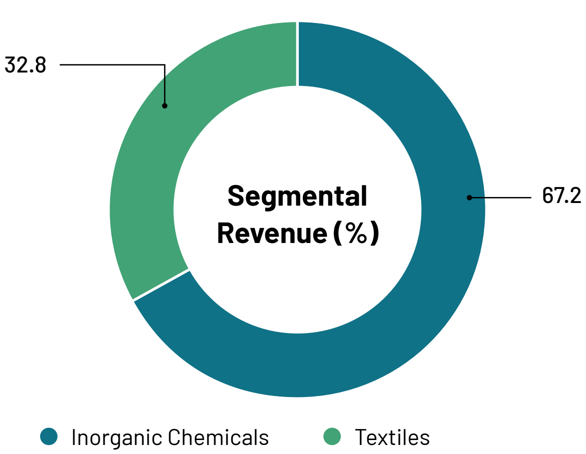
(INR Cr.)



Return on Capital Employed, ROCE

(%)





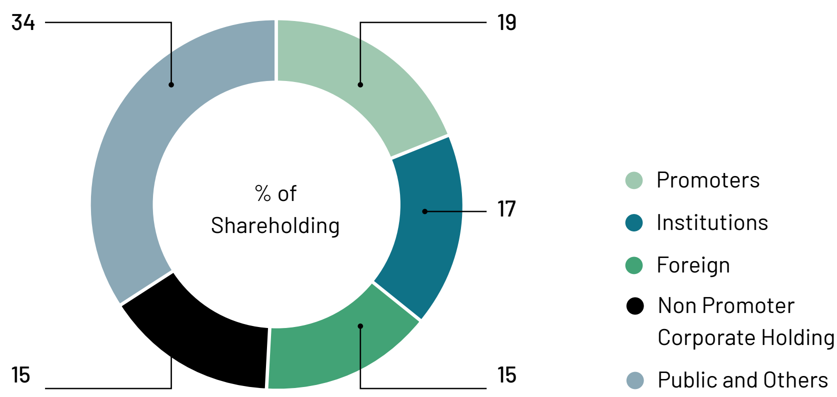
FINANCIAL CAPITAL

Shareholding Pattern

GHCL is a professionally managed organisation. The shares of GHCL are listed in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

We constantly endeavour to improve upon our systems and processes and to strengthen our Corporate Governance. GHCL has attracted some of the leading investors in the financial markets and have been mindful of the trust placed by them in us. We undertake all our operations transparently and with integrity.

The shareholding pattern below shows the distribution of our total shares amongst various individuals and institutions as on March 31, 2020.



Implications of COVID-19 on the business

The coronavirus outbreak is a human tragedy, affecting hundreds of thousands of people, economies and businesses. A halt in the industrial activities due to the nationwide lockdown coupled with slowdown in the downstream products will lead to a decline in our revenues. Profitability will also get affected as the operating levels and fixed costs remain high. As the economy is expected to remain cash strapped and there is a liquidity crunch at customer's end, we expect the debt levels to remain high. Also there will be a forex impact as, since the spread of pandemic, Rupee/Dollar parity has been extremely volatile which may also impact the profitability of our business. Never-the-less, ours is a resilient business and through our robust risk mitigation strategy we aim to maintain steady business and reduce losses as much as possible.

Performance Highlights

Our business model has embodied a balance between economic, environmental and social aspects of value creation. The six capitals - financial, manufactured, intellectual, human, social and relationship, and natural bring in the resources to achieve and create value for us and our stakeholders. We distribute the value generated from the sale of our products to all our stakeholders, thereby helping them live a happy, healthy and fulfilling life.

9.64%

CAGR of Profit After Tax since 5 years

Below 1.0

Debt to equity ratio maintained over last 3 year

Trade-offs

By using **financial capital,** we grow our business, therefore, growing our **manufactured, human,** and **intellectual capital.** There is a positive impact on **social and relationship capital** as well since we improve our relationships with all our stakeholders. However, when we use **financial capital** to expand and build infrastructure, it may impact the natural capital negatively. Through targeted deployment and meticulous allocation of financial capital, we try to neutralize our impact on natural capital and invest in assets and resources which are least harmful to nature.

MANUFACTURED CAPITAL

Through the manufactured capital, which comprises of plants, machinery, equipment, and other physical assets, GHCL is delivering value added products and catering to the needs of customers. GHCL comprises of world-class manufacturing facilities in Inorganic chemicals and Textiles.

Our strategy for providing the best-in-class products to our customers involves (i) expansion of customer touchpoints, (ii) introducing innovative products and (iii) process improvements focusing on improving resource efficiency and minimisation of waste and emissions. All the above require investment in fixed assets, which in turn creates value for us by generating future cash flows.

We believe that manufacturing capital is a critical enabler, and if harnessed well, could significantly improve the quality of our products. The value addition, quality enhancements and lower cost of production achieved through conscientious use of manufactured capital supports our long-term vision of sustainability.

We are directing our strategy towards the management of manufactured capital in futuristic, well-planned and pragmatic manner. Our annual capital allocation is decided based on multiple factors such as technology upgradation, market competitiveness, customer requirements, cost factors, and available budgets. Consistent precedence is given to maintain and upgrade equipment within the plants and facilities; whilst looking at long-term investments with due diligence studies to bring in modernity to our industrial operations. With time, we are transitioning to be a responsible steward in managing our assets. In alignment to our Sustainability Vision 2023, GHCL took a target to achieve Green Building certification for its Noida office that would lead to positive impact on our climate and overall ecosystem.

Material Issues

Sustainable Raw Materials, Products and Innovation

- Sustainable products / packaging
- Process improvement/innovation
- Responsible value chain

Sustainability Vision 2023

Responsible steward

- Green building certification for Noida office

10
Operating locations across India

225.33
Payment for capital Expenditure (INR Cr.)

41.5 lakh
Major raw material used (MT)

9.25 lakh
Soda Ash sold (MT)

50,993
Bicarbonate sold (MT)

176 lakh
HT division products sold (Meter)

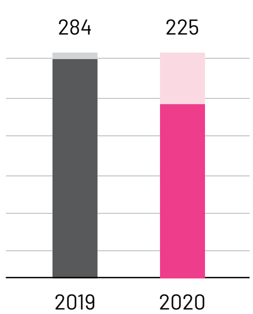
26,391
Yarn division products sold (MT)

1.92 lakh
Salt sold by CPD (MT)

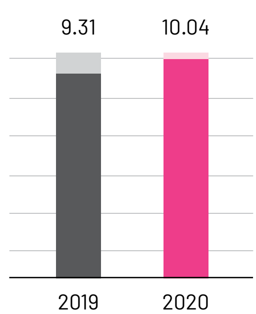
6,459 cases
of honey sold by CPD

17,453 cases
of spices sold by CPD

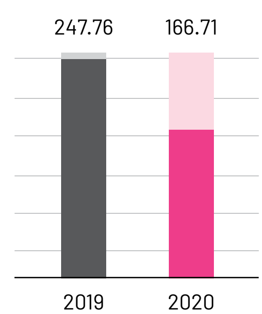
Payment for capital expenditure
(INR Cr.)



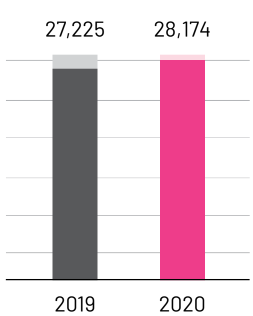
Soda Ash division production*
(lakh MT)



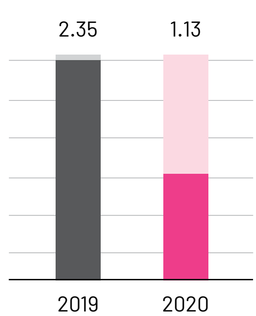
HT division production**
(lakh meters)



Yarn division production
(MT)



CPD Production***
(lakh MT)



**Net Soda Ash production is provided, data for FY 2018-19 has been changed accordingly*

***HT production data is pertaining to finished products*

****CPD production includes refined salt and raw salt*

MANUFACTURED CAPITAL

Inorganic Chemicals–Soda Ash

Our Soda Ash operations serve to about one-fourth of India's annual domestic demand. To cater to this demand, we draw raw materials partially from our captive lignite mines, salt pans and limestone mines, thus providing us a competitive advantage.

GHCL focuses on cost competitiveness, quality and ensures timely delivery of raw materials and products through an extensive logistics network. The outbound logistics network for Soda ash division consists of 16 warehouses including one dispatch hub covering pan India. Our Marquee clients for Soda Ash export are – Hindustan Unilever, HNG, Gujrat Borosil Limited, FENA, P&G, Saint Gobain, Patanjali, Hindustan Zinc, etc.

Inorganic Chemicals – Consumer Products Division

Our CPD operations span across 3,500 acres of Veda salt works spread over at Vedaranayam, Tamil Nadu, making us one of the region's largest manufacturers of raw salt-producing 1.1 lakh MTPA. A refinery in Chennai for edible salt, with production approximately 1 lakh MTPA, is also part of our manufactured capital. Under the brand name of i-FLO, the division markets spices, blended spices, and honey to provide value to the customer by giving them a good quality product coupled with a great brand experience.

Complying with food safety norms and standardised quality of products, GHCL secured i-FLO triple refined salt manufacturing facility accreditation with "Halal certification" and "ISO 22000:2005" for Food Safety and Quality Management Systems. Currently, it serves 8 markets through over 40,000 outlets, thereby catering to diverse consumer segments.

Home Textiles and Yarn

GHCL is one of the largest integrated textile manufacturers and exporters in India. Recognised for our premium product development capabilities, we are placed at the forefront in major markets internationally. Our home textile products are primarily exported worldwide, and some of our Marquee clients are - Kohl's, Bed, Bath & Beyond, QVC, Dillard's, Revman International. Sunham, Amazon. com, Walmart.com, Sainsbury's and Canningvale etc.

Seeking to harmonise our integrated thinking in our value creation and product development process, we have taken various initiatives on sustainability and innovation in developing and updating new suite products, along with maintain high quality, over the past years. The Company has unique bedding brands focussed on sustainability. These are – REKOOP, CIRKULARITY, MEDITASI and REKOOP 2.0.

Quality control at HT division

We, at GHCL, understand the importance of maintaining the quality of the incoming raw material. The quality control procedure follows set of rules intended to ensure that our manufactured product adheres to a defined set of quality criteria, meets the industry standards and quality requirements of our customers. The quality of yarn cones is tested for count characteristics as per testing manual work instructions. Dyes and chemicals are tested for quality with recording of results is done in Chemical Testing Register. To prevent control outbreaks, we have established well-defined quality controls in various processes of our business operations. These controls ultimately help standardize both production and reactions to quality issues at GHCL.

State of the art manufacturing

Performance Highlights

GHCL, through its inorganic chemicals, home textiles, yarn and consumer products division, is envisioning to increase its market presence . We are focusing on the Company's material issues of utilizing sustainable raw materials, catering to responsible product innovation and holding accountability in our business processes. Also, upholding a strong brand responsibility, in the backdrop of an operating environment with a multitude of challenges, we have distinctively converted our no drilling, blasting limestone mine to eco-friendly, fertile agricultural land.

91%

Capacity utilization of Soda Ash division

63%

Capacity utilization of HT division

96%

Capacity utilization for spinning operations of Yarn division

Trade-offs

Through the expansion of our operations, we increase the stock of our **manufactured capital** and reduce the stock of financial capital in the short term. However, in the long run, the expansion will lead to higher profits, therefore, increasing the stock of **financial capital.** Also, by expanding **manufactured capital,** we negatively impact **natural capital.** However, by increasing the efficiency and utilization of the existing infrastructure, we are able to mitigate our impact on the stock of **natural capital.**

INTELLECTUAL CAPITAL

Technology has dramatically reshaped the world, and GHCL has been quick to adopt this change by enhancing its research and development capabilities through investment in facilities, technology innovations, and human resources. We, at GHCL, recognize the mandate to stay well-poised and stand tall to sustain our positioning as an empowered conglomerate. We are relying on our intellectual capital, not only in terms of tangible assets but also intangible assets—our corporate reputation and standing, our expertise in managed processing, sustainable systems products, processes and performance culture within the workplace—to bolster our efforts to be distinct in the industry, well apart from the competition. We are focusing on nurturing our assets and leveraging them to gain a competitive advantage to support our Sustainability Vision 2023.

Our intellectual capital is what sets us apart. It is a crucial driver of our success and sustainable growth. GHCL always looks for newness and is a perennial innovator of quality products. In the HT division, the Company focuses on strengthening its marketing, product development, and operating teams while underlying its strategic focus on sustainability, traceability, and innovation. Leveraging upon these, we are looking to proliferate the business across geographies with better margins.

Additionally, Intellectual Capital includes our organizational governance, knowledge, culture, and leadership structures. It also encompasses our processes, risk management, the systems that support and facilitate integrated thinking, our ability to deliver on our business strategy and our relationships. We believe, leveraging our intellectual capital allows us to implement the most effective and efficient way possible of integrated thinking.

Material Issues

Sustainable Raw Materials, Products and Innovation

- Sustainable products / packaging
- Process improvement/innovation
- Responsible value chain

93.35	11.2	13.9%	8.4%
Expenditure in R&D (INR lakh)	Saving due to process efficiency (INR Cr.)	Revenue share of CPD from new products	Revenue share of Yarn division from new products

Product Innovation

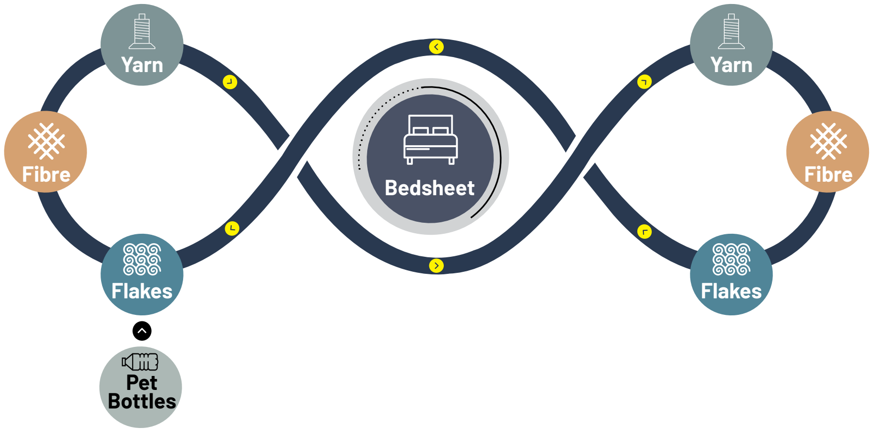
REKOOP 2.0

REKOOP 2.0 is an evolved and expanded expression of REKOOP, a sustainable bedding concept that was launched in 2018. REKOOP 2.0 comprises of a total of 12 innovative collections, building on GHCL's passion for creating sustainable solutions. It is a truly circular solution, is made with forensically tagged recycled polyester embarking on the concept of used sheets being recollected and depolymerized into fibre again. The polyester fibre can be used as a raw material for re-manufacturing and the cotton can be further used as a biofuel. With this, we are using sustainable raw materials and innovating our products in a responsible way.

Our collection revolves around exciting blends of recycled polyester with other sustainable fibres such as TENCEL™ from Lenzing AG, Modal, Cupro, Linen and BCI Cotton. We are incorporating meaningful performance attributes into some of the collections, that broadly appeal in terms of weaves, textures, prints & finishes and are spreading across wide price bandwidth.

REKOOP Featured as a Case Study in Harvard Business Review

REKOOP, as GHCL's flagship range of innovative beddings, featured as a case study in Harvard Business Review. This is a proud moment for all of us at GHCL to be recognized for the efforts our teams have put forward in developing such an innovative bedding-line. The case study evolves on Harvard Business Review's (HBR) mission to improve the practice of management in a changing world, to influence real-world change and to create impact through innovation and ideas. Presenting REEKOP in Harvard Business's marketing strategy and sustainability course is primarily to target the post-graduate management students in developing their skills by abstracting principles from the case study example.



INTELLECTUAL CAPITAL

Process Innovation

We believe process improvement and innovation leads to many benefits that have a direct impact on business performance. For us, continuous improvements in processes helps remove inefficiency and ultimately improves the productivity. In addition to accelerating development, it leads to higher product quality. One key advantage of our continual process improvement endeavour is the competitive advantage that we gain in the industry due to higher capacity utilisation.

To drive high performance at our Soda Ash facility, we follow Akzo Nobel Process. The improved moisture reduction and reduced specific steam consumption due to belt filter and high-speed rotary drum filter have positively impacted our processes.

Installation of belt filter and high speed rotary drum filter

In 2016, we installed and commissioned a belt filter to reduce moisture in Sodium Bicarbonate cake. This helped in reduction in moisture and specific steam consumption. Recently, we have replaced two old low speed rotary vacuum filter to new high-speed rotary drum vacuum filter. With the efficient technical design, the sodium bicarbonate moisture in our operations is reduced around 4% as compared to FY 2016-17. The overall moisture reduction is 18.54 % in FY 2018-19 to 17.53% in FY 2019-20. This has given steam saving from 1.42 MT/MTSA in FY 2018-19 to 1.35 MT/MTSA in FY 2019-20. The high-speed filter aids for stabilisation.

Installation of Circulating Fluidized Bed Combustion (CFB) Boilers with variable frequency drivers

Driving product innovation and energy savings at once, Soda Ash division commissioned a Circulating Fluidized Bed Combustion (CFBC) Boiler in 2019. The aim of the installed system is to save energy by advanced Industrial techniques.

The CFBC boiler features the fast fluid bed which is formed in the whole furnace (combustor), with its collected particles that are recirculated into the furnace. Its higher combustion efficiency and furnace desulfurization/ denitrification efficiency than, the previously installed, Atmospheric fluidized bed combustion (AFBC) boiler results in effective reduction of coal specific consumption.

To improve overall efficiency of the thermal power plant, we have additionally installed the Variable Frequency Drive (VFD), that controls the speed of the motor which in turn adjusts the fan speed. Whenever there is a fuel demand, the air fan adjusts itself by a command from a controller to VFD. By adjusting the feeding of lignite and fan speed we are progressing to enhanced controlling features that enables us to save more energy. With VFD, we are achieving approximately 1MW power saving.

INTELLECTUAL CAPITAL

Internet of Things (IoT)

With technology amplifying the potential of the people, we are expanding our capabilities with digitization. We believe it is an important tool for increasing overall transparency and efficiency in our operations. We are working towards achieving operational excellence and optimizing cost by integrating Internet of Things (IoT) applications in our operations. We aim to optimize our operations by enabling automated data collection and end to end visibility around raw materials, work-in-progress and finished goods.

We have consulted third party to foster our understanding on online recording of raw material consumption and automated bag counter (truck loading and stacking) IoT implementation roadmap for an initial setup at Sutrapada facility.

We are working towards enabling our energy management system, optimizing utilization of plant capacity and automating weigh bridges. The energy management system would support in calibrating processes and reducing energy consumption with the power of analytical tools and algorithms. The historian and dashboard project would support in leveraging the potential of historic plant data and creation of customized dashboards. The unmanned weigh bridges system would facilitate automatic operations for truck entry and exit, without any manual intervention.

Further, the Company is aiming to expand the IoT application in all facilities by integrating them in one single platform. This would enable standardization of data acquisition and collection of data usage. In addition to it, we are considering the possibility of setting up 'Remote Operating Center' at one of our facilities.

Culture of Kaizens

As is embedded in the culture of GHCL, various Kaizens were implemented throughout the year. The initiatives aided GHCL in cost and power savings, and increased production capacity. In FY 2019-20, of all the kaizen implementations, the Company awarded Star Kaizen to - C&D Process initiative, Lime Kiln initiative, QC Lab initiative and Liquid & Carbonation initiative. The Exemplary Kiazen was awarded to utility initiative of Power & Carbon dioxide.

Power & Carbon dioxide initiative

The issue that arose was the K-401 Carbon dioxide mechanical- compressor became non-operational due to failure in oil pressure governing control servo system. The kaizen to resolve the situation was to develop logic in DCS system to control the speed by I to H converter, without by passing any safety interlocks, to protect the compressor turbine. Additionally, develop two PID controller in DCS for closed loop control of compressor speed and pressure. The over speed protection interlock was developed in DCS at 1,60,00 RPM for safety of system and mechanical over speed was aligned for safety of compressor's turbine control. With it, control pressure (P3) was developed by I to H converter instead of mechanical governor for servo system. This kaizen implementation benefited in speed control of compressor, auto mode functionality in compressor and cost savings because of in-house development.

INTELLECTUAL CAPITAL

Branding and Marketing

Branding is critical to a business because of the overall impact it makes on the company. We believe branding can change how people perceive the brand, it drives new business and increases brand awareness. We, at GHCL, are guiding our marketing and branding communications by the principles of ethical business that must always be transparent, accurate, and honest. We are striving to build trust and protect brand value through our communications and draw guidance from best practices observed by our values.

To build trust with consumers, potential clients, employees and community, we are focusing more on our strongly established brand, professional appearance, and our branding strategy. With such expression, we envision reaching out to existing and prospective buyers in the best possible scenario. GHCL has been leveraging on the social media platform to increase brand recognition, enhance the visibility of its value-added products, especially sustainable products. While updating on videos, brochures, and website content, we continually spotlight to create awareness about our products in industry events and sustainability forums.

Certifications in our business

OEKO-TEX

BSCI

GOTS

COTTON LEADS

SUPIMA

USTERIZED

OHSAS 18001:2007

EGYPTIAN COTTON

ISO 14001:2015

ORGANIC 100

ISO 9001:2015

STep

BCI

COTTON AFRICA

SMETA

FLOCERT

GRS

Performance Highlights

We believe that a business's ability to continue delivering value in the future will depend on its ability to become future-ready. We are dedicated to expanding our performance over the coming years. Therefore, the Company is committed to develop and launch new innovative products and thereby is continuously investing in new sustainable product development. Also, we are focusing to enhance and progress in the field of circular economy with new partnerships and technical expertise.

1,275
Kaizens implemented

12
Sustainable products launched by HT division

Trade-offs

To meet growing customer expectations, GHCL is making continuous efforts in this direction to develop products that are attractive, provide comfort, convenience, and safety. To meet the demand for changing customer preference, investment in intellectual capital is a necessity. In the short term, investment in **intellectual capital** may reduce our stocks of **financial capital** however in the long term it will boost the stocks of **human, financial and social and relationship capital.**

HUMAN CAPITAL

For GHCL, its people are the greatest contributors to success, and they underpin the Company's ability to create a "Great Place to Work". We believe that an inclusive work environment inspires employees to perform better thus driving the growth of business. Our human capital is enhanced through a holistic approach towards organizational capability development.

While we understand the importance to manage the entire employee life cycle, our process of "Hire to Retire" specifically focus on talent management, employee engagement, employee communication and learning and development. This process allows us to deliver against our business strategies. We believe that our people have the individual skills, competence and experience that gives us the opportunity to deliver against our strategic objectives and makes us future ready. To further support, we provide our people learning and development opportunities, that leads to higher on-the-job performance and future career progression. Additionally, we are a step forward in recognizing and rewarding exceptional achievements.

GHCL's employment practices are laid on attracting and retaining talent based on performance and potential. Employee competencies are developed through capability development programme and succession planning for critical positions - that includes assessment centres, gap analysis, customised classroom and project-based training, and other development programmes. During such training, the Company also assesses the current level of skills, psychology, motivation and personality and builds to enhance on it. Our key emphasis is on building skills by getting employees involved in activities that encourage teamwork, critical thinking and analysis as well as creating empowered environment where they are free to present and interact with senior management.

We are a value driven organisation committed to employee engagement that upholds individual dignity and respects human rights. We enable the employee to operate and blossom in an environment of Respect, Trust, Accountability and Integrated Teamwork.

Material Issues

Human Capital Management

- Employee engagement
- Learning and development

Human Rights and Decent Labour Practices

- Health and safety
- Human rights and labour practices

Sustainability Vision 2023

Zero harm

- Zero reportable injuries

Stakeholder centric

- To be among Top 100 Great Places To Work (GPTW)
- Single digit overall attrition rate
- 25% female employees' representation in overall headcount & 10% in executive cadre
- To increase employment of specially-abled candidates number by 50% than last year

41,683
Training manhours

25%
Female workforce

9.2%
Employee attrition

28,903
Safety training hours

2.2
LTIFR

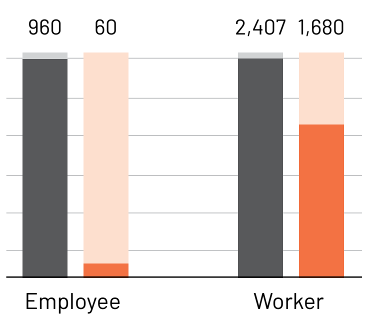
64
HSE stewards appointed

190
People indentified for building leadership capacity as a part of succession planning

Among Top 30
India's Best Workplaces in manufacturing sector in GPTW

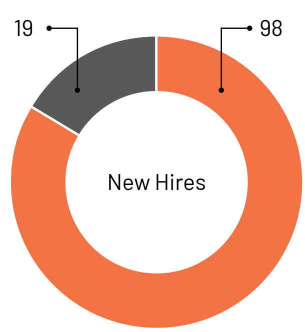
Total permanent workforce FY'20

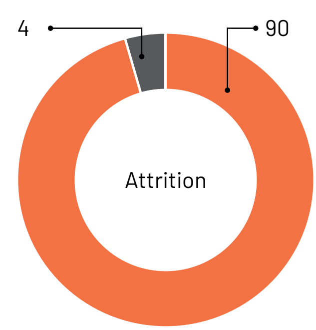
Male Female



Permanent workforce turnover and new hires FY'20

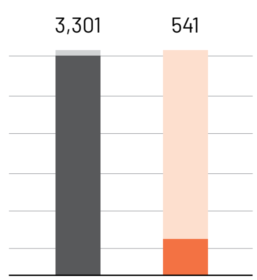
Male Female Male Female





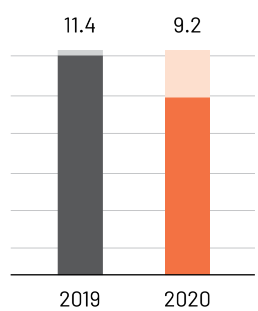
Total contractual workforce FY'20

Male Female

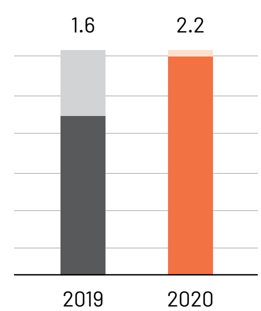


Employee attrition

(%)



LTIFR



HUMAN CAPITAL

Great Place To Work

We are elated to express that GHCL is certified as 'Great Place To Work' for third time in a row. At GHCL, we believe in working hard to achieve the set goals and are determined towards achieving new heights. Building upon the trend, this year too, GHCL has achieved the ranking of being among the top "100 Great Places to work" in India for the 3rd year in a row.

In the award ceremony held at Mumbai on 28th June 2019, Mr. R S Jalan, MD GHCL Limited, himself attended and overwhelmingly received the award on behalf of the GHCL family. On the occasion Mr. Jalan expressed his vision and said – "In order to make an organization great, it is important that people bring their best to work which happens when we care enough and give them a conducive atmosphere to be creative and express themselves. I am proud of team GHCL for achieving this certification for the third year in a row. Kudos and keep it up."

We remain deeply committed to consistently rank under top 100 GPTW. For this, we relentlessly uphold to the recognitions that help the Company to be more consistent in its approach. It motivates us to think of various ways in which we can improve and work towards strengthening our core team and maintaining the relationship with our, both internal and external, stakeholders.

Our winning parameters across-

Trust Index includes:

Credibility, Respect, Fairness, Pride, Camaraderie.

Culture Audit includes:

Hiring, Welcoming, Inspiring, Speaking, Listening, Collaborating, Grievance Redressal, Thanking, Developing, Balancing, Supporting, Including, Celebrating, Rewarding, Contributing.

HR strategy

In today's increasing global competitive scenario, we put forth people matters over various other concerns. Our HR mission is to evolve a high-performing culture in current engaged and digitalised work environment, that propels us to further become an employer of choice. Keeping this in context, we have developed our three-pillar HR strategy framework that includes a) Define Value b) Align HR services and c) Deliver Value.

To create a work environment that stimulates team spirit, passion, engagement and achievement, we have framed out 12 building blocks, starting from talent management to communication, that leverage the intellect of our people. We have performed current state assessment of these building blocks, to purpose required actions, short term enabler targets and long-term enabler goals, and to run through best-in-class HRMS process (Success Factors).

We are developing an Enterprise Transformation Group (ETG) to drive an enterprise-wide talent focused transformation in a time-bound, structured and collaborative manner. In this program, our immediate focus areas are to– socialize the program, perform goal setting, plan the workforce, propagate policies and process changes, classify job categories as learnable and specialist.

HUMAN CAPITAL

Talent Attraction and Performance Management

We, at GHCL, have a streamlined process of talent acquisition and performance management. Our talent attraction function focuses on assessing an individual based on their cultural fitment to our organization as well as their potential to perform and grow.

At the time of onboarding, we share knowledge about our business and its diverse nature, explain key success factors for each business, familiarise the individual with work environment, educate on operational challenges of each business function and brief business expectations. Development centre assessment and psychometric profiling techniques are used for on campus and lateral hiring to measure the candidates' potential on required competencies. We uphold the entire process of recruitment in non-discriminatory manner with focus on assessing the individual and not just the technical or functional expertise.

We are routinely monitoring performance of our employees at all levels and providing incentives, rewards and recognition based on meritorious performance and contributions. Additionally, this year we have launched targets to achieve single digit overall attrition, single digit potential succession attrition, increased female representation and escalated employment opportunities for especially abled candidates, along our core mandate of improving people performance.

To extend our efforts towards employees and to bring together all of them at one platform, the Company launched GHCL Townhall few years ago to discuss emerging business challenges and scenario.

Performance Management System

Goal Setting

Goal Review

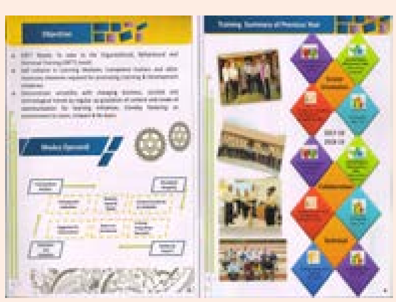
Annual Performance Evaluation

Feedback Process/ Training Need Identification

Annual Compensation Review

Soda Ash division launched learning and development plan

In April'19, Soda Ash division launched a 'Learning and Development Plan' that focused on imparting training to employees at all levels. In alignment with the plan, GHCL conducts various programs covering classroom training, external training, coaching sessions, management development program, programs from Original Equipment Manufacturers (OEM) and knowledge dissemination program by Small and Mid-size Enterprises (SMEs). Additionally, the Company conducted review and evaluation of all these interventions to ensure the achievement of desired targets.



HUMAN CAPITAL

GHCL Townhall

GHCL Townhall is one platform that brings together all employees across locations onto one common platform to understand the existing business scenario, the challenges involved and our strategy for achieving our Vison 2023. With this engaging platform, employees get an opportunity to discuss business related queries and concerns with the senior management, additionally allowing them to share their opinions and suggestions.

Succession Planning

Succession Planning essentially involves planning and execution of smooth transtion into leadership positions. It is a strategic program that involves identfication of key roles for the employees best suited to fill these roles in the future. Trajectory of each role is established highlighting the skills needed for optimal performance in each role and finding the skills acquired to perform on these roles. We have developed a seven-step process of succession plan, for both technicians and executives as demonstarted below.

Identification of critical positions

Identification of potential employees

Mapping of position and potential

Development assessment centre

Gap identification

Development plan for successors

Review of development plan

Employee Health and Safety

Safety is our utmost priority and we believe that the ultimate responsibility of safety lies with the Board, committees and each and every employee working with us. We are focused on creating a safe and ethical working environment in all our manufacturing facilities. We regularly conduct health and safety awareness and training programs. This will facilitate better understanding of safety aspects among our employees and workers. We have been working towards achieving 'Zero Harm', through zero reportable injuries target, under Sustainability Vision 2023 within all our operations. We support the overall Well-being of the workforce to enhance their work-life balance, morale, productivity and loyalty towards us.

We leverage on the five-pillar approach to safety management are illustrated in the figure below. GHCL continuously identifies activities to strengthen each pillar and implement across businesses, thereby embedding a Zero Harm culture across all business operations. We have also launched 'Safety Champion of the month' award to improve our safety reporting capabilities through google forms.

We continue to capture Health, Safety and Environment (HSE) related data covering lagging & leading indicators through our HSE dashboard. GHCL regularly conducts safety management audits to check safety-preparedness of our facilities, identify the system gaps and plug the loopholes as recommended in internal safety and other audits. Last year, we introduced the concept of HSE stewards for implementing our safety approach and to create a sense of ownership amongst line functions.

HUMAN CAPITAL

Safety Champion of the month award

To inculcate the 'Safety Culture' among our employees, we have introduced 'Safety Champion of the month' award, starting January 2020. It aims to achieve zero accidents, motivate contract employees for reporting unsafe practices, areas, acts, and involve all our employees, contractors and workmen in our safety drive. A safety champion embodies the principle that 'There is no such thing as being too safe at work'. We believe, a "safety champion" will influence positive effects on overall employee welfare and workplace safety.

Additionally, the Company has decided to provide monetary awards to first three winners of the safety nomination list, routed from HOD-Safety, on every 5th day of the month.

Preventing the spread of COVID-19

GHCL is engaged in helping employees and communities to navigate the COVID-19 pandemic, a global challenge disrupting lives across the world. We understand that this is an unprecedented time. The safety and wellbeing of our people is of utmost priority for us. We have mobilized efforts to support the communities in which we operate.

To ensure safety of our employees, we are regularly sanitizing our premises, maintaining social distancing in offices and plants and following all govt guidelines to prevent the spread of COVID-19.

In addition to the above, we have taken various communication efforts to spread awareness, such as:

- Circulated mailers and posters to spread awareness at all plant sites.
- Expanded our reach to employee through WhatsApp groups in all plant locations so that even the last employee is connected.
- Created a helpline, weassist@ghcl.co.in ,and displayed it prominently on our website for our partners and employees to reach out to us in times of need.
- Quelled doubts of fear in our employees by ensuring fortnightly webinar, by our Managing Director - Mr. Jalan through 'MD Speaks' sessions and written communication statements from MD's desk

Contractor Safety Management

As a responsible organisation we, at GHCL, protect the safety and health of our teams, contractors, their subcontractors, and thereby, our reputation.

Contractor employees' fatality remains the topmost safety concern for GHCL. It is with deep regret that we have reported one fatality in soda ash division involving our contracting partners. The root cause of this tragic incident has been thoroughly investigated and the resulting findings have been shared and implemented across the businesses to prevent such tragedies in the future.

We are continuously channelling our efforts to eliminate such incidents and achieve zero harm. Apart from taking various initiatives to improve safety performance, we are also ensuring that contractor employees have the desired skills and competencies to perform their job safely through continuous training & stewardship.

We have contractor safety management system in place that ensures the safety of contracted services and supports our HSE performance goals. It helps in monitoring and evaluating contractor safety performance.

In addition, we have included various initiatives like contractor HSE scorecard and safety champions for motivating contractual employees to report unsafe practices/ areas/ unsafe acts etc. We are putting emphasis on the importance of occupational health and safety for our contractors as equally to our employees.

Reporting in Google Forms

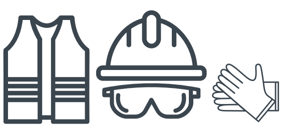
We have structed our near miss reporting system with Google forms for enhanced reporting. Earlier, the near miss reporting was conducted in hard copy format. With this latest reporting system, we are receiving more near miss reports. Also, we have made the near miss application questionnaire simpler for smooth, prompt and easy interface by radio button, drop down features. This fosters the involvement from shop level employees as well.

HUMAN CAPITAL

Cardinal Rules and Consequence Management System

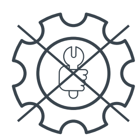
We firmly believe that great performance supplements to rewards while substandard safety performance enforces to punitive measures. We have a defined model for consequence management system against the violation of Cardinal Rules. To continue on the road of excellence, all employees are mandated to abide by these set of non-negotiable rules and procedures.

Cardinal Rules



Always wear appropriate Personal Protective Equipment (PPE)

Work with a valid permit to work whenever required



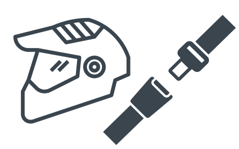
Do not work on live equipment, without proper isolation of all energy sources.

Use safety belt/ harness, when working at height (≥ 1.8m).

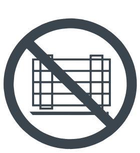
Never work/walk under hanging load.

Maintain safe working distance from moving part/ equipment (i.e. thumb rule of 1 m)

Be aware of the hazards near your workplace and also make others aware of the same.



While driving four and two wheeler use seat belt and crash helmet respectively.



Do not block escape routes and/or fire equipment.

Report all incidents (injuries, unsafe acts/conditions and near miss).

Performance Highlights

We, at GHCL, are advancing our focus on safety leadership skills. We are committed to ensuring safety of our employees and have set ambitious targets and clear strategies aimed at reducing accidents in our business operations. Additionally, 24% of our employees are covered by collective bargaining agreement. The business is achieving new heights with investment in human capital in the form of salaries, benefits and development programs. It has greatly enhanced our employee productivity, attendance and turnover.

19.2%
Decrease in employee attrition

64
HSE stewards appointed

82nd
Rank Achieved for best overall company in India in GPTW

Trade-offs

The **financial capital** that we invest in our employees affects the **human capital** and **social & relationship capital** positively. The capacity building of employees in turn benefits both our **intellectual capital** and **social & relationship capital** in the short term and **financial capital** in the long term.

SOCIAL & RELATIONSHIP CAPITAL

Our relationship with our stakeholders gives us strength as a company and helps us in driving exceptional performance. We are focusing on minimizing the use of resources and giving back to the society. We value our relationships and protect the needs and interests of all our key stakeholders. As a company with diverse operations and a wide geographical footprint, Social and Relationship Capital forms an integral component of our value creation process and our Vision Sustainability 2023. GHCL periodically engages with stakeholders, namely, investors, customers, suppliers, employees and communities, through various formal and informal platforms to address their concerns in a fair and appropriate manner.

Our approach to pursue the socially responsible growth, is pragmatic, structured and responsible. We are mindful of the commitment to adhere to the highest ethical standards with our stakeholders. Our responsible values are well integrated into the organization strategy. We are conducting business following safe and healthy working conditions for our employees, contractors and suppliers. We are constantly striving to make a positive impact on the communities in which we interact.

We have taken up a target to make our textile units SA8000 Certification ready by 2023. SA8000 measures social performance in eight important areas to social accountability in workplaces that are anchored by a management system element. Through the certification, we are looking forward to ensuring the highest quality of social compliance in our supply chains, all the while without sacrificing our business interests.

The following section highlights our efforts on how we engage with our stakeholders, the approach and the key initiatives carried out during the period under review. We ensure social and relationship development whilst building strong trust among our stakeholders.

Material Issues

Community Investment Engagement

- Corporate social responsibility
- Community engagement

Sustainability Vision 2023

Stakeholder centric

- 30% reduction of high-risk suppliers in supply chain
- Trusted CSR brand
- SA8000 certification ready operations at HT division

24.21
Worth CSR projects implemented (INR Cr.)

9.75
CSR contribution (INR Cr.)

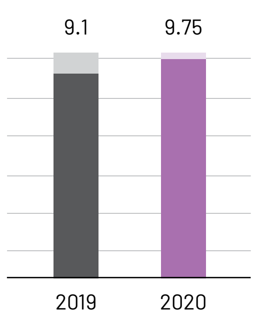
61%
Local vendors (within same state)

17
Partnerships with NGO's trust & government

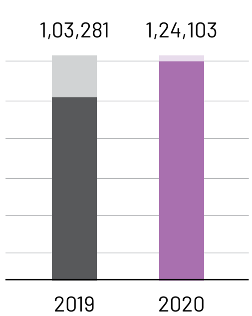
64%
Small vendors (turnover < INR 1 Cr.)

CSR expenditure

(INR Cr.)



Beneficiaries of CSR Projects



Community

Corporate Social Responsibility (CSR) has been a long-standing commitment that has been embedded in the very fabric of GHCL. We believe it is essential to tackle the issue of social inequality. Therefore, we are working to align our business model to address social concerns. Community investment and engagement is a material issue for us and we are aligning our actions and approach to further consolidate good practices for community welfare throughout our value chain.

At GHCL, we carry out developmental activities through the CSR arm – 'GHCL Foundation Trust,' which supports efforts that go beyond the areas of business interest and positively impact the society and environment.

We have a Board level CSR committee to strengthen and monitor the activities under the aegis of 'Corporate Social Responsibility.' 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. We impact beneficiaries through monetary investment and partnership with NGOs. The Company, this year, has taken a target to contribute positively to the communities and become a trusted, recognised brand for CSR.

We identify critical areas of development that require investment and intervention, followed by proactive support to ensure that meaningful socio-economic development reaches and benefits the community. Through our community engagement programs, we understand the community's expectations of having better health and hygiene facilities, more local employment opportunities, better educational and infrastructural amenities etc. Hence, we focus on delivering substantial stakeholder value through innovative and inclusive social development models that focus on three key pillars – agriculture & animal husbandry, education, and healthcare.

SOCIAL & RELATIONSHIP CAPITAL

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'.

Agriculture and Animal Husbandry

The dominant economic activity of the communities nearby GHCL's Sutrapada facility is agriculture. Thus, as an endeavour to enhance farmers' income, several initiatives are taken up by GHCL Foundation. The essence of the practice is to reduce farmers' input costs, magnify productivity, adopt environment-friendly solutions, and generate a supplementary income. The Company is implementing initiatives such as animal husbandry, zero-budget farming, and organic farming, thereby benefitting society at large.

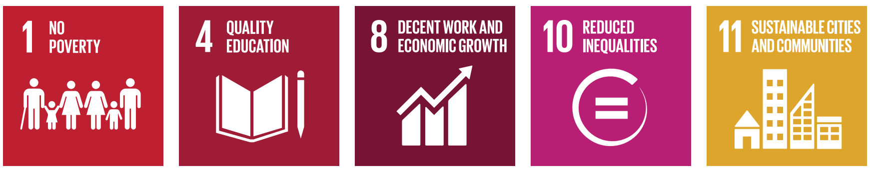
GHCL assists the nearby community in multiple ways such as: informing about the new agricultural methods, carrying out capacity building on farming techniques, provisioning of high-quality seeds and manure, exposing about irrigation solutions i.e. micro-irrigation techniques, disseminating knowledge and training the farmers through structured programmes.

To strive towards enhancing the livelihood opportunities of the farmers, the Company engages in animal husbandry via livestock management. Also, we regularly organise animal treatment camps for vaccination, provide treatment for deworming, and organise vaccination camps for the treatment of foot and mouth diseases for animals. Through the initiative, we are impacting the lives of farmers.

Success story of Kumbhabhai

Kumbhabhai had only two acres of land and was living on a meagre income when he sought support from GHCL Foundation. The Foundation suggested that Kumbhabhai should start coconut farming on his land and provided the saplings and the fertilizers at a very reasonable price. Kumbhabhai took their advice and today, he is able to earn approximately five times his earlier income annually.

Education and Vocational Training



We believe that going forward, youth of the country could take up a central role in the evolving external environment. To support the same, we encourage students of the community to participate in education and training programmes organised by GHCL. We give precedence to youth programs, enabling them with vocational training as well as creating awareness on significant and current socio-economic issues. Also, the Foundation plays a vital role in working with the Anganwadi workers, parents, expecting, and nursing mothers. We educate parents as well about the value of education and its benefits in the life of any individual. Our key focus stands on pre-primary education that engages students in extra-curricular activities like story-telling sessions, tree-plantation drives, art, and craft competitions for their overall development. Science fairs, student competitions, special courses on Maths and English for secondary school students, etc. are organized to ensure overall development.

Bal Vibhushit Program

GHCL, launched the project of 'Bal Vibhushit' in January 2020, with a target to mobilize and empower 6,000 students in Amreli, Bhavnagar and Sutrapada (Gujarat) with scholarship awareness, application support and career mentorship. The approach includes creating an updated student-friendly scholarship database, identifying and matching the scholarships meant for students and creating documents related to scholarship information like step wise application guidelines.

Success story of Bhavnaben Dhodi

Bhavnaben have actively been attending the women Self Help Group (SHG) meetings and training sessions post which she started making beds of vermin compost and within 6-month time she has been able to successfully produce approximately 600 kg of fertilisers. Bhavnaben have been able to work well in making fertilisers on her own and has become financially independent.

SOCIAL & RELATIONSHIP CAPITAL

Healthcare

The scope of our healthcare program covers preventive health care aspects, seeking to ensure the overall wellbeing of the resident communities around GHCL's operations. The initiatives under this program include health check-ups, medical services, eye camps, cancer-camps. These initiatives are appreciated by the local community and have created impact in areas of - cataract operation and cancer screening.

The Foundation also organizes permanent, mobile camps in primary schools, in nearby villages, to screen children for waterborne diseases, tuberculosis, etc.

Recently, we have launched new Mobile Medical Unit (MMU) in Madurai with support of our CSR Arm. Additionally, free of cost preventive healthcare programs and hygiene awareness trainings are conducted for the local communities.

Success story of Laxmanbhai

Laxmanbhai belongs to a small village in Rajula Taluka. He wanted to construct a toilet in his house for his mother with poor eyesights. GHCL Foundation provided financial aid to Laxmanbhai and he was finally able to construct a toilet in his house.

Employees

We are committed to providing employees with a stable work environment that includes equal opportunities for learning and personal growth. Our central Human Resources function is tasked with establishing, administering, and effectively communicating corporate values, policies and practices that treat employees with dignity and equality, in compliance with employment and labour laws, corporate directives and labour agreements.

As an employee-centric organisation we focus on enhancing learning and development, ensure proper talent management and succession planning. We recognise and appreciate our employees on their efforts by regularly rewarding them with awards such as – long service award, on-the-spot award, internal-audit award etc. The Company endeavours to continually communicate and partner with employees. GHCL Digest, MILAP, Shop floor, GHCL TEA and GHCL Townhall are some channels that we use to communicate with our employees.

We strive to maintain overall health, safety, development, and productivity of our employees and work to achieve our business objectives by undertaking multiple HR initiatives across all the businesses. Various formal and non-formal initiatives are carried out by GHCL. Festival celebrations and birthday celebrations foster healthy and open culture feelings among the employees.

We give time off to employees to come together at various possible occasions, to celebrate together different festivals, to involve their families and to increase bonding among them for better comradeship.

We also believe that each employee has the potential to make a change for the future of our planet and well-being of the community we live in. In majority of our facilities, we are providing opportunity to make positive contributions through voluntary sapling plantation programs. Our HR and CSR team joined hands to celebrate 'World Environmental Day' across all GHCL locations as a commitment to positive impact to the environment.

HR Excellence

We regularly reward employees on multiple forums to appreciate and acknowledge their extra-ordinary efforts in generating improved outcomes for the organization.

On-The-Spot Ward

Exemplary Award

Star kaizen Award

SOCIAL & RELATIONSHIP CAPITAL

World Environment Day


Bhavnagar


Chennai


Sutrapada


SMCD


Vapi

"World Environment Day" celebrated across GHCL locations. Saplings were planted around the office areas on the day.

Investors

We strive to keep our investors informed on the Company's strategies, plans, and performance and thereby gain their trust and confidence. Some of the channels GHCL uses to keep their investors informed are the annual general meeting, investor presentations, investor meets and analyst calls, press conferences, and media releases. We make use of electronic media for communication where appropriate and frequent updates are posted on the Company's website. 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 Regulation 46(2)(j) in the Listing Regulations, the designated e-mail address for the investors' complaints is secretarial@ghcl.co.in

Through the Company's strategies, GHCL takes a long-term view of the business and carefully balances risks and returns to generate an optimum return to the shareholders in a sustainable manner. While we keep on innovating products, we do it with due diligence and professionalism to protect the investors' capital. With this, we believe that we will lead the shareholders to take a long-term view without being swayed by short-term fluctuations and build lasting and trusting relationships.

Customers

For GHCL, our customers are at the heart of our value creation process, and the primary strategic emphasis is placed on persistently enhancing our customer value proposition. We aim to provide value to our customers and consumers in a responsible manner by taking into consideration their overall well-being and educating them on safe and responsible usage of our products and services. We continually reach out to our existing and potential customers across multiple platforms. We uphold a robust consumer feedback mechanism in place to address the concerns and grievances of our consumers.

Customer serviceability

We, at GHCL, are committed to ensure highest level of Customer Serviceability. To achieve this, our Soda Ash business has established multi modal supply chain, warehousing infrastructure and distributor networks across all our domestic market. To provide 24-hours delivery, the Company has developed the capability to monitor the supply chain movement, continuously, though "On Time in Full" i.e. OTIF levels. Monitoring will ensure high delivery performance standards. Improved level of Serviceability has supported us with competitive advantage and in maintaining customer retention levels by offering an excellent value proposition, specifically for the retail customer segment. This has enabled us to nurture and sustain mutually beneficial, long term relationships.

Customer Satisfaction Survey (CSS)

We, at GHCL, we started with the Customer Satisfaction Survey (CSS) in 2018. The objective of the survey was to improve aspects such as product quality, packing & packaging, delivery performance and customer service, in addition to overall satisfaction. It included three segments namely, buying process, value proposition and customer support & serviceability.

This year, we surveyed more than 100 customers across all regions and line of business to improve our operations and to create future action plans. The results of the survey are as below:

Overall Service: Satisfied Customers (%)

Aspect	Overall
Overall Service Quality	71

SOCIAL & RELATIONSHIP CAPITAL

Suppliers

At GHCL, we deem the role of business suppliers to be very important. Therefore, we strive to build trust and strong ties with our suppliers. We periodically communicate with our suppliers to share our aspirations and challenges. We are maintaining a fair process to select suppliers of goods and services without any external or internal influence. At GHCL, we ensure that all concerns of our suppliers are addressed, and they become part of our success.

We are striving to continuously strengthen our commitment to having sustainable practices and processes across our value chain and therefore encourage our partners, suppliers, and vendors to adopt sustainable business practices and adhere to GHCL's code of conduct. This year, additionally, we have taken up a commitment and target to reduce by 30% the high-risk suppliers in the supply chain. To achieve this target, we assessed the Environment, Social and Governance (ESG) parameters of our suppliers through the VendX portal and identified critical suppliers. Further, we have engaged a third party to conduct vendor assessment and engagement exercise with these critical suppliers. Going forward, we aim to work with only those suppliers that resonate our sustainability philosophy and commitments.

To ensure the very best is delivered to our customers, our sourcing is done only from reputed suppliers. We also conduct supplier satisfaction surveys bi-annually through our Human Resources Department to understand their requirements and expectations.

Supplier Code of Conduct

GHCL mandates its suppliers to adhere to the Company's Supplier Code of Conduct. It is created for ensuring that our suppliers are put into safe working conditions and their employees are treated with respect. Also, their production processes are responsible and environmentally friendly. Our supplier code of conduct includes:

- **Labour, human rights and other standards:** This includes safeguards against child labour, non-discrimination, health and safety, working conditions, working hours, compensation, right to association, freely chosen employment.
- **Environmental policy:** This comprises of product and materials use and technology of transport system
- **Ethics:** Establishing anti-corruption measures, and adhering to ethics in winning business, employees, and in managing partner relationships (e.g. 'upstream' in the sustainable procurement)
- **Review and documentation policy:** How it will be monitored and reviewed

Green Procurement Policy

We strive to continuously strengthen our commitment to having sustainable practices across our value chain. We have a 'Green Procurement Policy' that embeds green sourcing considerations into the decision-making process. We are associated with Better Cotton Initiative (BCI) and Oeko-Tex 100 / GOTS (Global Organic Textile Standard). This ensures responsible sourcing of materials in our HT division, thereby maintaining long-term healthy relationships with responsible suppliers. Also, in CPD, honey and spices are sourced from tribal communities, supporting in their social upliftment.

Performance highlights

GHCL has effectively enhanced the skills as well as the employability of the local communities through its CSR initiatives. The beneficiaries of health and sanitation programs have been increasing year-on-year. With our inclusive stakeholder engagement, we have added multiple reputed Foreign Institutional Investors (FIIs) and institutional investors. We have also been able to tackle compliance successfully and administer transparent relationships through our stakeholder engagement programs.

1. 24 Lakh

CSR beneficiaries impacted

71%

Customer satisfaction score

Trade-offs

Investment in **social and relationship capital** reduces our **financial capital** in the short term. However, relationship building with all our stakeholders ultimately boosts our business and therefore builds the stocks of our **social, human, intellectual, financial,** and **natural capital.**

NATURAL CAPITAL

For a sustainable future, environmental protection becomes imperative. We are deeply committed to protect the environment, in which we operate, for the benefit of the present and future generations. This year, we come out with our Sustainability Vision 2023 under which have taken dedicated targets as part of being a responsible steward and climate warrior. The base year for targets is set as FY 2018-19. In addition, as a responsible corporate citizen, we are committed to being 100% compliant with the environmental protection laws and regulations.

Our environmental policy reviews our commitment to conserve and manage the environment in which we operate for the benefit of the present and future generations. It is our constant endeavor to utilize our resources effectively while managing operational impacts and minimizing our footprint on the environment. We are making informed choices when it comes to driving sustainability into our business operations and work responsibly, efficiently and cost-effectively to create value for all our stakeholders. We have set targets for reduction in freshwater consumption, energy consumption and waste generation and work relentlessly towards reducing our environmental footprint. We continuously innovate products and processes in line with our environmental commitments.

We ensure that our environmental monitoring and management strategies and processes are periodically reviewed and updated. Through this section of the report, we are providing the status of our natural resource management for the year under review.

Material Issues

Environmental Performance Management

- Energy and GHG emissions
- Water
- Waste

Sustainable Raw Material, Products and Innovation

- Sustainable products/packaging
- Process improvement/ innovation
- Responsible value chain

Sustainability Vision 2023

Zero harm

- Zero environmental incidences

Responsible steward

- 20% specific freshwater consumption reduction
- 10% specific energy consumption reduction

Climate warrior

- 20% GHG emission reduction
- Implement ICP

11.5 lakh
Scope 1 emissions (tCO_2)

0.92 lakh
Scope 2 emissions (tCO_2)

21.9 lakh
Saved through energy initiatives (kWh)

120.4 lakh
Direct energy consumption (GJ)

5.4 lakh
Indirect energy consumption (GJ)

27.3
Wind energy capacity (MW)

2
solar generation capacity (MW)

43.3 lakh
Fresh Water consumption (KL)

3.2 lakh
Water recycled/reuse (KL)

14,230
Rain water harvested (KL)

85,577
Waste disposal of non-hazardous waste (MT)

1,883
Waste disposal of hazardous waste (MT)

82,091
Briquette used in place of metallurgical coke (MT)

NATURAL CAPITAL

Business division	Specific energy consumption (GJ/MT)	Specific process water consumption (KL/MT)	Specific emissions (tCo2/MT)
Soda Ash	11.34	3.02	1.09
Home Textiles	115.39	142.52	12.10
Yarn	15.28	11.58	2.36
CPD	0.04	0.20	0.01

Business division	Hazardous waste (MT)	Non-hazardous waste (MT)	Other waste (MT)
Soda Ash	1,711	78,534	4.58
Home Textiles	167	5,524	0.82
Yarn	4.58	524	0.00
CPD	1.64	995	0.31

Energy efficiency and carbon footprint reduction

Energy efficiency is a priority at GHCL, particularly as we have encountered rapid business growth in the past years, which has led to higher energy consumption levels year-on-year. The Company is focusing on adopting practices and procedures that reduce energy consumption and enhance energy efficiency. Under our Sustainability Vision 2023, we have taken a target to reduce our specific energy consumption by 10%.

In an organization like ours, manufacturing diverse set of products results in intensive energy consumption. The efforts to cut consumption include ongoing initiatives to replace existing lighting with energy-efficient lighting, improve the performance of existing equipment and invest in latest technology. We regularly conduct awareness sessions to imbibe energy-saving practices in day-to-day operations of each business unit.

We are continuously expanding our renewable power portfolio through a mix of wind and solar power to support our energy consumption needs whilst reducing carbon emissions at the same time. Our Consumer Products Division is the least energy intensive among our businesses and a large part of the energy requirement in salt pans are met by solar irradiation.

The maxim 'you can't manage, what you don't measure' holds true for greenhouse gas emissions. Even as we continue to increase our production footprint, we continually monitor and manage emissions to reduce our carbon footprint. With a strong global commitment to limit global warming to no more than 2 degrees Celsius, alongside the urgency of the challenge of addressing climate change, GHCL has planned to put in place an internal carbon price for relevant business operations. The carbon price is an internal price on carbon that creates a theoretical or assumed cost per ton of carbon emissions. This pricing technique will help us drive decarbonization and provide financial incentives to transition to low-carbon alternatives. This year, we have taken up a target to become a climate warrior by reducing our greenhouse gas emissions by 20%.

Zero-budget program

At our HT division, we have implemented Zero-Budget approach to justify the expenses we are making. With this approach, we are able to save a large sum due to various process improvements, reduction in wastage, utilisation of resources and installation and commissioning of 66 KVA electrical line. In FY 2019-20, approximately 170 projects were undertaken. This concept of budgeting increased our accuracy, efficiency and reduced redundant activities.

Carbon neutral launch of REKOOP 2.0

This year, GHCL ensured that its participation in the Fall market was climate neutral. It partnered with South Pole, a leading sustainability consultancy headquartered in Zurich, to calculate the GHG footprint of participation based on flights to and from New York, hotel stays and transportation within the city. The incurred emissions have been offset by a factor of 2.5, committing to the 2°C global warming path outlined in the Copenhagen Accord, totalling to 256 tonnes of CO2 emissions The offsetting has been done by investing in the Kornburi waste water treatment project in North Thailand.

Resources management

With a view to optimize resource management, we monitor material consumption, reduce wastage and increase the use of recycled material. Our consumption during the year under review, has marginally increased by 9.2% since the last financial year.

We maintain a steady supply of key raw materials through local sourcing, captive production, and imports. The Company takes various initiatives to ensure material management through the 3R principle of – Reduce, Reuse, and Recycle. In our Yarn division, we re-use half of our cotton waste back into operations. In our HT division, we recover above 90% of caustic soda by volume with the support of caustic recovery plant. Also, for packaging purpose, bio-degradable self-fabric bags are used. In our Soda Ash division , we strive to reduce our natural resource consumption of metallurgical coke by using briquette. Additionally, we utilize fly ash waste generated by boilers to manufacture bricks and paver blocks.

We promote sustainable procurement in all our business operations. To address the key material issue of 'Sustainable raw

NATURAL CAPITAL

materials' that directly impacts environmental footprint, we constantly work towards procuring sustainable raw materials and producing sustainable products.

Today, we are the 2nd textile company in India to be certified by Sustainable Textile Production (STeP) due to our extensive product portfolio leveraging sustainable fibers. We aim to become the best Textile Company utilizing sustainable materials and producing environmentally friendly products. The details of our sustainable products, that is the sustainable bedding solutions – REKOOP, CIRKULARITY, etc., is mentioned under the Intellectual Section on page 48.

Business	Major Raw Material (MT)	
Inorganic Chemicals*	Salt**	18.4 lakh
	Limestone	21.2 lakh
	Briquette & Coke	0.9 lakh
	Anthracite	0.6 lakh
Textile	Yarn	6,205
	Cotton & Man-made fibre	31,487

*Crystalline salt, spices and honey are not considered as raw materials for Consumer Products Division

**Salt consumption considered for both Soda Ash & Consumer Products Division

Water conservation and Protection of Water Resources

We believe it is vital to conserve water to ensure availability of clean water for the business as well as the communities around our business. Our water management is well structured, and we focus our efforts on monitoring and reducing our freshwater consumption. We are adopting measures to conserve water by enhancing efficiency in our plant operations and manufacturing processes.

GHCL undertakes various water-saving initiatives across its operations, including employing reverse osmosis and nanotechnology in the Soda Ash division to generate good quality permeate from sea water in order to fulfil the freshwater requirement. Various initiatives, such as rainwater harvesting and other potable water facilities, are undertaken to ensure availability of clean drinking water for the local communities.

We strive to be an industry leader in conservation and stewardship of water. To improve our performance, we have taken a target to reduce our specific freshwater consumption by 20% under our Sustainability Vision 2023.

Wastewater disposal & Re-use

The wastewater purification systems installed at our manufacturing locations ensure that the quality and quantity of wastewater generated are within the permissible limits as per the guidelines of CPCB/SPCB(s). We realise the importance of efficient disposal of wastewater to minimize its impact on the environment and society. We are constantly identifying areas within the operations wherein the withdrawn water quantity can be re-utilised, such as for humidification and green belt development, rather than discharging as wastewater.

Solid Waste Management

Waste, if managed effectively, can become a resource. Our business operations generate hazardous and non-hazardous wastes, that are efficiently disposed to prevent any negative impacts on the environment. Our environmental strategy and policies set stringent standards for the management of waste our aim is to re-use and recycle it whenever possible. Our responsible waste management includes systematic waste segregation, treatment, and disposal procedures in strict adherence to regulatory guidelines.

Biodiversity conservation and restoration

We don't see environment and development as conflicting ends of a spectrum where one needs to be compromised to enhance the other. In fact, biological and ecological conservation and development can co-exist and complement each other to provide its inhabitants improved quality of life. At GHCL, we are not only committed to protecting the existing biodiversity but also to create the right habitat in urban areas to ensure that it flourishes.

NATURAL CAPITAL

Responsible Mining

Our Soda Ash plant at Sutrapada utilises basic raw materials such as salt and chemical grade limestone, having calcium carbonate above ninety percent. The plant sources 35-40% chemical grade limestone demand from the captive limestone mines situated within 50 kms from the plant and rest 60-65% from other external sources.

Our management approach for the operation within the mining area undertakes no drilling and blasting activities. To obtain limestone, at the mine site, the field rock is dislodged by using rock breaker machine, the boulders generated are broken down into 25-100mm size rocks using crusher and screen. Further, the limestone is loaded either manually or by loader into trucks and dispatched to plant. Through such mining operations, original rocky terrain is converted into fertile agricultural land with no air, water, noise and vibration contamination. Environmental protection and safety measures like regular sprinkling of water, proper condition of mining machines, fencing of mining pits and use of PPEs ensures compliance while mining operation. Leveraging the shallow mining practice, the ground water level is not intersected around the area.

Environmental parameters are regularly monitored by schedule II auditor, approved by GPCB. Degraded mines are also reclaimed after completion of mining activity and made suitable for pit floor cultivation or for plantation. Of the total available 619 ha. land granted for mining; we have reclaimed 196 ha. land after complete exploitation of minerals and converted 24 ha. of land into water reservoir thus creating a water harvesting potential of 5,96,899 KL. During monsoon, Our running mines of 19 ha. also accumulate water which is either provided to neighbouring lands for irrigation or is allowed to percolate and recharge the ground water. Also, planting of trees in the reclaimed pits is a regular practice.

Performance highlights

GHCL has significantly reduced the environmental impact of its mining activities and has rehabilitated the disturbed land. The Company has aligned priorities and taken targets to manage energy, water, waste, and emissions.

We are taking transformational journey from a commodities-driven chemical company into a solution driven, customer focused, and market-oriented innovator.

20%

Material savings from packaging intiatives in HT divisions

40%

Power requirement of Yarn division is met through renewable energy

Trade Offs

In the short term, we impact the **natural capital** negatively by employing **financial capital** to expand our **manufactured capital** and carry on the day to day processes. However, we are making continuous efforts to reduce our impact by undertaking initiatives such as water and energy conservation, etc.

IR ASSURANCE STATEMENT

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 (the 'Company') to provide independent assurance on its Integrated Annual Report 2019-20 (the 'Report') covering the Company's salient features of business as well as sustainability, including performance during the period 1st April 2019 to 31st March 2020.

The development of the Report based on the Integrated Reporting Framework by International Integrated Reporting Council (IIRC), its content and presentation are 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 standard

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 and methodology

The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance for the period 1st April 2019 to 31st March 2020. We conducted, on a sample basis, review and verification of data collection/ calculation methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Desktop review of data, on a selective test basis, for the following units/ locations:
    - Madurai (Tamil Nadu)
    - Manaparai (Tamil Nadu)
    - Corporate Office - Noida (Uttar Pradesh)
- Site-level physical verification of the sample data and information at the following units/ locations:
    - Sutrapada (Gujarat)
- 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 processes followed;
- Review of the Company's internal protocols, processes and controls pertaining to their specific social and environmental performance data, so as to be able to make comments on the fairness of Integrated reporting.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2019 to 31st March 2020);
- 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;
- Review of the Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our Climate Change and Integrated network, and undertakes similar engagements with various Indian and international 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 is committed to work towards its sustainability agenda and has set-out new sustainability vision and medium-term targets.
- At the selected manufacturing units covered, an improvement has been observed in management of safety data. The Company may introduce internal review mechanism to further strengthen its system for improving the accuracy of the data pertaining to water, training, HR (headcount data for different categories of employees).

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: 19 May 2020
Place: Mumbai, India

Notice

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 is hereby given that 37th Annual General Meeting of the members of GHCL Limited (CIN: L24100GJ1983PLC006513) will be held on Monday, July 6, 2020 (**सोमवार, श्रावण कृष्ण पक्ष प्रतिपदा, विक्रम संवत 2077**) at 9.30 AM, through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 05th May, 2020 read with General Circular No. 14/2020 dated 08th April, 2020, and also General Circular No. 17/2020 dated 13th April, 2020, 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, 2020

"RESOLVED THAT the audited Financial Statements and audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2020 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: Re-appointment of Mr. Anurag Dalmia

"RESOLVED THAT Mr. Anurag Dalmia (DIN 00120710), 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. 3: Re-appointment of Mr. Raman Chopra

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

SPECIAL BUSINESS:

Item No. 4: Appointment of Mr. Neelabh Dalmia as Whole Time Director of the Company

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

"RESOLVED that pursuant to the provisions of Section 196, 197 & 203 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Schedule V of the Act, Mr. Neelabh Dalmia (DIN: 00121760) be and is hereby appointed as a Whole Time Director designated as Executive Director (Textiles) of the Company, for a period of 5 years with effect from February 1, 2020, liable to retire by rotation, on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as the Board may think fit."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may deem necessary including but not limiting to re-designation and promotion of Mr. Neelabh Dalmia, during the course of his employment from time to time on recommendation of Nomination and Remuneration Committee."

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura, Ahmedabad - 380009
Dated: May 20, 2020

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

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

NOTES

1. In view of the spread of COVID-19 pandemic, the movement is restricted and considering the urgency of the matter, the board of directors of the company are convening this Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in terms of the framework prescribed by the General Circular No. 20/2020 dated 05th May, 2020 read with General Circular No. 14/2020 dated 08th April, 2020 and also the General Circular No. 17/2020 dated 13th April, 2020 issued by Ministry of Corporate Affairs (MCA) (hereinafter referred as "MCA Circulars"). The facility of VC or OVAM and also casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL. The framework prescribed by MCA in said circulars would be available to the members for effective participation in following manner:

a. Company is convening 37th Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting.

b. VC / OAVM facility provided by the Company, is having a capacity to allow at least 1000 members to participate the meeting on a first-come-first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. may be allowed to attend the meeting without restriction on account of first-come-first-served principle.

c. Notice of 37th AGM and financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) for FY 2019-20, are being sent only through email to all members as on May 22, 2020 (i.e. Benepose Date immediately after board meeting in which notice would be approved) on their registered email id with the company and no physical copy of the same would be dispatched. 37th Integrated Annual Report containing Notice, financial statements and other documents are available on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the Company's shares are listed and is also available on the website of the Company (www.ghcl.co.in).

d. Company is providing two way teleconferencing facility or webex for the ease of participation of the members. Link for joining the meeting is being given separately.

e. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the company shall be deemed to be the place of meeting for the purpose of recording of the minutes of the proceedings of this AGM.

f. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

g. Participants i.e. members, directors, auditors and other eligible persons to whom this notice is being circulated are allowed to submit their queries / questions etc. before the general meeting in advance on the e-mail address of the company at secretarial@ghcl.co.in. Further, queries / questions may also be posed concurrently during the general meeting at given email id.

h. Members, directors, auditors and other eligible persons to whom this notice is being circulated can attend this annual general meeting through video conferencing at least 15 minutes before the schedule time and shall be closed after expiry of 15 minutes from the scheduled time.

i. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

2. Process for those shareholders whose email ids are not registered:

a) For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company (secretarial@ghcl.co.in) / RTA (rnt.helpdesk@linkintime.co.in).

b) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company (secretarial@ghcl.co.in) / RTA (rnt.helpdesk@linkintime.co.in).

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

4. The relevant details of directors seeking re-appointment under Items No. 2 & 3, as required under Regulation 36(3) of the Listing Regulations, the Companies Act, 2013 and applicable Secretarial Standards are given herein below.

a. Mr. Anurag Dalmia (DOB - May 11, 1956) is a Non-executive Vice Chairman and Director of the Company. Mr. Anurag 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. He holds one lakh equity shares of the Company in his individual account and 5,49,602 equity shares of the Company in his HUF account. He is the Chairman of Corporate Social Responsibility (CSR) Committee of the Company. 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. Neelabh Dalmia, he is not related to any other director or key managerial personal of the Company.

b. Mr. Raman Chopra (DOB – November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having around 31 years of experience in the area of corporate finance, restructuring, strategy, project implementation and general management. He is a member of Stakeholders Relationship Committee, Banking & Operations Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee of the Company. Mr. Chopra is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. He is not related to any other Director/KMP of the Company. He holds one lakh equity shares of the Company in his individual account and also holds stock options as per policy of the company. Also, his wife is holding 18,000 equity shares and his son is holding 7000 equity shares of the Company.

5. 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.

6. 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.

7. 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.

8. 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 37th 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 read with the MCA circulars.

(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. Monday, June 29, 2020, 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 Wednesday, July 1, 2020 and ends at 5:00 p.m. (IST) on Sunday, July 5, 2020. 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, through electronic voting system, shall also be made available during 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:

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

(ii) Click on "Shareholders" tab.

(iii) 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.

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

(v) 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.

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

	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.

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

(viii) 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.

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

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

(xi) 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.

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

(xiii) 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.

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

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

(xvi) 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.

(xvii) 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.

(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple 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.

9. The instructions for shareholders voting on the day of the AGM on e-voting system are as under: -

i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.

iii. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility , then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.

iv. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

10. Instructions for members for attending the AGM through VC / OAVM are as under:

(i) Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

(ii) Members are encouraged to join the Meeting through Laptops for better experience.

(iii) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id i.e. secretarial@ghcl.co.in

(vi) Shareholders who would like to express their views/have questions may send their questions in advance 7 days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at company email id i.e. secretarial@ghcl.co.in The same will be replied by the company suitably.

(vii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

11. For Assistance / Queries for e-voting etc.

(a) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533 or you may also contact concerned employees of CDSL on 022-23058543 / 23058542 (between 10.00 am to 6.30 pm on Monday – Friday).

(b) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533

12. 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.

13. 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.

14. 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.

15. 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 at the Registered Office of the Company, for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. July 6, 2020. Members seeking to inspect such documents can send an email to secretarial@ghcl.co.in.

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

Item no. 4

In line with the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on January 23, 2020, has appointed Mr. Neelabh Dalmia (DIN: 00121760) as a Whole Time Director designated as Executive Director (Textiles) of the Company for a period of five years with effect from February 1, 2020. The disclosure in accordance with the provisions of Regulation 36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in respect of the appointment of Mr. Neelabh Dalmia as a Whole Time Director is given below:

Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Director of GHCL Limited since July 20, 2005. 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. His experience includes setting up green-field projects from planning, investment to implementation and in mergers & acquisitions. He is steering the group towards strategic investments in the Textile 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. 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 believes that CSR initiatives would 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.

Shareholders are requested to note that the Board of Directors in its meeting held on July 20, 2005 had appointed Mr. Neelabh Dalmia, as Non-executive Director of the Company and his appointment was confirmed by the shareholders in 22nd Annual General Meeting held on September 2, 2005 as a Director liable to retire by rotation. Further, shareholders of GHCL Limited in 32nd Annual General Meeting held on July 23, 2015, had accorded their approval for "Appointment of Mr. Neelabh Dalmia as Director (Strategy) in Grace Home Fashions LLC, USA, a wholly owned subsidiary of the Company" on a salary of USD 200,000 (USD two hundred thousand) per annum. It is important to note that Mr. Neelabh Dalmia ceased from the position of Grace Home Fashion LLC USA.

Keeping in view of the expertise of Mr. Neelabh Dalmia and after considering the strategic advantage to the textiles business and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on January 23, 2020 considered and approved the appointment of Mr. Neelabh Dalmia as Whole-time Director designated as an Executive Director (Textiles) of the Company with the similar terms and conditions as of Grace Home Fashions LLP, USA, subject to modification as per the applicable laws. Appointment of Mr. Neelabh Dalmia as an Executive Director (Textiles) of GHCL Limited will be for a period of 5 years with effect from February 1, 2020, liable to retire by rotation. The remuneration paid / payable to Mr. Neelabh Dalmia will be in line with the recommendation made by the Committee and approval of the Board / Shareholders from time to time and the annual increment of Mr. Neelabh Dalmia shall be governed by the Company's policy and also as per directions of Nomination & Remuneration Committee / Board in line with the overall approval given by members of the Company.

Mr. Neelabh Dalmia is a member of Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and Banking and Operations Committee of the Company. He is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. He holds 11,000 equity shares of the Company in his name. Apart from that investment companies' holds shares in the company in which he may have direct or indirect interest. Further, his father Mr. Anurag Dalmia holds One lac shares of the Company in his individual name and 5,49,602 equity shares of the Company in HUF account. Except, Mr. Sanjay Dalmia and Mr. Anurag Dalmia, Mr. Neelabh Dalmia is not related to any other director or key managerial personal of the Company.

Mr. Neelabh Dalmia fulfills the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013 and other applicable provisions. The remuneration paid / payable to Mr. Neelabh Dalmia is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time. Term & conditions including present remuneration of Mr. Neelabh Dalmia are as given below:

1. **Basic Salary:** INR 4,30,000 per month. However, annual increments will be effective from 1st April each year, as may be decided by the Board of Directors on the recommendation of Nomination & Remuneration Committee of the Company based on the merit and performance of the Executive Director and also after taking into account the Company's performance. The overall remuneration shall be in accordance with the policy of the Company in line with the overall approval given by members of the Company.

2. **Perquisites / Allowances:** Mr. Neelabh Dalmia shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Club Fee, Personal Accident Insurance, conveyance, Car, Driver and other allowances / perquisites as per the policy of the company. Presently, total value of perquisites / allowances (including HRA, Car & other allowances / perquisites) except retiral benefits are INR 6,38,950 per month. However, perquisites / allowances can be structured as per the Company policy.

The breakup of perquisites / allowance of Mr. Neelabh Dalmia is given below:

2.1 Housing:

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

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

2.2 Medical Reimbursement:

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

2.3 Leave:

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

2.4 Leave Travel Concession:

For the director and his family, once in a year, incurred in accordance with the rules specified by the Company.

2.5 Club Fee:

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

2.6 Personal Accident Assurance:

As per policy of the Company.

2.7 Conveyance:

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

2.8 Telephone:

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

2.9 Personal Adjustment allowance:

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

2.10 Any other allowances:

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

3. **Retiral Benefits:** In addition to the above perquisites, Mr. Neelabh Dalmia shall also be eligible to the following benefits, which is not included in the computation of the perquisites value. However, at present, total value of retiral benefits (Provident Fund, NPS, Superannuation & Gratuity) are INR 1,27,740 per month.

(a) Provident Fund & NPS:

As per Rules of the Company.

(b) Superannuation:

As per Rules of the Company.

(c) Gratuity:

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(d) Encashment of Leave:

Encashment of leave at the end of the tenure.

Current annual salary including perquisites / allowances and other retiral benefits (i.e. Total CTC) of Mr. Neelabh Dalmia is INR 11,96,690 per month (i.e. INR 1,43,60,280 per annum in addition to the annual commission as decided by the Board / Nomination & Remuneration Committee from time to time.

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

5. **Minimum Remuneration:**

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

Mr. Neelabh Dalmia, being Executive Director (Textiles) of the Company, is mainly responsible for Textiles business of the Company, which is facing several challenges. However, the Company is focusing on its strengths, which revolve around innovation, sustainability and consistent product development. The Company is currently implementing expansion project in various division and also had successfully completed buyback of equity shares. Hence, at this crucial juncture, appointment of Mr. Neelabh Dalmia will strengthen growth journey of the Company particularly Textiles business. Hence, Your Board recommends the above resolution set out in Item No. 4 for your approval. Except Mr. Sanjay Dalmia, Mr. Anurag Dalmia and Mr. Neelabh Dalmia, none other directors and Key Managerial Personnel and their relatives are interested in the resolution.

The explanatory statement together with accompanying notice may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 in respect of appointment of Mr. Neelabh Dalmia as Whole Time Director of the Company.

BOARD'S REPORT

To the Members of
GHCL Limited,

Your directors take pleasure in presenting the 2nd Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the 37th 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, 2020. The World is facing challenges due to pandemic Covid-19, which has locked down entire humanity and business operations. The operations of your company were suspended for some time and "work from home" initiatives have been taken to ensure safety and health of the employees. Due to lockdown the operational performance of the company got impacted and the management is taking all proactive steps to have sustainable operations going forward. The financial highlights of the Company for FY 2019-20 are given below:

A: Financial Results

(₹ in crores)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Net Sales /Income	3,272.44	3,384.72	3,322.72	3,356.83
Gross profit before interest and depreciation	753.16	783.72	745.60	774.91
Finance Cost	118.18	126.32	119.79	127.34
Profit before depreciation and amortisation - (Cash Profit)	634.98	657.40	625.81	647.57
Depreciation and Amortisation	130.51	116.29	131.21	116.94
PBT before exceptional items	504.47	541.11	494.60	530.63
Profit before Tax (PBT)	504.47	541.11	494.60	530.63
Provision for Tax – Current	143.38	153.84	143.39	153.81
Tax adjustment for earlier years	-2.48	0.84	-2.48	0.84
Provision for Tax – Deferred	-42.93	25.40	-42.93	25.40
Profit after Tax	406.50	361.03	396.61	350.58
Other comprehensive income (OCI)	-5.53	1.64	-5.79	-3.24
Total Comprehensive income for the period	400.97	362.67	390.82	347.34
Balance brought forward from last year	1,672.61	1,369.92	1,649.25	1,357.03
Appropriations				
FVTOCI Reserve	-3.44	1.23	-3.44	1.23
Final Dividend	77.52	48.75	77.52	48.75
Tax on Dividend and Tax paid on Buy back of share	28.42	10.01	28.42	10.01
Balance carried to Balance Sheet	1,971.08	1,672.61	1,937.83	1,649.25

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 26 years. The Board of Directors in its meeting held on May 19, 2016, had approved a Dividend Distribution Policy of the Company. As per said policy, dividend pay-out (including tax, if any) will be 15 to 20 % of net profit of the Company.

Pursuant to the Dividend Policy, the Board of Directors of your Company in its meeting held on March 16, 2020 had approved payment of interim dividend of INR 3.00 per equity share of INR 10 each (i.e. @ 30% on the paid-up capital).

Due to ongoing Covid -19 situations, the focus of management is on preserving its cash flow which it believes is the most important steps for the next few months. During the FY 2019-20 the management has rewarded to its shareholders through interim dividend of @ INR 3 per share (aggregating to approx. INR 28.50 Cr.) and by way of buyback of equity shares of around INR 56.81 Cr. (without Transaction Charges and Tax) from open market. Therefore, to conserve its cash flow the management is not recommending any final dividend due to Covid 19 situations.

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 & Buyback of Shares

The paid up Equity Share Capital of the Company as on March 31, 2020 is INR 95,01,32,860/- comprising of 9,50,13,286 equity shares of INR 10/- each; whereas paid up Equity Share Capital of the Company as on March 31, 2019 was INR 98,02,82,860/- comprising of 9,80,28,286 equity shares of INR 10/- each.

Your directors would like to inform that during the financial year, Nomination and Remuneration Committee in their meeting held in Noida on July 29, 2019 had made Allotment of 1.85 lakhs Equity Shares of INR 10 each to the employees of the Company against exercise of Employees Stock Options pursuant to GHCL ESOS 2015. Consequent to said allotment of 1.85 lakh Equity Shares, the Issued & Paid-up Capital of the Company was increased from INR 98,02,82,860/- consisting of 9,80,28,286 equity shares of INR 10/- each to INR 98,21,32,860/- consisting of 9,82,13,286 equity shares of INR 10/- each.

Further, Board of Directors of GHCL Limited in their meeting held on January 23, 2020 had given their approval for Buy Back of the Company's fully paid-up equity shares of INR 10/- each from the Open Market through Stock Exchange route, at a Maximum Buyback price of INR 250/- per Equity Share excluding transaction costs, for an aggregate amount of INR 60 Crores.

Your Directors are pleased to inform that in line with the said approval, the Company had bought back 32,00,000 Equity Shares and extinguished 32,00,000 Equity Shares during the financial year ended March 31, 2020. Consequently after said extinguishment of equity shares, the issued & paid-up capital of the Company stands reduced from INR 98,21,32,860/- consisting of 9,82,13,286 equity shares to INR 95,01,32,860/- comprising of 9,50,13,286 equity shares of INR 10/- each (i.e. 9,82,13,286 equity shares minus 32,00,000 equity shares) as on March 31, 2020.

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 July 29, 2019 had allotted 1.85 lakh equity shares of INR 10 each to its 34 employees (including Company Secretary) against exercise of Employees Stock Options pursuant to GHCL ESOS 2015. Employees may exercise their options during

BOARD'S REPORT

valid vesting period, subject to compliance of other terms and conditions of the Scheme approved by the shareholders.

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

6. Finance

I. Reaffirmation of Credit Rating

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

b. Further, India Rating has affirmed Credit Rating IND A+ (Highest) for Issuance of Commercial Paper for issue size of INR 100 Cr.

c. India Rating has also affirmed Issuer Rating as A+ with outlook revised from Stable to Positive.

II. Resource Mobilization

(a) 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 293 crores and availed disbursement of Term Loan of INR 220 crores till the end of current year.

(b) 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 59 crores and availed term loan of INR 39 crores during the current year for the said capex program.

(c) Medium Term Loan

i. Your Company has raised medium term loan of INR 100 crores to part finance normal capital expenditure of the Company for a period of 5 years including moratorium period of 6 months and has availed the same during the current year.

ii. Your Company has raised medium term loan of INR 50 crores to increase Net Working Capital of the company for a period of 5 years including moratorium period of 6 months and has availed the same during the current year.

(d) Commercial Paper

Your Company has raised short term funds by issuing Commercial Paper during the current year. Funds raised in 6 trenches of INR 25 crores each aggregating to INR 150 crores for tenor of 70 to 90 days at weighted average interest rate of 7.90% p. a. All commercial papers are redeemed on due date and at the end of current year liability is nil.

III. Interest Rate

(a) Short Term Borrowing

During the year 2019-20 short term requirements were met through Cash Credit / Short Term Loan / Working Capital Demand Loan / Packing Credit / Pre-shipment in Foreign Currency / Commercial Paper / Supplier's Credit whereby your company could manage to borrow at Weighted Average Interest rate at 4.98% p.a.

(b) Your company could borrow Long Term borrowing, which includes Rupee Term Loans and Foreign Currency Loans at an average rate of 8.75%.

(c) Thus your company could manage to borrow Long Term Loans and Short Term Loans at an average rate of 7.67%.

Borrowing	Outstanding as on 31.3.2020 ₹ in Crores	ROI P.A.
Long Term Borrowing	970.75	8.75%
Short Term Borrowing (including Supplier's Credit)	390.45	4.98%
Total Borrowing	**1361.20**	**7.67%**

IV. Education and Protection Fund

During the financial year, your Company has transferred to investors' education and protection fund account (IEPF) a sum of INR 40.87 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. Your Company create long-term value for all stakeholders through its strategy, activities, and commitments. The Integrated Report is a part of this Annual Report, which provides a clear, concise, and comprehensive vision of business model.

C. Performance Highlights and State of Company's Affairs

The detail of business performance and state of company's affairs are given in MDA (from Page No. 138 to Page No. 145) and Integrated Report (from Page No. 01 to Page No. 86).

It is important to note that the Board of Directors in their meeting held on March 16, 2020, had approved a scheme of demerger; where Textiles business of the Company will be demerged into a separate Company.

Awards and Recognition

Your Directors are pleased to inform that during the financial year 2019-20, your Company has received various awards and recognition. The major ones among them are as follows:

a. Mine Award under A2 category at 26th Mines Environment and Mineral Conservation week

b. Par Excellence Award at the 6th National Conclave on 5S, Ankleshwar Chapter, Quality Circle Form of India (QCFI).

c. GHCL Yarn division received SIMA Technofacts Award at the 13th CEO Conference

d. GHCL Foundation Trust received 'Saurashtra Eminence Award – 2019' for the great work done towards 'Rural Development and CSR' from Divya Bhaskar Group.

e. The Federation of Indian Mineral Industries (FIMI) awarded GHCL for innovation in the field of water management and soil fertility in and around the villages of the mining areas. The 'Jury Special Social Awareness Award' was presented to the Bhimdeval Limestone Mines, GHCL at the Excellence, Sustainability, Health, Safety and Social Awareness Awards FY 2018-19.

f. GHCL received award for 'Excellence in E-procurement' at procurement Tech Summit for FY 2019.

Subsidiaries

Grace Home Fashion, LLC, a subsidiary of the Company in USA engaged in Home Textile segment is catering to some of the major Home-Textile Players like Bed Bath Beyond and Ross and Stein-mart. In addition, Grace Home Fashion is also doing online Home Textile Business in USA through Amazon.com and various other online portals. 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

BOARD'S REPORT

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 (including name of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year) have been provided in note no 47 (refer page no. 381 of Annual Report) and also in the statement u/s 129(3) of the Companies Act, 2013 (refer page no. 293). The statements are also available on the website of the Company www.ghcl.co.in

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, 2020.

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 the Annual 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, 2020, the Board of Directors met five 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

Your directors are pleased to inform that Mr. Anurag Dalmia and Mr. Raman Chopra are directors retiring by rotation and being eligible, offer themselves for re-appointment. The Board of Directors in their meeting held on January 23, 2020, had appointed Mr. Neelabh Dalmia as a Whole-time Director designated as Executive Director (Textiles) of the Company for a period of five years with effect from February 1, 2020, subject to the approval of the shareholders. The Board recommends their appointments at the ensuing Annual General Meeting.

Your directors would like to confirm that 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.

Your directors would like to confirm that as per opinion of the Board of Directors, all the Independent Directors of the Company meet the requirement of integrity, expertise and experience (including the proficiency) required for their appointment.

During the year, the tenure of directorship of Mr. K C Jani, Independent director, has been completed on September 17, 2019 and accordingly he is ceased from the directorship of the Company effective from September 18, 2019. The Board of Directors placed on record their gratitude and appreciation for the immense contribution made by Mr. Jani during his tenure as director of the Company.

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.

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 23, 2020.

A separate meeting of Independent Directors was held on January 23, 2020, 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.

BOARD'S REPORT

In order to captivate Covid-19 effect and maintain its employee centric approach, the Sr. management has voluntarily offered cut in their salary as follows and protected 92% of the total workforce from any reduction in their salary and pay.

Designation	Levels	Proposed Reduction on CTC
MD, President and ED	13 & 14	30%
Sr. Vice President	12	25%
Vice President	11	20%
Sr. General Manager	10	15%
Dy General Manager & GM	8 & 9	10%

Further, it has also been decided to hold on increment and promotion until situation normalises. Except the above, during the year, there have been no changes to the Policy. Above changes in the Remuneration Policy is effective from April 1, 2020 and the same is approved by the Nomination and Remuneration Committee through circular resolution and noted in their meeting held on May 20, 2020. The Nomination and Remuneration Policy 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**.

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 2019-20.

The Secretarial Audit Report for the financial year ended March 31, 2020 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 2019-20 have been paid to all these Stock Exchanges.

Web Address for Annual Return and Other Policies / Documents

As required under Section 134(3)(a) of the Companies Act, 2013, the Annual Return is put up on the Company's website www.ghcl.co.in. and can be accessed at https://www.ghcl.co.in/performanc-reports. In addition, other policies / document of the Company are placed on the Company's website www.ghcl.co.in as per the statutory requirement.

Extracts of Annual Return

The extract of annual return as on the financial year ended March 31, 2020 in Form MGT – 9 is annexed herewith as **Annexure-V** and forming part of this Report.

Corporate Social Responsibility (CSR)

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

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 9.75 Crs. (around 2.00% of the average net profits of last three financial years) 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 VI**.

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 July 30, 2019, to monitor CSR related activities, comprising of Mr. Anurag Dalmia as the Chairman of the Committee and Mrs. Vijaylaxmi Joshi, 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 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019, requires top one thousand listed companies to prepare and present a Business Responsibility Report ('BRR') to its stakeholders in the prescribed format describing the initiatives taken by the Company on environmental, social and governance perspective. As on March 31, 2020, GHCL Limited is mentioned on 558th position on the basis of capitalization at NSE and on 577th position at BSE.

On voluntary basis GHCL 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 integral part of this report and also forms part of this Annual Report.

Composition of Audit Committee

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 18 of the Listing Regulations. 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 five 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 Dr. Manoj Vaish as Chairman of the Committee and Mrs. Vijaylaxmi Joshi, Mr. Arun Kumar Jain (Ex-IRS) and Justice (Retd.) Ravindra Singh as members of the Committee, 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 as Chairman of the Committee and Justice (Retd.) Ravindra Singh, Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra as members of the Committee. 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

BOARD'S REPORT

Managerial Personnel and other employees. The Nomination and Remuneration Committee consists of four Non-Executive directors comprising of Mrs. Vijaylaxmi Joshi as Chairperson of the Committee, Mr. Sanjay Dalmia, Justice (Retd.) Ravindra Singh and Dr. Manoj Vaish as members of the Committee. 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 from time to time. Mr. Arun Kumar Jain (Ex-IRS), Independent Director of the Company is Ombudsperson.

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

Risk Management Committee has been constituted as per the requirement of Regulation 21 of the Listing Regulations. The Risk Management Committee consists of four Executive and Non-Executive directors comprising of Mr. Arun Kumar Jain as Chairman of the Committee and Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra as members of the 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, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, a policy for prevention of sexual harassment had been made and Internal Complaints Committee 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. To build awareness in this regard, the Company has been conducting various programme on a continuous basis. 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. 301003E / 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, 2020 and has 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, 2020. 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 maintains cost records as per the requirement and a Cost Accountant conducts audit of said cost records. 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, 2021.

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 2019-20. 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, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

BOARD'S REPORT

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, 2020 and of the profit and loss of the Company for the financial year ended March 31, 2020;

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, 2020 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.

General Disclosures

Your Directors state that no disclosure or reporting is required in respect of the following matters as there is no transaction on these items during the year under review:

(i) Details relating to deposits covered under Chapter V of the Act.

(ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.

(iv) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.

(v) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

(vi) No fraud has been reported by the Auditors to the Audit Committee or the Board.

(vii) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

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 commitment and contribution made by the 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

Sanjay Dalmia
Chairman
DIN: 00206992

Date: May 20, 2020
Place: New Delhi

ANNEXURE I

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

ANNEXURE I

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

Sl. No.	Particulars	GHCL ESOS 2015 – Grant 2 (Date of grant – January 31, 2017)	GHCL ESOS 2015 – Grant 3 (Date of grant – October 24, 2017)	GHCL ESOS 2015 – Grant 4 (Date of grant – October 24, 2017)	GHCL ESOS 2015 – Grant 5 (Date of grant – April 25, 2018)	GHCL ESOS 2015 – Grant 6 (Date of grant – April 25, 2018)	GHCL ESOS 2015 – Grant 7 (Date of grant – April 25, 2018)	GHCL ESOS 2015 – Grant 8 (Date of grant – April 25, 2018)
1	Total no. of options in force (as on April 1, 2019)	15,000	30,000	90,000	18,15,000	45,000	75,000	1,35,000
2	Options granted during the year	0	0	0	0	0	0	0
3	Options vested during the year	0	10,000	7,500	2,60,000	0	0	0
4	Options exercised during the year	15,000	10,000	7,500	1,52,500	0	0	0
5	The total number of shares arising as result of exercise of option	15,000	10,000	7,500	1,52,500	0	0	0
6	Options lapsed during the year	0	12,500	82,500	10,27,500	10,000	15,000	45,000
7	The exercise price	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
9	Money realised by exercise of options (INR In Crore)	0.15	0.17	0.13	2.29	0	0	0
10	Total number of options in force	0	7,500	0	6,35,000	35,000	60,000	90,000
11	Employee wise details of options granted to:							
	(i) Key Managerial Personnel	Nil	Nil	Nil	Nil	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
	(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
11	Pricing formula	The exercise price may vary for each Grant. Exercise price will be determined by the Committee at the time of each grant, in conformity with the 'Guidance Note on Accounting for employee share-based Payments' or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time. Committee may determine exercise price which may be at discount to the market value but shall not be less than the face value of shares.						

Sl. No.	Particulars	GHCL ESOS 2015 – Grant 2 (Date of grant – January 31, 2017)	GHCL ESOS 2015 – Grant 3 (Date of grant – October 24, 2017)	GHCL ESOS 2015 – Grant 4 (Date of grant – October 24, 2017)	GHCL ESOS 2015 – Grant 5 (Date of grant – April 25, 2018)	GHCL ESOS 2015 – Grant 6 (Date of grant – April 25, 2018)	GHCL ESOS 2015 – Grant 7 (Date of grant – April 25, 2018)	GHCL ESOS 2015 – Grant 8 (Date of grant – April 25, 2018)
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard AS-20.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
13	Difference between the employees compensation cost based intrinsic value of the stock and the fair value of the year and its impact on profits and EPS of the Company	NIL	-0.06	-0.6	-6.47	-0.6	-0.13	0.67
14	a) Weighted average exercise price of options	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 201.67	INR 113.86	INR 123.00	INR 172.58	INR 183.63	INR 183.03	INR 192.36
15	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
	(i) Risk free interest rate	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)	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	39.30%	36.77%	36.77%	39.51%	39.51%	39.51%	39.51%
	(iv) Expected dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(v) Market price of the underlying share on grant date*	INR 286.05	INR 251.05	INR 251.05	INR 286.50	INR 286.50	INR 286.50	INR 286.50

ANNEXURE III

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:

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.

IIn 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

DISCLOSURE OF MANAGERIAL REMUNERATION

A. Ratio of remuenration of each Director to the Median remuenration of the employees of the Company for the F Y 2019-20 as well as percentage increase in remuneration of each Director

Name of the Director	Ratio to Median Reimuenration	% Change in remuneration over previous year
Non Exceutive Director		
Mr Sanjay Dalmia	37.10	0.00
Mr. Anurag Dalmia	30.76	1.55
Mr. Neelabh Dalmia	19.02	-23.58
Mr.Lavanya Rastogi	12.92	-18.52
Mrs. Vijaylaxmi Joshi	18.43	5.37
Mr. K C Jani	7.75	-59.01
Dr. Manoj Vaish	17.61	
Mr. Arun Kumar Jain	17.49	
Justice Ravinder Singh	17.49	
Executive Directors		
Mr. R S Jalan	474.62	-15.43
Mr. Raman Chopra	275.53	-13.49
Mr. Neelabh Dalmia	19.92	

Note: For above calculation, remuneration includes siting fee and commission. Commission relates to the financial year ended 31st March 2020, which will be paid during FY2020-21.

The Percentage increase in remuneration of Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary is -15.36%.

B. Percentage increase in median remuneration in the FY 2019-20: -0.03%

C. Number of Permanent employees on the roll of the Company as on 31/03/2020: 5,107

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	-12.21%
Average percentile increase in remuneration of managerial personnel	87.36%

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 (Appointement and Remuneration of Managerial Personnel) Rules 2014

List of Top Ten Employees and other Empolyees who have been paid INR 8.5 Lacs or above per month during the year 2019-20

Sl. No.	Name	Age	Designation	Gross Remuneration *(₹)	Qualification	Exp. (Years)	Date of commencement of Employment	Previous Employment / Position held
1	R S JALAN	62	Managing Director	8,08,48,474	B Com, FCA	36	7-Jun-02	Sree Meenakshi Mills / Exec. Director
2	RAMAN CHOPRA	54	CFO & Executive Director - Finance	4,69,35,076	B Com, FCA	31	1-Oct-03	Dalmia Brothers Pvt Ltd / VP-Spl. Proj.
3	MANU KAPUR	55	CEO-HOME TEXTILES	2,30,00,003	MA (History) PG Diploma in International Trade -IIFT Delhi	30	10-Jul-17	J C Penny Purchasing India Pvt Ltd/Vice Prsident & Reginonal Director South Asia
4	SUNIL BHATNAGAR	61	President - Marketing	1,94,68,852	B Com , LLB, DIM	36	16-Aug-93	Ballarpur Inustries, Dy. Mgr - Mktg
5	N N RADIA	64	COO - Soda Ash	1,82,03,860	BE -Mechnical	37	16-Jan-86	Tata Chemicals Ltd. / Shift In Charge
6	M SIVABALA SUBRAMANIAN	59	Sr Vice President - Oprns.(Yarn Divn)	1,40,36,600	BE -Textiles	35	17-May-95	Loyal Textile Mills Ltd / Manager-QA
7	V CHANDRAMOULI	60	Sr. Vice President - Finance	1,37,43,660	B Com, CA	32	14-Dec-92	Mafatlal Ind. Ltd / Manager - F&A
8	ANIRUDHA SINGH	46	CHIEF HUMAN RESOURCE OFFICER	1,22,74,411	MASTER OF HR & IR, LLB	24	8-Apr-19	JSW STEEL / VICE PRESIDENT
9	SACHIN KULKARNI	47	COO-Home Textile	1,20,54,362	B. Tech-Textiles, DBM	24	5-Dec-16	Welspun Ltd/Sr. VP-Operations
10	JAYESH P SHAH	60	Vice Predsident - IR	71,96,639	MSW	35	24-Apr-12	Alembic Ltd/GM-HR
11	NEELABH DALMIA **	36	EXECUTIVE DIRECTOR- TEXTILES	33,93,980	MBA	0.3	1-Feb-20	GHCL Ltd/ Non - executive Director

*Gross remuneration includes the Commission and / or VPP entitlement for the year 2019-20 to be paid in 2020-21

** Mr. Neelabh Dalmia is a relative of Mr. Sanjay Dalmia and Mr. Anurag Dalmia, promoters of the Company

Joining during the year

Two Employees has joined with CTC of INR8. 5 Lacs or above per month during 2019-20

Mr Aninrudha Singh joined on April 08, 2019 as CHRO.

Mr Neelabh Dalmia joined on February 01, 2020 as Executive Director- Textiles.

Separation during the year

Mr Sachin Kulkarni left on February 19, 2020.

ANNEXURE V

FORM NO. MGT - 9

EXTRACTS OF ANNUAL RETURN

as on the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

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

II. Principal Business Activities of the Company

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

Name and Description of main products / services	NIC code of the product / service	% of total turnover of the Company
Inorganic Chemicals	201	67%
Cotton Fabrics & Furnishing	139	15%
Cotton Yarn	131	18%

III. Pariculars of holding, subsdiary companies

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

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e.April 1, 2019)				No. of Shares held at the end of the year (i.e. March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals / Hindu Undivided Family	532774	0	532774	0.54%	660602	0	660602	0.70%	0.15%
b) Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corporate	12287714	0	12287714	12.53%	11887636	0	11887636	12.51%	-0.02%
e) Financial Institutions/ Banks	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Directors & relatives	0	0	0	0.00%	0	0	0	0.00%	0.00%
Trust (i.e. Ram Krishna Dalmia Foundation)	165000	0	165000	0.17%	165000	0	165000	0.17%	0.01%
Sub- Total (A)(1):-	**12985488**	**0**	**12985488**	**13.25%**	**12713238**	**0**	**12713238**	**13.38%**	**0.13%**
(2) Foreign								0.00%	
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporate	5507900	0	5507900	5.62%	5507900	0	5507900	5.80%	0.18%
d) Banks /Institutions	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (A)(2):	**5507900**	**0**	**5507900**	**5.62%**	**5507900**	**0**	**5507900**	**5.80%**	**0.18%**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**18493388**	**0**	**18493388**	**18.87%**	**18221138**	**0**	**18221138**	**19.18%**	**0.31%**
B. Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	12066626	4300	12070926	12.31%	15883596	4100	15887696	16.72%	4.41%
b) Financial Institutions/ Banks	336581	11204	347785	0.35%	229426	11204	240630	0.25%	-0.10%
c) Central Government/State Government(s)	0	0	0	0.00%	19	0	19	0.00%	0.00%
d) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%

ANNEXURE V

Category of Shareholders	No. of Shares held at the beginning of the year (i.e.April 1, 2019)				No. of Shares held at the end of the year (i.e. March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Insurance Companies (Including LIC)	3366423	0	3366423	3.43%	3366423	0	3366423	3.54%	0.11%
f) Foreign Portfolio Investors (including Foreign Institutional Investors)	15803461	500	15803961	16.12%	13978085	500	13978585	14.71%	-1.41%
g) Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Any Other (specify)				0.00%				0.00%	
Foreign Mutual Fund	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (B)(1) :-	**31573091**	**16004**	**31589095**	**32.22%**	**33457549**	**15,804**	**33473353**	**35.23%**	**3.01%**
(2) Non - Institutions								0.00%	
a) Bodies Corporate	20486786	80570	20567356	20.98%	14098301	78170	14176471	14.92%	-6.06%
i) Indian	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals		0		0.00%		0		0.00%	
i. Individual shareholders holding nominal share capital up to INR 1 lakh.	11847094	1770601	13617695	13.89%	14149589	1554977	15704566	16.53%	2.64%
ii. Individual shareholders holding nominal share capital in excess of INR 1 lakh.	9691720	0	9691720	9.89%	6339413	0	6339413	6.67%	-3.21%
C) NBFCs registered with RBI	143168	0	143168	0.15%	104365	0	104365	0.11%	-0.04%
d) Any Other (specify)								0.00%	
i) IEPF	762710	0	762710	0.78%	884302	0	884302	0.93%	0.15%
ii) Non Resident Indians(Repat)	573782	755414	1329196	1.36%	1138466	722414	1860880	1.96%	0.60%
iii) Non Resident Indians (Non Repat)	151413	3549	154962	0.16%	219963	3849	223812	0.24%	0.08%
iv) Foreing Companies	0	500	500	0.00%	0	500	500	0.00%	0.00%
v) Clearing Member	466438	0	466438	0.48%	2002797	0	2002797	2.11%	1.63%
vi) Directors & relatives	410843	100	410943	0.42%	410843	100	410943	0.43%	0.01%
vii) Trusts	2330	0	2330	0.00%	466273	0	466273	0.49%	0.49%
viii) Hindu Undivided Family	798785	0	798785	0.81%	1144473	0	1144473	1.20%	0.39%
ix) Market Makers	0	0	0	0.00%	0	0	0	0.00%	0.00%
x) Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
xi) Overseas Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-Total (B)(2)	**45335069**	**2610734**	**47945803**	**48.91%**	**40958785**	**2360010**	**43318795**	**45.59%**	**-3.32%**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**76908160**	**2626738**	**79534898**	**81.13%**	**74416334**	**2375814**	**76792148**	**80.82%**	**-0.31%**
C. Shares held by Custodians and against which Depository Receipts have been issued								0.00%	
Promoter and Promoter Group	0	0	0	0.00%	0	0	0	0.00%	0.00%
GRAND TOTAL (A)+(B)+(C)	**95401548**	**2626738**	**98028286**	**100.00%**	**92637472**	**2375814**	**95013286**	**100.00%**	**0.00%**

ii) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (i.e. April 1, 2019)			Shareholding at the end of the year (i.e. March 31, 2020)			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Gems Commercial Company Ltd	2940207	3.00%	0	2940207	3.09%	0	0.10%
2	Banjax Limited	2789700	2.85%	0	2789700	2.94%	0	0.09%
3	Hexabond Limited	2718200	2.77%	0	2718200	2.86%	0	0.09%
4	Oval Investment Private Limited	2588848	2.64%	0	2588848	2.72%	0	0.08%
5	Lhonak International Private Limited	1365599	1.39%	0	1365599	1.44%	0	0.04%
6	Hindustan Commercial Company Limited	790286	0.81%	0	2333590	2.46%	0	1.65%
7	Moderate Investment and Commercial Enterprises Limited	614050	0.63%	0	0	0.00%	0	-0.63%
8	International Resources Limited	611147	0.62%	0	611147	0.64%	0	0.02%
9	Anurag Dalmia (HUF)	532774	0.54%	0	549602	0.58%	0	0.03%
	Anurag Dalmia	0	0.00%	0	100000	0.11%	0	0.11%
	Neelabh Dalmia	0	0.00%		11000	0.01%	0	0.01%
10	Carissa Investments Pvt Ltd	481752	0.49%	0	481752	0.51%	0	0.02%
11	Golden Tobacco Limited	416578	0.42%	0	16578	0.02%	0	-0.41%
12	Harvatex Engineering and Processing Co. Ltd.	415723	0.42%	0	415723	0.44%	0	0.01%
13	Excellent Commercial Enterprises and Investment Ltd.	377800	0.39%	0	0	0.00%	0	-0.39%
14	Carefree Investment Company Limited	302150	0.31%	0	0	0.00%	0	-0.31%
15	Anurag Trading Leasing and Investment Co. Pvt. Ltd.	287200	0.29%	0	287200	0.30%	0	0.01%
16	Divine Leasing And Finance Ltd.	249304	0.25%	0	0	0.00%	0	-0.25%
17	WGF Financial Services Ltd	378807	0.39%	0	378807	0.40%	0	0.01%
18	Dalmia Finance Ltd	200244	0.20%	0	200244	0.21%	200244	0.01%
19	Dalmia Housing Finance Ltd	5707	0.01%	0	5707	0.01%	0	0.00%
20	Ram Krishna Dalmia Foundation	165000	0.17%	0	165000	0.17%	0	0.01%
21	Archana Trading and Investment Co. Pvt. Ltd.	132848	0.14%	0	132848	0.14%	0	0.00%
22	Bharatpur Investment Limited	38842	0.04%	0	38842	0.04%	0	0.00%
23	Sanjay Trading & Investment Co. Pvt. Ltd.	29100	0.03%	0	29100	0.03%	0	0.00%
24	General Exports And Credits Limited	17000	0.02%	0	17000	0.02%	0	0.00%

ANNEXURE V

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (i.e. April 1, 2019) No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	Shareholding at the end of the year (i.e. March 31, 2020) No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	% Change in shareholding during the year
25	Pashupatinath Commercial Pvt Ltd	15000	0.02%	0	15000	0.02%	0	0.00%
26	Sovereign Commercial Pvt Ltd	6000	0.01%	0	6000	0.01%	0	0.00%
27	Trishul Commercial Pvt Ltd	5100	0.01%	0	5100	0.01%	0	0.00%
28	Swastik Commercial Pvt Ltd	3700	0.00%	0	3700	0.00%	0	0.00%
29	Alankar Commercial Private Limited	2600	0.00%	0	2600	0.00%	0	0.00%
30	Ricklunsford Trade and Industrial Investment Ltd.	1960	0.00%	0	1960	0.00%	0	0.00%
31	Chirawa Investment Limited	1860	0.00%	0	1860	0.00%	0	0.00%
32	Lakshmi Vishnu Investment Limited	1860	0.00%	0	1860	0.00%	0	0.00%
33	Mourya Finance Limited	1860	0.00%	0	1860	0.00%	0	0.00%
34	Sikar Investment Company Limited	1800	0.00%	0	1800	0.00%	0	0.00%
35	Antarctica Investment Pvt Ltd	768	0.00%	0	768	0.00%	0	0.00%
36	Comosum Investment Pvt Ltd	701	0.00%	0	701	0.00%	0	0.00%
37	Lovely Investment Pvt Ltd	645	0.00%	0	645	0.00%	0	0.00%
38	Altar Investment Pvt Ltd	318	0.00%	0	318	0.00%	0	0.00%
39	Ilac Investment Private Limited	217	0.00%	0	217	0.00%	0	0.00%
40	Hotex Company Ltd	78	0.00%	0	0	0.00%	0	0.00%
41	Dear Investment Pvt Ltd	55	0.00%	0	55	0.00%	0	0.00%
	Total	**18493388**	**18.87%**	**0**	**18221138**	**19.18%**	**200244**	**0.31%**

iii) Change in Promoters Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019 No. of shares held	% of total shares of the Company	Transactions during the year Date of transaction	No. of shares	Cumulative Shareholding at the end of the year March 31, 2020 No of shares held	% of total shares of the Company
1	GEMS COMMERCIAL COMPANY LIMITED	2940207	3.00%			2940207	3.09%
	AT THE END OF THE YEAR					2940207	3.09%
2	BANJAX LIMITED	2789700	2.85%			2789700	2.94%
	AT THE END OF THE YEAR					2789700	2.94%
3	HEXABOND LIMITED	2718200	2.77%			2718200	2.86%
	AT THE END OF THE YEAR					2718200	2.86%
4	OVAL INVESTMENT PVT.LTD.	2588848	2.64%			2588848	2.72%
	AT THE END OF THE YEAR					2588848	2.72%

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year		Cumulative Shareholding at the end of the year March 31, 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
5	HINDUSTAN COMMERCIAL COMPANY LIMITED	790286	0.81%			790286	0.83%
	Transfer			21 Feb 2020	551454	1341740	1.41%
	Transfer			20 Mar 2020	991850	2333590	2.46%
	AT THE END OF THE YEAR					2333590	2.46%
6	LHONAK ENTERNATIONAL PRIVATE LIMITED	1365599	1.39%			1365599	1.44%
	AT THE END OF THE YEAR					1365599	1.44%
7	INTERNATIONAL RESOURCES LIMITED	611147	0.62%			611147	0.64%
	AT THE END OF THE YEAR					611147	0.64%
8	ANURAG DALMIA (HUF)	532774	0.54%			532774	0.56%
	Transfer			27 Mar 2020	16828	549602	0.58%
	AT THE END OF THE YEAR					549602	0.58%
9	CARISSA INVESTMENT PRIVATE LIMITED	481752	0.49%			481752	0.51%
	AT THE END OF THE YEAR					481752	0.51%
10	HARVATEX ENGINEERING AND PROCESSING COMPANYLIMITED	415723	0.42%			415723	0.44%
	AT THE END OF THE YEAR					415723	0.44%
11	WGF FINANCIAL SERVICES LTD	378807	0.39%			378807	0.40%
	AT THE END OF THE YEAR					378807	0.40%
12	ANURAG TRADING LEASING AND INVESTMENT COMPANYPRIVATE LTD	287200	0.29%			287200	0.30%
	AT THE END OF THE YEAR					287200	0.30%
13	DALMIA FINANCE LTD	200244	0.20%			200244	0.21%
	AT THE END OF THE YEAR					200244	0.21%
14	RAM KRISHNA DALMIA FOUNDATION	165000	0.17%			165000	0.17%
	AT THE END OF THE YEAR					165000	0.17%
15	ARCHANA TRADING AND INVESTMENT COMPANY PRIVATE LIMITED	132848	0.14%			132848	0.14%
	AT THE END OF THE YEAR					132848	0.14%
16	ANURAG DALMIA	0	0.00%			0	0.00%
	Transfer			30 Aug 2019	100000	100000	0.11%
	AT THE END OF THE YEAR					100000	0.11%
17	BHARATPUR INVESTMENT LIMITED	38842	0.04%			38842	0.04%
	AT THE END OF THE YEAR					38842	0.04%
18	SANJAY TRADING INVESTMENT COMPANY PRIVATE LIMITED	29100	0.03%			29100	0.03%
	AT THE END OF THE YEAR					29100	0.03%
19	GENERAL EXPORTS AND CREDITS LIMITED	17000	0.02%			17000	0.02%
	AT THE END OF THE YEAR					17000	0.02%

ANNEXURE V

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year		Cumulative Shareholding at the end of the year March 31, 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
20	GOLDEN TOBACCO LIMITED	416578	0.42%			416578	0.44%
	Transfer			20 Dec 2019	(400000)	16578	0.02%
	AT THE END OF THE YEAR					16578	0.02%
21	PASHUPATINATH COMMERCIAL PVT. LTD.	15000	0.02%			15000	0.02%
	AT THE END OF THE YEAR					15000	0.02%
22	SOVEREIGN COMMERCIAL PVT.LTD.	6000	0.01%			6000	0.01%
	AT THE END OF THE YEAR					6000	0.01%
23	DALMIA HOUSING FINANCE LIMITED	5707	0.01%			5707	0.01%
	AT THE END OF THE YEAR					5707	0.01%
24	TRISHUL COMMERCIAL PVT.LTD.	5100	0.01%			5100	0.01%
	AT THE END OF THE YEAR					5100	0.01%
25	SWASTIK COMMERCIAL PVT.LTD.	3700	0.00%			3700	0.00%
	AT THE END OF THE YEAR					3700	0.00%
26	ALANKAR COMMERCIAL PRIVATE LIMITED	2600	0.00%			2600	0.00%
	AT THE END OF THE YEAR					2600	0.00%
27	RICKLUNSFORD TRADE AND INDUSTRIAL INVESTMENT LTD	1960	0.00%			1960	0.00%
	AT THE END OF THE YEAR					1960	0.00%
28	CHIRAWA INVESTMENT LIMITED	1860	0.00%			1860	0.00%
	AT THE END OF THE YEAR					1860	0.00%
29	LAKSHMI VISHNU INVESTMENT LIMITED	1860	0.00%			1860	0.00%
	AT THE END OF THE YEAR					1860	0.00%
30	MOURYA FINANCE LIMITED	1860	0.00%			1860	0.00%
	AT THE END OF THE YEAR					1860	0.00%
31	SIKAR INVESTMENT COMPANY LIMITED	1800	0.00%			1800	0.00%
	AT THE END OF THE YEAR					1800	0.00%
32	ANTARCTICA INVESTMENT PVT LTD	768	0.00%			768	0.00%
	AT THE END OF THE YEAR					768	0.00%
33	COMOSUM INVESTMENT PVT LTD	701	0.00%			701	0.00%
	AT THE END OF THE YEAR					701	0.00%
34	LOVELY INVESTMENT PVT LTD	645	0.00%			645	0.00%
	AT THE END OF THE YEAR					645	0.00%
35	ALTAR INVESTMENT P LTD	318	0.00%			318	0.00%
	AT THE END OF THE YEAR					318	0.00%
36	ILAC INVESTMENT PRIVATE LIMITED	217	0.00%			217	0.00%
	AT THE END OF THE YEAR					217	0.00%
37	DEAR INVESTMENT P. LTD.	55	0.00%			55	0.00%
	AT THE END OF THE YEAR					55	0.00%

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year		Cumulative Shareholding at the end of the year March 31, 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
38	MODERATE INVESTMENT AND COMMERCIAL ENTERPRISES LTD	614050	0.63%			614050	0.65%
	Transfer			13 Mar 2020	(614050)	0	0.00%
	AT THE END OF THE YEAR					0	0.00%
39	EXCELLENT COMMERCIAL ENTERPRISES AND INVESTMENT LTD.	377800	0.39%			377800	0.40%
	Transfer			13 Mar 2020	(377800)	0	0.00%
	AT THE END OF THE YEAR					0	0.00%
40	CAREFREE INVESTMENT COMPANY LIMITED	302150	0.31%			302150	0.32%
	Transfer			14 Feb 2020	(302150)	0	0.00%
	AT THE END OF THE YEAR					0	0.00%
41	DIVINE LEASING AND FINANCE LIMITED	249304	0.25%			249304	0.26%
	Transfer			14 Feb 2020	(249304)	0	0.00%
	AT THE END OF THE YEAR					0	0.00%
42	HOTEX COMPANY LTD	78	0.00%			78	0.00%
	Transfer			08 Nov 2019	(78)	0	0.00%
	AT THE END OF THE YEAR					0	0.00%
16	NEELABH DALMIA	0	0.00%			0	0.00%
	Transfer			20 Mar 2020	11000	11000	0.01%
	AT THE END OF THE YEAR					11000	0.01%

Note:

1. At the beginning of the year the paid up share capital was INR 98,02,82,860/- comprising of 9,80,28,286 equity shares of INR 10/- each and at the end of the year the paid up capital was INR 95,01,32,860/- comprising of 9,50,13,286 equity shares of INR 10/- each. The change in paid up share capital was due to allotment of new equity shares against exercise of stock options and Buyback of shares of the Company. Hence, due to said changes in paid up share capital, the percentage of promoter & promoter group has changed. Pursuant to a Scheme of Amalgamation sanctioned by Hon'ble National Company Law Tribunal, Allahabad Bench vide order dated November 20, 2019, five Promoter Companies i.e. Carefree Investment Company Limited, Divine Leasing and Finance Limited, Excellent Commercial Enterprises and Investment Limited, International Resources Limited, Moderate Investment and Commercial Enterprises Limited (Transferor Companies) have been amalgamated with another Promoter Company i.e. Hindustan Commercial Company Limited (Transferee Company) and ceased to be exist after the approval from Registrar of Companies, Kanpur on February 11 , 2020.

   Please also note that shareholdings of Carefree Investment Company Ltd, Divine Leasing & Finance Limited, Excellent Commercial Enterprises and Investment Limited, and Moderate Investment and Commercial Enterprises Limited are already credited to Hindustan Commercial Company Limited and shareholding of remaining one transferor Company (i.e. International Resources Ltd) is in process to credit in Hindustan Commercial Company edLimited.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

ANNEXURE V

iv) Shareholding Pattern of Top Ten Shareholders

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year 2019-20		Cumulative Shareholding at the end of the year - March 31, 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
1	DSP SMALL CAP FUND	3301833	3.37%			3301833	3.48%
	Transfer			03 May 2019	639910	3941743	4.15%
	Transfer			31 Jan 2020	1524178	5465921	5.75%
	Transfer			07 Feb 2020	342472	5808393	6.11%
	Transfer			20 Mar 2020	1722504	7530897	7.93%
	Transfer			31 Mar 2020	1085781	8616678	9.07%
	AT THE END OF THE YEAR					8616678	9.07%
2	ARES DIVERSIFIED	4932182	5.03%			4932182	5.19%
	AT THE END OF THE YEAR					4932182	5.19%
3	FRANKLIN INDIA SMALLER COMPANIES FUND	2936227	3.00%			2936227	3.09%
	Transfer			10 May 2019	200000	3136227	3.30%
	Transfer			17 May 2019	200000	3336227	3.51%
	Transfer			26 Jul 2019	9588	3345815	3.52%
	Transfer			02 Aug 2019	90412	3436227	3.62%
	Transfer			13 Sep 2019	100000	3536227	3.72%
	Transfer			29 Nov 2019	200000	3736227	3.93%
	Transfer			13 Dec 2019	100000	3836227	4.04%
	AT THE END OF THE YEAR					3836227	4.04%
4	LIFE INSURANCE CORPORATION OF INDIA	3138105	3.20%			3138105	3.30%
	AT THE END OF THE YEAR					3138105	3.30%
5	UTI - HYBRID EQUITY FUND	3201990	3.27%			3201990	3.37%
	Transfer			31 May 2019	(60117)	3141873	3.31%
	Transfer			16 Aug 2019	10000	3151873	3.32%
	Transfer			13 Sep 2019	13000	3164873	3.33%
	Transfer			20 Sep 2019	40506	3205379	3.37%
	Transfer			27 Sep 2019	27575	3232954	3.40%
	Transfer			18 Oct 2019	(15388)	3217566	3.39%
	Transfer			29 Nov 2019	(111781)	3105785	3.27%
	Transfer			03 Jan 2020	(7439)	3098346	3.26%
	Transfer			10 Jan 2020	16570	3114916	3.28%
	Transfer			31 Jan 2020	15000	3129916	3.29%
	Transfer			21 Feb 2020	(112819)	3017097	3.18%
	Transfer			28 Feb 2020	(125000)	2892097	3.04%
	Transfer			20 Mar 2020	110000	3002097	3.16%
	AT THE END OF THE YEAR					3002097	3.16%

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year 2019-20		Cumulative Shareholding at the end of the year - March 31, 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
6	EOS MULTI STRATEGY FUND LTD	2946484	3.01%			2946484	3.10%
	AT THE END OF THE YEAR					2946484	3.10%
7	HYPNOS FUND LIMITED	2446605	2.50%			2446605	2.58%
	Transfer			05 Apr 2019	(3312)	2443293	2.57%
	Transfer			26 Apr 2019	(33293)	2410000	2.54%
	Transfer			03 May 2019	(111000)	2299000	2.42%
	Transfer			18 Oct 2019	(9329)	2289671	2.41%
	Transfer			25 Oct 2019	(90671)	2199000	2.31%
	Transfer			08 Nov 2019	(29665)	2169335	2.28%
	Transfer			15 Nov 2019	(56302)	2113033	2.22%
	Transfer			22 Nov 2019	(5033)	2108000	2.22%
	Transfer			29 Nov 2019	(8000)	2100000	2.21%
	AT THE END OF THE YEAR					2100000	2.21%
8	J.P. FINANCIAL SERVICES PVT LTD	3263000	3.33%			3263000	3.43%
	Transfer			20 Mar 2020	10000	3273000	3.44%
	Transfer			27 Mar 2020	103938	3376938	3.55%
	Transfer			31 Mar 2020	(1380000)	1996938	2.10%
	AT THE END OF THE YEAR					1996938	2.10%
9	NOBLE COMMUNICATIONS PVT LTD	1893751	1.93%			1893751	1.99%
	Transfer			13 Mar 2020	(200000)	1693751	1.78%
	Transfer			31 Mar 2020	100000	1793751	1.89%
	AT THE END OF THE YEAR					1793751	1.89%
10	TRANS SCAN SEC PVT. LTD.	0	0.00%			0	0.00%
	Transfer			17 Jan 2020	450	450	0.00%
	Transfer			07 Feb 2020	(350)	100	0.00%
	Transfer			14 Feb 2020	900	1000	0.00%
	Transfer			13 Mar 2020	200000	201000	0.21%
	Transfer			31 Mar 2020	1280000	1481000	1.56%
	AT THE END OF THE YEAR					1481000	1.56%
11	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE DIVIDEND YIELD FUND	2601311	2.65%			2601311	2.74%
	Transfer			12 Apr 2019	(33156)	2568155	2.70%
	Transfer			19 Apr 2019	(18000)	2550155	2.68%
	Transfer			26 Apr 2019	(139888)	2410267	2.54%
	Transfer			03 May 2019	(210000)	2200267	2.32%
	Transfer			10 May 2019	(168500)	2031767	2.14%
	Transfer			24 May 2019	(60000)	1971767	2.08%
	Transfer			07 Jun 2019	(2700)	1969067	2.07%

ANNEXURE V

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year 2019-20		Cumulative Shareholding at the end of the year - March 31, 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
	Transfer			19 Jul 2019	(56000)	1913067	2.01%
	Transfer			26 Jul 2019	(3000)	1910067	2.01%
	Transfer			02 Aug 2019	(38929)	1871138	1.97%
	Transfer			30 Aug 2019	(75000)	1796138	1.89%
	Transfer			27 Sep 2019	67500	1863638	1.96%
	Transfer			25 Oct 2019	80000	1943638	2.05%
	Transfer			20 Dec 2019	(23449)	1920189	2.02%
	Transfer			27 Dec 2019	(6700)	1913489	2.01%
	Transfer			31 Dec 2019	(109545)	1803944	1.90%
	Transfer			03 Jan 2020	(142927)	1661017	1.75%
	Transfer			10 Jan 2020	(87100)	1573917	1.66%
	Transfer			24 Jan 2020	(2965)	1570952	1.65%
	Transfer			31 Jan 2020	43852	1614804	1.70%
	Transfer			07 Feb 2020	(279258)	1335546	1.41%
	Transfer			14 Feb 2020	(186105)	1149441	1.21%
	Transfer			21 Feb 2020	(465523)	683918	0.72%
	Transfer			28 Feb 2020	(380177)	303741	0.32%
	AT THE END OF THE YEAR					303741	0.32%
12	INDIANIVESH LIMITED .	2711595	2.77%			2711595	2.85%
	Transfer			05 Apr 2019	(352465)	2359130	2.48%
	Transfer			10 May 2019	(600000)	1759130	1.85%
	Transfer			17 May 2019	(224354)	1534776	1.62%
	Transfer			21 Jun 2019	(41991)	1492785	1.57%
	Transfer			29 Jun 2019	144354	1637139	1.72%
	Transfer			05 Jul 2019	20000	1657139	1.74%
	Transfer			02 Aug 2019	30000	1687139	1.78%
	Transfer			13 Sep 2019	(1399130)	288009	0.30%
	Transfer			20 Sep 2019	(45000)	243009	0.26%
	Transfer			27 Sep 2019	(237500)	5509	0.01%
	AT THE END OF THE YEAR					5509	0.01%

Note:

1. At the beginning of the year the paid up share capital was INR 98,02,82,860/- comprising of 9,80,28,286 equity shares of INR 10/- each and at the end of the year the paid up capital was INR 95,01,32,860/- comprising of 9,50,13,286 equity shares of INR 10/- each. The change in paid up share capital was due to allotment of new equity shares against exercise of stock options and Buyback of shares of the Company..
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr. No.	Name of the Directors / KMP	Shareholding at the beginning of the year April 1, 2019		Cumulative shareholding during the year March 31, 2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Anurag Dalmia - Non-Executive -Vice Chairman***				
	At the beginning of the year	0	0.00%	0	0.00%
	Shares purchased during the year	0	0.00%	100000	0.11%
	At the end of the year			**100000**	**0.11%**
	*In addition to the above, Mr. Anurag Dalmia is also holding 549602 equity shares in his HUF account.				
2	**Mr. Neelabh Dalmia- Non-Executive Director (Textiles)**				
	At the beginning of the year	0	0.00%	0	0.00%
	Shares purchased during the year	0	0.00%	11000	0.01%
	At the end of the year			**11000**	**0.01%**
3	**Mr. Ravi Shanker Jalan - Managing Director ***				
	At the beginning of the year	285843	0.29%	285843	0.30%
	Shares purchased during the year	0	0.00%	14157	0.01%
	At the end of the year			**300000**	**0.32%**
	*In addition to the above, Mr. Jalan is also holding 100 equity shares in his HUF account.				
4	**Mr. Raman Chopra - CFO & Executive Director (Finance)****				
	At the beginning of the year	100000	0.10%	100000	0.11%
	Shares purchased during the year	0	0.00%	0	0.00%
	At the end of the year			**100000**	**0.11%**
	**In addition to above, Mrs. Bharti Chopra wife of Mr. Raman Chopra was holding 18000 shares and Mr. Aniket Chopra, son of Mr. Raman Chopra was holding 7000 shares at the beginning of the year as well as at the end of the year 2019-20.				

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans, excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹ in Crores
Indebtedness at the beginning of the financial year				
i) Long Term Debt	867.92	25.00	0.00	892.92
ii) Short Term Debt	257.79	141.08	0.00	398.86
Total (i+ii)	**1125.71**	**166.08**	**0.00**	**1291.79**
Change in Indebtedness during the financial year				
Addition	252.74	17.94	0.00	270.68
Reduction	297.84	25.00	0.00	322.84
Net Change	**(45.10)**	**(7.06)**	**0.00**	**(52.16)**
Indebtedness at the end of the financial year				
i) Long Term Debt	970.75	0.00	0.00	970.75
ii) Short Term Debt	109.86	159.02	0.00	268.88
Total (i+ii)	**1080.61**	**159.02**	**0.00**	**1239.63**

ANNEXURE V

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole- time Director and /or Manager:

Sr. No.	Particulars of Remuneration	Mr. Ravi Shanker Jalan - Managing Director	Mr. Raman Chopra - CFO & Executive Director (Finance)	Mr. Neelabh Dalmia -Executive Director (Textiles)	Total Amount (INR Lakhs)
	Gross Salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	242.42	130.22	21.99	394.63
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.40	0.40	0.00	0.79
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Options	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission (for FY 2019-20, will be paid in FY 2020-21)	0.00	0.00	0.00	0.00
	- as % of profit	525.00	310.00	10.00	845.00
	others, specify	0.00	0.00	0.00	0.00
5	Others:	0.00	0.00	0.00	0.00
	PF	12.06	7.18	1.03	20.27
	Superannuation	1.50	1.50	0.25	3.25
	Gratuity	4.82	2.87	0.41	8.11
	Company provided & maintained car	22.68	16.08	0.00	38.76
	Medical Expenses Reimbursement	0.00	0.00	0.00	0.00
	Leave Travel Expenses Reimbursement	0.00	0.00	0.00	0.00
	Total (A)	**808.88**	**468.25**	**33.68**	**1310.81**
	Ceiling as per the Act				**5040.00**

B Remuneration to other Directors

1 Independent Directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount INR Lakhs
		Dr. Manoj Vaish	Mr. Arun Kumar Jain	Justice Ravindra Singh	Mr. Kamalkishore Chandravadan Jani	Mrs. Vijaylaxmi Joshi	Mr. Lavanya Rastogi	
	Fee for attending Board/ Committee Meeting	4.00	4.80	4.80	2.40	6.40	2.00	24.40
	Commission	26.00	25.00	25.00	10.80	25.00	20.00	131.80
	Total (B)(1)	**30.00**	**29.80**	**29.80**	**13.20**	**31.40**	**22.00**	**156.20**

2 Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount INR Lakhs
		Mr. Sanjay Dalmia	Mr. Anurag Dalmia	Mr. Neelabh Dalmia	
	Fee for attending Board/ Committee Meeting	3.20	2.40	2.40	8.00
	Commission	60.00	50.00	30.00	140.00
	Total (B)(2)	**63.20**	**52.40**	**32.40**	**148.00**
	Total(B)=(B)(1)+(B)(2)				**304.20**
	Total Managerial Remuneration (Non - Executive Director)				**304.20**
	Overall Ceiling as per the Act				**504.00**

C. Remuneration to key managerial Personnel other than Managing Director / Whole- time Director and /or Manager:

Sr. No.	Particulars of Remuneration	Key managerial Personnel: Mr. Bhuwneshwar P. Mishra - Sr. General Manager & Company Secretary	Key managerial Personnel: Total Amount INR Lakhs
	Gross Salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41.93	41.93
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.58	0.58
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00
2	Stock Options	2.89	2.89
3	Sweat Equity	0.00	0.00
4	Commission	0.00	0.00
	- as % of profit	0.00	0.00
	Others, specify	0.00	0.00
5	Others:	0.00	0.00
	PF	2.00	2.00
	Superannuation	1.50	1.50
	Gratuity	0.80	0.80
	Company provided & maintained car	4.54	4.54
	Medical Expenses Reimbursement	0.00	0.00
	Leave Travel Expenses Reimbursement	0.00	0.00
	Total (C)	**54.23**	**54.23**

VII. Penalties /Punishment /Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Detals of penalty /Punishment / Compoundinng fees imposed	Authority [RD / NCLT / COURT]	Apeal made, if any (give details)
A. COMPANY					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil	Nil	Nil	Nil	N.A
B. DIRECTORS					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
C. OTHER OFFICERS INDEFAULT					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

ANNEXURE VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR Report for the financial year ended March 31, 2020

[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) Mr. Anurag Dalmia -Non-Executive -Vice Chaiman (Chairman) (2) Mrs. Vijaylaxmi Joshi- Independent Director (3) Mr. Neelabh Dalmia - Executive Director (Textiles) (4) Mr. R S Jalan - Managing Director (5) Mr. Raman Chopra - CFO & Executive Director (Finance)
3	Average net profit of the Company for last three financial years:	487.17 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	9.74 Crores
5	Details of CSR spend for the financial year:	
a.	Total amount spent for the financial year	9.75
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:

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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)	Cr	Cr	Cr	Cr
1	Roof Rain Water Harvesting and Village Water Distribution System	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 and state of Tamil Nadu (1) Dist. Madurai	0.18	0.16	0.16	Amount directly spent through implementing agencies*

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (Contd..)

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)	Cr	Cr	Cr	Cr
2.1	Drip Irigation, Sprinkler Irrigation, Training and other various activities	Agro based livelihood		3.68	3.70	3.70	Do
2.2	Vocational Training Centre	Skill based livelihood		0.75	1.04	1.04	Do
3	Animal Treatment Camp and Artificial Insemination center	Animal Husbandry		0.86	0.80	0.80	Do
4.1	Mobile Dispensary, Health camps, Vaccination and Eye camps;	Health & Sanitation		1.69	1.59	1.59	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		1.31	1.19	1.19	Do
6	Formation of Self Help Group (SHG) and Training Programme	Women Empowerment		0.21	0.19	0.19	Do
7	Street light, Road repairing, construction of school boundry , Eradication Hundger Peoples	Rural Development		0.12	0.13	0.13	Do
8	Establishment & Assets	Establishment & Assets		0.95	0.95	0.95	Do
	Total			**9.75**	**9.75**	**9.75**	

*Amount spent through Implementing Agencies (GHCL Foundation Trust) of INR 9.75 Cr.

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

Anurag Dalmia
Chairman of CSR Committee
DIN: 00120710

ANNEXURE VII

A. Conservation of Energy

a) Energy Conservation Measure Taken

1 Only energy efficient motors are being purchased for new installation and replacement at all Units.

2 Improvement of insulation (silicate based) over hot equipment's/pipes to reduce heat loss to atmosphere at Soda Ash Unit.

3 Air and Energy Audit at Madurai Yarn Unit and Energy Audit at Soda Ash Unit was completed by external auditors and recommendations are being implemented.

4 New CFBC boiler of capacity 200 TPH has been commissioned. This boiler has higher efficiency and lower specific power consumption than AFBC boiler, presently in operation. By using Variable Frequency Drives specific power consumption per ton of steam is optimal at Soda Ash Unit.

5 Additional high speed rotary drum filter commissioned. It will help in reducing energy consumption in calciner at Soda Ash Unit.

6 Energy efficient Nano plant of capacity 200 M3/Hr commissioned at Soda Ash Unit.

7 Installation of Energy efficient transformers (two nos) at Madurai Yarn Unit.

8 Replacement of conventional compressor by Energy efficient compressor at Madurai Yarn Unit.

9 Installation of inverters for controlling the pneumafil suction fan in Ring frame machine according to end down rate at Madurai Yarn Unit.

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

1 Feasibility study of installation of variable frequency drive in old CFBC Boiler is under progress at Soda Ash Unit.

2 Installation of energy efficient RO plant of capacity 100 M3/Hr at Soda Ash Unit.

3 Five Mega Watt Solar power project for producing Green Power is proposed at Madurai Yarn Unit.

4 Refurbishment done at Sankaneri wind power plant in order to increase the efficiency of wind power (Green power)plant at Madurai Yarn Unit.

5 Installation of Extra High Tention, 110 KV is proposed in order to reduce power tripping , low transmission loss and better quality of power at Madurai Yarn Unit.

6 Initiation of project of power saving by using new technology dryer and aluminium pipe line system at Home Textile Unit.
Steam thermo dynamic (TD) traps connected to make up water tank to save water.

7 Upgradation of Effluent treatment plant for recycle of partial quantity of water at Home Textile Unit.

Work started for 66KV power supply from Gujarat government grid for better power availability & quality.

B. Power & Fuel Consumed

Sl. No.	Particulars		Year ended March 31, 2020	Year ended March 31, 2019
1	**Electricity**			
	(i)	Purchased Units (crores kwh)	10.29	10.09
		Total amount (INR crores)	66.65	72.98
		Rate per Unit (INR)	6.48	7.24

B. Power & Fuel Consumed (Contd..)

Sl. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(ii) Own Generation		
	(a) Through DG		
	Units (crores kwh)	0.05	0.77
	Units per ltr of Diesel Oil	3.20	4.06
	Cost per Unit (INR)	21.81	9.21
	(b) Through GTG		
	Units (crores kwh)	1.18	0.66
	Units per SCM of Gas	3.83	4.05
	Cost per Unit (INR)	9.54	10.18
	(c) Through TG		
	Units (crores kwh)	27.26	25.36
	Cost per Unit (INR)	3.41	3.45
	(b) Through Windmill		
	Units (crores kwh)	4.66	4.66
	Total amount (INR crores)	15.42	17.14
	Rate per Unit (INR)	3.31	3.68
	(c) Through Solar		
	Units (crores kwh)	0.25	0.00
	Total amount (INR crores)	0.48	0.00
	Rate per Unit (INR)	1.92	0.00
2	**Coal**		
	Quantity (MT)	2,91,912	2,99,787
	Total Cost (INR crores)	258.54	264.25
	Average Rate (INR/MT)	8,857	8,815
3	**Lignite**		
	Quantity (MT)	1,71,289	1,96,960
	Total Cost (INR crores)	65.97	70.37
	Average Rate (INR/MT)	3,852	3,573
4	**Petroleum Coke**		
	Quantity (MT)	80,360	47,010
	Total Cost (INR crores)	58.69	45.88
	Average Rate (INR/MT)	7,304	9,760

ANNEXURE VII

5 Consumption per Unit of Production

Particulars	Production (MT)	Year ended March 31, 2020	Year ended March 31, 2019
Soda Ash	10,04,505	277.45	266.87
Salt	26,172	30.43	23.58
Yarn	28,154	4.23	4.01
Cloth (Fabric '000 Meters)	28,266	1.36	1.20
Coal -Soda Ash (MT/MT)	10,04,505	0.27	0.28
Lignite - Soda Ash (MT/MT)	10,04,505	0.16	0.20
Petroleum Coke - Soda Ash (MT/MT)	10,04,505	0.08	0.05

C. Technology Absorption

1 Research & Development

a) Alternative Route for Manufacture of Sodium Carbonate:

We have engaged a 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) 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

An advanced Energy Management System is under procurement. This system makes use of various algorithms and analytical tools to further reduce energy specific consumption at Soda ash unit.

3 Technology -Absorption ,Adoption and Innovation

Old Carbonation towers (Two nos.) shall be replaced with new Carbonation towers of 250 MTPD higher capacity.

4 Information Regarding Technology imported during last three year

High speed filter technology from M/S Andritz Germany

D. Foreign Exchange Earning and Outgo

Particulars	Year ended March 31, 2020 (INR in Crores)	Year ended March 31, 2019 (INR in Crores)
Earnings	528.85	569.73
Outgo (Includes CIF value of imports)	775.33	697.62

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2)(f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Section A: General Disclosures

Company details

1. Name of the Company	:	GHCL Limited
2. Year of Registration	:	1983
3. Corporate Identity Number (CIN) of the Company	:	L24100GJ1983PLC006513
4. Corporate Address	:	
a. Registered Office Address	:	'GHCL House' Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380 009 (Gujarat)
b. Corporate Office	:	'GHCL House' B-38, Institutional Area, Sector – 1, Noida – 201301 (Uttar Pradesh)
c. Telephone Number	:	0120 – 2535335/ 4939900 (Corporate Office) 079 – 2643100 (Registered Office)
d. Email	:	ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
e. Website	:	www.ghcl.co.in

Products/ Services

5. Sector(s) that the Company is engaged in (industrial activity code)

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.

6. List three key products/ services that the company manufactures / provides (as in the 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.

7. Brands (top five by respective share of market) owned and percentage of revenue contributed

Business segments	Brand Name	Revenue	%
Soda Ash	LION Brand	1944 Cr	59.41%
Textiles	Rekoop	8.10 Cr	0.25%
Consumer Product division	i-FLO	19.38 Cr	0.59%
	Sapan	9.58 Cr	0.29%

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2)(f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Operations

8. Total number of locations were business activity is undertaken by the company

(a) National –

Buisiness Vertical	Location
Soda Ash	Gir Somnath, Gujarat
Home Textile	District Vasad, Vapi Gujarat
Yarn	District Madurai and Trichy, Tamil Nadu
Consumer Products Division	District Nagapattanam and Kancheepuram, Tamil Nadu

(b) International – USA

9. Location of major offices (in case of service business)

Not applicable because GHCL is a manufacturing company.

Employees

10. Number of Permanent Employees: 5,107 (Employees – 1,020; Workers – 4,087)

11. Contractual employees (seasonal, non-seasonal): 3,842

12. Temporary employees: NA

13. Percentage of women:

a. On the Governance Structure: 10%

b. In top management, i.e. business and functional heads: 5%

*General Manager (GM) and above are considered in top management at GHCL

Associate entities

14. Name of the subsidiary / associate companies: Grace Home Fashions LLC, USA

15. Details of Trust / Society/ Section 8 company to further its CSR agenda:

a. Name	GHCL Foundation Trust
b. Organisation form and year of establishment	Trust established on 16th March 2007
c. Main objects/purpose	GHCL Foundation, through its CSR initiatives, will strive to become a leader in all its social activities and continue to promote sustained and inclusive growth of the community through its entrepreneurial/business approach, in fulfilment of its role as a socially responsible citizen.
d. Amounts and sources of funds received in the reporting year	GHCL contributed 9.75 Cr and 14.46 Cr funds were mobilised from various Tata Trusts, Gujarat Green Revolution Company and community contribution.

16. Contact details of Nodal Officer for this report:

a. Name	Bhuwneshwar Mishra
b. Designation	Sr. GM & Company Secretary
c. Email id	bmishra@ghcl.co.in
d. Phone Number	0120 – 2535335 / 4939900

Section B: Management and Process Disclosures

Disclosure Questions	P 1	P 2	P 3	P 4	P5	P6	P7	P8	P9
Policy and management processes									
1. Names of the policy / policies that covers each principle. √ The Board of Directors of GHCL has adopted and approved policies on each principle, which are framed based on nine principles of BRR and in line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of the Business released by the MCA.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Core Elements related to the Principle that the policy / policies cover.	√ The core element related to each principle is given in Section C of this report against each principle.								
3. Policy / policies relating to each principle that has been translated into guidelines and procedures.	√ The Company's BRR policies are guiding principles for the management to conduct the affairs of the business and protect the interest of its stakeholders. The Guidelines and procedures for implementation of BRR Policy are made integral part of the BRR policy.								
4. Extent to which manpower, planning and financial resources have been allocated for the implementation of the policy / policies relating to each Principle.	√ The core team of the management comprising of the Managing Director, Executive Director (Finance) & CFO, all plant heads and functional heads are responsible for implementation of the BRR Principles. √ The concerned departments allocate the fund from its budget for implementation of the BRR policies related to their areas.								
5. National and International codes and standards adopted to various Principles.	√ The BRR Policies are framed in line with the NVG on Social, Environmental and Economic Responsibilities of the Business.								
Governance, leadership and oversight									
6. Names of the above policies that have been approved by the Board / top management	√ The Board of Directors in their meeting held on January 31, 2017, had approved all the BRR policies and the managing director signs the same. The policies are posted on company's website @ https://www.ghcl.co.in/brr-policies								
7. Name of the specified committee(s) of the Board / Director / Officer and processes to oversee the implementation of the policy / policies	√ The managing director, through the functional heads of the departments / unit heads of the Company are empowered to ensure the implementation of the policies. √ The company secretary is authorised to monitor and evaluate the compliance of the policy and submit his report to the Board / committee periodically. √ The list of committees is provided in the Integrated Report on page 20.								

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2)(f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Disclosure Questions		P 1	P 2	P 3	P 4	P5	P6	P7	P8	P9
8.	The process for board / top management to review performance against the above policies and incorporating inputs.	The implementation of the BRR policies are made an integral part of these policies which defines following steps for performance review: √ Communication of BRR policies at all levels and mandatory display on company's intranet. √ Implementation process to be reviewed by the managing director through the functional heads / unit heads. √ Company secretary to monitor and evaluate compliance of the policy and violation of the policies to be reported to the company secretary √ Progress shall be reported to the board / committee.								
9.	Process for board / top management to review compliance with statutory requirements of relevance to the Principles and rectify any non-compliances.	GHCL has robust system of compliance management through a software developed by E&Y. Total 200 owners and approvers are identified who are responsible for compliance of statutory requirements and making updation to the compliance tool. Company secretary is the super administrator who administers the compliance tool with his secretarial team and present monthly report in operational review headed by the managing director. Thereafter, the findings and compliance status are also reported to the audit committee. GHCL would further strengthen the linking of statutory compliances with the conditions of compliance of BRR principles with an objective to develop robust compliance system.								
10.	Frequency of the reviews of the business's alignment with the Principles and Core Elements conducted by the Board / top management.	The Operations Review meetings (OR) are held on monthly basis which are headed by the Managing director. The functional heads submit their reports, which covers status of compliances, challenges faced by the department or unit heads and progress against the KPI set in the beginning of the year. However, focussed meeting on business alignment with the principles and core elements shall be initiated to bring in the required zeal towards monitoring of these policies in letter and spirit. Management is committed to maximise stakeholders' value through superior serviceability, business excellence, governance and core value.								
Stakeholder Engagement										
11.	Description of the process to identify your business's key stakeholders	Company acknowledges the importance of its stakeholders in doing its business responsibly by creating a balance among the economic, social and environmental objectives. Company believes in the concept of inclusive growth, which is guided by its governance policies leading to enhanced transparency, responsiveness and accountability of the organisation in all its business dealings. The Company has identified its five key stakeholders i.e. investors, suppliers, employees, community and customers by way adopting the process of making assessment of stakeholders' interest and making roadmap for meeting their interest without compromising with the vision, mission, value system and compliance of governance related provisions. The approach involved identifying all stakeholders and then prioritizing it based on the power & influence of the stakeholders and their interest. The approach has led us in identifying the five key stakeholder who are highly interested as well as high influence over the business.								

Disclosure Questions		P 1	P 2	P 3	P 4	P5	P6	P7	P8	P9
12.	Description of the process to engage with your stakeholders on the Principles	GHCL believes that stakeholders' engagement leads to increased transparency, responsiveness, compliance, organisational learning, quality management, accountability and sustainability. Company adopts following mode and frequency of engagement with each category of stakeholders.								

Stakeholders	Mode and frequency of engagement
Investors	Annual general meeting, quarterly earning calls and dissemination of presentation on company website and stock exchanges website, investors' conferences, press releases and newsletters & regular road shows.
Suppliers	Periodical meetings of suppliers, vendors, suppliers' feedback form, periodic site visits, Vendx Portal.
Employees	Company takes various initiatives like GHCL TEA (Think, Experience & Adopt), MILAP (Medium for Interactive, Lateral and Actionable Partnership) DISHA meeting, Employee Engagement Surveys, monthly and quarterly publications and newsletters.
Community	Community meetings and visits, participatory rural appraisals including focus group discussions, awareness camps, exposure and training visits for beneficiaries, interaction with local bodies.
Customers	Customer satisfaction surveys, direct customer relationship management satisfaction initiatives, regular customer / distributer meets.

13.	Description of the processes to identify groups that are vulnerable and marginalised stakeholders	GHCL has been working towards upliftment of the communities around its plants in the areas of animal husbandry, agriculture, healthcare and education. To identify the vulnerable and marginalised stakeholders, the Company has adopted various measures including, but not limited to, desktop research, focussed group discussions and social need assessment. GHCL engaged PwC to prepare Social Need Assessment Report for taking initiative under its CSR projects in 15 villages located near GHCL soda ash operations in Gujarat. Through the need assessment the Company could identify the status as well as the needs of the communities around our plants.
14.	Description of the processes to identify issues related to inclusion and impact of adopting the Principles on vulnerable and marginalised stakeholders	GHCL believes in the principle of wellbeing of every human being. The Company's CSR policy outlines the commitment towards development of weaker sections of society through GHCL Foundation Trust. GHCL, through its CSR initiatives, has made sustainable intervention and impacted the life of its vulnerable and marginalized stakeholders substantially in the identified areas related to agriculture, animal husbandry, health, education, vocational training centre, women empowerment, water resource development, sanitation etc.
Communications		
15.	Description of process to communicate to stakeholders, the impact of your policies, procedures, decisions and performance that impact them.	GHCL understands the significance of strengthening stakeholder relationships through frequent open and transparent communication. The top management regularly reviews the progress in addressing the key stakeholders' concerns as a part of monthly operational review meetings. The performance of the Company along with the impact of policies, procedures and decisions is regularly communicated to the stakeholders through various engagement channels mentioned in point 12 above.

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Disclosure Questions		P 1	P 2	P 3	P 4	P5	P6	P7	P8	P9
16.	Description of how the business communicates the results of stakeholder engagement in the public domain	GHCL communicate the result of stakeholders' engagement with each stakeholder's category as mentioned in answer to question no 12 above and also published the same in its annual report. However, company believes that formal system / mechanism / platform is required to be developed which can facilitate the dissemination of results of stakeholders' engagement in the public domain quickly and effectively.								
17.	Description of the process of communicating performance against these Guidelines to relevant stakeholders.	GHCL voluntarily adopted the publication of Integrated Annual Report based on framework developed by the International Integrated Reporting Council ('IIRC') which includes reporting of financial and non-financial information of the company since FY 2019. The Integrated Annual Report is published on our website as well as shared with our investors.								
18.	Note on how disclosures and reporting helped in improving business performance / strategy.	GHCL has initiated the development of Integrated Report voluntarily since last year and Business Responsibility Report since 2018, which has resulted in transparent communication of the Company's economic, environmental and social performance with all the stakeholders. Reporting on disclosures have made us more cognizant of our activities and made us more responsible towards our stakeholders. As an organization, we constantly thrive for responsible growth and hence, there has been a change in the way we develop our business strategies and growth models.								

If answer to the question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P2	P3	P4	P5	P6	P7	P8	P9
The company has not understood the Principles.	Not Applicable								
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	Not Applicable								
The company does not have financial or manpower resources available for the task.	Not Applicable								
It is planned to be done within next 6 months.	Not Applicable								
It is planned to be done within the next 12 months.	Not Applicable								
Any other reason (please specify)	GHCL is committed to strengthen the core elements of each Principles shall be implemented in true spirit and to be factored while framing the business strategies.								

Section C: Principle-Wise Performance Disclosure

Principle 1: Ethics, Transparency and Accountability

Essential Indicators	Leadership Indicators
1. Month/ Year of last review by Governance Structure / top management of performance of the business across the Principles and Core Elements of the Guidelines	1. % **coverage of all employees** by awareness programmes for the Guidelines: a. In reporting year: b. Total to date : 100% employees have been made aware of these guidelines and related policies.

Essential Indicators	Leadership Indicators
√ The Board of Directors review the statutory compliances every quarter along with the financial performance of the company. Further, company has a practice of having Operational Review meeting (ORM), of all departments / businesses. Managing Director chairs the meeting. In ORM, discussion takes place on core values, compliances with respect to each policies of the company vis-à-vis KPI set for the department. √ However, management feels that formal structure need to be developed to measure or evaluate the performance of business across the Principles and Core Elements of the Guidelines.	
2. % **Coverage of leadership team** by awareness programmes on the Guidelines: a. In reporting year: / b. Total to date : 100% employees including the leadership team have been made aware of these guidelines and related policies.	**2.** % **of suppliers and distributors** (by value) covered by social and environmental audits: a. In reporting year: / b. Total to date : Site assessments for 86 suppliers across all business have been done via third party for ESG parameters and self-assessments on these parameters were submitted by about 200 suppliers from all businesses. Further phase wise assessments are planned more suppliers going forward. These assessments are designed to align our suppliers with our sustainability philosophy and ensure long term partnerships.
3. % **of suppliers and distributors (by value),** in the year: a. Covered by awareness programmes for the Guidelines? We believe in raising awareness of our suppliers and training them on responsible business conduct. In the near future, we plan to conduct awareness sessions for all our suppliers on various guidelines issued by the Government including the National Guidelines on Responsible Business Conduct. b. Had responsible / sustainable business policies in place? We have a Supplier's Code of Conduct in place that outlines the quality, social and environmental requirements adhering to which is mandatory. Every supplier that is on boarded is required to sign this Code and abide by it.	**3.** **Was report on responsible business conduct made,** in the year: a. As per mandatory/global reporting frameworks. Yes. The Integrated Report is designed based on GRI framework and IIRC guidelines. b. Available in the public domain. Yes. www.ghcl.co.in c. Assured by a third party Yes. Integrated reports is assured by E&Y Associates LLP, Statutory Audit is conducted by S R Bataliboi & Co. LLP, Secretarial Audit is done by Chandrasekaran Associates.

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2)(f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators

4. **Number of meetings / dialogues** with minority shareholders that were organized in the year?

   √ Company discloses its policies and procedures on its website site and publish policies in annual report to meet the statutory requirement.

   √ Regular intimation of corporate actions and statutory disclosures / reporting are made on stock exchange website as well as company website for easy access to all our stakeholders including minority shareholders.

5. **Number of complaints** received on any aspect of the NGRBC in the year from:

a. Shareholders/ Investors:	10
b. lenders:	0

6. **Number of the above complaints** pending resolution at close of year?

a. Shareholders/ Investors:	1
b. lenders:	0

7. Value of non-disputed fines / penalties imposed on your business by regulatory and judicial institutions in the year?

   During the financial year 2019-20, BSE and NSE imposed penalty of ₹ 10,000 each under SOP of Listing Regulations.

8. Number of complaints / cases of corruption and conflicts of interest that were registered in the year?

   √ The Board of Directors framed various policies and codes and also developed procedures and practices to implement fair and transparent business practices. For example policy on Ethics, Transparency and Accountability.

   √ No case of corruption and conflicts of interest.

9. Details of unmet obligations (fiscal, social, etc.) arising out of any benefits or concessions provided by the central, state, or local governments (100 words).

   √ Company is regular in making payment of its taxes, statutory dues, obligations related to employees like PF, Gratuity and superannuation, interest and principal payments to its lenders, payments to SMEs etc.

   √ Company spent its entire CSR budget of ₹ 9.75 Cr in accordance with its CSR plans and fulfilled the statutory obligations.

Leadership Indicators

4. **Details of non-disputed fines/penalties** imposed on your business by regulatory and judicial institutions in the year available in public domain.

   During the financial year 2019-20, BSE and NSE imposed penalty of ₹ 10,000 each under SOP of Listing Regulations. Company submitted its written representation and requested for personal hearing, which have not been provided by the stock exchanges. In order to settle the matter and to save the cost of litigation, company made the payment of ₹ 20,000.

5. **Provide examples** (up to three) of corrective action taken on the above fines/penalties imposed.

   Company has well established system of compliance management tool and continue to monitor compliance requirement on comprehensive manner.

6. **Provide examples** (up to three) of corrective action taken on the complaints / cases of corruption and conflicts of interest to prevent recurrence.

   √ This is no case of conflict of interest/ corruption

   √ Company has robust system of compliance management.

Principle 2: Product Life Cycle Sustainability

Essential Indicators

1. **List top three goods /services** (revenue in the year) which incorporate environmental and social concerns, risks, and/or opportunities in their design.

   a. Soda Ash
   b. Home Textiles
   c. Yarn

   GHCL has positioned itself as a well-diversified group in chemicals, textiles and consumer products sectors. The Company combines science and technology to innovate products that addresses challenging environmental concerns. GHCL envisions a positive social impact through its operations. Further details on products and processes that embrace sustainability principles is provided in the sections 'Natural Capital' and 'Intellectual Capital' on Page 78 and Page 48 respectively.

2. **Details of investments in specific technologies** to improve the environmental and social impacts (top three by value).

   GHCL invests in technologies that reduce resource consumption and enhance efficiency of operations. In FY 2019-20, the Company invested in improving performance of existing equipment, replacing existing lights with LED lights and procuring energy efficient equipment. In addition, various initiatives are taken to improve environmental and social impact of the Company. Further details are provided in the section 'Natural Capital' on Page 78 of the report.

Leadership Indicators

1. **For goods and services that incorporated environmental and social concerns**, give details of:

   a. Resource use (energy, water, raw material) per unit produced in the year.

   GHCL strives to drive sustainability in its operations by adopting practices and procedures that reduce energy and water consumption. The Company records production, specific energy consumption and specific water consumption annually. Further details is provided in the sections 'Manufactured Capital' and 'Natural Capital' on Page 44 and Page 78 respectively.

   b. Reduction in resource use covering sourcing, production, and distribution in the year.

   GHCL aims to reduce and optimise the use of limited environmental resources while carrying out its operations. Further details are provided under the section 'Natural Capital' on Page 78 of the report.

   c. Sustainability standards/codes/ labels adhered to.

   GHCL has been awarded several certifications of appreciation for its management systems, sustainable textile production, organic fibre and cotton processing. Details on various certifications is provided in the section 'Intellectual Capital' on Page 48 of the report.

   d. Product life cycle assessment completed.

   We are currently in the process of identifying, through feasibility study, the products for which life cycle assessment may be conducted.

2. **Information on the impacts** of your products across the value chain communicated to:

   a. To which stakeholders group?

   At present only to customers & distributors.

   b. By which channels for each group?

   Customer Meets/ Distributor Meets/ GHCL Website/ Email/ Phone / Print media / Digital media

   c. At what frequency?

   Communication with our customers is done regularly on providing them with the information on the impacts of our products.

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators

3. **% of input material and services** (by value), in the year, sourced from suppliers adhering to internal or external sustainability standards / codes / policies / labels.

   GHCL has a supplier Code of Conduct which is required to be signed by the suppliers/vendors that are on boarded. This Code of Conduct outlines, along with quality requirements, the environment, health and safety standards that the supplier is required to adhere to. In the reporting year, 13% of input material and services, by value, were sourced from suppliers that signed the Code of Conduct.

4. **% of total raw material consumed** in the year (by value) that consisted of material that was recycled or reused (provide details in 50 words):

   a. <5%

   b. between 5% and 25%

   c. > 25%

   GHCL strongly believes in waste minimization and increasing waste utilization as a part of its drive for process efficiency and product stewardship. Further details are provided in the section 'Natural Capital' on Page 78 of the report.

5. **Describe the process in place to safely** collect, reuse, recycle and dispose of your products at end-of-life. (100 words)

   GHCL has launched REKOOP 2.0 which is a sustainable and circular bedding solution. It is based on the concept of forensically tagged recycled polyester that embarks on re-collecting and de-polymerising the used sheets into fibre again. The manufacturing process starts with the collection of PET bottles, cleaning/sorting the bottles by colour, grinding into small flakes, applying DNA tagging, processing though an extruder and spinning along with cotton to make polyester blends. The polyester fibre can be used as a raw material for re-manufacturing and the cotton can be further used as a biofuel. Further, to make the product truly circular, we take back the bed-sheets, convert it back into flake, fibre and yarn for use.

   Further details are provided in the section 'REKOOP 2.0' on Page 49 in the report.

Leadership Indicators

GHCL comes out with an Integrated Report and Business Responsibility Report voluntarily. These reports contain information on performance of the Company across environmental and societal parameters. These reports are available publicly (on website) and are published annually.

3. **Provide example (upto three)** on how the feedback received from stakeholders is used for improvements?

   Stakeholder feedback is an important method of self-reflection. We regularly engage with all our stakeholders to understand their concerns and get their feedback on the Company's performance. This feedback is used to make changes in our policies and processes so that we can improve our performance while serving our stakeholders better. For more details please refer to the 'Stakeholder Engagement' section on page 26.

Principle 3: Employee Well Being

Essential Indicators

1. **Complaints** received on cases arising out of discrimination:

   Number received in the year?

   No complaints were received on cases arising out of discrimination at GHCL.

2. **Number of the above complaints** pending resolution at end of the year?

   Since No complaints received, no cases are pending for resolution at GHCL.

3. **% of permanent employees** who are members of the employee association(s) recognized by the management?

   The percentage of permanent employees who are members of employee association(s), recognised by management, are represented below:

Soda Ash division	100%
Home Textiles division	Nil
Yarn division	13%
CPD	11%

4. **% of your establishments / value chain** that has been audited in the year for:

   a. Child labour
   b. Forced/involuntary labour

   GHCL is currently following a phase-wise approach to identify the suppliers who may pose risk for GHCL due to their weak sustainability commitments. The approach involves audit of critical suppliers followed by engagement to build their capacity so that they resonate with GHCL's sustainability commitments. The various aspects involved in the assessment and training include child and forced labour as well. Since this is being undertaken in a phase wise manner, during the reporting year, 86 of the top critical suppliers were covered.

Leadership Indicators

1. **Categories of employees** (list up to three) supported by affirmative action, and has there been any change from the previous year?

   At GHCL, across all employee categories, local hiring is given preference provided the basic criteria of qualification and required skillset are met. There has been no change in this criterion since last year.

2. **% of non-permanent employees that** are linked to any standing platform / association

   At CPD, we have facilitated the formation of standing platform/ association for non-permanent employees. Around 43% of non-permanent employees are linked to this platform.

3. **% of children** identified as employed in your establishments / value chain that have been remediated:

   a. In reporting year
   b. Total to date

   Not applicable and no child labour identified in our value chain.

4. **% of forced / involuntary labour** identified in your establishments / supply remediated:

   a. In reporting year
   b. Total to date

   No employment case of forced/bonded labour is identified in our stablishments / supply chain.

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2)(f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators

5. Number of cases of child labour in your establishments/ value chains identified to date:

a. Resolved
b. Pending resolution

No case of child labour is identified during the year under review at GHCL.

We have implemented strict policies on prohibition of child labour in all our operating locations as well as value chain.

6. Number of cases of forced / involuntary labour identified to date:

a. Resolved
b. Pending resolution

GHCL ensures employment is voluntary and not forced / bonded labour. No case of forced / involuntary labour is identified during the year under review at GHCL.

7. % of your employees that were paid above the legal minimum wage in the last year?

Our 100% employees are drawing wages more than National floor level minimum wages.

8. Ratio of the highest salary paid to the lowest salary paid amongst your permanent employees?

The ratio of highest vs lowest salary paid amongst permanent employees is 1:40.

9. Number of cases of delay in payment of wages during the year:

a. Resolved
b. Pending resolution

No case of delay in payment of wages is observed and pending during the year under review at GHCL.

Leadership Indicators

5. % of your suppliers (by value) that paid **minimum wages** to their employees last year

GHCL has a Supplier Code of Conduct in place that is required to be signed and adhered to by every supplier/ vendor that GHCL engages with. The Code of Conduct specifically mentions that suppliers are required to pay minimum wages to their employees.

6. Examples of steps taken (up to three) to prevent adverse consequences to the complainant in the case of **harassment** cases.

At GHCL, we have not received any complaints of harassment during the year under review. Proactively to prevent such harassment, if we receive any complaint, we strongly conduct thorough verification/investigation of the event and in the event of confirmation of the allegation after enquiry we follow it with strict disciplinary action including termination from services of the company based on gravity of misconduct.

7. % of supply chain partners (by value) that were assessed for adherence to **health and safety** practices.

GHCL is currently following a phase-wise approach to identify the suppliers who may pose risk for GHCL due to their weak sustainability commitments. The approach involves assessment of critical suppliers followed by engagement to build their capacity so that they resonate with GHCL's sustainability commitments. The various aspects involved in the audit and training include health and safety practices as well. Since this is being undertaken in a phase wise manner, during the reporting year, 86 of the top critical suppliers were covered.

8. % of accident-affected persons integrated back into employment.

100% of the recovered accident-affected persons in the given financial year have been integrated back into employment (direct or indirect).

9. Describe the work-life balance issues (up to three) that were brought up by employees (100 words).

GHCL conducts various workshops and trainings for employee well-being. Through such events, GHCL acknowledges the work-life balance issues brought up by employees and finds appropriate solutions for them. In the reporting year, no cases related to work-life balance were raised. Nevertheless, the Company is committed to communicating with employees on a regular basis about balanced living. Further details are provided in the section 'Human Capital' on Page 56 of the report.

Essential Indicators

10. **Number of complaints** related to **harassment** to date:

    a. Resolved
    b. Pending resolution

    No complaint related to harassment is observed and pending during the year under review at GHCL.

11. **Number of the following** occurred during the year:

    a. Accidents at the workplace
    b. Fatalities caused
    c. Disability caused

    At GHCL, the goal is zero harm. To achieve this goal, the Company tracks all the accidents that take place at the plants and takes suitable corrective measures.

	Accidents	Fatalities	Disability
Soda Ash division	26	1	0
Home Textiles division	8	0	0
Yarn division	12	0	0
CPD	3	0	0

12. **% of employees** (all categories) trained on **health and safety** issues and measures:

    a. In the year
    b. Total to date

    GHCL regularly conducts training sessions on health and safety topics.

Soda Ash division	78%
Home Textiles division	35%
Yarn division	54%
CPD	45%

Leadership Indicators

10. **Examples** (up to three) of identified **work-life balance topics** that have been implemented

    In the reporting year, no topics of work-life balance were brought up by employees. As part of employee engagement and retention, the following initiatives are in place:

    - New leave policy,
    - Celebration of festivals
    - Sports tournaments,
    - Workplace fun
    - Out-door picnics and family get togethers

    Further details are provided to in the section 'Human Capital' on Page 56 of the report.

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators

13. **% of employees** provided training and **skill upgradation**:

    a. In the year
    b. Total to date

    GHCL believes that its people are the centre of business performance. As a high-performance learning organisation, the Company continuously trains its employees to keep them updated with latest skills.

Soda Ash division	75%
Home Textiles division	6%
Yarn division	12%
CPD	37%

Leadership Indicators

Principle 4: Policy on Stakeholdrs Engagement

Essential Indicators

1. **List stakeholder groups** that have been identified as key to your business?

   GHCL strongly believes that stakeholder inclusiveness and effective stakeholder engagement is crucial for understanding the issues of economic, environmental and social importance. 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. Further details on the type, mode and frequency of engagement, is provided under 'Stakeholder engagement process' section on Page 26 of the report.

2. **Positions / departments / functions** responsible for **engagement** with each stakeholder category identified above?

   At GHCL, each stakeholder is mapped with specific concerns, engagement platforms and functions enabling a clear demarcation of responsibility and action as deemed. Details on the positions/ departments/ functions responsible for engagement with each stakeholder category is provided in the section 'Stakeholder engagement process' on Page 26 of the report.

Leadership Indicators

1. **Frequency** of engagement with each stakeholder group?

   The key stakeholders at GHCL are engaged with at regular intervals. Further details are provided in the section 'Stakeholder engagement process' section on Page 26 of the report.

2. **Examples** (up to three) of how the business has **incorporated inputs from stakeholders**.

   The concerns raised by stakeholders are considered while identifying material issues of GHCL. Further, these issues are incorporated in the strategy and performance against them is monitored regularly. Further details are provided in the section 'Stakeholder engagement processes on Page 26 of the report and 'Materiality' on Page 28 of the report.

Essential Indicators

3. **Number of stakeholder groups that were formally engaged** on environment and social issues in the last year?

   GHCL engages with all its stakeholders, namely investors, suppliers, employees, community and customers, periodically and all the concerns of the respective stakeholders are discussed during these engagements.

4. **% of input material and services** (by value), in the year, that were procured from local and small vendors / producers?

   32% of the input material and services were procured from local and 14% from small vendors in FY 2019-20.

Leadership Indicators

3. **List of the vulnerable and marginalized groups** in each stakeholder group.

   We have recognized few Vulnerable groups like children, elderly, persons with disability and those under below poverty line and marginalised groups like tribals located near our areas of operation.

4. **Examples of decisions and actions** taken by the business to **address the interests of vulnerable/marginalized groups.**

   Our CSR activities through GHCL Foundation are focused towards addressing the needs of vulnerable and marginalised groups.

   Various activities like grocery kits are made available for the people falling below poverty line and our education related programs are focussed towards providing better education for the children.

   We are also running a skill development centre in a tribal area for the tribal youth for increasing their employability.

Principle 5: Policy on Human Rights

Essential Indicators

1. **% of employees** that have been provided training on **human rights** issues:

   a. In the year
   b. Total to date

Soda Ash division	Nil
Home Textiles division	100%
Yarn division	48%
CPD	Nil

2. **Employee categories** that are covered by the **human rights policies** of the business – Permanent/Contract/Casual.

   GHCL's Human Rights Policy is applicable to all employees working in any business division of the Company and its subsidiary. At GHCL employability of Child labour or forced labour is strictly prohibited.

3. **Number of business agreements and contracts** with third party partners that were reviewed in the year, to avoid complicity with adverse human rights impacts in the previous year.

Leadership Indicators

1. **% of contractual employees and value chain** partners that have been **made aware / provided training on human rights** issues:

   a. In the year
   b. Total to date

   We trained 100% of contractual employees and value chain partners, at Home Textiles division, on human rights issue.

2. **External stakeholder groups** and representatives that are **covered by the human rights policies** of the business?

   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.

3. **Stakeholder groups** that have been made **aware of the grievance mechanisms for human rights** issues:

   a. During the year
   b. Total to date

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators	Leadership Indicators
We motivate all our business partners to abide by and respect human rights and the same is reflected in our agreements and contracts. Going forward, we plan to review these agreements on a regular basis to avoid complicity with adverse human rights impacts.	The human rights policy is applicable to all our stakeholders and therefore all our stakeholders can raise grievances w.r.t to the same. Going forward, we plan on providing training and awareness to the stakeholders on the grievance mechanisms for human rights issues.
4. **Stakeholders groups** governed by the Grievance committee for human rights issues. All our stakeholders are governed by the Human rights policy and can raise grievances with the designated committee or person.	4. **List (up to three) corrective actions** taken to eliminate complicity with adverse human rights impacts in the last year. The Company ensures that human rights are strictly adhered to and also encourages partners to do the same. In the current year, we did not come across any incidents leading to human rights impacts.
5. **Number of stakeholders that reported human rights related** grievances and/or complaints: a. Received in the year b. Pending resolution At GHCL, we have appointed a designated contact person to address the queries from our various stakeholders. In the year under review, no complaint related to stakeholder grievance was reported during the year under review.	5. **Provide (up to two) examples of a business process being modified** / introduced as a result of addressing human rights grievances / complaints. Even though no human rights grievances or complaints were received in the reporting year, we modified our grievance redressal system and three new committees - grievances redressal committee, safety committee and VISAKA committee have been formulated. 6. **Provide details of the scope and coverage of any human rights due-diligence** conducted during the year. Compliance to the human rights policy is of utmost importance at GHCL. Going forward, we plan to conduct human rights due diligence of our operations as well as our partners.

Principle 6: Preservation of Environment

Essential Indicators	Leadership Indicators
1. **Material risks** of potential or actual **adverse impacts upon the environment** and communities by the business: a. Identified in the year b. Mitigation and adaptation measures put in place for the above environmental risks? The identified social and environmental risks are as mentioned below. Social and Relationship Risk: • Raw Material availability & Volatility • Social Licence to Operate Natural Risk: • EHS Performance • Climate Change & Natural Calamity	1. **Information on environmental impact assessments** undertaken in the year: a. Have the results been communicated in the public domain? b. Provide details of any actions taken to mitigate any negative social impacts. GHCL regularly monitors the impact of its business operations on the surrounding environment and communities. The Company conducts environmental impact assessments for all greenfield and brownfield projects to understand and mitigate their negative impacts. The concerns of local communities are received through stakeholder engagement exercise and consequently actions are mobilized to safeguard their social and environmental well-being.

Essential Indicators	Leadership Indicators
Refer to the section 'Managing risk, maximizing return' on Page 34 of the report to read on what impacts our near-to-mid term strategy, long term aspirations and top priorities. The section also elaborates on mitigation and adaptation measure to manage the above-mentioned risks.	
2. **Good practices (up to three) in reduction, recycling, and reuse** initiatives that contributed to lowering the adverse environmental footprint of your business activities. Efforts to cut consumption include an ongoing programme to replace existing lighting with energy-efficient lighting, improve the performance of existing equipment, carrying-out water saving initiatives, etc. GHCL regularly conduct awareness sessions to imbue the 3-R practice, of Reduce, Reuse and Recycle, in the day-to-day operations at each business unit. Even as we continue to increase our production footprint, we continually monitor and manage emissions to reduce our carbon footprint, the Company has calculated the internal carbon price for relevant business operations. Details are provided in the section 'Natural Capital' on Page 78 of the report.	2. Risk management strategies and measures for each material environmental risk identified for the business: a. Details of measures (100 words). b. Targets and achievement values. GHCL has two environmental risks out of its identified fifteen potential risks. All these risks are mapped to mitigation strategy. Details are provided in the section 'Managing risk, maximizing return' and 'Natural Capital' on Page 34 and Page 78 respectively of the report. GHCL has developed a Sustainability Vision 2023 along with associated targets. Further information regarding the same can be found in the section 'Our Vision, Mission and Values' on page 09.
3. **Examples of any collective action** by your business with other businesses / NGOs / government agencies / international partners / development institutions undertaken to address any of the environmental risks opportunities identified above. GHCL periodically engages with businesses, NGOs, international partners and development institutions to drive its business performance. The Company partners with various NGOs to create value for the communities through innovative and inclusive social development models. Further, GHCL, for its unique bedding concept of REKOOP 2.0, indulges in partnerships, such as Applied DNA Sciences (ADNAS), to make the product environment friendly and circular in nature thus providing a competitive edge in the industry.	3. **Details of your specific contribution to India's Nationally Determined Contributions** (submitted at UNFCCC COP21 in 2015) GHCL outlines its contribution as: • GHCL has taken a target of 20% emission reduction by 2023. Currently, the Company is taking appropriate measures for emission reduction and continuously monitoring its progress against the target. • The Company has 27.3 MW wind energy capacity and ~2 MW solar generation capacity currently and has plans in place to expand the same in the future • Plantation activities are undertaken regularly across all plants and there are approximately 25,800 trees in reclaimed pits across GHCL's mines. Further details are provided in sections 'Our Vision, Mission and Values' and 'Natural Capital' on Page 08 and Page 78 respectively.

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2)(f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators	Leadership Indicators
4. **Details of any adverse orders** in respect of any show cause / legal notices from CPCB / NGT / SPCB received during the year. No, there is no such notice received either from CPCB or NGT or SPCB during the year.	4. **New businesses-products-services created** to address the material environmental risks identified: a. Information on businesses created b. % of revenue contributed by these GHCL's Home Textile division is leading pioneering innovations in the bed linen category to make products that are truly sustainable and circular. Bedding line 'REKOOP' is made using recycled PET fibre and CIRKULARITY is based on the principles of circular economy and embraces 'Reduce, Reuse and Recycle' throughout the product cycle. This year, GHCL has launched 'REKOOP 2.0'. Further information on the same can be found in the section 'Natural Capital' on Page 78. 5. Details of good practices cited in reduction, recycling, and reuse initiatives benchmarked against industry best practice It is a continuous endeavour at GHCL to uphold sustainability practices and reach industry benchmarks. The Company undertakes various initiatives towards recycling and reuse of resources and waste produced thereby reducing the burden on our ecosystem. With an aim to lighten the burden of waste PET bottles on the environment, and we have launched REKOOP 2.0 which used plastic fibre in addition to cotton yarn to produce bed linen. Our Yarn division re-uses 50% of waste cotton back into the operations. The Chemical division reduces its natural consumption of metallurgical coke by using briquette. Further, fly ash waste generated from boilers is recycled to manufacture bricks and paver blocks. For more details, refer to 'Natural Capital' section on Page 78 of the report.

Principle 7: Responsible Advocacy

Essential Indicators	Leadership Indicators
1. **Review public policy advocacy positions** by the governance structure for consistency with Principles of these Guidelines: a. Frequency b. Month/year of last review. Yes. During the financial year 2019-20, 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 as and when they are organised. The participations and discussions is done through associations or groups GHCL is part of which is reviewed by the management during regular review meetings.	1. The **public policy positions** available in the **public domain**. GHCL operates in various diversified sectors which requires consistent and transparent interactions with various regulatory authorities & stakeholders.

Essential Indicators	Leadership Indicators
2. **Names of trade and industry chambers and associations** that you are a member/affiliate of. GHCL is a member of Alkali manufacturers Association of India, Indian Chemical Council, The All India Glass Manufacturer's Federation and the Southern India Mills' Association besides other business association like CII, PHD Chambers, and FICCI .	2. **Examples** (up to three) of any **policy changes** in the past year as a **result of your advocacy** efforts. GHCL constantly participates and in the advocacy efforts and will continue to do so. Mr. Bhuwneshwar Mishra participated in the Secretarial Standard Board constituted by ICSI. He has contributed in the development of guidance note on SEBI (Insider Trading) Regulations, 2015.
3. **Details of any adverse orders** received from regulatory authorities for **anti-competitive conduct** by your business. GHCL has not received any adverse orders from regulatory authorities for anti-competitive conduct.	3. **Details of corrective action for anticompetitive conduct**, taken by the business based on adverse orders from regulatory authorities. Since no adverse orders have been received, no corrective action undertaken in the given Financial Year.
4. **Monetary contributions** (if any) that have been made to **political parties**. During the financial year 2019-20, monetary contributions of ₹ 5 Cr. Were made by the company to the political parties.	

Principle 8: Inclusive Growth & Equitable Development

Essential Indicators	Leadership Indicators
1. **Social impact assessments** of your business operations conducted: a. Number completed in the year? b. Number conducted by an independent external agency. Social Impact assessments and need assessments are periodic exercise which is conducted to understand the social, environmental and economic value created by investing in our CSR programmes leading to community development. The last impact assessment and need assessment study was conducted in January 2018 by PwC, which gave us an insight on the qualitative and quantitative impacts of our ongoing projects. The study was commissioned to carry out a comprehensive evaluation of CSR programmes implemented by GHCL Foundation Trust across their project locations in the state of Gujarat in order to understand the direct and indirect impacts of CSR interventions on beneficiaries. In addition to documenting the impact on beneficiary and communities, the study also aimed at identifying possible opportunities to better implement and monitor existing projects.	1. With respect to these **social impact assessments**: a. Results made available in the public domain b. Details of any actions taken to mitigate any negative social impacts GHCL Foundation engages with the community on a regular basis and all the developments and progress with respect to CSR programs are thoroughly conveyed. Community needs are understood and evaluated and their views taken before project plans are finalised and executed. For the same, foundation engages in regular conversation with community members and other stakeholders prior-to (through need assessment surveys), during and post-project implementation - with a view to ensure that community members are involved in the entire project life cycle (including identification, development, execution and maintenance phases), and are treated as 'co-owners' of the project.

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators	Leadership Indicators
2. Examples **of products, technologies, processes or programmes** (up to three) that contribute to the **benefit of the vulnerable and marginalized** sections of society Refer to the section 'Social and Relationship Capital' on page 68.	2. **Numbers benefitting** from such beneficial products, technologies or processes. GHCL's wide range of CSR projects have touched and benefitted more than 1,24,103 lives over the years.
3. With respect to **projects** during the year for which **R&R** is applicable: a. Number of persons that were affected displaced by these projects? b. Gross amount paid out to project-affected and displaced persons? Not applicable	3. With respect to **projects** during the year for which **R&R** is applicable: a. Was the R&R package developed in consultation with project-affected people? b. Information on gross amounts, made available in the public domain Not applicable
4. **Grievances / complaints** received from **local community**: a. Number received during the year b. Number pending resolution In the reporting year, no grievances or complaints have been received from local community.	4. **Channels/platforms** used to communicate **information** regarding resolution of **grievances / complaints from communities** At GHCL, we constantly engage with our communities through various modes like face to face meetings, letters, emails, etc. Same modes of communications are also used to communicate the information regarding any resolution of grievances or complaints (if any). In the given reporting year, no grievances or complaints were received from Community.
5. Details of **investments** (top three by value) in **regions, which are underdeveloped**. GHCL works constantly for the upliftment of around 30+ underdeveloped villages around its plants. Along with the ongoing initiatives, GHCL has started a new initiative this year – Project Bal Vibhushit for providing better educational facilities and scholarship opportunities for higher studies to the children. Further details can be found in section 'Social and Relationship Capital' on page 68.	5. Examples (up to three) of **economic and social value addition in these underdeveloped** regions. Multiple projects in theme areas like agriculture & animal husbandry, Education & Vocational training ae well as healthcare are being implemented in the underdeveloped regions near our areas of operation. Details of the activities can be referred from Social and Relationship Capital' on page 68.
6. Examples of **goods and services** up to 3) that incorporate local **traditional knowledge**. Currently, there are no goods and services of GHCL that incorporate local traditional knowledge.	6. Examples where **benefits of this local traditional knowledge** being used by the business are **shared with the community**. Not applicable.
7. Details of **adverse orders or judgments** in intellectual property rights disputes related to **traditional knowledge** during the year. Not applicable.	7. **Number of beneficiaries** covered under your CSR projects (as per Section 135 of Companies Act 2013), disaggregated by the vulnerable and marginalized group categories. In FY 2019-20, 1,24,103 beneficiaries including the vulnerable & marginalised group were touched through the Company's CSR initiatives. Further information on the programs can be found in section 'Social and Relationship Capital'.

Essential Indicators	Leadership Indicators
8. Summary of the **key themes covered by CSR** initiatives (as per Section 135 of Companies Act 2013) or linked to the CSR Policy of the business. Through our community engagement programs, we understand the community's expectations of having better health and hygiene facilities, more local employment opportunities, better educational and infrastructural amenities etc. Hence, we focus on delivering substantial stakeholder value through innovative and inclusive social development models that focus on three key pillars – agriculture & animal husbandry, education & Vocational training, and healthcare.	8. Examples of how the impact of your community initiatives contribute to local and national development indicators? Our CSR efforts are in line with the global as well as local requirements of communities. Our efforts are aligned with the global Sustainable Development Goals. Also, we conduct need assessment before undertaking any program to understand the local developmental needs and then act accordingly.

Principle 9: Customer Value

Essential Indicators	Leadership Indicators
1. **Examples** (up to three) where **adverse impacts** of goods and services of your business have been raised in **public domain**. At GHCL, product quality is of utmost importance. We undertake all possible measures to deliver quality products as per the customer needs and requirements. In the reporting year, no such adverse impacts of our products or services have been raised in the public domain.	1. **Corrective actions** taken on **adverse impacts of goods and services** of your business: a. Details b. Communicated in the public domain. Not Applicable
2. **% by value** of goods and services of the business that carry information about: a. Environmental and social parameters relevant to the product. b. Safe and responsible usage. All products of GHCL, display product information on the label as mandated by local laws. REKOOP 2.0, a product range by Textile division, uses proprietary molecular tagging for complete traceability and is made by using recycled PET fibre.	2. **List of national-international product labels / Certifications** being used by the business. The list of national-international product labels and certifications used by GHCL is provided in the 'Intellectual Capital' section on page 48.
3. **Number of consumer complaints** in respect of **data privacy**: a. Received during the year. b. Pending resolution. No consumer complaints were received in respect of data privacy in the reporting year or are pending for resolution.	**Channels platforms** where **information on goods and services** of the business can be accessed. Following are the few channels/ platforms where the information on goods can be accessed: The various channels are as follows: 1. Face to face communication - Dealer and customer meets; direct interaction with the customer or distributor, participation in various events and exhibitions, participation in various national and international forums

BUSINESS RESPONSIBILITY REPORT

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs Government of India on March 13, 2019]

Essential Indicators

4. **Number of consumer complaints** in respect of **advertising**:

   a. Received during the year.

   b. Pending resolution.

   No consumer complaints were received in respect of advertising in the reporting year or are pending for resolution.

5. **Number of consumer complaints** in respect of **delivery of essential services**:

   a. Received during the year.

   b. Pending resolution.

	Complaints Received	Pending Resolution
SA	32	1
HT	0	0
Yarn	0	0
CPD	20	0

Leadership Indicators

2. Broadcast & media communications- Press release, interviews of senior officials both print and electronic
3. Electronic communications- Website, E Brochures, Product films, social media
4. Internal Communications - Internal newsletter, e-mailers, power point presentations, MD speaks, Townhalls, Intranet.

4. **Steps** taken to inform and **educate vulnerable and marginalized consumers** about **safe and Responsible usage** of products.

   The Company is committed towards customer safety and requisite information regarding the safe and responsible usage of products is provided in the product labelling as well as our Material Safety Data Sheets are prominently displayed in our Website www.ghcl.co.in and provided to our customers on request.

   In addition, with a focus on protection of the environment as well as the society, the Company produces chemicals that are Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) compliant.

5. On **complaints** received in respect of data **privacy and advertising**, indicate what **corrective actions** were taken to ensure that these do not get repeated.

   No complaints were received in respect of data privacy and advertising in the reporting year.

6. Processes in place to inform consumers of any risk of disruption/discontinuation of essential services (100 words).

   In any unprecedented situation or any risk of disruption or discontinuation of production or services, all the relevant stakeholders are communicated appropriately and timely.

   Customers are informed through Email and over phone as per requirement.

Signature of the designated official responsible for this report.

Name : Bhuwneshwar Mishra

Designation : Sr. GM & Company Secretary

Address : 'GHCL House' B-38, Institutional Area, Sector-1, Noida-201301 (Uttar Pradesh)

Telephone No. : 0120 - 2535335 / 4939900

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MANAGEMENT DISCUSSION AND ANALYSIS 2020

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. 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, 2020 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

In its World Economic Outlook of January 2020, the International Monetary Fund (IMF) estimated global growth of 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent in 2021, a downward revision of 0.1 percentage point in 2019 and 2020 and 0.2 percentage point in 2021 compared to that in the World Economic Outlook of October (WEO). The sharp decline reflects mainly negative economic surprises in a few emerging market economies, particularly India, which resulted in a revaluation of growth potential over the next two years. However, as a result of the COVID-19 pandemic, the World Economic Outlook of April 2020 has projected the global economy to contract to negative 3 percent in 2020. Moreover, as per IMF's World Economic Outlook of April 2020, the global economy is projected to expand by 5.8 percent in 2021 as economic activity normalizes and with the aid of policy support. However, this projection is under the assumption that the COVID-19 pandemic fades in the second half of 2020, and containment efforts can be gradually unwounded. If recovery takes root in the third quarter, the global economy could rebound to 4.8 percent in 2021.

Before COVID-19, the outlook for the global economy from various sources suggested a sluggish recovery growth year by year. However, post COVID-19, it is expected that falling demand and disrupted supply chains may trigger a global economic recession. Recovery post COVID-19 is extremely uncertain and depends on factors such as the pathway of the pandemic, the efficacy of containment efforts, the degree of supply disruptions, the consequences of the tightening in the global financial market, change in spending patterns, change in individual behavior (such as people avoiding shopping malls), confidence effects, and volatile commodity prices.

The advanced economies such as the United States, Japan, the United Kingdom, Germany, France, Italy, and Spain are experiencing widespread outbreaks of the COVID-19 pandemic and are deploying containment measures. Therefore, for most of the advanced economy group countries, negative growth is projected for 2020. As per IMFs World Economic Outlook of April 2020, growth in the United States is expected to fall from 2.3 percent in 2019 to negative 5.9 percent in 2020 and rise to 4.7 percent in 2021. In the EU area, growth is forecasted to fall from 1.2 percent in 2019 to negative 7.5 percent in 2020 and rise to 4.7 percent in 2021. Growth in the United Kingdom is expected to fall at around negative 6.5 percent in 2020 and increase up to 4 percent in 2021. In Japan, growth is expected to fall from an estimated 0.7 percent in 2019 to negative 5.2 percent in 2020 and rise to 3 percent in 2021.

For the emerging market and developing economy group, growth is expected to fall to a negative 1 percent in 2020 and increase to 6.6 percent in 2021 from an estimated 3.7 percent in 2019. In emerging and developing Asia, growth is estimated to fall from 5.5 percent in 2019 to 1 percent in 2020 and again rise to 8.5 percent in 2021. Emerging Asia is expected to be the only region with a positive growth rate in 2020, although more than 5 percentage points below its average in the previous decade. In China, growth is anticipated to edge down from a valued 6.1 percent in 2019 to 1.2 percent in 2020 and steeply increase to 9.2 percent in 2021.

MANAGEMENT DISCUSSION AND ANALYSIS 2020

Domestic Economy Overview

International Monetary Fund (IMF), in its World Economic Outlook of April 2020, estimated India's growth at 4.2 percent in 2019, which is then projected to plunge to 1.9 percent in 2020 and rise sharply to 7.4 percent in 2021. While IMF highlights that India and China would be the only two major economies likely to register growth, with all others contracting the recovery will depend on how the pandemic is controlled in the second half of 2020, and how consumer and investor confidence restored. Moreover, the growth is expected to be supported by the monetary and fiscal stimulus as well as subdued oil prices.

As per the Economic Survey 2019-20 by the Ministry of Finance, Government of India, the GDP growth moderated around 4.8 percent in 2019, amidst a weak environment for global manufacturing, trade, and demand. Inflation also increased from 3.3 percent in the first half of the financial year 2019-20 to 7.35 percent in December 2019-20 because of a temporary increase in food inflation. Similarly the World Bank, in its January 2020 Global Economic Prospects, has stated that weakness in credit from non-bank financial companies is expected to linger, and the growth is estimated to slow down to 5 percent by the end of the financial year 2019-20 (March 2020) and recover to 5.8 percent in the next fiscal year. However, as the forecasts were projected before the occurrence of COVID-19 pandemic, the growth projection for the next fiscal year is expected to plunge. The World Bank estimation is forecasted based on monetary policy stance remaining accommodative and stimulative fiscal and structural measures taken to pay off.

Organisation for Economic Co-operation and Development in its March update has projected growth rates of 4.9 percent in 2019, 5.1 percent in 2020, and 5.6 percent in 2021 for the Indian economy. As per the International organization, signs of stabilisation had appeared prior to the COVID-19 outbreak, although economic activity remained weak. However, in the near future, Global economic prospects will continue to remain subdued and uncertain due to the pandemic.

The interim Union Budget was presented on 1st February 2020 amid an economic slowdown, along with concerns of rising food inflation. Through a combination of short-term, medium-term, and long-term measures the budget aimed at reviving the Indian economy. The focus in the budget was on three broad themes Aspirational India - better standards of living with access to health, education and better jobs for all sections of the society, Economic Development for all - "Sabka Saath, Sabka Vikas, Sabka Vishwas" and Caring Society - both humane and compassionate. The budget emphasised personal tax rates for the individual taxpayers and gave the option to choose between the existing income tax regime and a new regime. The new regime will slash the income tax rates and new income tax slabs, but no tax exemptions will be allowed. However, which tax regime would be beneficial is likely to depend on the income composition and investments done by the individual.

As per the Ministry of Finance, the fiscal deficit for the financial year 2019-20 settled at 3.8 percent of the GDP, up from the earlier budget target of 3.3 percent. The fiscal deficit target for the financial year 2020-21 is pegged at 3.5 percent of the GDP. The consumer price inflation had averaged 4.1 percent during the period from April to December 2019 and stood at a high of 7.3 percent in December, mainly due to the rising food prices. Similarly, Wholesale Price Index inflation had averaged 1.5 percent during the period from April to December 2019, which was lower with respect to 4.7 percent in April to December 2018. Despite continuing sluggishness in global demand, the current account deficit narrowed to 1.5% of GDP in the first half of FY 2020 from 2.1% in FY 2019.

India has also emerged as an important player in the world, and the medium-term growth prospects of the economy are decent due to the various structural reforms that have been initiated in the last few years. Various economic indicators, such as the improvement in the ease of doing business and the gross FDI inflows, suggest that there has been growing confidence in the Indian economy on a global scale. According to the World Bank's Ease of Doing Business 2020, India is placed 63rd among 190 economies, rising an impressive 14 positions since 2019. Credit rating company Moody's Investor Service in November 2019 has changed India's ratings to negative from stable and has affirmed India's Baa2 local-currency senior unsecured rating and its P-2 other short-term local-currency rating. The decision to change the outlook to negative reflects increasing risks that the economic growth would remain lower than in the past due to the gradual rise in the debt burden of the country. The Baa2 rating balances India's credit strengths, which includes its diverse economy and a stable domestic finance base for government debt. India's long-term foreign-currency bond and bank deposit ceilings remain unchanged at Baa1 and Baa2, respectively.

Company Performance- Performance Highlights

- Revenue for the financial year ended 31st March 2020 is ₹ 3272.44 Crore as against ₹ 3384.72 Crore for the previous Financial Year ended 31st March 2019.

- Profit before financial expenses and depreciation for the financial year ended 31st March 2020 is ₹ 753.16 Crore as compared to ₹ 783.72 Crore for the previous Financial Year ended 31st March 2019.
- PBT (Profit Before Tax) for the financial year ended 31st March, 2020 is at ₹ 504.47 Crore against ₹ 541.11 Crore for the previous Financial Year ended 31st March 2019.

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 ended March 31, 2020	Previous FY ended March 31, 2019	Changes between current FY & Previous FY
1	Debtors Turnover	8.83	10.12	-1.29
2	Inventory Turnover	2.04	2.31	-0.27
3	Interest Coverage Ratio	5.27	5.28	-0.01
4	Current Ratio	1.37	1.08	0.28
5	Debt Equity Ratio	0.57	0.66	-0.09
6	Operating Profit Margin (%)	19.12%	19.80%	-0.67%
7	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable	12.42%	10.67%	1.76%
8	Return on Net Worth	18.35%	18.58%	0.23%

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 at the start of 2020 is around 73 million MT and demand is approximately 62 million MT. Soda Ash markets remains well supplied with stocks in major seaborne markets remaining high. Overall global demand has shown healthy growth on the back of China where demand growth has been in the region of about 8% over the previous year. Other than China, global demand for the rest of the world estimated to have gone up by 2.1%.

The impact of the Covid-19 however shook a major part of the World with China witnessing almost total closure of most industries followed by Asia including India where most Industries saw closures of about a month. The downturn is likely to continue to have an impact as now Europe & US are also seeing reduced production rates. While assessment is still on, it is likely that the Soda Ash Industry may loose about 6/7% of production.

Supply

Turkey is the second biggest soda ash exporter in the world, with the US maintaining the number one position. Currently there are three producers of Soda Ash in Turkey; with capacity expansion, it reached a total nameplate capacity of 5.95 Million MT per year. Turkey's soda ash exports reached 4.1 Million MT, which is 20% up compared to last year and domestic consumption estimated to be 1.1 Million MT, all this additional product is reportedly absorbed in the market. Turkey continued to run its Soda Ash production through March but are now working at lower rates as most export markets face closure.

China continues to be the largest Soda Ash producer in the world, having a nameplate capacity of around 33 million tpa, which is 45%

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of the global capacity. Soda Ash production is higher than previous year by 8.5%. As per IHS Chemical report, China's operating rates were around 86% in 2019, reporting a production of around 28 million tpa. Domestic consumption around 27 million tpa (up 8% against last year), with 1.4 million tpa being exported. The recent outbreak of the Coronavirus in China is threatening to destabilize the market in Asia, with both supply and demand in China effected. It remains to be seen what the overall impact of the virus will have on the domestic markets as there is a significant drop in consumption and manufacturers are carrying inventories.

Soda Ash market in Europe has slightly improved over the last year and is expected to remain stable and balanced. Domestic demand growth reported to be around 1% and markets balanced despite continued influx of higher volumes from Turkey. However, these markets are now witnessing a significant slowdown as Flat Glass across EU faced closure and there is a significant demand dip.

US capacity was 13.5 million tpa in 2019, they produced around 11.7 million tpa of soda ash, and their annual production represents an operating rate of 87%. The US production is down by 1% where as domestic demand for soda ash also saw a negative growth of around 2% over 2018. The total domestic consumption was estimated at around 4.85 million tpa and they have exported around 7.02 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. Post the Pandemic the US producers are struggling with lower domestic demand as well as lower demand in all export markets in the Asia Pacific.

Industry Outlook

Global

The world estimated 2019 distribution of soda ash by end use is as under;

Glass	53%
Detergent & Soap formulations	12%
Chemical	17%
Alumina /Metals and mining	5%
Others (Environmental Protection/ Effluent treatment etc.)	13%

It is projected that globally Flat Glass will bear the brunt of the demand erosion on account of slowdown in construction & auto industry.

Indian Scenario

The Indian Soda Ash Industry witnessed muted growth during 2019-20 on the back of slowdown in the domestic industry all-round/excess supplies from local producers / continuing low price imports. This resulted in an oversupply situation with all manufacturers carried large inventories. Prices continued to be under pressure through the second half of the year.

With Impact of the Covid-19 emerging by early March and the Indian economy witnessing an almost total shut down the Soda Ash plant had to shut down as all-consuming industries faced closure. This has further impacted sales performance in the year.

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 4.2 million tons, with an estimated production of about 3.4 million tons in last financial year (2019-20). The total size of the Indian soda ash market is about 4.0 million tons and currently almost 24% 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 67% 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, 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.

The brownfield capacity addition, which GHCL embarked upon last year, is fully executed and we now operate at a capacity of 1.10 million MT per annum. While we had anticipated that we would be able to reap full benefits of the growth, it now appears that due to demand suppression we may not be in a position to fully exploit the additional capacities.

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 24% of the Indian demand is being met by cheap imports. Import price variance continues to be extremely high.

With Covid-19 having a wide spread impact on Soda Ash consumption as Construction/ Auto & Liquor Industry came to a grinding halt forcing all Glass manufacturers into closure, the Detergent industry which was classified as an essential commodity has been the only sector which has been able to restart production though they continue to struggle with issues of Labour shortages . The Glass industry continues to suffer as the economy struggles to restart. It is estimated that it may take a couple of months for even partial opening up. As a consequence, demand for Dense Soda Ash is slated to face a larger challenge. A segment wise analysis indicates that there will be a significant "Demand Erosion" in Soda Ash in the current FY, a detailed assessment is being carried out in this regards.

Our enhanced production will come at a time when we are witnessing an overall slowdown of GDP growth not only in India but globally. The Coronavirus epidemic is also likely to cast its shadow on the overall business scenario. Global trade flows will also get impacted as China continues to be the unknown factor & Turkey remains a low cost threat.

Consumer Products Business:

FMCG - Current Business Trends:

The FMCG witnessed 9.2 per cent growth (excluding e-commerce) in 2019 that is a down from 13.5 per cent in comparison to the previous calendar year. The Indian food and grocery market are the world's sixth-largest and India's contribution to global consumption is expected to double to 5.8 per cent by 2020. In tune with this trend, Consumer Product Division (CPD) has seen a 25% growth in its business for its portfolios of Special Salt, Honey and Spices.

A need for FMCG companies to create an efficient operating system for healthy and safe packaging of food products to retain the freshness and nutrition is like never before. CPD has also taken due steps towards this by strengthening its packing facility in all aspects to ensure the best of quality taking into hygiene, safety and longer shelf life of the food products.

Salt, Honey & Spices Market Trends:

A major chunk of CPD business is owed to the sales of branded salt and Industrial Grade salt (raw salt) mostly used in the manufacturing of Caustic soda and Soda Ash. The Salt production saw a major downfall during this year to unseasonal rains. It is but an unavoidable circumstance as Salt production entirely controlled by climatic conditions. It is expected that the total Salt production for the next year will be around 1.60 MT. As far as Salt market for next decade is concerned, overall salt consumption may come down as a WHO directive to use lesser Salt in daily diet due to increased risk of Lifestyle Disorders is gaining acceptance from average consumers. On the other hand, Honey market is seeing an upward trend. Honey has a dual role in the consumer's grocery cart both as a commodity and as a wellness product. CPD has registered a growth of 20% in the Honey segment for this year. CPD has adopted differential strategies to capture various regional markets across India in Spices category. CPD has seen a growth of 45% for the current period of 2019 to 2020 in Spices. It is being observed that for Whole Spices, Pricing will be the key to remain in the game and beat the competition. As far as blended spices, it will be very important to establish a brand name and connectivity with target consumers to become a leading player.

Impact of Digitalisation:

Our focus is on digitalisation and digital marketing. We have implemented Machine learning and Big Data analysis coupled with AI in our Customer Relationship Management (CRM) leading to better visibility of operations and management of the workforce. CRM app has allowed to track real-time Sales and understand dynamic market preferences to take relevant decisions and implement Sales strategies.

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Digital Marketing Initiatives:

At CPD, a special focus on digital marketing has been adopted in promoting the brand to the target audience. Consumers are being addressed through various channels like Social Media, WhatsApp and Google apps strengthening brand communication through this media across geographical boundaries. Regular online contests are being conducted to engage the online audience increasing the connectivity with the brand. These campaigns have led to a rise in footfalls to our brand handles and pages by 30% yet decreasing the overall digital spends by nearly 40%. An analysis of the data will help to decipher demography and customer preferences.

Textiles – Outlook & Growth

The global textile growth is attributed to the high demand for apparels, particularly in developing economies like India, China, Bangladesh and Mexico, as a result of growing population. Moreover, rising disposable income levels and rapid urbanization in these countries have led to an increase in the quantum of retail outlets. This, and the surge in online sales, is supporting the overall market growth. The retail industry globally continues to face tremendous challenges, with dwindling profit margins, a lack of clear differentiation and the threat of online retail looming large. The shift to online and omni-channel retailing has augured very well with the millennial population and these avenues have largely become their preferred channels of purchase. According to the Indian Brand Equity Foundation (IBEF) report, the size of India's textile market is expected to touch USD 223 billion by 2021, growing at a CAGR of 12.28% between 2009 and 2021.

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 strategic focus of the company continues to revolve around sustainability, traceability, innovation and giving back to society. The company has taken a very clear leadership position on sustainability across global home furnishing manufacturers. In 2018, the company launched two unique bedding brands focused on sustainability – REKOOP, made by blending cotton with recycled polyester from post consumer PET bottles, with forensic tagging by Applied DNA Sciences, USA to secure its provenance and traceability across the supply chain and CIRKULARITY, a brand that supports that 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, hemp, linen, recycled polyester and more sustainable cotton – BCI, Organic and Cotton Leads. In March 2019, the company launched a unique brand of bedding that promotes "health and wellness', called MEDITASI. The brand has 9 truly exciting ranges that center around radiation control, thermal regulation, moisture management, athletic recovery, skin rejuvenation and aromatic infusions.

September 2019 saw the launch of REKOOP 2.0, now a truly circular solution, whereby used sheets can be recollected and depolymerized into fibre again, rendering the recycled polyester as a raw material for remanufacture and the cotton as a biofuel. REKOOP 2.0 is an evolved and expanded expression, with a total of 12 innovative collections that revolve around exciting blends of recycled polyester with other sustainable fibers such as TENCEL™ from Lenzing AG, Liva from Birla Cellulosic, Modal, Cupro, Linen and BCI Cotton. Meaningful performance attributes are incorporated in some of the collections, for instance, one of the collections uses the truly eco-friendly Recron Green Gold Kooltex fiber from Reliance Industries and offers a moisture management solution. On an overall level, the collections have a truly broad appeal in terms of weaves, textures, prints & finishes and are spread across the price pyramid.

The New York Home Fashions Market Week this March, if it would not have been called off because of the COVID 19 pandemic, would have showcased the width and depth of our production capabilities, in an aesthetic and meaningful manner. In addition we would have shown some new concepts we had developed, such as – a) the JEAN-IUS sheet, a denim look blend of cotton and recycled polyester, b) the Neon Poly sheet, with spectacular neon colored polyester streaks interspersed in the cotton body, c) an interesting new fit story where the same fitted sheet could stretch to grip a mattress depth of between 10" and 18" and d) a wide range of sheets specifically suited for the institutional segment.

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 RENAURAA, which sells primarily on Amazon and is getting good reviews and ratings.

GHCL's yarn division is producing value added yarn Viz. GIZA, PIMA Australian Yarn for both domestic and international market.

Many specialized products are producing against tailor-made application (specialized yarn) which will help to popularize our brand name through customer communication. Our product basket increased to multifold penetrating to new market for different applications to maintain the sustainability. The yarn division is using sustainable cotton to the extent of 50% during the current year and it is bench marking to use around 90% sustainable cotton over a period.

Covid-19 has disrupted the demand and supply chain across the country and globe and yarn division is not an exception to it. The State/Central Govt. enforced the lockdown on 24th March 2020 to till 17th May 2020. Thereafter subsequent relaxation released by the Govt. of Tamil Nadu on 4th May 2020 and accordingly the manufacturing operations restored by 50% from 6th May 2020 onwards by adhering SOP prescribed by Govt. time to time. During the lockdown period, both domestic and export market affected adversely. As there is no sale of Apparel, Clothing and Home Textiles due to closure of Retails and hence the entire Textile value chain lost its shine due to corona pandemic. This resulted in cancellation of orders by many brands and few postpone the shipments.

Due to currency fluctuation, the price factor is in downtrend. Export realization is extended though the goods were sent on LC at sight basis. Domestic realization become very poor resulting in severe impact in our cash flow and working capital. However, manufacturing activities are restored from 6th May 2020, but the production will ramp up gradually and reach to normal level by the end of May and it is expected that the demand for yarn may raise in the coming months.

In order to reduce the Finished goods inventory, the stocks are selling at lower margin with increased credit terms, which again affecting the working capital. However, on positive side enquiry for value added yarns like Supima, Giza and Contamination Free yarn in finer counts is bright, and taking full effort to convert the inquiry into firm orders. Similar trend forecasted in Synthetic and Synthetic blended yarns. Our quantum of yarn delivery to Home Textile division, Vapi is also in increasing trend.

The Revenue of Textiles division is at ₹ 1159 Crores during the financial year 2019-20 against INR 1301 Crores in 2018-19.

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 collaborate with multiple agencies to realise our four-pillar strategy. Our key weakness at this moment is our limited product basked and our lack of diversification in the field of Home Textiles, something that our competition clearly scores over us on. Moving to a situation where we could also be considered a 'one stop' solution to our customers, by expanding the width of our offer, is something we are actively working on. As a step in this direction, we have already started to strategically outsource some activities that we were hitherto not involved with, which to a degree is expanding our offer. The fact that retailers continue to explore risk mitigation options pertaining to their country of origin sourcing strategies, is an obvious opportunity for us, especially when it comes to China, with regard to the uncertainty pertaining to trade policies and to Pakistan, when it comes to unfavorable geo-political conditions. Foreign exchange risks are a reality in this business, but with the robust mechanics of our treasury department, we are able to take proactive measures to mitigate or minimize 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 behavior 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.

MANAGEMENT DISCUSSION AND ANALYSIS 2020

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 has 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 "Managing Risk and Maximising Returns" on page 34.

Human Capital Management

Human Capital Management has always been a key focus area for GHCL Limited, which is evident from the fact that Employees are one of our key stakeholders. 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 organizational 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 56 of the report.

CSR Initiatives

GHCL Limited since beginning have been determined to focus on the holistic development including the growth of our society as a whole particularly in the region of its operations to establish social license to operate and establish a harmonious relationship with local stakeholders. Since last two years, more focus has been given on expanding the CSR footprints in our areas along with meeting the expectations of the people. In doing so, our NGO partners through GHCL Foundation 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 68 of the report.

CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(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 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.

CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

2.1 Composition:

The Composition of the Board as on March 31, 2020 is given herein below:

Composition of Board of Directors as on March 31, 2020

Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter - Non Executive Director/Executive Director	Mr. Sanjay Dalmia – Non Executive Chairman Mr. Anurag Dalmia – Non Executive Vice - Chairman Mr. Neelabh Dalmia – Executive Director (Textiles)	3	30.00%
Non - Executive - Independent Director	Mrs. Vijaylaxmi Joshi Dr. Manoj Vaish Justice Ravindra Singh Mr. Arun Kumar Jain Dr. Lavanya Rastogi	5	50.00%
Managing Director / Executive Director	Mr. R S Jalan – Managing Director Mr. Raman Chopra – CFO & Executive Director (Finance)	2	20.00%
	Total no. of Directors	**10**	**100%**

Note:

1. During the year, the Board of Directors of the Company in their meeting held on January 23, 2020 had appointed Mr. Neelabh Dalmia as Whole Time Director designated as Executive Director (Textiles) of the Company for a period of 5 years with effect from February 1, 2020 subject to approval of shareholders

The Board of GHCL Limited is having an optimum combination of executive and non-executive directors and the Board consists of 10 Directors, 7 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, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit Committee, CSR Committee and Risk Management 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, 2020, five Board Meetings were held on April 25, 2019, July 29, 2019, October 23, 2019, January 23, 2020 and March 16, 2020. 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, 2020 is given herein below:

SL. NO.	NAME	DATE OF BOARD MEETING & ATTENDANCE					AGM ATTENDANCE (MAY 30, 2019)
		APRIL 25, 2019	JULY 29, 2019	OCTOBER 23, 2019	JANUARY 23, 2020	MARCH 16, 2020	
1	Mr. Sanjay Dalmia	Yes	Yes	Yes	Yes	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
4	Dr. Manoj Vaish	Yes	Yes	Yes	Yes	Yes	Yes
5	Justice Ravindra Singh	Yes	Yes	Yes	Yes	Yes	Yes
6	Mrs. Vijaylaxmi Joshi	Yes	Yes	Yes	Yes	Yes	Yes
7	Mr. Arun Kumar Jain	Yes	Yes	Yes	Yes	Yes	Yes
8	Shri K C Jani	Yes	Yes	N/A	N/A	N/A	Yes
9	Dr. Lavanya Rastogi	Yes	Yes	Yes	Yes	No	No
10	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes	Yes
11	Mr. Raman Chopra	Yes	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, tenure of directorship of Mr. K C Jani, independent director of the Company, was completed on September 17, 2019 and accordingly Mr. Jani ceased from the directorship of the company with effect from September 18, 2019.
3. Mr. Anurag Dalmia and Mr. Raman Chopra, 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, 2020 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Indian Public Limited Companies*	No. of committee positions held as Chairman in other Public Companies**	No. of Committee positions held as Member in other Public Companies**
1	Mr. Sanjay Dalmia	00206992	-	-	-
2	Mr. Anurag Dalmia	00120710	-	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-
4	Dr. Manoj Vaish	01744049	-	-	-
5	Justice Ravindra Singh	08344852	-	-	-
6	Mr. Arun Kumar Jain	07563704	2	-	2
7	Dr. Lavanya Rastogi	01744049	-	-	-

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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**
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, 2020, 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 23, 2020, 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.

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 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 chairperson of the CSR Committee of the Company.

Mr. Neelabh Dalmia:

Mr. Neelabh Dalmia (DOB – August 16, 1983) was a Non-Executive Director (Promoter) of the Company and since February 1, 2020 he has been appointed as a Whole Time Director designated as Executive Director (Textiles) 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 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.

Dr. Lavanya Rastogi

Dr. 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

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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.

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 chairperson of the Nomination & Remuneration Committee and also a member of the Audit Committee and 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 since 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. Mr Arun Kumar Jain is a 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., West End Investment And Finance Consultancy Pvt. Ltd. and Sahara India Life Insurance Company Limited. 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 since 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. At present, Mr. Vaish is a Director on the Board of Mirae Asset Trustee Company Private Limited. He is a chairman of the Audit Committee and also a member of the Nomination & Remuneration Committee.

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 since 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. Justice Ravindra Singh is a member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship 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 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 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, 2020, 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

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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 exceeding 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

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, 2020, the Audit Committee of the Board met five 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				
	Mr. K C Jani -Chairman of the Committee till September 17, 2019	**Mrs. Vijaylaxmi Joshi**	**Dr. Manoj Vaish – Chairman w.e.f. September 18, 2019**	**Justice Ravindra Singh**	**Mr. Arun Kumar Jain**
Category	**Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)**	**Non-Executive-Independent Director - (Ex -IAS)**	**Non-Executive -Independent Director (Expertise in Finance, forex and securities market)**	**Non-Executive -Independent Director (Expertise in legal)**	**Independent Director (Expertise in Finance & taxation)**
Date of the Meeting					
April 25, 2019	Yes	Yes	N/A	Yes	Yes
July 29, 2019	Yes	Yes	N/A	Yes	Yes
October 23, 2019	N/A	Yes	Yes	Yes	Yes
January 23, 2020	N/A	Yes	Yes	Yes	Yes
March 16, 2020	N/A	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	Yes	Yes	Yes	Yes

Note:

1. Mr. Neelabh Dalmia, 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 29, 2019 and appointed Dr. Manoj Vaish as Chairman of the Committee in place of Mr. K C Jani, who retired due to completion of his tenure of directorship on September 17, 2019. Dr. Manoj Vaish is Chairman of the Audit Committee w.e.f. September 18, 2019.

The Company has complied with the requirements of Regulation 18 of the Listing Regulations as regards composition of the Audit Committee. Mr. K C Jani, then Chairman of the Audit Committee was a qualified Chartered Accountant and an expert in Finance, Banking and Accounting. He was present in the 36th Annual General Meeting held on May 30, 2019 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**

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(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, 2020, Nomination & Remuneration Committee comprises of four non-executive directors including three Independent Directors and also the Chairman of this Committee is an Independent Director.

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

1. To identify persons who are qualified:
   (a) to become directors and
   (b) who may be appointed in senior management in accordance with the criteria laid down by the company. The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
2. To recommend to the Board the appointment and removal of person identified under point (1) above.
3. To formulate the criteria for 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, 2020, the Nomination and Remuneration Committee met four times on April 25, 2019, July 29, 2019 and January 23, 2020. 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, 2020

	Name of the Nomination & Remuneration Committee Members				
	Mr. K C Jani -Chairman of the Committee till September 17, 2019	**Mr. Sanjay Dalmia**	**Mrs. Vijaylaxmi Joshi – Chairperson of the Committee w.e.f. September 18, 2019**	**Dr. Manoj Vaish**	**Justice Ravindra Singh**
Category of Director	**Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)**	**Non- Executive Director (Industrialist)**	**Non -Executive - Independent Director (Ex -IAS)**	**Non -Executive - Independent Director (Expertise in Finance, forex and securities market)**	**Non-Executive -Independent Director (Expertise in legal)**
Date of the Meeting					
April 25, 2019	Yes	Yes	Yes	N/A	N/A
July 29, 2019	Yes	Yes	Yes	N/A	N/A
January 23, 2020	N/A	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	No	Yes	Yes	Yes

Note:

1. The Board of Directors had reconstituted the Nomination and Remuneration Committee in their meeting held on July 29, 2019 and appointed Mrs. Vijaylaxmi Joshi as a chairperson of the Committee in place of outgoing director Mr. K C Jani w.e.f September 18, 2019. Justice Ravindra Singh and Dr. Manoj Vaish were appointed member of the Committee w.e.f. September 18, 2019.

Remuneration Policy:

The Nomination & Remuneration Policy of the Company has been posted on the website of the company. Refer 'Nomination & Remuneration Policy' in Board's report section of this report.

Details of remuneration, commission and sitting fee paid/ payable to the Directors of the Company for the financial year ended March 31, 2020 are given below:

Non-Whole time Directors (In ₹)

Name	Sitting Fees	Commission
Mr. Sanjay Dalmia	3,20,000	60,00,000
Mr. Anurag Dalmia	2,40,000	50,00,000
Mr. Neelabh Dalmia*	2,40,000	30,00,000
Dr. Manoj Vaish	4,00,000	26,00,000
Justice Ravindra Singh	4,80,000	25,00,000
Mrs. Vijaylaxmi Joshi	6,40,000	25,00,000
Mr. Arun Kumar Jain	4,80,000	25,00,000
Mr. K C Jani	2,40,000	10,80,000
Dr. Lavanya Rastogi	2,00,000	20,00,000
TOTAL	**32,40,000**	**2,71,80,000**

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.

* During the year, the Board of Directors of the Company in their meeting held on January 23, 2020 had appointed Mr. Neelabh Dalmia as Whole Time Director designated as Executive Director (Textiles) of the Company for a period of 5 years with effect from February 1, 2020 subject to approval of shareholders. Hence, he received sitting fees & Commission

CORPORATE GOVERNANCE

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

as a Non-Executive Director till January 31, 2020.

(In ₹)

Managing Director / Whole Time Directors			
Name	Salary and other perquisites	Commission	Total
Mr. R S Jalan, Managing Director	2,83,88,074	5,25,00,000	8,08,88,074
Mr. Raman Chopra, CFO & Executive Director (Finance)	1,58,24,676	3,10,00,000	4,68,24,676
Mr. Neelabh Dalmia, Executive Director (Textiles)	23,68,380	10,00,000	33,68,380
Total	**4,65,81,130**	**8,45,00,000**	**13,10,81,130**

(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. However, Mr. Neelabh Dalmia, being promoter director, is not entitled for Employees Stock Options.

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 23, 2020. 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 23, 2020, 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. 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 47 meetings of the Stakeholders Relationship Committee were held during the financial year ended March 31, 2020.

The composition of Committee as on March 31, 2020 is as under:

Sl. No.	Name of Directors	Status
1	Mr. Arun Kumar Jain	Chairman
2	Justice Ravindra Singh	Member
3	Mr. Neelabh Dalmia	Member
4	Mr. R S Jalan	Member
5	Mr. Raman Chopra	Member

Note : The Board of Directors had reconstituted the Stakeholders Relationship in their meeting held on July 29, 2019 and appointed Justice Ravindra Singh as a member of the Committee w.e.f. July 30, 2019.

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 one complaint received from Stock Exchanges / SEBI) during the financial year ended March 31, 2020:

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2019	Total No. of Complaints received during the financial year ended March 31, 2020	Total No. of Complaints resolved during the financial year ended March 31, 2020	No. of Complaints pending as on March 31, 2020
1	Non-receipt of dividend	0	10	9	1
2	Share transfer including Demat request	0	19	19	0
3	Non receipt of Annual Report	0	0	0	0
	Total	**0**	**29**	**28**	**1**

Note : There is one complaint pending as on March 31, 2020. In addition to the above, there might be some complaints pending at court or at the end of shareholders due to non-submission of the information desired by RTA.

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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, 2020 is as under:

Sl. No.	Name of Directors	Status
1	Mr. R S Jalan – Managing Director	Member
2	Mr. Neelabh Dalmia – Executive Director (Textiles)	Member
3	Mr. Raman Chopra – CFO & Executive Director (Finance)	Member

(v) 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 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, 2020, the CSR Committee met twice on April 24, 2019 and January 22, 2020.

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, 2020

	Name of the CSR Committee Members				
Category of Director	Mr. Anurag Dalmia – Chairman of the Committee w.e.f. July 30, 2019	Mrs. Vijaylaxmi Joshi – Chairperson of the Committee till July 29, 2019	Mr. Neelabh Dalmia	Mr. R S Jalan	Mr. Raman Chopra
	Non-Executive Director	Independent Director	Executive Director (Textiles)	Managing Director	CFO & Executive Director (Finance)
Date of the Meeting					
April 24, 2019	N/A	Yes	Yes	Yes	Yes
January 22, 2020	Yes	Yes	Yes	Yes	Yes

Note:

1. The Board of Directors had reconstituted the CSR Committee in their meeting held on July 29, 2019 and appointed Mr. Anurag Dalmia as Chairman of the Committee w.e.f. July 30, 2019.

(vi) Risk Management Committee

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

During the financial year ended March 31, 2020, the Risk Management Committee met once on March 17, 2020. The Risk Management Committee of the Board comprises of following four Directors and the details of meeting attended by the Directors are as follows:

Composition and Attendance of Members at the Risk Management Committee Meeting held during the Financial year ended March 31, 2020

	Name of the Risk Management Committee Members			
Category of Director	Mr. Arun Kumar Jain	Mr. Neelabh Dalmia	Mr. R S Jalan	Mr. Raman Chopra
	Independent Director	Executive Director (Textiles)	Managing Director	CFO & Executive Director (Finance)
Date of the Meeting				
March 17, 2020	Yes	Yes	Yes	Yes

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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
2018-19	May 30, 2019	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
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	June 29, 2017	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
36th AGM	May 30, 2019	No Special Resolution
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

(c) Extraordinary General Meeting (EGM)

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

(d) Postal Ballot

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

(e) No Special Resolution was passed in the 36th Annual General Meeting. All the 4 resolutions were passed with the requisite majority by combined result of the Remote e-voting and polls through ballot paper of the shareholders.

5 Means of communication:

Publication of Unaudited Quarterly / Halfyearly Results and Related Matters							
Sl. No.	**Particulars**		**Quarter - I**	**Quarter – II**	**Quarter – III**	**Quarter – IV**	**Financial Year ended March 31, 2020 (Audited)**
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 30, 2019	October 24, 2019	January 24, 2020	May 21, 2020	May 21, 2020
		The Hindu - Business Line	July 30, 2019	October 24, 2019	January 24, 2020	May 21, 2020	May 21, 2020
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times – Gujarati	July 30, 2019	October 24, 2019	January 24, 2020	May 21, 2020	May 21, 2020
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, 2020 (Audited)**
	Name of Stock Exchange(s)	**Website Address**	**Date of Filing of Results**				
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 29, 2019	October 23, 2019	January 23, 2020	May 20, 2020	May 20, 2020
	BSE Limited (BSE)	www.nseindia.com	July 29, 2019	October 23, 2019	January 23, 2020	May 20, 2020	May 20, 2020
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, 2019, July 29, 2019, October 23, 2019 and January 24, 2020, 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.					

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6. General shareholder's Information:

General Shareholder Information

Sl. No.	Particulars	Details		
1	Annual General Meeting	Monday, July 6, 2020	9.30 AM	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 05th May, 2020 read with General Circular No. 14/2020 dated 08th April, 2020, and also General Circular No. 17/2020 dated 13th April, 2020,
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2020)	By 2nd week of August 2020		
	Financial Reporting for - Quarter - II (ending September 30, 2020)	By 2nd week of November 2020		
	Financial Reporting for - Quarter - III (ending December 31, 2020)	By 2nd week of February 2021		
	Financial Reporting for - Quarter - IV (ending March 31, 2021)	By 4th week of May 2021		
	Financial Year of the Company is for a period of 12 months commencing from 1st April and ending on 31st March.			
3	Date of Record Date / Cut-off Date	Monday, June 29, 2020		
4	Dividend Payment Date	Not applicable.		
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, 2020		
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			

General Shareholder Information		
Sl. No.	**Particulars**	**Details**
9	**Commodity price risk or foreign exchange risk and hedging activities:**	

As per the SEBI Circular dated November 15, 2018 read with Clauses 9(n) & 9(g) of Part C to Schedule V of the Listing Regulation, disclosure regarding exposure of the Company to various commodities for the financial year ended on March 31, 2020, is as under:

a. Total exposure of the Company to commodities in INR: 170 Crore

b. Exposure of the Company to various commodities:

Commodity Name	Exposure in 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	170	2,51,000	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.

Foreign Exchange risk & Hedging Activities by the Company for the FY 2019-20:

Company has institutionalized arrangements for Monthly Operational Review / Quarterly review of the Forex Exposures of Import / Export / FTCL by the top management. The Exchange Risk on the above exposures is mitigated / managed by way of Hedging as explained below:

Export Exposures	The Company takes forward cover of around 50% to 65% of its export of Home textiles for the next 12 months on a continuous basis. Balance export proceeds are converted on the prevailing exchange rate. PCFC is availed for the export from Soda Ash and Yarn division on a regular basis.
Import Exposures - Raw materials	GHCL follows the strategy for Hedging the Import Exposures. The Company takes the Forward Cover for the next 1-3 Months imports payables of raw-materials on a regular basis.
Import Exposures – Capital Goods	The company takes the Forward cover for the Capital goods import payments after the receipt of import documents and submission of acceptance to the bank.
Import Exposures – Trading division	The company takes the Forward cover for the Trading division import payments after the receipt of import documents and submission of acceptance to the bank.
FTCL / FCNRB Exposures	As a policy, the Company takes forward cover for the repayment of FTCL / FCNRB maturing next 3 Months basis.

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General Shareholder Information

Sl. No.	Particulars	Details
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)	
11	**Dematerialization of Shares and Liquidity:** 97.50% of the Company's total equity shares representing 9,26,37,472 equity shares were held in dematerialized form as on March 31, 2020. After buyback, total paid-up capital of the Company as on March 31, 2020, stand reduced to 9,50,13,286 equity shares. The trading in the Company's shares is permitted only in dematerialized form with effect from October 28, 2000 as per notification issued by SEBI.	
12	As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/ re- appointment are given in Notice to the ensuing Annual General Meeting.	

7. Corporate Benefits to Shareholders

Dividend declared for last 10 years

Financial Year	Dividend	Dividend (₹ per Share)
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
2018-19	50.00%	5.00

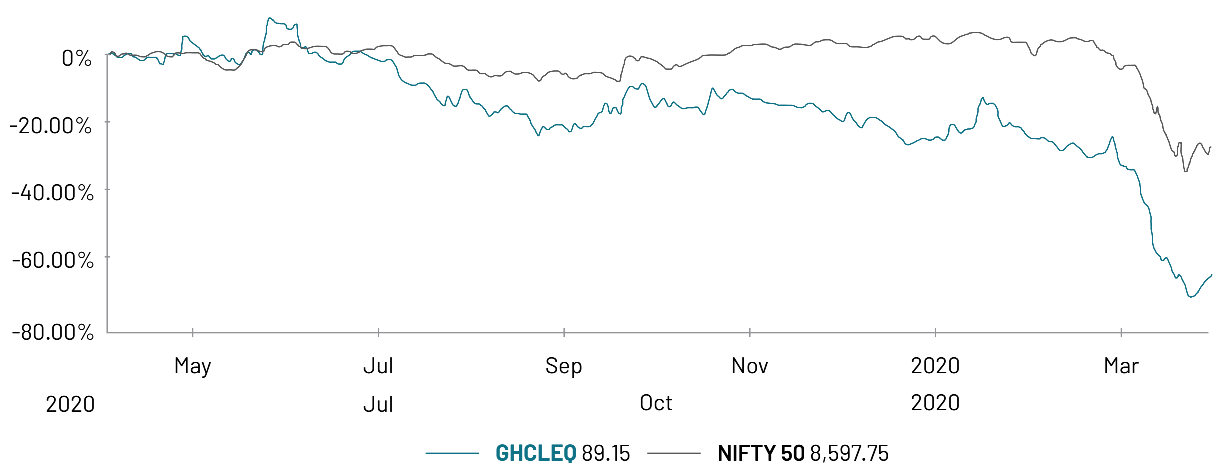
*Interim dividend @ ₹ 1.50 per share & Final dividend @ ₹ 3.50 per share.

Equity share of paid up value of ₹ 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, 2020

Month of the financial year 2019-20	Market Price Data					
	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
April 2019	264.60	232.55	4,24,708	264.50	232.60	47,50,256
May 2019	277.20	235.30	2,76,260	277.45	235.05	28,55,832
June 2019	267.00	232.25	1,80,942	268.00	231.10	14,55,507
July 2019	242.00	205.00	1,77,850	242.30	204.80	26,05,118
August 2019	213.40	178.50	1,29,341	213.50	178.40	14,24,289
September 2019	227.00	186.00	3,59,343	227.00	185.60	26,30,157
October 2019	225.70	195.50	3,25,462	226.00	197.85	26,28,521
November 2019	218.50	200.70	1,25,371	219.00	200.40	13,95,282
December 2019	216.00	178.10	1,84,792	205.00	178.10	26,47,725
January 2020	217.70	181.05	12,67,841	216.90	181.20	1,46,64,417
February 2020	189.85	168.35	7,91,476	189.95	168.95	79,17,466
March 2020	177.30	68.80	35,03,116	178.65	69.05	1,41,82,227

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



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FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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 2011-12 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 2011-12. 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 Transfer to IEPF
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
2018-19	30-05-2019	May 2026

Distribution of Shareholding as on 31st March 2020

No. of Shares held of ₹ 10 each between		No. of shareholders	% of total shareholders	No. of shares	% of total shares
From	To				
1	500	58699	89.20%	7599419	8.00%
501	1000	3680	5.59%	3051396	3.21%
1001	2000	1669	2.54%	2621730	2.76%
2001	3000	538	0.82%	1385057	1.46%

Distribution of Shareholding as on 31st March 2020					
No. of Shares held of ₹ 10 each between		No. of shareholders	% of total shareholders	No. of shares	% of total shares
3001	4000	265	0.40%	952689	1.00%
4001	5000	248	0.38%	1174502	1.24%
5001	10000	312	0.47%	2280562	2.40%
10001	Above	395	0.60%	75947931	79.93%
		65806	**100.00%**	**95013286**	**100.00**

Shareholding Pattern as on 31st March 2020			
	Category	**No. of shares held**	**% of shareholding**
A	**Promoters & Promoters Group Holding**		
1	**Promoters**		
	Indian Promoters	12548238	13.21%
	Foreign Promoters	5507900	5.80%
2	**Others**		
	Trust	165000	0.17%
	Sub-Total	**18221138**	**19.18%**
B	**Non-promoters Holding**		
3	**Institutional Investors**		
	Mutual Funds	15887696	16.72%
	Banks, Financial Institutions	240630	0.25%
	Insurance Companies (including LIC)	3366423	3.54%
	Foreign Portfolio Investors (including FIIs)	13978585	14.71%
	Sub-Total	**33473334**	**35.23%**
4	**Non-institutional Investors**		
	Bodies Corporate	14176471	14.92%
	NBFC registered with RBI	104365	0.11%
	Indian public (Individuals & HUF)	23188452	24.41%
	NRIs & Foreign Companies	2085192	2.15%
	Government Companies (i.e. IEPF)	884302	0.93%
	Other Directors & relatives	410943	0.43%
	Others (Trusts ,Clearing Members and Central & State Government)	2469089	2.60%
	Sub-Total	**43318814**	**45.59%**
	Grand Total	**95013286**	**100.00%**

CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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
Limestone Mines:	GHCL Limited, Sutrapada, Dist.: Gir Somnath, Gujarat (Mines in Harnasa, Nakhda, Bhimdeol, Dhamanva & Gabha)
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, 2020:

The complete details on Credit Ratings obtained by the Company during the financial year ended March 31, 2020, 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, 2020, 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.

The company has an excellent track record of statutory compliances and committed for excellence in governance, compliance and protection of stakeholders interest. During the year, due to technical interpretational issue of Regulation 29 of Listing Regulations regarding skipping of advance intimation of raising of funds for working capital by way of commercial papers, BSE Limited and National Stock Exchange of India Ltd ("Stock Exchanges") had imposed penalty of INR 10,000/- each against which company had given its written representation to the stock exchanges and explained that interpretation of stock exchange on Regulation 29 of Listing Regulations is narrow interpretation and does not represent the true spirit of the law. In the representation, Company had stated that it had given advance intimation for convening of its board meeting on January 21, 2019 inter-alia for approval of its financial result for the quarter ended December 31, 2018. In the said meeting, besides the quarterly results, the Board had approved the proposal for issue of commercial papers to banks as a part of working capital limit and without altering the existing working capital limit as approved by the board in their meeting held on February 25, 2011 and the same is in the record of the stock exchanges and other regulators. The stock exchanges were of the view that a separate advance intimation for issue of commercial papers was required to be given under Regulation 29 of Listing Regulations. The company filed its detailed representation stating the fact that issue of commercial papers are in the ordinary course of business and as a part of working capital limit, hence no advance intimation is required as there is no change in working Capital limit. Without giving opportunity of hearing in person to the Company, the stock exchanges had imposed fine of INR 10,000/- each under Standard Operating Procedure (SOP) issued by SEBI, which the company had paid on August 3, 2019 to settle the matter and avoid its cost of litigation. However, the Company still maintain the view that stock exchanges had narrow interpretation of the said regulation.

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.

The purpose of the policy is to create a fearless environment for the directors, employees and other stakeholders to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Managing Director (Mr. R S Jalan), Ombudsperson (Mr. Arun Kumar Jain, independent director of the company), Whistle Officer (Mr. Bhuwneshwar Mishra – Compliance Officer) or Whistle Committee.

The details of person with whom complaints can be filed:

Mr. Arun Kumar Jain
Independent Director and Ombudsman for Whistle Blower Policy
Email: akjaincit@gmail.com
Mobile No: 9428511559
Address: B-802, Prateek Stylome, Sector -45, Noida – 201301

Mr. R S Jalan
Managing Director – GHCL Limited
Email: rsjalan@ghcl.co.in

Mr. Bhuwneshwar Mishra – Company Secretary
Email: bmishra@ghcl.co.in

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:https://www.ghcl.co.in/code-of-conduct).

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.

CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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) **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, 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.

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, 2020, is as follows:

	Amount (₹ 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	1.42
Other fees paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.12
Total Fees	**1.54**

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 Designated Persons

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 Company had 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 https://www.ghcl.co.in/code-of-conduct.

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 July 29, 2019 had allotted 1,85,000 equity shares of INR 10 each, against exercise of the Stock Options by the eligible employees of the Company.

Thereafter, Board of Directors of GHCL Limited in their meeting held on January 23, 2020 had given their approval for Buy Back of maximum 32,00,000 equity shares of INR 10/- each from the Open Market through Stock Exchange route, at a Maximum Buyback price of INR 250/- per Equity Share excluding transaction costs, for an aggregate amount of INR 60 Crores. In line with the said approval, the Company had bought back 32,00,000 equity shares from February 3, 2020 till February 28, 2020 and all the bought back shares were extinguished on March 5, 2020. Accordingly, Issued & Paid-up Capital of the Company stands reduced to 9,50,13,286 Equity Shares as on March 31, 2020.

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, 2020.

For GHCL LIMITED

R S Jalan
Managing Director
DIN: 00121260

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

Date: May 20, 2020

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, 2020 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: May 20, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GHCL Limited having CIN L24100GJ1983PLC006513 and registered office at GHCL House, opposite Punjabi Hall navrangpura, Ahmedabad, Gujarat 380009 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Mr. Sanjay Dalmia	00206992	20/10/1983
2.	Mr. Anurag Dalmia	00120710	19/04/1986
3.	Mr. Neelabh Dalmia	00121760	20/07/2005
4.	Mr. Ravi Shanker Jalan	00121260	24/09/2002
5.	Mr. Manoj Vaish	00157082	01/04/2019
6.	Ms. Vijay Laxmi Joshi	00032055	20/04/2017
7.	Mr. Raman Chopra	00954190	12/09/2008
8.	Mr. Lavanya Rastogi	01744049	24/11/2014
9.	Mr. Arun Kumar Jain	07563704	01/04/2019
10.	Mr. Ravindra Singh	08344852	01/04/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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

Sd/-
Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644B000173904

Date: 23.04.2020
Place: New Delhi

Notes:

(i) Due to restricted movement amid COVID-19 pandemic, we have verified the disclosures and declarations received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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, 2020 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, 2020 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 76 of SEBI (Depositories and Participants) Regulations, 2018;

(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, 2018;

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(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 complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below:

(i) During the year, the Company has made payment of fine amounting to INR 10,000/- each imposed by BSE Limited and National Stock Exchange of India Limited on August 02, 2019 as per SEBI Circular dated May 3, 2018 (SOP circular) for the alleged non-compliance of not giving prior intimation pursuant to Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for considering the fund raising through issue of commercial papers in board meeting held on January 21, 2019. Further, the management is of the view that it was not required to give prior intimation to stock exchanges u/r 29 of Listing Regulations and the fine was imposed by stock exchanges on account of interpretational issue.

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 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 except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. 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 following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

(a) The Board of Directors of the Company in their meeting held on March 16, 2020 have approved the Scheme of Arrangement for demerger of the Textiles business of the Company between the Company and Resulting Company (which shall be incorporated as a wholly owned subsidiary of the Company) and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 subject to approval of its shareholders, creditors and other regulatory approvals as may be required including the Stock Exchanges where securities of the Company are listed, SEBI and the National Company Law Tribunal(s).

(b) Nomination and Remuneration Committee of the Company in their meeting held on July 29, 2019 had allotted 1,85,000 Equity Shares of INR 10/- each to 34 (thirty four) eligible employees (including company secretary) of the company against exercise of vested stock options pursuant to GHCL ESOS 2015.

    Accordingly, issued and paid up capital of the Company stands increased to 9,82,13,286 Equity Shares of INR 10/- each (i.e. 9,80,28,286 plus 1,85,000) after allotment.

(c) Board of Directors of the Company in their meeting held on January 23, 2020 had given their approval for Buy Back of 32,00,000 (Thirty Two Lakhs) the Company's fully paid-up equity shares of INR 10/- each ("Maximum buy back shares") from the Open Market through stock exchange route, at a Maximum Buyback price of INR 250/- per Equity Share excluding transaction costs, for an aggregate amount of INR 60 Crores till July 31, 2020 ("buyback period").

    In line with the said approval, the Company had bought back 32,00,000 equity shares of INR 10/- each representing 100% of maximum buy back shares on 28th February, 2020 and extinguished all the equity shares bought back during buy back period.

    Accordingly, issued and paid up capital of the Company stands reduced to 9,50,13,286 Equity Shares of INR 10/- each (i.e. 9,82,13,286 minus 32,00,000) after closure of buyback.

For **Chandrasekaran Associates**
Company Secretaries

Sd/-
Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644B000173860

Date: 23.04.2020
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and 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 efficacy 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
UDIN: F001644B000173860

Date: 23.04.2020
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, as amended

The Members of **GHCL Limited**
GHCL House, Opp: Punjabi Hall, Navrangpura
Ahmedabad 380009

1. The Corporate Governance Report prepared by **GHCL Limited** (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

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 provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

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 procedures performed include:

   i. Read and understood 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 with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on [date] and verified that atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 1, 2019 to March 31, 2020:

      (a) Board of Directors;
      (b) Audit Committee;
      (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
      (d) Nomination and Remuneration Committee;
      (e) Stakeholders Relationship Committee;
      (f) Risk Management Committee

   v. Obtained necessary declarations from the directors of the Company.

   vi. Obtained and read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

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

8. 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

9. 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 specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. 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.

11. 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: 20086370AAAABG9916

Place of Signature: Gurugram
Date: May 20, 2020

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 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS 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, 2020, its profit including other comprehensive loss, 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.

Emphasis of Matter

We draw attention to Note 47 of the accompanying standalone financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

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, 2020. 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
Impairment assessment of Home Textile Division *(as described in Note 3 of the standalone Ind AS financial statements)*	
Property, plant and equipment, Assets and Liabilities 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 INR 1152 crores.	Our audit procedures included the following: • 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.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Home Textile Division *(as described in Note 3 of the standalone Ind AS financial statements)*	
Home Textile Division has incurred losses in the last three 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 and Impact of Covid-19 etc. Accordingly, Impairment assessment of the Company's Home Textile division has been considered as a key audit matter.	• Together with valuation specialists, we assessed the Company's valuation methodology applied in estimating the recoverable amount of the Company's Home Textile Division based on the cash flow projections provided by the management. • Together with valuation specialists, we tested the assumptions of the cash flow forecasts (Post Covid-19), 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.

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 2019-20, 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 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 loss, 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 with reference to financial statements 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, 2020 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 loss, 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;

   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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 35 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
MembershipNumber:086370
UDIN: 20086370AAAABE2136

Place of Signature: Gurugram
Date: May 20, 2020

ANNEXURE 1

referred 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, 2020 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, duty of custom, 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, sales-tax, duty of custom, 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 INR Crore)	Pre - Deposit (Amount in INR 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	0.27	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	4.26	0.10	F.Y 2004-2005, F.Y 2009-10, F.Y.2016-17	Dy. Commissioner, Junagadh & Commissioner, Bhavnagar
	Denial of CENVAT Credit & Non Payment of Service Tax & Excise Duty, Demand of excise duty on Fly Ash & Trading Material	65.48	4.72	F.Y. 2008-09 to F.Y. 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Denial of service tax credit on foreign services	1.29	0.10	F.Y 2005-2006	Customs, Excise and Service Tax Appellate Tribunal, Delhi
	Denial of CENVAT credit on capital goods and others	0.03	-	F.Y 2001-2002	Hon'ble High Court, Chennai
	Short reversal of CENVAT credit on goods under duty drawback scheme	0.59	0.06	F.Y 2008-2009	CESTAT Ahmedabad (Appeal)
The Employee's State Insurance Act, 1948	Contribution Demand	0.03	-	F.Y 1989-2002	ESI Court, Madurai
	Contribution Demand	0.01	-	F.Y 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 F.Y 2013-14	ITAT Ahmedabad
	Disallowance for claim u/s 80-IA, Section 14A and others	3.63	-	F.Y 2015-2016	Joint Comm, Ahmedabad
Gujarat Sales Tax Act, 1969	Disallowance of Set off of Sales Tax	0.02	0.02	FY 2002-2003	VAT Tribunal, Ahmedabad
		0.02	-	FY 2003-2004	

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
MembershipNumber:086370
UDIN: 20086370AAAABE2136

Place of Signature: Gurugram
Date: May 20, 2020

ANNEXURE 2

to the Independent Auditor's Report of even date on the Standalone 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")

We have audited the internal financial controls over financial reporting of GHCL ("the Company") as of March 31, 2020 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, 2020, 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
MembershipNumber:086370
UDIN: 20086370AAAABE2136

Place of Signature: Gurugram
Date: May 20, 2020

Standalone Balance Sheet

as at March 31, 2020, (INR in crores)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,635.40	2,576.92
(b) Capital work-in-progress	3	119.96	113.64
(c) Other Intangible assets	4	5.46	4.56
(d) Right-of-use assets	34	13.73	-
(e) Intangible assets under development		1.76	3.82
(f) Financial assets			
(i) Investments	5	34.23	46.56
(ii) Loans	6A	15.51	11.45
(iii) Other non-current financial assets	6B	0.00	0.00
(g) Other-non current assets	7	67.19	24.37
Total Non-Current Assets		**2,893.24**	**2,781.32**
(2) Current assets			
(a) Inventories	8	724.27	668.26
(b) Financial assets			
(i) Trade receivables	9	357.58	380.23
(ii) Cash and cash equivalents	10A	89.60	4.44
(iii) Bank balances other than cash and cash equivalents	10B	23.92	23.32
(iv) Loans	11A	3.86	4.86
(v) Derivative instruments	11B	-	2.26
(vi) Other current financial asset	11C	22.78	18.09
(c) Current tax assets (net)	12	7.59	-
(d) Other current assets	13	46.66	81.59
Total Current Assets		**1,276.26**	**1,183.05**
Assets held for sale	3	31.46	39.23
Total assets		**4,200.96**	**4,003.60**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	95.01	98.03
(b) Other equity	15	2,090.55	1,853.92
Total Equity		**2,185.56**	**1,951.95**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	807.89	701.35
(ii) Lease liabilities	34	13.92	-
(b) Provisions	17A	6.27	6.15
(c) Deferred tax liabilities (net)	12	253.08	253.00
Total Non- Current Liabilities		**1,081.16**	**960.50**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	268.88	398.86
(ii) Lease liabilities	34	0.68	-
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	392.87	393.02
(iv) Derivative instruments	19A	6.25	-
(v) Other financial liabilities	19B	216.78	230.97
(b) Provisions	17B	12.83	15.13
(c) Current tax liabilities (net)	12	-	9.34
(d) Other current liabilities			
(i) Contract liabilities	21.2	6.11	3.66
(ii) Other liabilities	20	16.92	25.34
Total Current Liabilities		**934.24**	**1,091.15**
Total equity and liabilities		**4,200.96**	**4,003.60**

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 : Gurugram
Date: May 20, 2020

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : New Delhi
Date: May 20, 2020

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

Standalone Statement of Profit and Loss

for the year ended March 31, 2020, (INR in crores)

Particulars	Note No.	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue			
Revenue from operations	21	3,256.01	3,371.18
Other income	22	16.43	13.54
Total Income		**3,272.44**	**3,384.72**
Expenses			
Cost of raw materials consumed	23	1,253.45	1,246.46
Purchase of stock in trade		182.39	237.17
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(14.02)	(31.77)
Power, fuel and water expense		513.17	505.33
Employee benefit expense	25	188.36	200.91
Depreciation and amortization expense	26	130.51	116.29
Finance cost	27	118.18	126.32
Other expenses	28	395.93	442.90
Total expenses		**2,767.97**	**2,843.61**
Profit before exceptional items and tax		504.47	541.11
Profit before tax		**504.47**	**541.11**
Tax expense:			
Current tax		143.38	153.84
Less: Tax adjustment for Earlier years (Refer Note 12)	12	(2.48)	0.84
Deferred tax		(42.93)	25.40
Total tax expense		**97.97**	**180.08**
Profit for the year		**406.50**	**361.03**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement Gain/(Loss) on defined benefit plans		(2.80)	0.63
Income tax effect		0.71	(0.22)
Re-measurement Gain/(Loss) on investment in equity		(3.44)	1.23
Income tax effect		-	-
Net other comprehensive Gain/(Loss) not to be reclassified to profit or loss in subsequent periods	29	**(5.53)**	**1.64**
Total comprehensive income for the year, net of tax		**400.97**	**362.67**
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	30		
Basic (INR)		41.51	36.88
Diluted (INR)		41.51	36.56

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 086370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Standalone Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Operating activities		
Profit before tax	504.47	541.11
Adjustments for:		
Depreciation/amortisation	130.51	116.29
Loss/(Gain) on sale of investments/ diminution on value of on investment	9.12	(0.72)
Loss/(Gain) on sale of fixed assets	1.48	(0.41)
Interest income	(0.64)	(1.19)
Finance cost	118.19	125.01
Income from dividend	(0.08)	(0.05)
Employees share based payments	(7.18)	19.90
Unrealised exchange Loss/(Gain)	13.19	(7.36)
Operating Profit before working capital changes	**769.06**	**792.58**
Changes in working capital		
Adjustments for (Increase)/decrease in assets:		
Trade receivables	17.93	(90.13)
Inventories	(56.01)	(80.38)
Derivative instruments	(8.51)	2.91
Other current financial assets	(3.69)	0.19
Other current assets	32.13	(21.57)
Non-current financial assets	(4.06)	1.81
Other non-current assets	2.21	(0.32)
Adjustments for (Increase)/decrease in liabilities:		
Contract liabilities	(2.45)	(1.41)
Trade payables	(10.37)	(0.49)
Other current financial liabilities	1.34	51.77
Other current liabilities	8.42	(1.39)
Provisions	(2.18)	(0.13)
Cash generated from operations	**743.82**	**653.44**
Direct taxes paid (net)	(115.53)	(92.70)
Net cash generated from operating activities	**628.29**	**560.74**
Cash flow from investing activities		
Payment for Property, plant and equipment	(225.33)	(282.72)
Proceeds from sale of Property, plant and equipment	9.73	9.77
Sales/ (Purchase) of Investment (Net)	(0.23)	(34.30)
Interest received	0.64	1.19
Dividend received	0.08	0.05
Net cash used in investing activities	**(215.11)**	**(306.01)**

Standalone Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	2.74	6.19
Buyback of equity share capital (including tax paid)	(69.46)	-
Dividend paid	(76.26)	(48.75)
Dividend distribution tax paid	(10.08)	(10.01)
Proceeds from long-term borrowings	252.74	136.45
Repayment of long-term borrowings	(174.92)	(201.55)
Proceeds from short-term borrowings	(129.98)	(0.90)
Payment of lease liabilities	(2.06)	-
Unpaid dividend account (Net)	(1.26)	(0.33)
Bank deposit in escrow account and Margin Money	0.66	(7.76)
Interest paid	(120.14)	(132.64)
Net cash generated from financing activities	**(328.02)**	**(259.30)**
Net (decrease) / increase in cash and cash equivalents	**85.16**	**(4.57)**
Cash and cash equivalents at the beginning of the year	**4.44**	**9.01**
Cash and cash equivalents at the end of the year	**89.60**	**4.44**
Components of cash and cash equivalents		
Cash on hand	0.26	0.21
Balances with banks:		
- On current accounts	89.34	4.23
Total cash and cash equivalents (Note 10A)	**89.60**	**4.44**

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 and on behalf of the Board of Directors of GHCL Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 086370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Standalone Statement of Changes in Equity

for the year ended March 31, 2020, (INR in crores)

A. Equity share capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

Particulars	Number of share	Amount
As at April 1, 2018	9,74,23,286	97.42
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	6,05,000	0.61
Balance as at March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	1,85,000	0.18
Changes in share capital- Buyback during the year (Refer Note 14 on Buyback)	(32,00,000)	(3.20)
Balance as at March 31, 2020	**9,50,13,286**	**95.01**

B. Other equity

Particulars	Reserves and Surplus								
	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)	FVTOCI Reserve (H)	Total
Balance as at April 1, 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**
Reserve created on account of ESOS issued during the year	-	-	-	5.54	-	-	-	-	5.54
Reserve created on account of buy back during the year	-	-	3.20	-	-	-	(3.20)	-	-
Reserve Utilised on account of buy back during the year	-	-	-	(25.28)	-	-	(28.48)	-	(53.76)
Profit for the year	-	-	-	-	406.50	-	-	-	406.50
Employee stock option scheme	-	-	-	-	-	(10.17)	-	-	(10.17)
Dividend paid	-	-	-	-	(77.52)	-	-	-	(77.52)
Dividend distribution tax	-	-	-	-	(15.93)	-	-	-	(15.93)
Tax paid on Buy Back	-	-	-	-	(12.49)	-	-	-	(12.49)
Other comprehensive income	-	-	-	-	(2.10)	-	-	(3.44)	(5.53)
Balance as at March 31, 2020	**7.57**	**73.89**	**16.36**	**-**	**1,971.07**	**9.87**	**5.45**	**6.34**	**2,090.55**

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 086370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (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 36.

The financial statements are approved for issue in accordance with a resolution of the Board of Directors on May 20, 2020.

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 (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).

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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

b) Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Banking & Operations Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

- Financial instruments (including those carried at amortised cost)

c) Revenue from Operations

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 31.

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, 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 cash discount, 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.

The disclosures of significant judgements relating to the revenue from contracts with customers are provided in Note 31.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

Contract balances

Trade receivables

A receivable is recognised if 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 recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

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 applies the optional practical expedient to immediately expense costs to obtain a contract if amortisation period would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of **employee benefits**. 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 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

The Company offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. 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
• Freehold Land	Not Amortised

*For these class of assets, based on internal assessment, the management believes that the useful

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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.

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.

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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included 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.

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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 Company 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.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. 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 Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

- The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

  - Leasehold builidngs — 2 to 10 years
  - Salt works — 3 to 30 years

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If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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.
- 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. The recoverable amount is determined for an individual

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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 and 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 and 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.

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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.

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) 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). Employees working in the business development Company are granted share appreciation rights, which are settled in cash (cash-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 expense or credit in the statement of profit and loss 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.

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Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. 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.

p) 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:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' 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

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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. The Company financial assets at amortised cost includes trade receivables and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' 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. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. 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

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liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind 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.

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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

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and Borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

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.

q) Derivative financial instruments and hedge accounting

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.

r) 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, that

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

are readily convertible to a known amount of cash and 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.

s) Cash dividend

The Company recognises a liability to pay dividend 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.

t) 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.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

u) 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).

v) 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.

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) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

y) Onerous Contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

z) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Effective April 1, 2019 the company has adopted IND AS 116 'Leases' and applied the same on all lease contracts existing on April 1, 2019 using modified retrospective approach. Under this approach Right-To-Use Asset and corresponding Lease Liability have been recognised at INR 15.00 Crore as at April 1, 2019 . Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact on opening reserves. The effect of this adoption is not material to the current financial statements and earnings per share for the year ending

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

March 31, 2020. Due to application of IND AS 116 for the year ended March 31, 2020, Depreciation and Finance cost has increased by INR 1.62 Crores & INR 1.49 Crores and other expenses have decreased by INR 2.06 Crores .Total expenses(net) have increased by INR 1.06 Crores. Refer details of the movement during the year in the balances of the Right-To-Use Asset and corresponding Lease Liability in Note 34.

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.2 (j) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.3 (n) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

- Leases previously classified as finance leases

  The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

- Leases previously accounted for as operating leases

  The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

The lease liabilities as at April 1, 2019, can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount
Operating lease commitments as at March 31, 2019	39.57
Weighted average incremental borrowing rate as at April 1, 2019	10%
Discounted operating lease commitments as at April 1, 2019	19.6
Less:	
Commitments relating to short-term leases and low value assets	4.6
Lease liabilities as at April 1, 2019	**15.00**

ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex tax environment, it assessed whether the Appendix had an impact on its standalone financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Company.

iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the standalone financial statements of the Company.

iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset). The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company does not have long-term interests in its associate and joint venture.

vi) Annual Improvements to Ind AS 2018

Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, plant and equipment

Cost	Freehold Land	Leasehold Land *	Buildings	Plant and Equipments	Office Equipments	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Asset held for sale**	Total Amount
As at April 1, 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**
Additions	0.65	-	11.66	158.37	3.66	0.40	1.70	1.10	-	1.17	8.23	186.94	193.26	-	380.20
Disposals	-	-	(2.50)	(25.44)	(2.39)	(0.61)	-	(0.53)	-	-	-	(31.48)	(186.94)	(7.77)	(226.19)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**340.49**	**352.75**	**254.44**	**1,926.04**	**9.74**	**6.26**	**4.21**	**3.64**	**9.47**	**140.73**	**8.23**	**3,056.00**	**119.96**	**31.46**	**3,207.42**

Depreciation	Freehold Land	Leasehold Land*	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines#	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Asset held for sale ##	Total Amount
As at April 1, 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**
Depreciation charge for the year	-	4.87	11.53	96.18	2.96	0.77	0.15	0.61	0.09	7.36	0.49	125.01	-	-	125.01
Disposals	-	-	(2.39)	(22.46)	(2.37)	(0.32)	-	(0.49)	-	-	-	(28.04)	-	-	(28.04)
As at March 31, 2020	**-**	**24.32**	**42.40**	**305.91**	**3.03**	**1.27**	**1.96**	**0.56**	**9.18**	**31.49**	**0.49**	**420.60**	**-**	**-**	**420.60**

Net book value	Freehold Land	Leasehold Land*	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines#	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Asset held for sale**	Total Amount
As at March 31, 2020	**340.49**	**328.43**	**212.04**	**1,620.13**	**6.71**	**4.99**	**2.25**	**3.09**	**0.29**	**109.24**	**7.74**	**2,635.40**	**119.96**	**31.46**	**2,786.82**
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**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, plant and equipment (Contd..)

Net book value	March 31, 2020	March 31, 2019
Property, plant and equipment	2,635.40	2,576.92
Capital work in progress	119.96	113.64
Asset held for sale**	31.46	39.23

Property plant and equipment are subject to charge to secure the company's borrowings as discussed in Note 16

Leasehold land*

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.

Asset held for sale **

Assets held for sale represents Land in Madurai (Yarn Unit) approved by Board for transfer in future. (Refer Note no 47)

Capitalised borrowing costs

The amount of borrowing cost capitalised during the year ended March 31, 2020, was INR 4.49 Crore (for the year March 31, 2019: INR 7.63 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 8.75%, (for the year March 31, 2019: 9.17%) which is the effective interest rate of the specific borrowing.

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 and 2018-19. For the financial year 2019-20, 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, and REKOOP 2.0, with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Innovation has been a hallmark of the company's efforts and several new options have been developed around fit, functionality and performance.

The company anticipates a reduction of our export volume by about 25% for the year on account of the COVID-19 pandemic. The company will focus on ensuring greater levels of agility and flexibility. Moreover, the company will further step up its focus on the Dot Com business in the US and other parts of the world. The company will continue to keep sustainability at the core of all it does and will also focus on offering special finishes on sheets, including antimicrobial or antibacterial finishes and immunity boosting finishes, in keeping with what customers will demand in times to come.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, plant and equipment

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

Cost	Trademarks	Software	Total Amount
As at April 1, 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**
Additions	-	4.78	4.78
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.65**	**8.61**	**11.26**

Amortisation	Trademarks	Software	Total Amount
As at April 1, 2018	0.66	1.20	1.86
Additions	0.88	1.47	2.35
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**1.54**	**0.47**	**2.01**
Additions	0.89	2.99	3.88
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.43**	**3.37**	**5.80**

Net book value	Trademarks	Software	Total Amount
As at March 31, 2020	**0.22**	**5.24**	**5.46**
As at March 31, 2019	**1.11**	**3.45**	**4.56**

Note: Intangible assets include license for trademark acquired for obtaining exclusive manufacturing and marketing rights for one of its innovative textile product in USA.

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for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted equity shares		
Investment in Subsidiary Companies, at cost		
Investment in Grace Home Fashion LLC		
Gross Amount of Investment	34.97	34.97
Less: Diminution in value of investment (Refer Note No. 47)	(10.00)	-
Net Amount of Investment in Grace Home Fashions LLC	**24.97**	**34.97**
Investment in Dan River Properties LLC	0.00	0.00
Total Investments in subsidiaries	**24.97**	**34.97**
(During the year the Company has invested INR. NIL (PY INR 34.93 crores (USD 5 Million)) as a capital contribution in its wholly owned subsidiary Grace Homes Fashions LLC, USA.)		
Unquoted equity shares, at amortised cost		
5200 equity shares (as at March 31, 2019: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd *	0.01	0.01
1,07,300 equity shares (as at March 31, 2019: 2,11,800 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.12	0.24
12,00,000 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of SSMT Power Pvt Ltd *	1.20	-
4,200 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Aadhav Green Power Pvt Ltd	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Puvaneshwari Enterprises	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sarojarajan Green Power Eenergy	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AFCM Wind Farms Pvt Ltd	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AJSM Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of APGL Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jaichander Wind Farms Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Pvt Ltd	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Wind Farms	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Green Energy	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Wind Farms	0.00	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Green Energy	0.00	-
Unquoted debt securities (at amortised cost)		
Investment in government securities		
7 years National Savings Certificates	0.04	0.04
(Pledged with government authorities)		
Quoted equity shares, at Fair value through OCI		
83,000 equity shares (as at March 31, 2019: 83,000 equity shares) of HDFC Bank Limited of INR 1/- each fully paid up	7.15	9.62
68,598 equity shares (as at March 31, 2019: 68,598 equity shares) of IDBI Bank Limited of INR 10/- each fully paid up	0.13	0.32
285 equity shares (as at March 31, 2019: 285 equity shares) of Bank of Baroda (formally known as Dena Bank) of INR 10/- each fully paid up	0.00	0.00
272,146 equity shares (as at March 31, 2019: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	0.54	1.22
4,500 equity shares (as at March 31, 2019: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.04	0.13
100 equity shares (as at March 31, 2019: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
Total	**9.25**	**11.60**
Non-current	**9.25**	**11.60**
Aggregate book value of quoted investments	7.87	11.30
Aggregate market value of quoted investments	7.87	11.30
Aggregate value of unquoted investments	26.36	35.26
Aggregate amount of diminution in value of investments	10.00	-
Total	**34.23**	**46.56**

***Company does not excise any significant influence on DM Solar and SSMT Power Pvt Ltd and thus are not considered as associates.**

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities and quoted debt securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company. Thus disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. The Company has not transferred any gain or loss within equity in the previous year. Refer Note 41 for determination of their fair values

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

6A Loans

(Unsecured, considered good, unless stated otherwise)
(at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Related Party		
- Loan to ESOS trust (Refer Note 36 & 43)	5.82	6.21
Security deposits	9.69	5.24
Total loan	**15.51**	**11.45**

6B Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Demand deposit	0.00	0.00
(Amount in absolute terms is INR 35,000 (Previous Year INR 35,000))		
Total other non-current financial assets	**0.00**	**0.00**

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.

No Loans are due from directors or othe rofficer of the Company either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

7 Other-non current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	61.87	16.84
Deposit with statutory authorities under protest	5.32	7.53
Total	**67.19**	**24.37**

No Advances are due from directors or other officer of the Company either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

8 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories valued at lower of cost and net realizable value		
Raw materials	387.32	366.36
[includes in transit INR 11.13 Crore (At March 31, 2019: 25.50 Crore)]		

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

8 Inventories (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Work-in-progress	54.11	47.16
Finished goods	141.12	121.98
[includes in transit INR 10.76 Crore (At March 31, 2019: 34.49 Crore)]		
Stock-in-trade	18.21	30.28
[includes in transit NIL (At March 31, 2019: INR 2.41 Crore)]		
Stores and spares	123.51	102.48
[includes in transit NIL (At March 31, 2019: INR 0.78 Crore)]		
Total inventories at the lower of cost and net realisable value	**724.27**	**668.26**

Refer Note 16B for information on inventories pledged as security by the company.

9 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	265.24	267.12
Receivable from related parties (Refer Note 36)	92.34	113.11
Total trade receivables	**357.58**	**380.23**

Break-up for security details:	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured, considered good	56.02	35.33
Unsecured, considered good	301.56	344.90
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	2.03
Less: Impairment Allowance (allowance for bad and doubtful debts)*	-	(2.03)
Total trade receivables	**357.58**	**380.23**

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 36.

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 in the previous year on the basis of the expected credit loss method and other cases based on management judgement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

10A Cash and cash equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	89.34	4.23
Cash on hand	0.26	0.21
Total cash and cash equivalents	**89.60**	**4.44**

10B Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
- On unpaid dividend account	5.07	3.81
- On escrow account#	7.70	5.82
- On account of margin money deposited*	11.15	13.69
Bank balances other than cash and cash equivalents	**23.92**	**23.32**

#As per the guidelines of the Ministry of Coal, Government of India all Coal Mine owners who are operating Coal Mines are required to prepare a Mine Closure Plan and on approval of such plan need to open an escrow for depositing money towards mine closure activity. Annual amount to be deposited shall be as per mine closure plan. Total amount deposited along with interest shall be refunded as per conditions of approved mine plan.

*Margin money held with banks against opening of letter of credit (LC).

As at March 31, 2020, the Company had available NIL (As at March 31, 2019: INR 104.81 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	89.34	4.23
Cash on hand	0.26	0.21
	89.60	**4.44**

11A Loans

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	0.20	0.73
Loan to employees	2.16	2.11
Loan to subsidiary company (Refer Note 36)	1.50	2.02
	3.86	**4.86**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

11A Loans (Contd..)

(Unsecured, considered good, unless stated otherwise)

No Loans are due from directors or other officer of the Company either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

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.

Breakup of financial assets carried at amortised cost

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (Note 6A & 11A)	19.37	16.31
Trade receivables (Note 9)	357.58	380.23
Cash and cash equivalents (Note 10)	89.60	4.44
Total financial assets carried at amortised cost	**466.55**	**400.98**

11B Derivative instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	2.26
Total derivative instruments at fair value through profit or loss	**-**	**2.26**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

11C Other current financial asset

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Export incentives receivable	21.29	17.59
Others	1.49	0.50
(Include Insurance claim receivable)		
	22.78	**18.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

12 Income Tax and deferred tax

Current tax assets (net)	As at March 31, 2020	As at March 31, 2019
Income tax paid / TDS (net of provisions) of INR 143.38 Crore (At March 31 2019: INR 153.84 Crore)	7.59	-
Total	**7.59**	**-**

Current tax liabilities (net)	As at March 31, 2020	As at March 31, 2019
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, 2020 and March 31, 2019:

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax from continuing operations	504.47	541.11
Accounting profit before income tax	**504.47**	**541.11**
At India's statutory income tax rate of 34.944% (March 31, 2019: 34.944%)	176.28	189.08
Adjustment for tax purposes:		
- Effect of tax rate change on opening deferred tax balances	(82.62)	-
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	20.36	7.04
- Charity, donation and CSR expenses	5.18	4.09
- Deduction under chapter VI-A	(25.80)	(18.89)
- Dimunition in value of investment	3.49	-
- Others	3.56	(2.08)
At the effective income tax rate of 19.91% (March 31, 2019: 33.34%)	**100.45**	**179.24**
Amounts recognised in profit or loss		
Income tax expense reported in the statement of profit and loss	143.38	153.84
Deferred tax expense reported in the statement of profit and loss	(42.93)	25.40
	100.45	**179.24**
Tax adjustment for Earlier years	(2.48)	0.84
Total tax expense	**97.97**	**180.08**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

12 Income Tax and deferred tax (Contd..)

Deferred tax expense/(income) relates to the following:	As at March 31, 2020	As at March 31, 2019
Effect of tax rate change on opening deferred tax balance	(82.62)	-
Depreciation & amortisation	41.64	26.57
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	(1.73)	(1.17)
Right to use asset	3.46	-
Lease liabilites	(3.68)	-
Deferred tax expense/(income)	**(42.93)**	**25.40**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.71	(0.22)
Total Deferred tax expense/(income)	**(42.22)**	**25.18**

Deferred tax relates to the following:	As at March 31, 2020	As at March 31, 2019
Deferred tax Liability		
Property, Plant and Equipment	(259.51)	(302.46)
Right to use asset	(3.46)	-
Deferred Tax Assets		
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	6.22	7.06
MAT Credit*	-	42.40
Lease liabilites	3.67	-
Net deferred tax assets/(liabilities)	**(253.08)**	**(253.00)**
Reflected in the balance sheet as follows:		
Deferred tax assets	9.89	49.46
Deferred tax liabilities	(262.97)	(302.46)
Deferred tax liabilities, net	**(253.08)**	**(253.00)**

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, 2020, 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 52.48 crore (March 31, 2019: INR 32.65 crore)

Pursuant to The Taxation Laws (Amendment) Act, 2019 dated December 02, 2019, the Company has decided to measure the Income tax liability for FY 19-20 at existing rates of 34.944% and to opt the lower tax rates 25.17% from next financial year. Accordingly the deferred tax liability has been re-measured and amount of INR 82.62 crores has been written back during the current financial year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with statutory authorities	24.05	29.29
Advances recoverable in cash or kind	15.08	39.96
Prepaid expenses	3.10	4.61
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	-	4.73
Subvention receivable	4.43	3.00
Total other current assets	**46.66**	**81.59**

No Advances are due from directors or other officer of the Company either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

14 Share capital

Authorised share capital

Particulars	Number of Shares (of INR 10 each)	Amount
At April 1, 2018	**17,50,00,000**	**175.00**
Increase/(Decrease) during the year	-	-
At March 31, 2019	**17,50,00,000**	**175.00**
Increase/(Decrease) during the year	-	-
At March 31, 2020	**17,50,00,000**	**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

Particulars	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2018	**9,74,23,286**	**97.42**
Changes in share capital- ESOS issued during the year	6,05,000	0.61
At March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- ESOS issued during the year (July 29,2019)	1,85,000	0.18
Changes in share capital- Buyback during the year *	(32,00,000)	(3.20)
At March 31, 2020	**9,50,13,286**	**95.01**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

14 Share capital

Issued, Subscribed and fully paid up equity shares (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Shareholder's holding more than 5 % shares		
Promoter & Promoter Group	19.18%	18.87%
Ares Diversified	5.19%	5.03%
DSP Small Cap Fund	9.07%	3.37%

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.

* During the year ended March 31, 2020, the Company has carried out the share buyback of 32,00,000 fully paid-up equity shares of face value of INR 10 each at a price of INR 178 per share paid in cash for an aggregate consideration of 56.96 crores. Same has been recorded as reduction in equity share capital by INR 3.2 crores, Securities Premium by INR 25.28 crores and General Reserve by 28.48 crores (The expenses of INR 0.13 crores relating to buyback has been adjusted against general reserve).

As required by the Companies Act, 2013, capital redemption reserve of INR 3.2 crores has been created out of general reserve to the extent of share capital extinguished. The tax paid on buyback u/s 115QA of the Income Tax Act 1961 amounting INR 12.49 crores debited to retained earnings.

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the company, please Refer Note 33

15 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	16.36	13.16
Securities premium	-	19.74
Retained earnings	1,971.07	1,672.61
Share based payment reserve	9.87	20.04
General reserve	5.45	37.13
FVTOCI reserve	6.34	9.78
Total	**2,090.55**	**1,853.92**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

Notes:

15A Capital reserve

Particulars	Amount
At April 1, 2018	**7.57**
Changes during the year	-
At March 31, 2019	**7.57**
Changes during the year	-
At March 31, 2020	**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

Particulars	Amount
At April 1, 2018	**73.89**
Changes during the year	-
At March 31, 2019	**73.89**
Changes during the year	-
At March 31, 2020	**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

Particulars	Amount
At April 1, 2018	**13.16**
Changes during the year	-
At March 31, 2019	**13.16**
Changes during the year	3.20
At March 31, 2020	**16.36**

In earlier years, 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.

In earlier years, 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15C Capital redemption reserve (Contd..)

In current year, an amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company in the year ended March 2020) 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 No 14).

15D Securities premium

Particulars	Amount
At April 1, 2018	**9.06**
Changes - Shares issued under ESOS scheme during the year	10.68
At March 31, 2019	**19.74**
Changes - Shares issued under ESOS scheme during the year	5.54
Changes - Utilised on account of buy back during the year	(25.28)
At March 31, 2020	**-**

During the earlier years, the Company has issued 11,65,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 19.74 Crore, is credited to securities premium.

During the Current year, the Company has issued 1,85,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 5.54 Crore, is credited to securities premium. (Refer Note 14).

During the current year, the Company has bought back and cancelled 32,00,000 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 25.28 Crore, is adjusted against the Securities Premium Account. (Refer Note 14)

15E Retained earnings

Particulars	Amount
At April 1, 2018	**1,369.92**
Changes during the year-Profit for the year	361.03
Changes during the year-Dividend paid	(48.74)
Changes during the year-Dividend distribution tax	(10.01)
Changes during the year-Other comprehensive income	0.41
At March 31, 2019	**1,672.61**
Changes during the year-Profit for the year	406.50
Changes during the year-Dividend paid	(77.52)
Changes during the year-Dividend distribution tax	(15.93)
Changes during the year-Tax paid on Buy Back	(12.49)
Changes during the year-Other comprehensive income	(2.09)
At March 31, 2020	**1,971.07**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15F Share based payment reserve

Particulars	Amount
At April 1, 2018	**5.24**
Changes during the year	14.80
At March 31, 2019	**20.04**
Changes during the year (Refer Note 25)	(10.17)
At March 31, 2020	**9.87**

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 33 for further details of these plans.

15G General reserve

Particulars	Amount
At April 1, 2018	**37.13**
Changes during the year	-
At March 31, 2019	**37.13**
Changes - Utilised on account of buy back during the year	(31.68)
At March 31, 2020	**5.45**

During the current year, the Company has bought back and cancelled 32,00,000 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 28.48 Crore, is adjusted against the General Reserves. (Refer Note 14)

An amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company in the year ended March 2020) 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)

15H FVTOCI reserve

Particulars	Amount
At April 1, 2018	**8.55**
Changes during the year	1.23
At March 31, 2019	**9.78**
Changes during the year	(3.44)
At March 31, 2020	**6.34**

The company recognises the profit or loss on fair value of investments under fair value through other comprehensive income (FVTOCI) reserve.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15H FVTOCI reserve (Contd..)

Particulars	Amount
Grand Total (15) as at March 2018	1,524.52
Grand Total (15) as at March 2019	1,853.92
Grand Total (15) as at March 2020	**2,090.55**

Distributions made and proposed

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Cash dividends on equity shares declared and paid:		
Final cash dividend for the year ended on March 31, 2020: INR 5.00 per share (March 31, 2019: INR 5.00 per share)	49.01	48.75
Dividend distribution tax on final dividend	10.08	10.01
Interim dividend for the year ended on March 31, 2020: INR 3.00 per share (March 31, 2019: NIL)	28.50	-
Dividend distribution tax on Interim dividend	5.86	-
	93.45	**58.76**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31, 2020: NIL (March 31, 2019: INR 5.00 per share)	-	49.01
Dividend distribution tax on proposed dividend	-	10.08
	-	**59.09**

The Board of Directors of GHCL Ltd at its meeting held on March 16, 2020 has approved the interim dividend of INR 3/- per equity share for the financial year 2019-20 on the paid-up capital of 9,50,13,286 equity shares of the Company. Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

16A Long Term Borrowings

Particulars	Effective interest rate	Maturity	As at March 31, 2020	As at March 31, 2019
	%		INR Crores	INR Crores
Non-current Borrowings				
Term Loans				
From Banks				
Rupee Term Loans (secured)	8.94%	Jun 2021 - April 2029	774.84	638.65
Foreign currency loans (secured)	5.11%	September 2021 - July 2025	30.58	44.52
Others (secured)	5.77%	April 2029	2.47	18.18
Total non-current borrowings			**807.89**	**701.35**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16A Long Term Borrowings (Contd..)

Particulars	Effective interest rate	Maturity	As at March 31, 2020	As at March 31, 2019
	%		INR Crores	INR Crores
Current Borrowings				
Current maturities of long term loan				
Rupee Term Loans (secured)	8.94%	March 31,2019 and 2020	147.28	125.75
Foreign currency loans (secured)	5.11%	March 31,2019 and 2020	15.58	40.83
Rupee Term Loans (Unsecured)		March 31,2019	-	25.00
Total current Borrowings			**162.86**	**191.58**
Less: Amount clubbed under "other current liabilities"			-	-
Net current borrowings			162.86	191.58
Aggregate Secured loans			970.75	867.92
Aggregate Unsecured loans			-	25.00

16.1 Term loans from banks / institutions have been secured against: -

a) Loan aggregating to INR 41.82 crores (Previous Year INR 53.50 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 5 years.

b) Loan aggregating to INR 417.00 crores (Previous Year INR 353.71 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 6 to 8 years.

c) Loan aggregating to INR 4.00 crores (Previous Year INR 31.71 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 less than 1 years.

d) Loan aggregating to INR 62.54 crores (Previous Year INR 73.38 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 2 to 8 years.

e) Loan aggregating to INR 36.53 crores (Previous Year INR 42.96 crores) 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 4 years.

f) Loan aggregating to INR 7.44 crores (Previous Year INR 8.47 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 7 years.

g) Loan aggregating to INR 175.70 crores (Previous Year INR 186.70 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 2 to 9 years.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16A Long Term Borrowings (Contd..)

16.1 Term loans from banks / institutions have been secured against: - (Contd..)

h) Loan aggregating to INR 146.96 crores (Previous Year INR 13.35 crores) is secured by first charge on pari passu basis over movable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamil Nadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 4 to 5 years.

i) Loan aggregating to INR 25.50 crores (Previous Year INR 42.00 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 1 years.

j) Loan aggregating to INR 32.02 (Previous Year INR 36.91 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 5 to 6 years.

k) Loan aggregating to INR 21.24 crores (Previous Year INR 25.23 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (k) totalling INR 970.75 crores (Previous Year INR 867.92 crores), an amount of INR 162.86 crores (Previous Year INR 191.58 crores) is due for payment in next 12 months and accordingly reported under Note 19B under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings".

16B Short term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Short term loans from banks (Secured)		
Cash credit facilities	8.14	149.92
Working capital demand loan	55.00	9.00
Sales Bill Discounting	7.75	2.77
Export Packing Credit (Rupee loan)	36.02	96.08
Export Packing Credit in foreign currency	2.95	-
Total Secured Short Term Borrowing	**109.86**	**257.79**
Short term loans from banks - (Unsecured)		
Cash credit facilities	0.23	30.33
Short Term Loan	49.41	35.00
Sales Bill Discounting	0.72	32.14
Export Packing Credit (Rupee loan)	89.50	43.61
Export Packing Credit (Foreign currency loan)	15.58	-
Export Bill Discounting Foreign Currency Loan)	3.58	-
Total Unsecured Short Term Borrowing	**159.02**	**141.08**
Total	**268.88**	**398.86**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16B Short term borrowings (Contd..)

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 6.56% p.a (Previous Year 8.12% 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 3.18% p.a (Previous Year 3.42% p.a) on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has no undrawn borrowing facilities (Refer Note 10A).

16.5 The Company's long term borrowings under Indian rupees carry interest rate in range of 7.75% to 10.20%

16.6 The Company's long term borrowings under foreign currency carry interest rate in range of 5.11% to 5.77%

17 Provisions

(A) Long term provisions

Particulars	Provision for mines restoration *
At April 1, 2018	**6.33**
Arising during the year	0.64
Utilised	(0.82)
At March 31, 2019	**6.15**
Arising during the year	0.79
Utilised	(0.67)
At March 31, 2020	**6.27**
Long term provisions	**6.27**

* The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

17 Provisions (Contd..)

(B) Short term provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Compensated absences	12.83	12.19
Provision for litigation	-	2.94
	12.83	**15.13**

18 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	392.87	393.02
	405.79	**407.85**
Trade Payables	405.79	407.85
Trade Payables to related parties	-	-
	405.79	**407.85**
Non-current	-	-
Current	405.79	407.85

Trade payables are non-interest bearing and are normally settled on around 90 days terms

For explanation on company's credit risk management process refer note no 40(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, 2020, 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.

Particulars	As at March 31, 2020	As at March 31, 2019
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	12.92	14.83
Interest	0.88	1.32
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:		
Principal	38.99	-
Interest	1.16	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

18 Trade payables (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
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.	0.88	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.	0.88	1.32

19A Derivative instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	6.25	-
	6.25	**-**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

19B Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Other financial liabilities at amortised cost		
Current maturity of long term borrowings	162.86	191.58
(Refer Note 16)		
Other financial liabilities		
Dealer deposits	6.23	5.89
Security deposits	1.19	0.74
Capital creditors	38.12	25.92
Unpaid dividend	5.07	3.81
Interest accrued	0.88	1.32
Others	2.43	1.71
	216.78	**230.97**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

19B Other financial liabilities Current (Contd..)

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 liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	16.10	25.34
Others	0.82	-
	16.92	**25.34**

21 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 Year ended March 31, 2020			Total	For Year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
- Soda Ash	1,943.94	-	-	1,943.94	1,895.31	-	-	1,895.31
- Textile products	-	1,067.90	-	1,067.90	-	1,195.49	-	1,195.49
- Consumer products	51.79	-	-	51.79	40.44	-	-	40.44
Sale of traded products								
- Consumer products	7.15	-	-	7.15	28.41	-	-	28.41
- Chemicals	185.23	-	-	185.23	211.53	-	-	211.53
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**
India	2,133.16	515.45	-	2,648.61	2,152.82	595.86	-	2,748.68
Outside India	54.95	552.45	-	607.40	22.87	599.63	-	622.50
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**
Timing of revenue recognition								
Goods transferred at a point in time	2,188.11	1,067.90	-	3,256.01	2,175.69	1,195.49	-	3,371.18
Services transferred over time	-	-	-	-	-	-	-	-
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

21 Revenue from contracts with customers (Contd..)

1) Disaggregated revenue information (Contd..)

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Segment	For Year ended March 31, 2020			Total	For Year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Revenue								
External customer	2,188.11	1,067.90	-	3,256.01	2,175.69	1,195.49	-	3,371.18
Inter-segment	-	90.93	-	90.93	-	105.04	-	105.04
	2,188.11	**1,158.83**	**-**	**3,346.94**	**2,175.69**	**1,300.53**	**-**	**3,476.22**
Inter-segment adjustment and elimination	-	(90.93)	-	(90.93)	-	(105.04)	-	(105.04)
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables *	357.58	380.23
Contract liabilities		
Advances from customers**	6.11	3.66

* Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

** Advances from customers relate to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue as per contracted price	3,416.56	3,494.02
Adjustments		
Significant financing component	-	-
Sales return	(1.87)	(1.27)
Rebate	(0.61)	(0.07)

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

21 Revenue from contracts with customers (Contd..)

3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price (Contd..)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Discount	(158.07)	(121.50)
Revenue from contract with customers	**3256.01**	**3,371.18**

4) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers (Refer Note 21.2)	6.11	3.66
Total expenses	**6.11**	**3.66**

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

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.61	0.32
- from others	0.03	0.87
Dividend income	0.08	0.05
Other non-operating income		
Gain on exchange (net)	2.43	-
Profit on sale of investments	0.88	0.72
Gain on sale of PPE	-	0.41
Sale of scrap	4.95	6.82
Miscellaneous income	7.45	4.35
	16.43	**13.54**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

23 Cost of raw material consumed (Refer Note 42)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Inventory at the beginning of the year	366.36	263.64
Add: Purchases	1,274.41	1,349.18
	1,640.77	**1,612.82**
Less: inventory at the end of the year	(387.32)	(366.36)
Cost of raw material consumed	**1,253.45**	**1,246.46**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019	(Increase)/decrease in inventories
Opening stock			
Finished goods	121.98	103.67	(18.32)
Stock in process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	199.42	**167.65**	**(31.77)**
Closing stock			
Finished goods	141.12	121.98	(19.15)
Stock in process	54.11	47.16	(6.95)
Stock in trade	18.21	30.28	12.07
	213.44	**199.42**	**(14.02)**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	(14.02)	(31.77)	

25 Employee benefit expenses

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Salaries, wages and bonus	174.46	163.24
Contribution to provident and other funds	12.86	10.19
Share based payment expenses (Refer Note 33)	11.60	19.90
Gratuity expenses (Refer Note 32)	2.39	2.38
Staff welfare expenses	5.83	5.20
	207.14	**200.91**
Share based payment Written back (Refer Note 33)	(18.78)	-
	188.36	**200.91**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

26 Depreciation and amortization expense

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Depreciation of tangible assets (Refer Note 3)	125.01	114.59
Amortization of intangible assets (Refer Note 4)	3.88	1.70
Depreciation of Right-of-use assets (Refer Note 34)	1.62	-
	130.51	**116.29**

27 Finance costs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest on borrowings	96.02	94.09
(Net of TUF interest subsidy amounting to INR 0.89 Crore (March 31, 2019 INR 3.66 Crore))		
Exchange differences regarded as an adjustment to borrowing costs	10.39	16.82
Interest others	4.77	8.45
Bank charges	5.51	6.96
Interest on lease liabilities	1.49	-
	118.18	**126.32**

28 Other expenses

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Consumption of stores and spares	59.64	64.63
Diminution in value of investment	10.00	-
Job Work charges	29.69	50.26
Other manufacturing expenses	37.21	35.76
Packing expenses	77.48	96.66
Bad Debts - written Off	0.85	0.38
Freight and forwarding	37.72	45.42
Commission on sales	9.69	10.01
Advertisement and business promotion expenses	13.79	14.10
Travelling and conveyance	15.97	16.88
Rent	4.25	6.71
Repairs and maintenance		
Plant and machinery	21.34	26.11
Buildings	3.52	4.58
Others	6.65	5.06
Rates and taxes	3.22	1.57
Insurance	12.66	9.63
Loss on Discard/Disposal of property, plant & equipment	1.48	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

28 Other expenses (Contd..)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Commission to Non Whole time Directors	2.72	2.84
Communication expenses	1.63	1.75
Legal and professional expenses	11.67	11.46
Donation	0.08	0.13
Donation to Political Parties	5.00	2.36
CSR Expenditure (refer details below)	9.75	9.10
Loss on exchange (net)	-	6.03
Miscellaneous expenses	19.92	21.47
	395.93	**442.90**

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
To Statutory auditor:		
Audit fee	0.45	0.40
Limited review	0.75	0.60
In other capacity		
Other services (certification fees)	0.15	0.10
Reimbursements of expenses	0.07	0.03
	1.42	**1.13**
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

Particulars			For year ended March 31, 2020	For year ended March 31, 2019
a Gross amount required to be spent by the Company during the year			9.75	9.10
b Amount spent during the year ending on March 31, 2020:	**In cash**	**Yet to be paid in cash**	**Total**	
i) Construction / acquisition of any asset	0.30	-	0.30	
ii) On purpose other than (i) above	9.45	-	9.45	
c Amount spent during the year ending on March 31, 2019:	**In cash**	**Yet to be paid in cash**	**Total**	
i) Construction / acquisition of any asset	0.24	-	0.24	
ii) On purpose other than (i) above	8.86	-	8.86	

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

29 Components of Other comprehensive income (OCI)

Particulars	FVTOCI reserve	Retained earnings	Total
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2020			
Gain/(Loss) on FVTOCI financial assets			-
Re-measurement Gain/(Loss) on defined measurement plans	-	(2.09)	(2.09)
Re-measurement of investment in equity	(3.44)	-	(3.44)
	(3.44)	**(2.09)**	**(5.53)**
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2019			
Re-measurement Gain/(Loss) on defined benefit plans	-	0.41	0.41
Re-measurement of investment in equity	1.23	-	1.23
Total	**1.23**	**0.41**	**1.64**

30 Earnings per share

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.

The following reflects the income and share data used in computation of Basic EPS:	For Year ended March 31, 2020	For Year ended March 31, 2019
Profit attributable to the equity holders of the Company	406.50	361.03
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Basic earnings per share (Face value of INR 10/- per share)	41.51	36.88
Profit attributable to the equity holders of the Company	406.50	361.03
Weighted average number of equity shares and common equivalent shares outstanding*	9,79,17,070**	9,87,60,495
Diluted earnings per equity share - (face value of INR 10/- per share)	41.51	36.56

**The effect of dilution on weighted avg no. of equity shares is anti dilutive (refer below details). Therefore, weighted avg no. of equity shares considered for basic EPS and Diluted EPS are same.

*Weighted average number of Equity shares adjusted for the effect of dilution	For Year ended March 31, 2020	For Year ended March 31, 2019
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Effect of dilution:		
Employee Share Option Scheme	(15,28,086)	8,54,469
Weighted average number of equity shares and common equivalent shares outstanding	9,63,88,984	9,87,60,495

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 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 Company's financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform the irrespective obligations under the contract, and the contract is legally enforceable.

The Company's contracts with customers could include promises to transfer multiple product. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, cash discount, price concessions and incentives. The estimated amount of variable

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

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. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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 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.

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 impairment assessment of property plant and equipment and 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.

Share-based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model for Employee Share Option Plan (GESP). The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

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. Further details about gratuity obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 41 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

32 Defined benefit and contribution plan

Defined contribution plan

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution paid for provident fund and superannuation fund are recognised as expense for the year :

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Employer's contribution to provident fund/pension scheme	9.89	8.23
Employer's contribution to superannuation fund	1.60	1.25

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

Defined benefit plan (Contd..)

Gratuity (funded) (Contd..)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity Trust registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Company

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2020:

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
Particulars	April 01, 2019	Service cost	Net interest expense/ (Income)	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, 2020
Defined benefit obligation	42.09	2.93	3.36	6.29	(7.23)		(1.07)	3.17	2.10		43.25
Fair value of plan assets	46.81		(3.74)	(3.74)	(7.23)	0.71			0.71	-	42.61
Benefit liability	**(4.72)**			**2.55**					**2.81**		**0.64**

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2019:

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
Particulars	April 01, 2018	Service cost	Net interest expense/ (Income)	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)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Investment details of plan assets		
Insurance fund	42.61	46.81
The principal assumptions used in determining gratuity are:		
Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)	
Discount rate	6.59%	7.94%
Estimated rate of return on plan assets	6.59%	7.94%
Estimated future salary growth	4.00%*	8.00%
Rate of employee turnover	11.00%	2.00%

*4% p.a. for next 1 year, 7% p.a. thereafter, starting from the 2nd year.

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 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	(0.09)	0.09	1.45	(1.34)	(1.32)	1.46

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:

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	14.16	9.84
2nd Following Year	4.78	2.94
3rd Following Year	5.93	4.28
4th Following Year	4.95	4.70
5th Following Year	4.60	4.26
Sum of Years 6 to 10	12.13	17.53
Total expected payments	**46.55**	**43.55**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2019: 7 years).

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate Risk:	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher proportion. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Salary Risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Investment Risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Asset Liability Matching Risk:	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM Risk.
Mortality Risk:	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk:	Plan is having a concentration risk all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines

33 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 March 31, 2020.

b) During the year 2,15,000 equity share options lapsed upon cessation of employment. Further 3,62,500 ESOP's (which were deferred for vesting in the Nomination and Remuneration Committee meeting held on April 25, 2019) and ESOP's 6,15,000 stock options (due for vesting on April 25, 2020) has now been considered as lapsed after the approval of the Nomination and Remuneration Committee in the meeting held on January 23, 2020 on account of non-performance of benchmark set for the specific businesses and Company as a whole. The ESOP provision to the extent of INR 18.78 crores has been written back on account of the above options lapsed.

The relevant details of the Scheme are as under:

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	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
Number of options granted	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	198.55	204.79	110.59	123.20	123.20	134.18

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

The relevant details of the Scheme are as under: (Contd..)

Particulars	Grant 2		Grant 3		Grant 4	
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 2		Grant 3		Grant 4	
On completion of 12 months	15,000	-	25,000	-	-	-
On completion of 18 months	-	15,000	-	25,000	90,000	-
On completion of 30 months	-	-	-	-	-	90,000

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
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

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Details of the vesting period are: (Contd..)

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
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:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	22,05,000	151	7,80,000	121
Options granted during the year	-	-	21,30,000	150
Options forfeited/lapsed during the year	11,92,500	152	1,00,000	158
Options exercised during the year	1,85,000	148	6,05,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	8,27,500	150	22,05,000	151
Options vested but not exercised during the year	1,12,500	151	5,000	170

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Set out below is a summary of options granted under the plan:(Contd..)

Particulars	March 31, 2020						Total
	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
Outstanding at the beginning of the year	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	12,500	37,500	45,000	95,000
Exercised during the year	-	15,000	-	10,000	7,500	-	32,500
Expired during the year			-	-			-
Outstanding at the end of the year	-	-	5,000	2,500	-	-	7,500
Exercisable at the end of the year	-	-	5,000	2,500	-	-	7,500
Weighted average remaining contractual life (in years)	-	-	-	-	-	-	
Weighted average fair value of options granted during the year	198.55	204.79	110.59	123.20	123.20	134.18	

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	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	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	170	170	170	170
Expected volatility	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	3	4
Risk free interest rate (%)	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	198.55	204.79	110.59	123.20	123.20	134.18

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Set out below is a summary of options granted under the plan:(Contd..)

Particulars	March 31, 2020						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	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	3,47,500	6,05,000	75,000	15,000	5,000	5,000	10,52,500
Exercised during the year	1,52,500	-	-	-	-	-	1,52,500
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	1,05,000	-	5,30,000	-	10,000	10,000	6,55,000
Exercisable at the end of the year	1,05,000	-	-	-	-	-	1,05,000
Weighted average remaining contractual life (in years)	-	-	1.07	-	1.07	2.07	
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

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Set out below is a summary of options granted under the plan:(Contd..)

Particulars	March 31, 2020						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	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Granted during the year	-	-	-	-	-	-	-	-
Forfeited during the year	25,000	10,000	10,000	-	-	-	45,000	11,92,500
Exercised during the year	-	-	-	-	-	-	-	1,85,000
Expired during the year	-	-			-	-	-	-
Outstanding at the end of the year	-	15,000	15,000	45,000	45,000	45,000	1,65,000	8,27,500
Exercisable at the end of the year	-	-	-	-	-	-	-	1,12,500
Weighted average remaining contractual life (in years)	-	1.07	2.07	1.07	2.07	3.07		
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

Notes to the Standalone Financial Statements

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34 Leases

Company as a lessee

The Company has lease contracts for various items of Building and Salt works (fields taken on lease for salt production) in its operations. Leases of Building generally have lease terms between 1 and 10 years, while salt works generally have lease terms between 3 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are no major lease contracts that include extension and termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold building	Saltworks	Total
As at April 1, 2019	**7.11**	**7.89**	**15.00**
Additions	0.44	-	0.44
Depreciation expense	(1.15)	(0.47)	(1.62)
Termination	(0.09)	-	(0.09)
As at March 31, 2020	**6.31**	**7.42**	**13.73**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at March 31, 2020
As at April 1, 2019	**15.00**
Additions	0.26
Accretion of interest	1.49
Payments	(2.06)
Termination	(0.09)
As at March 31, 2020	**14.60**
Current	0.68
Non-current	13.92

The maturity analysis of lease liabilities are disclosed in Note 40.
The effective interest rate for lease liabilities is 10%.

The following are the amounts recognised in profit or loss:

Particulars	As at March 31, 2020
Depreciation expense of right-of-use assets	1.62
Interest expense on lease liabilities	1.49
Expense relating to short-term leases and low value leases (included in other expenses)	4.60
Total amount recognised in profit or loss	**7.71**

The Company had total cash outflows for leases of INR 6.66 crores in March 31, 2020 (INR 6.71 crores in March 31, 2019). There are no non-cash additions to right-of-use assets and lease liabilities . There are no future cash outflows relating to leases that have not yet commenced.

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for the year ended March 31, 2020, (INR in crores unless specified otherwise)

35 Commitments and contingencies

	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Estimated value of contracts remaining to be executed on Capital Account and not provided for	83.49	20.29

b) Contingent liabilities :

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts*		
- Income tax	158.27	154.85
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	128.92	124.08
- Other claims	18.26	36.54

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.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Company.

	Particulars	As at March 31, 2020	As at March 31, 2019
c)	**Guarantees:**		
	Corporate Guarantees to bank on behalf of erstwhile subsidiaries of the Company	2.82	2.72
d)	**Bills discounted with banks (since realized)**	-	-
e)	EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 390.61 crores (as at March 31, 2019, INR 253.25 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.	42.59	42.21

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 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. Neelabh Dalmia- Executive Director -Textiles (w.e.f February 01,2020)

Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

C) Non-whole-time directors

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia (Upto January 31,2020)

Mrs. Vijaylaxmi Joshi

Mr. Lavanya Rastogi

Mr. Manoj Vaish (W.e.f April 01,2019)

Mr. Arun Kumar Jain (W.e.f April 01,2019)

Justice Ravindra Singh (W.e.f April 01,2019)

Mr. K C. Jani (Upto September 17, 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 Limited.

Dalmia Healthcare Limited

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

b) Transactions with subsidiaries

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in equities		
Grace Home Fashions LLC (Diminution in Value of Investment in Subsidiary)	(10.00)	34.93
Sales of Goods		
Grace Home Fashions LLC	85.54	136.18
Net payment/(receipt) of loans & advances		
Dan River Properties LLC	(0.52)	(1.52)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans & advances recoverable at the year end		
Dan River Properties LLC	1.50	2.02
Balance of investment in equities at the year end		
Grace Home Fashions LLC	24.97	34.97
(After considering Diminution in Value of Investment in Subsidiary)		
Balance receivable at the year end		
Grace Home Fashions LLC	92.34	113.11
c) Transactions with relative of key management personnel		
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.18	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	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
Royalty paid		
Dalmia Centre for Research & Development	0.07	0.07
Rent & Other Receipts		
Dalmia Biz Private Limited	0.18	0.26
Dalmia Healthcare Limited	0.16	0.23
Net contribution		
GHCL Foundation Trust	9.75	9.10
GHCL Employees Group Gratuity Scheme	-	0.07
Gujarat Heavy Chemical Limited Superannuation Scheme	1.60	1.25

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, 2020, 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

e) Compensation of key management personnel of the Company

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Mr. Ravi Shanker Jalan	8.09	9.56
Mr. Raman Chopra	4.68	5.46
Mr. Neelabh Dalmia	0.34	-
Mr. Bhuwneshwar Mishra	0.54	0.67
Total compensation paid to key management personnel	**13.65**	**15.69**

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Short-term employee benefits	13.26	12.40
Post-employment gratuity and medical benefits	0.36	0.67
Share-based payment transactions*	0.03	2.62
Total compensation paid to key management personnel	**13.65**	**15.69**

* Taxable component of ESOS

f) Transactions with non-whole-time directors

Particulars	For Year ended March 31, 2020		For Year ended March 31, 2019	
	Sitting Fees	Commission	Sitting Fees	Commission
Mr. Sanjay Dalmia	0.03	0.60	0.03	0.60
Mr. Anurag Dalmia	0.02	0.50	0.02	0.50
Mr. Neelabh Dalmia	0.02	0.30	0.02	0.40
Dr. Manoj Vaish	0.04	0.26	-	-
Justice Ravindra Singh	0.05	0.25	-	-
Mrs. Vijaylaxmi Joshi	0.06	0.25	0.05	0.25
Mr. Arun Kumar Jain	0.05	0.25	-	-
Mr. K C Jani	0.02	0.11	0.05	0.27
Dr. Lavanya Rastogi	0.02	0.20	0.02	0.25
Dr. B. C. Jain	-	-	0.01	0.07
Mr. G. C. Srivastava	-	-	0.04	0.25
Mr. Mahesh Kumar Kheria	-	-	0.04	0.25
Total	**0.32**	**2.72**	**0.28**	**2.84**

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (Refer Note 6A and Note 11A)

Particulars	As at March 31, 2020	As at March 31, 2019
GHCL Employee Stock Option Trust	5.82	6.21
Dan River Properties LLC (Subsidiary Company)	1.50	2.02

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 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 67% 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

For Year ended March 31, 2020

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,188.11	1,067.90	-	3,256.01
Inter-segment	-	-	-	-
Total revenue	**2,188.11**	**1,067.90**	**-**	**3,256.01**
Segment profit	629.40	25.83	-	655.23
Total assets	2,523.41	1,613.13	64.42	4,200.96
Total liabilities	1,134.92	626.53	253.95	2,015.40
Capital expenditure	144.50	47.22	-	191.72
Depreciation and amortization	79.50	51.01	-	130.51

For Year ended March 31, 2019

Particulars	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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

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

Particulars	For Year ended March 31, 2019	For Year ended March 31, 2019
Reconciliation of profit		
Segment profit	645.23	686.81
Un-allocated expenditure	(22.58)	(19.38)
Other finance costs	(118.18)	(126.32)
Profit before tax	**504.47**	**541.11**

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of assets		
Inorganic chemicals	2,523.41	2,221.24
Home textiles	1,613.13	1,704.13
Un-allocated	64.42	78.23
Total assets	**4,200.96**	**4,003.60**

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of liabilities		
Inorganic chemicals	1,134.92	880.41
Home textiles	626.53	908.02
Un-allocated	253.95	263.22
Total liabilities	**2,015.40**	**2,051.65**

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue from external customers		
India	2,648.61	2,748.68
Outside India	607.40	622.50
Total revenue per statement of profit and loss	**3,256.01**	**3,371.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivable		
India	203.02	213.99
Outside India	154.56	166.24
Total trade receivable	**357.58**	**380.23**

38 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Company's risk management strategy and how it is applied to manage risk are explained in Note 40.

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 the underlying transactions, generally from one to 24 months.

These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Foreign Currency Risk Exposure

Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	Currency	In Crores			
		Unhedged Exposure As on March 31,2020		Unhedged Exposure As on March 31,2019	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables					
	USD	-	-	-	-
	NZD	0.03	1.56	-	-
	EUR	0.00	0.19	0.00	0.18
	GBP	-	-	0.02	1.43
Current Liabilities					
	USD	0.82	66.79	1.47	99.10
	EUR	0.03	2.84	0.00	0.10

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

38 Hedging activities and derivatives

Foreign Currency Risk Exposure (Contd..)

Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows: (Contd..)

Particulars	Currency	In Crores			
		Unhedged Exposure As on March 31,2020		Unhedged Exposure As on March 31,2019	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
	CHF	-	-	0.00	0.09
	DKK	0.01	0.05	0.01	0.05
	GBP	0.00	0.16	0.00	0.14
	NZD	0.00	0.01	-	-
Non-Current Liabilities					
	USD	0.40	30.58	0.64	44.52

39 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:

Particulars	Carrying value March 31, 2020	Fair value March 31, 2020	Carrying value March 31, 2019	Fair value March 31, 2019
Financial assets measured at fair value				
Investments* (Refer Note 5)	9.25	9.25	11.59	11.59
Derivative instruments (Refer Note 11B)	-	-	2.26	2.26
Financial assets measured at amortised cost				
Loan to ESOS trust (Refer Note 6A)	5.82	5.82	6.21	6.21
Security deposits (Refer Note 6A & 11A)	9.89	9.89	5.24	5.24
Demand deposits# (Refer Note 6B)	0.00	0.00	0.00	0.00
Loan to subsidiary (Refer Note 11A)	1.50	1.50	2.02	2.02
Loan to employees (Refer Note 11A)	2.16	2.16	2.11	2.11
Others** (Refer Note 11C)	1.49	1.49	0.50	0.50

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

Particulars	Carrying value March 31, 2020	Fair value March 31, 2020	Carrying value March 31, 2019	Fair value March 31, 2019
Financial liabilities at fair value				
Derivative instruments (Refer Note 19A)	6.25	6.25	-	-
Financial liabilities measured at amortised cost				
Term loans (Refer Note 16)	970.75	970.75	892.93	892.93
Short term borrowings (Refer Note 16)	268.88	268.88	398.86	398.86

The management assessed that cash and cash equivalents, trade receivables, Export incentives receivable, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The other current financial liabilities represents Dealer deposits, Security deposits, Capital creditors, Unpaid dividend and Interest accrued on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

* Investments excludes investment in subsidiary which is carried at cost.

**The other non-current financial assets represents bank deposits and insurance receivable.

#Amount in absolute terms is INR 35,000 (Previous Year INR 35,000)

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, 2020:

Particulars	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, 2020	7.87	7.87		
	March 31, 2019	11.30	11.30		
Unquoted equity shares (Refer Note 5)	March 31, 2020	1.35			1.35
	March 31, 2019	0.25			0.25
Unquoted debt securities (Refer Note 5)	March 31, 2020	0.04			0.04
	March 31, 2019	0.04			0.04

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

Particulars	Date of valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit and loss					
Derivative instruments (Refer Note 11B)	March 31, 2020	-			-
	March 31, 2019	2.26		2.26	-
Financial assets measured at amortised cost					
Security deposits (Refer Note 6A)	March 31, 2020	9.69		9.69	
	March 31, 2019	5.24		5.24	
Loan to ESOS trust (Refer Note 6A)	March 31, 2020	5.82		5.82	
	March 31, 2019	6.21		6.81	
Demand deposits (Refer Note 6B)	March 31, 2020	0.00		0.00	
	March 31, 2019	0.00		0.00	
Loan to subsidiary (Refer Note 11A)	March 31, 2020	1.50		1.50	
	March 31, 2019	2.02		2.02	
Loan to employees (Refer Note 11A)	March 31, 2020	2.16		2.16	
	March 31, 2019	2.11		2.11	
Others (Refer Note 11C)	March 31, 2020	1.49		1.49	
	March 31, 2019	0.50		0.50	
Financial liability measured at fair value through profit and loss					
Derivative instruments (Refer Note 19A)	March 31, 2020	6.25		6.25	-
	March 31, 2019	-		-	-
Financial liabilities measured at amortised cost					
Floating rate borrowings (India)	March 31, 2020	1,239.63		1,239.63	
	March 31, 2019	1,291.79		1,291.79	

There have been no transfers between Level 1 and Level 2 during the year.

	Fair value hierarchy	Valuation technique	Inputs used
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
Unquoted debt securities	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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

	Fair value hierarchy	Valuation technique	Inputs used
Financial assets measured at fair value through profit and loss			
Derivative instruments	Level 2	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			
Derivative instruments	Level 2	Market valuation techniques	Forward foreign currency exchange rates
Financial liabilities measured at amortised cost			
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, future payouts

40 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019. 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:

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2020	+/(-).50%	'(-)/+ 6.20

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2019	+/(-).50%	'(-)/+ 6.46

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

Particulars	Change in USD rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.49

Particulars	Change in USD rate	Effect on PBT in INR
March 31, 2019	+/(-)1%	'(-)/+ 2.19

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

b) Foreign currency risk (Contd..)

Foreign currency sensitivity (Contd..)

Particulars	Change in GBP rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.00

Particulars	Change in GBP rate	Effect on PBT
March 31, 2019	+/(-)1%	'(-)/+ 0.02

Particulars	Change in EUR rate	Effect on PBT
March 31, 2020	+/(-)1%	'+/(-) -0.16

Particulars	Change in EUR rate	Effect on PBT
March 31, 2019	+/(-)1%	'+/(-) 0.09

c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 1.35 crores as on March 31, 2020, (INR 0.25 as on March 31, 2019).

At the reporting date, the exposure to listed equity securities at fair value was INR 7.87 Crore as on March 31, 2020, (INR 11.30 as on March 31, 2019). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 0.79 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

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 Company's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company is not having the history of the significant bad debts expect one off cases. The receivables are recovered in business operating cycle. 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. Therefore the Company has not created any provision on receivables according to the ECL - Simplified approach.

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 March 31, 2020 and March 31, 2019, 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 also beleives a significant liquidity risk with regard to its lease liabilities as the current aseets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

e) Credit risk (Contd..)

Liquidity risk (contd..)

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	268.88	162.86	628.51	179.38	1,239.63
Trade and other payables	-	405.79	-	-	405.79
Lease Liablities	-	0.68	2.05	11.87	14.60
Other financial liabilities	11.18	64.58	1.19	-	76.95
	280.06	**633.64**	**631.75**	**191.25**	**1,736.97**

As at March 31, 2019	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	398.86	191.58	498.33	203.02	1,291.79
Trade and other payables	-	407.85	-	-	407.85
Other financial liabilities	7.47	60.18	0.74	-	68.39
	406.33	**659.61**	**499.07**	**203.02**	**1,768.03**

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio of less than 75%. The Company includes within net debt, interest bearing loans and borrowings, lease liabilities, trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	1,239.63	1,291.79
Lease liabilities	14.60	-
Trade payables	405.79	407.85
Other financial liabilities	76.95	68.39

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

41 Capital management (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Less: Cash and bank balances	(89.60)	(4.44)
Net debt	**1,647.37**	**1,763.59**
Equity	2,185.56	1,951.95
Capital and net debt	**3,832.93**	**3,715.54**
Gearing ratio	43%	47%

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, 2020.

42 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

Particulars	For Year ended March 31, 2019	For Year ended March 31, 2019
Manufacturing expenses*	154.60	191.58
Stores and spares consumed	1.52	1.37
Power and fuel	4.13	5.32
Excise duty, cess and royalty	5.59	9.67
Repairs and maintenance		
Building	0.17	0.29
Plant and machinery	0.88	0.99
Earth work	2.01	3.57
Others	0.48	0.43
Salaries and wages	10.37	9.90
Travelling & conveyance	0.71	0.77
Lease rent	1.00	0.71
Rates and taxes	0.24	0.36
Insurance	1.35	0.87
Misc. expenses (including deferred revenue & intangible expenses)	1.86	2.62
Less: Other misc. income	(0.58)	(0.51)
Total	**184.33**	**227.93**

* It includes consumption of breeze, starch binder and other production and mining cost.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

43 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 broker involved, against which ESOS Trust has initiated legal proceedings and 4,66,273 shares were blocked for transactions by Stock exchange under legal proceedings. During the year, 4,66,274 shares were transferred/released to ESOS Trust as per NSE order dated July 24, 2019 and are currently held by the Trust.

During the tenure of ESOS Trust, the company had advanced INR 29.54 crores 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 March 31, 2014 held by the Trust.

Once the legal matter will settle ESOS Trust will get the possession of 15,79,922 shares also, the sale proceeds from the disposal of these 20,46,195 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.

44 Demerger

The Board of Directors of Company on March 16, 2020, approved a Scheme of Arrangement u/s 230- 232 of the Companies Act 2013, involving a demerger of its Textiles Business into a separate company (to be incorporated as a Resulting Company) (the 'Scheme'). Upon the Scheme becoming effective, the Textile Business (along with all assets and liabilities thereof) shall be carved out and transferred to the Resulting Company on a going concern basis. As a consideration for the Demerger, the Resulting Company would issue its equity shares to the shareholders of GHCL as on the record date in a 1:1 swap ratio (i.e. One (1) share of INR 2 each would be issued by the Resulting Company for every one (1) share of INR 10 each held in GHCL), following which the shareholding of both Companies shall be same as at the record date.

Post Demerger, GHCL shall continue with the Chemicals Business while the Resulting Company shall house the Textiles Business. Shares of GHCL shall continue to be listed on the BSE and NSE and that of the Resulting Company shall also be listed on the BSE and NSE. The Demerger is expected to facilitate focused growth, concentrated approach, business synergies and increased operational and customer focus for respective business verticals apart from exploring independent business opportunities with efficient capital allocation.

The Company shall be filing the requisite documents with the appropriate jurisdiction of NCLT after taking necessary approval or clearance form concerned regulatory authorities . The Scheme would become effective on filing of certified copies of the order of the NCLT sanctioning the scheme by the Demerged Company and the Resulting Company with the registrar of companies

45 Remittances during the year in Foreign currency on account of

Dividend for the financial year ended	2018-19	2019-20 (Interim)
Dividends to non-resident shareholders	2,96,28,540	1,77,52,524
Number of non-resident shareholders	629	617
Number of shares	59,25,708	59,17,508

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

46 Non-Current Assets held for Sale

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Assets		
Property, Plant & Equipments	31.46	39.23
Current Assets		
Other Current Assets	-	-

The management has identified excessive and surplus land of 64.43 acres outside the premises of factory at Madurai, that is being disposed off and balance is held as non current asset held for sale.

47 Coronavirus (COVID-19) Impact on Financial Reporting – Accounting Year Ending March 31, 2020

Pursuant to outbreak of Coronavirus Disease (Covid 19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Company and has impacted the overall business activities of the Company. On account of this, management has prepared future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information up-to the date of approval of these financial results/statements. The Company has on a prudent basis charged off INR 30 crores (including provision of INR 10 Crore for declining in value of investment in subsidiary) as an additional one time charge in the statement of profit and loss and adjusted the corresponding carrying value of the current assets and investment. Further on the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions viz a viz its business operations.

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 : Gurugram
Date: May 20, 2020

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : New Delhi
Date: May 20, 2020

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

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

Sl. No.	Particulars	Particulars	Particulars
i.	Name of Subsidiary	Grace Home Fashion LLC	Dan River Properties LLC
ii.	Reporting period for the subsidiary concerned,	March 31, 2020	March 31, 2020
iii.	Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period.	USD 1 USD = INR 75.55	USD 1 USD = INR 75.55
iv.	Share Capital	34.62	0.00
v.	Reserve & Surplus	(51.25)	6.33
vi.	Total Assets	79.82	8.72
vii.	Total Liabilities	96.44	2.39
viii.	Investments	-	-
ix.	Turnover	135.58	1.17
x.	Profit before Taxation	(20.22)	0.35
xi.	Provision for taxation	0.01	-
xii	Profit after Taxation	(20.24)	0.35
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
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

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

Place : New Delhi
Date: May 20, 2020

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

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"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive loss, 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, 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 consolidated state of affairs of the Groupas at March 31, 2020, their consolidated profit including other comprehensive loss, 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.

Emphasis of Matter

We draw attention to Note 48 of the accompanying Consolidated financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Group. Our opinion is not modified in respect of this matter.

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, 2020. 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 audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those 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, Assets and Liabilities that are related to the integrated textile manufacturing facilities (at Tamil Nadu), Home Textiles facility (in Gujrat) and overseas business to support the business hereafter collectively referred to as the "Home Textile Division or HT Division" with a carrying value amounting to INR. 1127 crores. Home Textile Division has incurred losses in the last three 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 and Impact of Covid-19 etc. Accordingly, Impairment assessment of the Group's Home Textile division has been considered as a key audit matter.	Our audit procedures included the following: • 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 valuation specialists, we assessed the Group's valuation methodology applied in estimating the recoverable amount of the Group's Home Textile Division based on the cash . • Together with valuation specialists, we tested the assumptions of the cash flow forecasts (Post Covid-19), 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 consolidated Ind AS financial statements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, 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 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 loss, 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 of 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 Ind AS financial statements, the respective Board of Directors of the companies included in the Group and are responsible for assessing the ability of the Group and 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 with reference to financial statements 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 Ind AS 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, 2020 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 Matter

(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 88.54 crores as at March 31, 2020, and total revenues of INR 136.75 crores and net cash outflows of INR 5.61 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 loss, 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, 2020 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, 2020 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 and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion the managerial remuneration for the year ended March 31, 2020 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 35 to the consolidated Ind AS financial statements;

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

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

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

per **Atul Seksaria**
Partner
Membership Number: 086370
UDIN: 20086370AAAABF3288

Place of Signature: Gurugram
Date: May 20, 2020

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, 2020, 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, 2020, 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 Number: 086370
UDIN: 20086370AAAABF3288

Place of Signature: Gurugram
Date: May 20, 2020

Consolidated Balance Sheet

as at March 31, 2020, (INR in crores)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,635.88	2,577.95
(b) Capital work-in-progress	3	119.96	113.64
(c) Investment Property	4	8.56	8.56
(d) Other Intangible assets	4A	5.46	4.56
(e) Right-of-use assets	34	13.73	-
(f) Intangible assets under development		1.76	3.82
(g) Financial assets			
(i) Investments	5	9.26	11.59
(ii) Loans	6A	15.51	11.45
(iii) Other non-current financial assets	6B	0.26	0.24
(h) Other-non current assets	7	67.19	24.37
Total Non-Current Assets		**2,877.57**	**2,756.18**
(2) Current assets			
(a) Inventories	8	790.62	768.50
(b) Financial assets			
(i) Trade receivables	9	274.40	290.62
(ii) Cash and cash equivalents	10A	91.74	12.18
(iii) Bank balances other than cash and cash equivalents	10B	23.92	23.32
(iv) Loans	11A	2.36	2.84
(v) Derivative instruments	11B	-	2.26
(vi) Other current financial asset	11C	22.78	18.09
(c) Current tax assets (net)	12	7.59	-
(d) Other current assets	13	46.91	81.69
Total Current Assets		**1,260.32**	**1,199.50**
Assets held for sale	3	31.46	39.23
Total assets		**4,169.35**	**3,994.91**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	95.01	98.03
(b) Other equity	15	2,053.96	1,827.47
Total Equity		**2,148.97**	**1,925.50**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	806.39	702.03
(ii) Lease liabilities	34	13.92	-
(b) Provisions	17A	6.27	6.15
(c) Deferred tax liabilities (net)	12	253.08	253.00
(d) Other non-current liabilities		2.38	-
Total Non- Current Liabilities		**1,082.04**	**961.18**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	268.88	408.56
(ii) Lease liabilities	34	0.68	-
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18A	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18A	394.80	394.58
(iv) Derivative instruments	19A	6.25	-
(v) Other financial liabilities	19B	216.78	230.97
(b) Provisions	17B	12.85	15.13
(c) Current tax liabilities (net)	12	-	9.34
(d) Other current liabilities			
(i) Contract liabilities	21.2	6.11	3.66
(ii) Other liabilities	20	19.07	31.16
Total Current Liabilities		**938.34**	**1,108.23**
Total equity and liabilities		**4,169.35**	**3,994.91**

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 86370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020, (INR in crores)

Particulars	Note No.	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue			
Revenue from operations	21	3,305.12	3,341.32
Other income	22	17.60	15.51
Total Income		**3,322.72**	**3,356.83**
Expenses			
Cost of raw materials consumed	23	1,253.45	1,246.46
Purchase of stock in trade		182.39	249.83
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	19.59	(83.70)
Power, fuel and water expense		513.17	505.33
Employee benefit expenses	25	189.97	201.21
Depreciation and amortization expense	26	131.21	116.94
Finance costs	27	119.79	127.34
Other expenses	28	418.55	462.79
Total expenses		**2,828.12**	**2,826.20**
Profit before exceptional items and tax		494.60	530.63
Profit before tax		**494.60**	**530.63**
Tax expense:			
Current tax		143.39	153.81
Less: Tax adjustment for Earlier years (Refer Note 12)	12	(2.48)	0.84
Deferred tax		(42.93)	25.40
Total tax expense		**97.98**	**180.05**
Profit for the year		**396.62**	**350.58**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement Gain/(Loss) on defined benefit plans		(2.80)	0.63
Income tax effect		0.71	(0.22)
Re-measurement Gain/(Loss) on investment in equity		(3.44)	1.23
Exchange differences on translation of foreign operations		(0.26)	(4.88)
Income tax effect		-	-
Net other comprehensive Gain/(Loss) not to be reclassified to profit or loss in subsequent periods	29	**(5.79)**	**(3.24)**
Total Comprehensive income for the period		**390.83**	**347.34**
Profit attributable to :			
Owners of the Company		396.62	350.58
Non-controlling interest		-	-
Total comprehensive Income attributable to :			
Owners of the Company		390.83	347.34
Non controlling interest		-	-
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	30		
Basic (INR)		40.50	35.81
Diluted (INR)		40.50	35.50

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. 86370

Place : Gurugram
Date: May 20, 2020

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : New Delhi
Date: May 20, 2020

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Operating activities		
Profit before tax	494.60	530.63
Adjustments for:		
Depreciation/amortisation	131.21	116.94
Loss/(Gain) on sale of investments	(0.88)	(0.72)
Loss/(Gain) on sale of fixed assets	1.48	(0.41)
Interest income	(0.64)	(1.19)
Finance cost	119.79	126.02
Income from dividend	(0.08)	(0.05)
Employees share based payments	(7.19)	19.90
Unrealised Exchange Loss/(Gain)	19.99	(12.24)
Operating profit/(loss) before working capital changes	**758.28**	**778.88**
Changes in working capital		
Adjustments for (Increase)/decrease in assets:		
Trade receivables	11.49	(57.41)
Inventories	(22.12)	(131.80)
Derivative instruments	(8.51)	2.91
Other current financial assets	(4.21)	0.31
Other current assets	31.98	(19.58)
Non-current financial assets	(4.08)	0.15
Other non-current assets	2.21	(0.32)
Adjustments for (Increase)/decrease in liabilities:		
Other non-current financial liabilities	(2.39)	-
Contract liabilities	(2.45)	(1.42)
Trade payables	(9.99)	1.07
Other current financial liabilities	(20.23)	51.77
Other current liabilities	12.09	(1.62)
Provisions	(2.16)	(0.13)
Cash generated from operations	**739.91**	**622.81**
Direct taxes paid (net)	(115.54)	(92.66)
Net cash generated from operating activities	**624.37**	**530.15**
Cash flow from investing activities		
Payment for Property, plant and equipment	(215.72)	(282.83)
Proceeds from sale of Property, plant and equipment	9.73	9.77
Sales/ (Purchase) of Investment (Net)	(0.23)	0.64
Interest received	0.64	1.19
Dividend received	0.08	0.05
Net cash used in investing activities	**(205.50)**	**(271.18)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	2.74	6.19
Buyback of equity share capital	(69.46)	-
Dividend paid	(76.26)	(48.75)
Dividend distribution tax paid	(10.08)	(10.01)
Proceeds from long-term borrowings	252.73	137.13
Repayment of long-term borrowings	(174.91)	(201.55)
Proceeds from short-term borrowings	(139.68)	0.36
Payment of principal portion of lease liabilities	(2.06)	-
Unpaid dividend account (Net)	(1.26)	(0.33)
Bank deposit in escrow account and Margin Money	0.66	(7.76)
Interest paid	(121.73)	(133.65)
Net cash generated from financing activities	**(339.31)**	**(258.37)**
Net (decrease) / increase in cash and cash equivalents	**79.56**	**0.60**
Cash and cash equivalents at the beginning of the year	**12.18**	**11.58**
Cash and cash equivalents at the end of the year	**91.74**	**12.18**
Components of cash and cash equivalents		
Cash on hand	0.27	0.21
Balances with banks:		
- On current accounts	91.47	11.97
Total cash and cash equivalents (Refer Note 10A)	**91.74**	**12.18**

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 and on behalf of the Board of Directors of GHCL Limited

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 86370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020, (INR in crores)

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

Particulars	Number of shares	Amount
Balance as at April 1, 2018	9,74,23,286	97.42
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	6,05,000	0.61
Balance as at March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	1,85,000	0.18
Changes in share capital- Buyback during the year (Refer Note 14 on Buyback)	(32,00,000)	(3.20)
Balance as at March 31, 2020	**9,50,13,286**	**95.01**

B. Other Equity

Particulars	Reserves and Surplus							FVTOCI Reserve (H)	Foreign currency translation reserve (I)	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, 2018	**7.57**	**73.89**	**13.16**	**9.06**	**1,357.03**	**5.24**	**37.13**	**8.55**	**1.80**	**1,513.43**
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	-	-	-	-	0.41	-	-	1.23	(4.88)	(3.24)
Balance as at March 31, 2019	**7.57**	**73.89**	**13.16**	**19.74**	**1,649.25**	**20.04**	**37.13**	**9.78**	**(3.08)**	**1,827.47**
Reserve created on account of ESOS issued during the year	-	-	-	5.54	-	-	-	-	-	5.54
Reserve created on account of buy back during the year	-	-	3.20	-	-	-	(3.20)	-	-	-
Reserve Utilised on account of buy back during the year	-	-	-	(25.28)	-	-	(28.48)	-	-	(53.76)
Profit for the year	-	-	-	-	396.61	-	-	-	-	396.61
Employee stock option scheme	-	-	-	-	-	(10.17)	-	-	-	(10.17)
Dividend paid	-	-	-	-	(77.52)	-	-	-	-	(77.52)
Dividend distribution tax	-	-	-	-	(15.93)	-	-	-	-	(15.93)
Tax paid on Buy Back	-	-	-	-	(12.49)	-	-	-	-	(12.49)
Other comprehensive income	-	-	-	-	(2.09)	-	-	(3.44)	(0.26)	(5.79)
Balance as at March 31, 2020	**7.57**	**73.89**	**16.36**	**-**	**1,937.83**	**9.87**	**5.45**	**6.34**	**(3.34)**	**2,053.96**

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. 86370

Place : Gurugram
Date: May 20, 2020

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : New Delhi
Date: May 20, 2020

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (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, 2020. GHCL Limited (""GHCL"" or the ""Company"" or the ""Parent"") is a public Group 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 Group is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat. The Group is engaged in primarily two business segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufacturing, weaving, processing and cutting & sewing of home textiles products).

Information on the Group's structure is provided in Note 47.

Information on related party relationships of the Group is provided in Note 36.

The consolidated financial statements are approved for issue in accordance with a resolution of the Board of Directors on May 20, 2020.

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, 2020. 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31. 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

- 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

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.

The Banking & Operations Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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 Operations

The Group 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 Group expects to be entitled in exchange for those goods or services. The Group 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 31.

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 Group 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 Group 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 Group 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.

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The Group provides retrospective cash discount, 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 Group 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 Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

The disclosures of significant judgements Revenue from contracts with customers are provided in Note 31.

Contract balances

Trade receivables

A receivable is recognised if 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 recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Cost to obtain a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the Group. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if amortisation period would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of employee benefits. 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 Group'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 Group'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 Group 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 Group, 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.

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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 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.

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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.

The Group offsets deferred tax assets and deferred tax 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 taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

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

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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
• Freehold Land	Not Amortised

*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.

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.

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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included 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

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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 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. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. 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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

- The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:
  - Leasehold builidngs — 2 to 10 years
  - Salt works — 3 to 30 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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. The 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

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The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 and 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 and 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.

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

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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) 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). Employees working in the business development Group are granted share appreciation rights, which are settled in cash (cash-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 expense or credit in the statement of profit and loss 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

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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 grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. 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.

p) 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:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' 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. The Group financial assets at amortised cost includes trade receivables and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' 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. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Group's debt instruments at fair value through OCI includes

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investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designatedatfairvaluethroughOCIwhentheymeetthedefinition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Companies 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 AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Group 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

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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 Group 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 Group 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss

- Financial liabilities at amortised cost (loans and borrowings)

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

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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 Group 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 Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (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 Group 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.

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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.

q) 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.

r) 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, that are readily convertible to a known amount of cash and 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.

s) Cash dividend to equity holders

The Group recognises a liability to pay dividend 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.

t) Government Grant:

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 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.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

u) Investment properties

Investment properties are properties (land and buildings) that are held for long-term rental yields and/or for capital

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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 Group 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.

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.

v) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent Group'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 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).

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.

w) 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.

x) 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 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

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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.

y) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

z) Onerous Contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

aa) Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Effective April 1, 2019 the Group has adopted IND AS 116 'Leases' and applied the same on all lease contracts existing on April 1, 2019 using modified retrospective approach. Under this approach Right-To-Use Asset and corresponding Lease Liability have been recognised at INR 15.00 Crore as at April 1, 2019 . Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact

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on opening reserves. The effect of this adoption is not material to the current financial statements and earnings per share for the year ending March 31, 2020. Due to application of IND AS 116 for the year ended March 31, 2020, Depreciation and Finance cost has increased by INR 1.62 Crores & INR 1.49 Crores and other expenses have decreased by INR 2.06 Crores .Total expenses(net) have increased by INR 1.06 Crores. Refer details of the movement during the year in the balances of the Right-To-Use Asset and corresponding Lease Liability in Note 34.

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.2 (j) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.3 (n) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- Leases previously classified as finance leases

  The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

- Leases previously accounted for as operating leases

  The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

  The Group also applied the available practical expedients wherein it:

  - Used a single discount rate to a portfolio of leases with reasonably similar characteristics
  - Relied on its assessment of whether leases are onerous immediately before the date of initial application
  - Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
  - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
  - Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The lease liabilities as at April 1, 2019, can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount
Operating lease commitments as at March 31, 2019	44.46
Weighted average incremental borrowing rate as at April 1, 2019	10%
Discounted operating lease commitments as at April 1, 2019	24.31
Less:	
Commitments relating to short-term leases and low value assets	9.31
Lease liabilities as at April 1, 2019	**15.00**

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ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex tax environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Group.

iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

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v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

vi) Annual Improvements to Ind AS 2018

Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

Ind AS 111 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, Plant and equipment

Cost	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Assets held for sale**	Total Amount
As at April 1, 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**
Additions	0.65	-	11.66	158.37	3.68	0.53	1.70	1.10	-	1.17	8.23	187.09	193.26	-	380.34
Disposals	-	-	(2.49)	(25.44)	(2.39)	(0.63)	-	(0.53)	-	-	-	(31.50)	(186.94)	(7.77)	(226.21)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**340.49**	**352.75**	**254.44**	**1,926.08**	**9.81**	**8.52**	**4.21**	**3.66**	**9.47**	**140.73**	**8.23**	**3,058.39**	**119.96**	**31.46**	**3,209.81**

Depreciation	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Assets held for sale**	Total Amount
As at April 1, 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)	-	-		(19.35)	-	-	(19.35)
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**
Depreciation charge for the year	-	4.87	11.53	96.18	2.96	1.47	0.15	0.61	0.09	7.36	0.49	125.71	-	-	125.71
Disposals	-	-	(2.39)	(22.46)	(2.37)	(0.32)	-	(0.49)	-	-	-	(28.04)	-	-	(28.04)
As at March 31, 2020	**-**	**24.32**	**42.40**	**305.93**	**3.01**	**3.20**	**1.96**	**0.54**	**9.18**	**31.49**	**0.49**	**422.52**	**-**	**-**	**422.52**

Net book value	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Assets held for sale**	Total Amount
As at March 31, 2020	**340.49**	**328.43**	**212.04**	**1,620.15**	**6.80**	**5.32**	**2.25**	**3.12**	**0.29**	**109.24**	**7.74**	**2,635.88**	**119.96**	**31.46**	**2,787.30**
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**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, Plant and Equipment (Contd..)

Net book value	March 31, 2020	March 31, 2019
Property, plant and equipment	2,635.88	2,577.95
Capital work in progress	119.96	113.64
Asset held for sale	31.46	39.23

Property plant and equipment are subject to charge to secure the Group's borrowings as discussed in Note 16

Leasehold land*

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.

Assets held for sale**

Assets held for sale represents Land in Madurai (Yarn Unit) approved by Board for transfer in future. (Refer Note 46)

Capitalised borrowing costs

The amount of borrowing cost capitalised during the year ended March 31, 2020, was INR 4.49 Crore (for the year March 31, 2019: INR 7.63 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 8.75%, (for the year March 31, 2019: 9.17%) 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 and 2018-19. For the financial year 2019-20, 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, and REKOOP 2.0, with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Innovation has been a hallmark of the Group's efforts and several new options have been developed around fit, functionality and performance.

The Group anticipates a reduction of our export volume by about 25% for the year on account of the COVID-19 pandemic. The Group will focus on ensuring greater levels of agility and flexibility. Moreover, the Group will further step up its focus on the Dot Com business in the US and other parts of the world. The Group will continue to keep sustainability at the core of all it does and will also focus on offering special finishes on sheets, including antimicrobial or antibacterial finishes and immunity boosting finishes, in keeping with what customers will demand in times to come.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, Plant and Equipment (Contd..)

Outlook for Home Textiles Business and impairment assessment (Contd..)

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

Particulars	Amount
Opening Balance at April 1, 2018	8.56
Additions	-
Closing Balance at March 31, 2019	**8.56**
Additions	-
Closing Balance at March 31, 2020	**8.56**
Depreciation and Impairment	
Opening Balance at April 1, 2018	-
Depreciation	-
Closing Balance at March 31, 2019	-
Depreciation	-
Closing Balance at March 31, 2020	-
Net Block	
March 31, 2020	8.56
March 31, 2019	8.56

For Investment property existing as on April 1, 2015, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed costs.

Particulars	March 31, 2020	March 31, 2019
Rental income derived from investment properties direct operating expenses (including repairs & maintenance) generating rental income	1.17	1.97
Direct operating expenses (including repairs and maintenance) that did not generate rental Income	0.82	0.59
Profit arising from investment properties before Depreciation and indirect expenses	0.35	1.39
Less- Depreciation	-	-
Profit arising from investment properties before indirect expenses	0.35	1.39

The Group's investment properties consist of one commercial property comprising of land and building thereon in USA.

As at March 31, 2020, the fair market value of the property are INR 12.75 Crores (INR 12.60 Crore as at March 31, 2019). 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

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

4 Investment Property (Contd..)

4A Other Intangible assets

Cost	Trademarks	Software	Total
As at April 1, 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**
Additions	-	4.78	4.78
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.65**	**8.61**	**11.26**

Amortisation	Trademarks	Software	Total
As at April 1, 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**
Amortization	0.89	2.99	3.88
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.43**	**3.37**	**5.80**

Net book value	Trademarks	Software	Total
As at March 31, 2020	0.22	5.24	5.46
As at March 31, 2019	1.11	3.45	4.56

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 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted equity shares, at amortised cost		
5200 equity shares (as at March 31, 2019: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd *	0.01	0.01
1,07,300 equity shares (as at March 31, 2019: 2,11,800 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.12	0.24
12,00,000 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of SSMT Power Pvt Ltd *	1.20	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
4,200 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Aadhav Green Power Pvt Ltd	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Puvaneshwari Enterprises	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sarojarajan Green Power Eenergy	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AFCM Wind Farms Pvt Ltd	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AJSM Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of APGL Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jaichander Wind Farms Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Pvt Ltd	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Wind Farms	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Green Energy	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Wind Farms	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Green Energy	0.00	-
Unquoted debt securities (at amortised cost)		
Investment in Government Securities		
7 years National Savings Certificates	0.04	0.04
(Pledged with govt authorities)		
Quoted equity shares, at Fair value through OCI		
83,000 equity shares (as at March 31, 2019: 83,000 equity shares) of HDFC Bank Limited of INR 1/- each fully paid up	7.15	9.62
68,598 equity shares (as at March 31, 2019: 68,598 equity shares) of IDBI Bank Limited of INR 10/- each fully paid up	0.13	0.32
285 equity shares (as at March 31, 2019: 285 equity shares) of Bank of Baroda (formally known as Dena Bank) of INR 10/- each fully paid up	0.00	0.00
272,146 equity shares (as at March 31, 2019: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	0.54	1.22
4,500 equity shares (as at March 31, 2019: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.04	0.13

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
100 equity shares (as at March 31, 2019: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
Total Fair Investments	**9.26**	**11.59**
Non-current	**9.26**	**11.59**
Current	**-**	**-**
Aggregate book value of quoted investments	7.87	11.30
Aggregate market value of quoted investments	7.87	11.30
Aggregate value of unquoted investments	1.39	0.29
Aggregate amount of impairment in value of investments	-	-
Total	**9.26**	**11.59**

*** Parent Company does not excise any significant influence on DM Solar and SSMT Power Pvt Ltd and thus are not considered as associates.**

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities and quoted debt securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group. Thus disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. The Group has not transferred any gain or loss within equity in the previous year. Refer Note 41 for determination of their fair values.

6A Loans

(Unsecured, considered good, unless stated otherwise)
(at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Related Party		
- Loan to ESOS trust (Refer Note 36 & 43)	5.82	6.21
Security deposits	9.69	5.24
Total loans (a)	**15.51**	**11.45**

6B Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Other Financial assets		
Security Deposit	0.26	0.24
Demand deposit	0.00	0.00
(Amount in absolute terms is INR 35,000 (Previous Year INR 35,000))		
Total non-current other financial assets (b)	**0.26**	**0.24**
Total Other non-current financial assets(a+b)	**15.77**	**11.69**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risks of the counter parties.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

6B Other non-current financial assets (Contd..)

No Loans are due from directors or other officer of the Group either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

7 Other-non current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	61.87	16.84
Deposit with statutory authorities under protest	5.32	7.53
Total	**67.19**	**24.37**

No Advances are due from directors or other officer of the Group either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

8 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories valued at lower of cost and net realizable value		
Raw materials	387.31	366.36
[includes in transit INR 11.13 Crore (At March 31, 2019: 25.50 Crore)]		
Work-in-progress	54.11	47.16
Finished goods	207.48	223.28
[includes in transit INR 10.76 Crore (At March 31, 2019: 34.49 Crore)]		
Stock-in-trade	18.21	30.28
[includes in transit NIL (At March 31, 2019: INR 2.41 Crore)]		
Stores and spares	123.51	101.42
[includes in transit NIL (At March 31, 2019: INR 0.78 Crore)]		
Total inventories at the lower of cost and net realisable value	**790.62**	**768.50**

Refer Note 16B for information on inventories pledged as security by the Group.

9 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	274.40	290.62
Total trade receivables	**274.40**	**290.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

9 Trade receivables (Contd..)

Break-up for security details:	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured, considered good	56.02	35.33
Unsecured, considered good	218.38	255.29
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	2.03
Less: Impairment Allowance (allowance for bad and doubtful debts)	-	(2.03)
Current trade receivables	**274.40**	**290.62**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

For terms and conditions related to related to related party receivables, Refer Note 36

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 in the previous year on the basis of the expected credit loss method and other cases based on management judgement.

10A Cash and cash equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	91.47	11.97
Cash on hand	0.27	0.21
Total cash and cash equivalents	**91.74**	**12.18**

10B Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
- On unpaid dividend account	5.07	3.81
- On escrow account#	7.70	5.82
- On account of margin money deposited*	11.15	13.69
Bank balances other than cash and cash equivalents	**23.92**	**23.32**

#As per the guidelines of the Ministry of Coal, Government of India all Coal Mine owners who are operating Coal Mines are required to prepare a Mine Closure Plan and on approval of such plan need to open an escrow for depositing money towards mine closure activity. Annual amount to be deposited shall be as per mine closure plan. Total amount deposited along with interest shall be refunded as per conditions of approved mine plan.

*Margin money held with banks against opening of letter of credit (LC).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

10B Bank balances other than cash and cash equivalents (Contd..)

As at March 31,2020, the holding company had available NIL (As at March 31, 2019: INR 104.81 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	91.47	11.97
Cash on hand	0.27	0.21
	91.74	**12.18**

11A Loans current

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	0.20	0.73
Loan to employees	2.16	2.11
	2.36	**2.84**

No Loans are due from directors or other officer of the Group either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risks of the counter parties.

Break up of financial assets carried at amortised cost

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (Refer Note 6A & 11A)	17.87	14.29
Trade receivables (Refer Note 9)	274.40	290.62
Cash and cash equivalents (Refer Note 10)	91.74	12.18
Total financial assets carried at amortised cost	**384.01**	**317.09**

11B Instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	2.26
Total derivative instruments at fair value through profit or loss	**-**	**2.26**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

11C Others current financial asset

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Export incentives receivable	21.29	17.59
Others	1.49	0.50
(Include Insurance Claim receivable)		
	22.78	**18.09**

12 Income Tax and deferred Tax

Current tax assets (net)	As at March 31, 2020	As at March 31, 2019
Income tax paid / TDS (net of provisions) of INR 143.38 Crore (At March 31 2019: INR INR 153.84 Crore)	7.59	-
Total	**7.59**	**-**

Current tax liabilities (net)	As at March 31, 2020	As at March 31, 2019
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, 2020 and March 31, 2019:

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax from continuing operations	494.60	530.63
Accounting profit before income tax	**494.60**	**530.63**
At India's statutory income tax rate of 34.944% (March 31, 2019: 34.944%)	172.83	185.42
Adjustment for tax purposes:		
- Effect of tax rate change on opening deferred tax balances	(82.62)	-
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	20.25	7.04
- Charity, donation and CSR expenses	5.18	4.09
- Deduction under chapter VI-A	(25.80)	(18.89)
- Dimunition in value of investment	3.49	-
- Others	7.13	1.55
At the effective income tax rate of 20.31% (March 31, 2019: 33.77%)	**100.46**	**179.21**
Amounts recognised in profit or loss		
Income tax expense reported in the statement of profit and loss	143.39	153.81
Deferred tax expense reported in the statement of profit and loss	(42.93)	25.40
	100.46	**179.21**
Tax adjustment for Earlier years	(2.48)	0.84
Total tax expense	**97.98**	**180.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

12 Income Tax and deferred Tax (Contd..)

Deferred tax expense/(income) relates to the following:	**As at March 31, 2020**	**As at March 31, 2019**
Effect of tax rate change on opening deferred tax balance	(82.62)	-
Depreciation & amortisation	41.64	26.57
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	(1.74)	(1.17)
Right to use asset	3.46	-
Lease liabilites	(3.67)	-
Deferred tax expense/(income)	**(42.93)**	**25.40**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.71	(0.22)
Total Deferred tax expense/(income)	**(42.22)**	**25.18**

Deferred tax relates to the following:	**As at March 31, 2020**	**As at March 31, 2019**
Deferred tax Liability		
Property, Plant and Equipment	(259.51)	(302.46)
Right to use asset	(3.46)	-
Deferred Tax Assets		
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	6.22	7.06
MAT Credit*	-	42.40
Lease liabilites	3.67	-
Net deferred tax assets/(liabilities)	**(253.08)**	**(253.00)**
Reflected in the balance sheet as follows:		
Deferred tax assets	9.89	49.46
Deferred tax liabilities	(262.97)	(302.46)
Deferred tax liabilities, net	**(253.08)**	**(253.00)**

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 31,2020 , the Holding Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Holding Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

*During the year the holding company utilised MAT credit amounting to INR 52.48 crore (March 31, 2019: INR 32.65 crore).

"Pursuant to The Taxation Laws (Amendment) Act, 2019 dated December 02, 2019, the Holding Company has decided to measure the Income tax liability for FY 19-20 at existing rates of 34.944% and to opt the lower tax rates 25.17% from next financial year. Accordingly the deferred tax liability has been re-measured and amount of INR 82.62 crores has been written back during the current financial year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with statutory authorities	24.06	29.29
Advances recoverable in cash or kind	15.15	40.02
Prepaid expenses	3.27	4.66
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	-	4.72
Subvention receivable	4.43	3.00
Total other current assets	**46.91**	**81.69**

No Advances are due from directors or other officer of the Group either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

14 Share capital

Authorised share capital

Particulars	Number of Shares (of INR 10 each)	Amount
At April 1, 2018	**17,50,00,000**	**175.00**
Changes during the year	-	-
At March 31, 2019	**17,50,00,000**	**175.00**
Changes during the year	-	-
As at March 31, 2020	**17,50,00,000**	**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

Equity shares of INR 10 each issued, subscribed and fully paid

Particulars	Number of Shares (of INR 10 each)	Amount
At April 1, 2018	9,74,23,286	97.42
Changes in share capital- ESOS issued during the year	6,05,000	0.61
At March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- ESOS issued during the year (July 29,2019)	1,85,000	0.18
Changes in share capital- Buyback during the year *	(32,00,000)	(3.20)
As at March 31, 2020	**9,50,13,286**	**95.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

14 Share capital (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Shareholder's holding more than 5 % shares		
Promoter & Promoter Group	19.18%	18.87%
Ares Diversified	5.19%	5.03%
DSP Small Cap Fund	9.07%	3.37%

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.

* During the year ended March 31, 2020, the holding company has carried out the share buyback of 32,00,000 fully paid-up equity shares of face value of INR 10 each at a price of INR 178 per share paid in cash for an aggregate consideration of 56.96 crores. Same has been recorded as reduction in equity share capital by INR 3.2 crores, Securities Premium by INR 25.28 crores and General Reserve by 28.48 crores. (The expenses of INR 0.13 crores relating to buyback has been adjusted against general reserve.)

As required by the Companies Act, 2013, capital redemption reserve of INR 3.2 crores has been created out of general reserve to the extent of share capital extinguished. The tax paid on buyback u/s 115QA of the Income Tax Act 1961 amounting INR 12.49 crores debited to retained earnings.

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the holding company, Refer Note 33.

15 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	16.36	13.16
Securities premium reserve	-	19.74
Retained earnings	1,937.83	1,649.25
Share based payment reserve	9.87	20.04
Foreign currency translation reserve	(3.34)	(3.08)
General reserve	5.45	37.13
FVTOCI reserve	6.34	9.78
Total	**2,053.96**	**1,827.47**

Notes:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15A Capital reserve

Particulars	Amount
At April 1, 2018	7.57
Changes during the year	-
At March 31, 2019	**7.57**
Changes during the year	-
As at March 31, 2020	**7.57**

The parent has recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeited shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B Business development reserve

Particulars	Amount
At April 1, 2018	73.89
Changes during the year	-
At March 31, 2019	**73.89**
Changes during the year	-
As at March 31, 2020	**73.89**

In earlier years, Certain Fixed assets of the Group were revalued at their respective fair value as determined by government approved competent valuer appointed by the Holding 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 November 30, 2008.

15C Capital redemption reserve

Particulars	Amount
At April 1, 2018	13.16
Changes during the year	-
At March 31, 2019	**13.16**
Changes during the year	3.20
As at March 31, 2020	**16.36**

In earlier years, 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 holding 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.

In earlier years, an amount of INR 2.61 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the holding 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 parent.

In current year, an amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the holding company in the year ended March 2020) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the parent.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15D Securities premium reserve

Particulars	Amount
At April 1, 2018	9.06
Changes - Shares issued under ESOS scheme during the year	10.68
At March 31, 2019	**19.74**
Changes - Shares issued under ESOS scheme during the year	5.54
Changes - Utilised on account of buy back during the year	(25.28)
As at March 31, 2020	**-**

During the earlier years, the holding company has issued 11,65,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 19.74 Crore, is credited to securities premium.

During the Current year, the holding company has issued 1,85,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 5.54 Crore, is credited to securities premium. (Refer Note 14)

During the current year, the holding company has bought back and cancelled 32,00,000 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 25.28 Crore, is adjusted against the Securities Premium Account. (Refer Note 14)

15E Retained earnings

Particulars	Amount
At April 1, 2018	1357.03
Changes during the year-Profit for the year	350.58
Changes during the year-Dividend paid	(48.76)
Changes during the year-Dividend distribution tax	(10.01)
Changes during the year-Other comprehensive income	0.41
At March 31, 2019	**1,649.25**
Changes during the year-Profit for the year	396.61
Changes during the year-Dividend paid	(77.52)
Changes during the year-Dividend distribution tax	(15.93)
Changes during the year-Tax paid on Buy Back	(12.49)
Changes during the year-Other comprehensive income	(2.09)
As at March 31, 2020	**1,937.83**

15F Share based payment reserve

Particulars	Amount
At April 1, 2018	5.24
Changes during the year	14.80
At March 31, 2019	**20.04**
Changes during the year	(10.17)
As at March 31, 2020	**9.87**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

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 33 for further details of these plans.

15G General reserve

Particulars	Amount
At April 1, 2018	37.13
Changes during the year	-
At March 31, 2019	**37.13**
Changes during the year	(31.68)
As at March 31, 2020	**5.45**

During the current year, the holding company has bought back and cancelled 32,00,000 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 28.48 Crore, is adjusted against the General Reserves. (Refer Note 14)

An amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the holding company in the year ended March 2020) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the parent. (Refer Note 14)

15H FVTOCI reserve

Particulars	Amount
At April 1, 2018	8.55
Changes during the year	1.23
At March 31, 2019	**9.78**
Changes during the year	(3.44)
As at March 31, 2020	**6.34**

The parent recognises the profit or loss on fair value of quoted investments under fair value through other comprehensive income (FVTOCI) reserve.

15I Foreign currency translation reserve

Particulars	Amount
At April 1, 2018	**1.80**
Changes during the year	(4.88)
At March 31, 2019	**(3.08)**
Changes during the year	(0.26)
As at March 31, 2020	**(3.34)**
Grand Total (15) as on March 2018	**1,513.43**
Grand Total (15) as on March 2019	**1,827.47**
Grand Total (15) as on March 2020	**2,053.96**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

Distributions made and proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid:		
Final cash dividend for the year ended on March 31, 2020: INR 5.00 per share (March 31, 2019: INR 5.00 per share)	49.01	48.75
Dividend distribution tax on final dividend	10.08	10.01
Interim dividend for the year ended on March 31, 2020: INR 3.00 per share (March 31, 2019: NIL)	28.50	-
Dividend distribution tax on Interim dividend	5.86	-
	93.45	**58.76**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on March 31, 2020: NIL (March 31, 2019: INR 5.00 per share)	-	49.01
Dividend distribution tax on proposed dividend (DTT)	-	10.08
	-	**59.09**

The Board of Directors of GHCL Ltd at its meeting held on March 16, 2020 has approved the interim dividend of INR 3/- per equity share for the financial year 2019-20 on the paid-up capital of 9,50,13,286 equity shares of the Holding Company. Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

16A Long term borrowings

Particulars	Effective interest rate %	Maturity	As at March 31, 2020	As at March 31, 2019
Non-current Borrowings				
Term Loans				
From Banks				
Rupee Term Loans (secured)	8.94%	Jun 2021 - April 2029	774.84	638.65
Foreign currency loans (secured)	5.11%	September 2021 - July 2025	30.58	44.52
Others (secured)	5.77%	April 2029	0.97	18.86
Total non-current borrowings			**806.39**	**702.03**
Current Borrowings				
Current maturities of long term loan				
Rupee Term Loans (secured)	8.94%	March 31,2019 and 2020	147.28	125.75
Foreign currency loans (secured)	5.11%	March 31,2019 and 2020	15.58	40.83
Rupee Term Loans (Unsecured)		March 31,2019		25.00
Total current Borrowings			**162.86**	**191.58**
Less: Amount clubbed under "other current liabilities"			**-**	**-**
Net current borrowings			**162.86**	**216.58**
Aggregate Secured loans			969.25	868.60
Aggregate Unsecured loans			-	25.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16.1 Rupee term loans from banks / institutions have been secured against: -

a) Loan aggregating to INR 41.82 crores (Previous Year INR 53.50 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 5 years.

b) Loan aggregating to INR 417.00 crores (Previous Year INR 353.71 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 6 to 8 years.

c) Loan aggregating to INR 4.00 crores (Previous Year INR 31.71 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 less than 1 years.

d) Loan aggregating to INR 62.54 crores (Previous Year INR 73.38 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 2 to 8 years.

e) Loan aggregating to INR 36.53 crores (Previous Year INR 42.96 crores) 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 4 years.

f) Loan aggregating to INR 7.44 crores (Previous Year INR 8.47 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 7 years.

g) Loan aggregating to INR 175.70 crores (Previous Year INR 186.70 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 2 to 9 years.

h) Loan aggregating to INR 146.96 crores (Previous Year INR 13.35 crores) is secured by first charge on pari passu basis over movable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamil Nadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 4 to 5 years.

i) Loan aggregating to INR 25.50 crores (Previous Year INR 42.00 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 1 years.

j) Loan aggregating to INR 32.02 (Previous Year INR 36.91 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 5 to 6 years.

k) Loan aggregating to INR 21.24 crores (Previous Year INR 25.23 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1)(a) to 16 (1)(k) totalling INR 970.75 crores (Previous Year INR 867.92 crores), an amount of INR 162.86 crores (Previous Year INR 191.58 crores) is due for payment in next 12 months and accordingly reported under Note 19B under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16B Short term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Short term loans from banks - Secured		
Cash credit facilities	8.14	149.92
Working capital demand loan	55.00	9.00
Sales Bill Discounting	7.75	2.78
Export Packing Credit (Rupee loan)	36.02	96.08
Export Packing Credit in foreign currency	2.95	-
Total Secured Short Term Borrowing	**109.86**	**257.78**
Short term loans from banks - (Unsecured)		
Cash credit facilities	0.23	30.33
Short Term Loan	49.41	35.00
Sales Bill Discounting	0.72	41.84
Export Packing Credit (Rupee loan)	89.50	43.61
Export Packing Credit (Foreign currency loan)	15.58	-
Export Bill Discounting Foreign Currency Loan)	3.58	-
Total Unsecured Short Term Borrowing	**159.02**	**150.78**
Total	**268.88**	**408.56**

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 6.56% p.a (Previous Year 8.12% 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 3.18% p.a (Previous Year 3.42% p.a) on the amount outstanding.

16.3 The Group has satisfied all the loan covenants.

16.4 The Group also has no undrawn borrowing facilities (Refer Note 10A).

16.5 The Group's long term borrowings under Indian rupees carry interest rate in range of 7.75% to 10.20%

16.6 The Group's long term borrowings under foreign currency carry interest rate in range of 5.11% to 5.77%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

17 Provisions

(A) Long term provisions

Particulars	Provision for mines restoration *
At April 1, 2018	6.33
Arising during the year	0.64
Utilised	(0.82)
At March 31, 2019	**6.15**
Arising during the year	0.79
Utilised	(0.67)
As at March 31, 2020	**6.27**

*The parent 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

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Compensated Absences	12.85	12.19
Provision for litigation	-	2.94
	12.85	**15.13**

18A Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	394.80	394.58
	407.72	**409.41**
Non-current	-	-
Current	407.72	409.41

Trade payables are non-interest bearing and are normally settled on around 90 days terms

There are no dues payable to related parties

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, 2020, is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the holding Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

18A Trade payables (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	12.92	14.80
Interest	0.88	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	-	-
Principal	38.99	-
Interest	1.16	-
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	0.88	-
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	0.88	1.32

19A Instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	6.25	-
Total derivative instruments at fair value through profit or loss	**6.25**	**-**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases

19B Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Other financial liabilities at amortised cost		
Current maturity of long term borrowings (Refer Note 16)	162.86	191.58
Other financial liabilities		
Dealer deposits	6.23	5.89
Security deposits	1.19	0.74
Capital creditors	38.12	25.92
Unpaid dividend	5.07	3.81
Interest accrued and due	0.88	1.32
Others	2.43	1.71
	216.78	**230.97**

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

20 Other liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	16.10	25.34
Others	2.97	5.82
	19.07	**31.16**

21 Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segment	For the year ended March 31, 2020			Total	For the year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
Sale of Soda Ash	1,943.94	-	-	1,943.94	1,895.31	-	-	1,895.31
Sale of Textile products	-	1,117.01	-	1,117.01	-	1,165.63	-	1,165.63
Sale of Consumer products	51.79	-	-	51.79	40.44	-	-	40.44
Sale of traded products	-	-	-					
Sale of Consumer products	7.15	-	-	7.15	28.41	-	-	28.41
Sale of Chemicals	185.23	-	-	185.23	211.53	-	-	211.53
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**
India	2,133.16	515.45	-	2,648.61	2,152.82	595.86	-	2,748.68
Outside India	54.95	601.56	-	656.51	22.87	569.77	-	592.64
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**
Timing of revenue recognition								
Goods transferred at a point in time	2,188.11	1,117.01	-	3,305.12	2,175.69	1,165.63	-	3,341.32
Services transferred over time	-	-	-	-	-	-	-	-
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Segment	For the year ended March 31, 2020			Total	For the year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Revenue								
External customer	2,188.11	1,117.01	-	3,305.12	2,175.69	1,165.63	-	3,341.32
Inter-segment	-	90.93	-	90.93	-	105.04	-	105.04
	2,188.11	**1,207.94**	**-**	**3,396.05**	**2,175.69**	**1,270.67**	**-**	**3,446.36**
Inter-segment adjustment and elimination	-	(90.93)	-	(90.93)	-	(105.04)	-	(105.04)
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

21 Revenue from contracts with customers (Contd..)

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables *	274.40	290.62
Contract liabilities		
Advances from customers**	6.11	3.66

*Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

**Advances from customers relate to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Group performs under the contract.

3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue as per contracted price	3,465.67	3,470.07
Adjustments		
Significant financing component	-	-
Sales return	(1.87)	(1.27)
Rebate	(0.61)	(0.08)
Discount	(158.07)	(127.41)
Revenue from contract with customers	**3,305.12**	**3,341.32**

4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers (Refer Note 21.2)	6.11	3.66
	6.11	**3.66**

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

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.61	0.32
- from others	0.03	0.87

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

22 Other income (Contd..)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Dividend income	0.08	0.05
Other non-operating income		
Gain on exchange (net)	2.43	-
Profit on sale of investments	0.88	0.72
Rental income	1.17	1.97
Gain on sale of PPE	-	0.41
Sale of scrap	4.95	6.82
Miscellaneous income	7.45	4.35
	17.60	**15.51**

23 Cost of raw material consumed (Refer Note 42)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Inventory at the beginning of the year	366.36	263.64
Add: Purchases	1,274.4	1,349.18
	1,640.76	**1,612.82**
Less: inventory at the end of the year	(387.31)	(366.36)
Cost of raw material consumed	**1,253.45**	**1,246.46**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019	(Increase)/ decrease in inventories
Opening stock			
Finished Goods	223.28	153.04	(70.24)
Stock in Process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	300.72	**217.02**	**(83.70)**
Closing stock			
Finished Goods	208.81	223.28	14.47
Stock in Process	54.11	47.16	(6.95)
Stock in trade	18.21	30.28	12.07
	281.13	**300.72**	**19.59**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	19.59	(83.70)	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

25 Employee benefit expenses

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Salaries, wages and bonus	176.08	163.55
Contribution to provident and other funds	12.86	10.19
Share based payment expenses (Refer Note 33)	11.60	19.90
Gratuity expenses (Refer Note 33)	2.39	2.38
Staff welfare expenses	5.83	5.19
	208.76	**201.21**
Share based payment Written back (Refer Note 33)	(18.79)	-
	189.97	**201.21**

26 Depreciation and amortization expense

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Depreciation of tangible assets (Refer Note 3)	125.71	114.59
Amortization of intangible assets (Refer Note 4)	3.88	2.35
Depreciation of Right-of-use assets (Refer Note 34)	1.62	-
	131.21	**116.94**

27 Finance cost

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest on borrowings	96.02	94.09
(Net of TUF interest subsidy amounting to INR 0.89 Crore (March 31, 2019 INR 3.66 Crore))		
Exchange differences regarded as an adjustment to borrowing costs	10.39	16.82
Interest others	6.38	9.47
Bank charges	5.52	6.96
Interest on lease liabilities	1.49	-
	119.79	**127.34**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

28 Other expenses

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Consumption of stores and spares	59.64	64.63
Job Work charges	29.69	50.26
Other manufacturing expenses	37.21	35.76
Packing expenses	77.48	96.71
Bad Debts - Written Off	0.85	0.38
Freight and forwarding	37.72	45.42
Commission on sales	12.86	12.24
Advertisement and Business promotion expenses	18.97	17.20
Travelling and conveyance	16.06	16.99
Rent	8.96	12.07
Repairs and maintenance		
Plant and machinery	21.34	26.11
Buildings	3.52	4.58
Others	6.65	5.06
Rates and taxes	3.52	1.86
Insurance	13.26	9.88
Loss on Discard/Disposal of property, plant & equipment	1.48	-
Commission to Non Whole time Directors	2.72	2.84
Communication expenses	2.04	1.93
Legal and professional expenses	15.55	15.21
Donation	0.08	0.13
Donation to Political Parties	5.00	2.36
CSR Expenditure (refer details below)	9.75	9.10
Loss on exchange (net)	-	6.03
Miscellaneous expenses	34.21	26.04
	418.55	**462.79**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

28 Other expenses (Contd..)

Payment to auditors

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
To Statutory auditor:		
Audit fee	0.45	0.40
Limited review	0.75	0.60
In other capacity		
Other services (certification fees)	0.15	0.10
Reimbursements of expenses	0.07	0.03
	1.42	**1.13**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	-
	0.03	**0.03**

Details of CSR expenditure

	Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
a	Gross amount required to be spent by the Group during the year	9.75	9.10

		Amount spent during the year ending on March 31, 2020:	In cash	Yet to be paid in cash	Total
b		**Amount spent during the year ending on March 31, 2020:**	**In cash**	**Yet to be paid in cash**	**Total**
	i)	Construction / acquisition of any asset	0.30	-	0.30
	ii)	On purpose other than (i) above	9.45	-	9.45

c		**Amount spent during the year ending on March 31, 2019:**	**In cash**	**Yet to be paid in cash**	**Total**
	i)	Construction / acquisition of any asset	0.24	-	0.24
	ii)	On purpose other than (i) above	8.86	-	8.86

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

29 Components of Other Comprehensive Income (OCI)

Particulars	FVTOCI reserve	Retained earnings	Total
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2020			
Re-measurement Gain/(Loss) on defined measurement plans	-	(2.09)	(2.09)
Re-measurement of investment in equity	(3.44)	-	(3.44)
Exchange differences on translation of foreign operations	(0.26)		(0.26)
	(3.70)	**(2.09)**	**(5.79)**
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2019			
Re-measurement Gain/(Loss) on defined benefit plans		0.41	0.41
Re-measurement of investment in equity	1.23		1.23
Exchange differences on translation of foreign operations	(4.88)	-	(4.88)
Total	**(3.65)**	**0.41**	**(3.24)**

30 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by weighted average number of equity shares outstanding during the year.

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:

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Profit attributable to the equity holders of the Group	396.62	350.58
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Basic Earnings Per share (Face value of INR 10/- per share)	40.50	35.81
Profit attributable to the equity holders of the Holding Company	396.62	350.58
Weighted average number of equity shares and common equivalent shares outstanding*	9,79,17,070 **	9,87,60,495
Diluted earnings per equity share - (Face value of INR 10/- per share)	40.50	35.50

**The effect of dilution on weighted avg no. of equity shares is anti dilutive (refer below details). Therefore, weighted avg no. of equity shares considered for basic EPS and Diluted EPS are same.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

30 Earnings per share (Contd..)

***Weighted average number of Equity shares adjusted for the effect of dilution**

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Effect of dilution:		
Employee Share Option Scheme	(15,28,086)	8,54,469
Weighted average number of equity shares and common equivalent shares outstanding	9,63,88,984	9,87,60,495

31 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:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform the irrespective obligations under the contract, and the contract is legally enforceable.

The Group's contracts with customers could include promises to transfer multiple product. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, cash discount, price concessions and incentives. 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. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

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 Equity instruments

The Group has designated investments in equity instruments as FVTOCI investments since the group expects to hold these investment with no intention to sale. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

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 impairment assessment of property plant and equipment and recognised by the Holding Company. Holding Company has done the impairment assessment of Home Textile Division during the year Refer Note 3 for details.

Share-based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black-Scholes model for Employee Share Option Plan (GESP).The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

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. Further details about gratuity obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 39 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan

Defined contribution plan

The Parent Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Parent Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution paid for provident fund and superannuation fund are recognised as expense for the year.

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Employer's contribution to provident fund/pension scheme	9.89	8.23
Employer's contribution to superannuation fund	1.60	1.25

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.

The Parent Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Parent Company makes contributions to Group Gratuity Trust registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan assets are managed by the Gratuity Trust formed by the Parent Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Parent Company

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2020:

		Gratuity cost charged to profit or loss				Re-measurement (gains) / losses in other comprehensive income					
Particulars	April 1, 2019	Service cost	Net interest expense/ (Income)	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, 2020
Defined benefit obligation	42.09	2.93	3.36	6.29	(7.23)		(1.07)	3.17	2.10		43.25
Fair value of plan assets	46.81		(3.74)	(3.74)	(7.23)	0.71			0.71	-	42.61
Benefit liability	**(4.72)**			**2.55**					**2.81**		**0.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2019:

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
Particulars	**April 1, 2018**	**Service cost**	**Net interest expense/ (Income)**	**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)**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance fund	42.61	46.81

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)	
Discount rate	6.59%	7.94%
Estimated rate of return on plan assets	6.59%	7.94%
Estimated future salary growth	4.00%*	8.00%
Rate of employee turnover	11.00%	2.00%

* 4% p.a. for next 1 year, 7% p.a. thereafter, starting from the 2nd year.

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 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	(0.09)	0.09	1.45	(1.34)	(1.32)	1.46

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

The following payments are projected benefits payable in future years from the date of reporting from the fund:

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	14.16	9.84
2nd Following Year	4.78	2.94
3rd Following Year	5.93	4.28
4th Following Year	4.95	4.70
5th Following Year	4.60	4.26
Sum of Years 6 to 10	12.13	17.53
Total expected payments	**46.55**	**43.55**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2019: 7 years).

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Parent company is exposed to the Following Risks:

Interest rate Risk:	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher proportion. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Salary Risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Investment Risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Asset Liability Matching Risk:	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM Risk.
Mortality Risk:	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk:	Plan is having a concentration risk all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines

33 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, 2020.

b) During the year 2,15,000 equity share options lapsed upon cessation of employment. Further 3,62,500 ESOP's (which were deferred for vesting in the Nomination and Remuneration Committee meeting held on April 25, 2019) and ESOP's 6,15,000 stock options (due for vesting on April 25, 2020) has now been considered as lapsed after the approval of the Nomination and Remuneration Committee in the meeting held on January 23, 2020 on account of non-performance of benchmark set for the specific businesses and Company as a whole. The ESOP provision to the extent of INR 18.78 crores has been written back on account of the above options lapsed.

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33 Share based compensation (Contd..)

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	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
Number of options granted	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	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
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 2		Grant 3		Grant 4	
On completion of 12 months	15,000	-	25,000	-	-	-
On completion of 18 months	-	15,000	-	25,000	90,000	-
On completion of 30 months	-	-	-	-	-	90,000

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
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

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
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)						

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Particulars	Grant 7			Grant 8		
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:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	22,05,000	151	7,80,000	121
Options granted during the year	-	-	21,30,000	150
Options forfeited/lapsed during the year	11,92,500	152	1,00,000	158
Options exercised during the year	1,85,000	148	6,05,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	8,27,500	150	22,05,000	151
Options vested but not exercised during the year	1,12,500	151	5,000	170

The details of activity of the Scheme have been summarized below:

Particulars	As at March 31, 2020						Total
	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
Outstanding at the beginning of the year	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	12,500	37,500	45,000	95,000
Exercised during the year	-	15,000	-	10,000	7,500	-	32,500
Expired during the year			-	-			-
Outstanding at the end of the year	-	-	5,000	2,500	-	-	7,500
Exercisable at the end of the year	-	-	5,000	2,500	-	-	7,500
Weighted average remaining contractual life (in years)	-	-	-	-	-	-	
Weighted average fair value of options granted during the year	198.55	204.79	110.59	123.20	123.20	134.18	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	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	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	170	170	170	170
Expected volatility	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	3	4
Risk free interest rate (%)	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	198.55	204.79	110.59	123.20	123.20	134.18

Particulars	As at March 31, 2020						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	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	3,47,500	6,05,000	75,000	15,000	5,000	5,000	10,52,500
Exercised during the year	1,52,500	-	-	-	-	-	1,52,500
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	1,05,000	-	5,30,000	-	10,000	10,000	6,55,000
Exercisable at the end of the year	1,05,000	-	-	-	-	-	1,05,000
Weighted average remaining contractual life (in years)	-	-	1.07	-	1.07	2.07	
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 Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Particulars	As at March 31, 2020						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	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Granted during the year	-	-	-	-	-	-	-	-
Forfeited during the year	25,000	10,000	10,000	-	-	-	45,000	11,92,500
Exercised during the year	-	-	-	-	-	-	-	1,85,000
Expired during the year	-	-			-	-	-	-
Outstanding at the end of the year	-	15,000	15,000	45,000	45,000	45,000	1,65,000	8,27,500
Exercisable at the end of the year	-	-	-	-	-	-	-	1,12,500
Weighted average remaining contractual life (in years)	-	1.07	2.07	1.07	2.07	3.07		
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

34 Leases

Group as a lessee

The Group has lease contracts for various items of Building and Salt works (fields taken on lease for salt production) in its operations. Leases of Building generally have lease terms between 1 and 10 years, while salt works generally have lease terms between 3 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are no major lease contracts that include extension and termination options and variable lease payments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

34 Leases (Contd..)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold building	Saltworks	Total
As at April 1, 2019	**7.11**	**7.89**	**15.00**
Additions	0.44	-	0.44
Depreciation expense	(1.15)	(0.47)	(1.62)
Termination	(0.09)	-	(0.09)
As at March 31, 2020	**6.31**	**7.42**	**13.73**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at March 31, 2020
As at April 1, 2019	**15.00**
Additions	0.26
Accretion of interest	1.49
Payments	(2.06)
Termination	(0.09)
As at March 31, 2020	**14.60**
Current	0.68
Non-current	13.92

The maturity analysis of lease liabilities are disclosed in Note 40.
The effective interest rate for lease liabilities is 10%.

The following are the amounts recognised in profit or loss:

	As at March 31, 2020
Depreciation expense of right-of-use assets	1.62
Interest expense on lease liabilities	1.49
Expense relating to short-term leases and low value leases (included in other expenses)	9.31
Total amount recognised in profit or loss	**12.42**

The Group had total cash outflows for leases of INR 11.37 crores in March 31, 2020 (INR 6.71 crores in March 31, 2019). There are no non-cash additions to right-of-use assets and lease liabilities. There are no future cash outflows relating to leases that have not yet commenced.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

35 Commitments and contingencies

		As at March 31, 2020	As at March 31, 2019
a)	Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	83.49	20.29

b) Contingent Liabilities :

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debts*		
- Income tax	158.27	154.85
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	128.92	124.08
- Other claims	18.26	36.54

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.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Group.

	Particulars	As at March 31, 2020	As at March 31, 2019
c)	**Guarantees:**	-	-
	Corporate Guarantees to Bank on behalf of erstwhile subsidiaries of the Group	2.82	2.72
d)	Bills discounted with banks (since realized)	-	-
e)	EPCG Commitment (value of exports) - The Group has export obligations to the extent INR 390.61 crores (as at March 31, 2019 INR 253.25 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 Group being unable to meet its export obligations, the Group does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	42.59	42.21

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 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. Neelabh Dalmia- Executive Director -Textiles (w.e.f February 01,2020)

Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

B) Non-whole-time directors

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia (Upto January 31,2020)

Mrs. Vijaylaxmi Joshi

Mr. Lavanya Rastogi

Mr. Manoj Vaish (W.e.f April 01,2019)

Mr. Arun Kumar Jain (W.e.f April 01,2019)

Justice Ravindra Singh (W.e.f April 01,2019)

Mr. K C. Jani (Upto September 17, 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 Private Limited

Dalmia Healthcare Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

b) Transactions with relative of key management personnel

Particulars	As at March 31, 2020	As at March 31, 2019
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.18	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	0.09
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02

c) Transactions with enterprises over which significant influence exercised by directors

Particulars	As at March 31, 2020	As at March 31, 2019
Purchase of goods		
Dalmia Centre for Research & Development	-	0.02
Royalty paid		
Dalmia Centre for Research & Development	0.07	0.07
Rent & Other Receipts		
Dalmia Biz Private Limited.	0.18	0.26
Dalmia Healthcare Limited	0.16	0.23
Net contribution		
GHCL Foundation Trust	9.75	9.10
GHCL Employees Group Gratuity Scheme	-	0.07
Gujarat Heavy Chemical Limited Superannuation Scheme	1.60	1.25

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, 2020, the Group 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.

d) Compensation of key management personnel of the Group

Particulars	As at March 31, 2020	As at March 31, 2019
Mr. R. S. Jalan, Managing Director	8.09	9.56
Mr. Raman Chopra, CFO & Executive Director (Finance)	4.68	5.46
Mr. Neelabh Dalmia- Executive Director -Textiles (w.e.f February 01,2020)	1.52	1.40
Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary	0.54	0.67
Total compensation paid to key management personnel	**14.83**	**17.09**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits	14.44	13.80
Post-employment gratuity and medical benefits	0.36	0.67
Share-based payment transactions	0.03	2.62
Total compensation paid to key management personnel	**14.83**	**17.09**

e) Transactions with non-whole-time directors

Particulars	For Year ended March 31, 2020		For Year ended March 31, 2019	
	Sitting Fees	Commission	Sitting Fees	Commission
Mr. Sanjay Dalmia	0.03	0.60	0.03	0.60
Mr. Anurag Dalmia	0.02	0.50	0.02	0.50
Mr. Neelabh Dalmia	0.02	0.30	0.02	0.40
Dr. Manoj Vaish	0.04	0.26	-	-
Justice Ravindra Singh	0.05	0.25	-	-
Mrs. Vijaylaxmi Joshi	0.06	0.25	0.05	0.25
Mr. Arun Kumar Jain	0.05	0.25	-	-
Mr. K C Jani	0.02	0.11	0.05	0.27
Dr. Lavanya Rastogi	0.02	0.20	0.02	0.25
Dr. B. C. Jain	-	-	0.01	0.07
Mr. G. C. Srivastava	-	-	0.04	0.25
Mr. Mahesh Kumar Kheria	-	-	0.04	0.25
Total	**0.32**	**2.72**	**0.28**	**2.84**

f) Disclosure required under Sec 186(4) of the Companies Act 2013 (Refer Note 6A)

Name of the Loanee	As at March 31, 2020	As at March 31, 2019
GHCL Employee Stock Option Trust	5.82	6.21

37 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

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 Group basis and are not allocated to Operating segments.

Summary of Segment information

For Year ended March 31, 2020

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,188.11	1,117.01	-	3,305.12
Inter-segment	-	-	-	-
Total revenue	**2,188.11**	**1,117.01**	**-**	**3,305.12**
Segment profit	629.40	7.22	0.35	636.96
Total assets	2,523.41	1,597.78	48.16	4,169.35
Total liabilities	1,134.92	631.51	253.95	2,020.38
Capital expenditure	144.50	47.35	-	191.85
Depreciation and amortization	79.50	51.71	-	131.21

For Year ended March 31, 2019

Particulars	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

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	For Year ended March 31, 2020	For Year ended March 31, 2019
Segment profit	636.96	677.35
Fair value gain on financial assets at fair value through profit or loss		
Un- allocated expenditure	(22.57)	(19.37)
Other finance costs	(119.79)	(127.35)
Profit before tax	**494.60**	**530.63**

Reconciliation of assets	As at March 31, 2020	As at March 31, 2019
Inorganic chemicals	2,523.41	2,219.22
Home textiles	1,597.78	1,688.78
Un-allocated	48.16	86.91
Total assets	**4,169.35**	**3,994.91**

Reconciliation of liabilities	As at March 31, 2020	As at March 31, 2019
Inorganic chemicals	1,134.92	880.41
Home textiles	631.51	925.78
Un-allocated	253.95	263.22
Total liabilities	**2,020.38**	**2,069.41**

Revenue from external customers	For Year ended March 31, 2020	For Year ended March 31, 2019
India	2,648.61	2,814.00
Outside India	656.51	527.32
Total revenue per statement of profit and loss	**3,305.12**	**3,341.32**

Trade receivable	As at March 31, 2020	As at March 31, 2019
India	203.02	213.99
Outside India	71.38	76.63
Total Trade Receivable	**274.40**	**290.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

38 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 40.

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 the underlying transactions 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.

39 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:

Particulars	Carrying value	Fair value	Carrying value	Fair value
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
Financial assets measured at fair value				
Investments (Refer Note 5B)	9.25	9.25	11.59	11.59
Derivative instruments	-	-	2.26	2.26
Financial assets measured at amortised cost				
Loan to ESOS trust (Refer Note 6A)	5.82	5.82	6.21	6.21
Security deposits (Refer Note 6 A & 11A)	9.89	9.89	5.24	5.24
Demand deposits# (Refer Note 6B)	0.00	0.00	0.00	0.00
Loan to employees (Refer Note 11A)	2.16	2.16	2.11	2.11
Demand deposits (Refer Note 6B)	-	-	-	-
Others ** (Refer Note 11)	1.49	1.49	0.50	0.50
Financial liabilities at fair value				
Derivative instruments (Refer Note 19A)	6.25	6.25	-	-
Financial liabilities measured at amortised cost				
Term loans (Refer Note 16A)	969.25	969.25	893.61	893.61
Short term borrowings (Refer Note 16B)	268.88	268.88	408.56	408.56

The management assessed that cash and cash equivalents, trade receivables, Export incentives receivable, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The other current financial liabilities represents Dealer deposits, Security deposits, Capital creditors, Unpaid dividend and Interest accrued on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

* Investments excludes investment in subsidiary which is carried at cost.

** The other non-current financial assets represents bank deposits and insurance receivable.

#Amount in absolute terms is INR 35,000 (Previous Year INR 35,000)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

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, 2020:

Particulars	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, 2020	7.87	7.87		
	March 31, 2019	11.29	11.29		
Unquoted equity shares (Refer Note 5)	March 31, 2020	0.13			0.13
	March 31, 2019	0.26			0.26
Unquoted debt securities (Refer Note 5)	March 31, 2020	0.04			0.04
	March 31, 2019	0.04			0.04
Financial assets measured at fair value through profit and loss					
Derivative instruments	March 31, 2020	6.25			6.25
	March 31, 2019	2.26		2.26	
Financial assets measured at amortised cost					
Security deposits (Refer Note 6A)	March 31, 2020	9.69		9.69	
	March 31, 2019	5.24		5.24	
Loan to ESOS trust (Refer Note 6A)	March 31, 2020	5.82		5.82	
	March 31, 2019	6.21		6.21	
Demand deposits (Refer Note 6B)	March 31, 2020	0.00		0.00	
	March 31, 2019	0.00		0.00	
Loan to employees (Refer Note 11A)	March 31, 2020	2.16		2.16	
	March 31, 2019	2.11		2.11	
Others (Refer Note 11C)	March 31, 2020	1.49		1.49	
	March 31, 2019	0.50		0.50	
Financial liabilities measured at fair value					
Derivative instruments (Refer Note 19A)	March 31, 2020	6.25		6.25	
	March 31, 2019	-			-
Financial liabilities carried at amortised cost					
Floating rate borrowings (India)	March 31, 2020	1,238.13		1,238.13	
	March 31, 2019	1,302.17		1,302.17	

There have been no transfers between Level 1 and Level 2 during the period.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

Particulars	Fair value hierarchy	Valuation technique	Inputs used
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.
Unquoted debt securities	Level 3	Discounted cash flow	Long-term growth rate for cashflows for subsequent years, weighted average cost of capital, long-term operating margin, discount for lack of marketability.
Financial assets measured at fair value through statement of profit and loss			
Derivative instruments	Level 2	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			
Derivative instruments	Level 2	Market valuation techniques	Forward foreign currency exchange rates
Financial liabilities measured at amortised cost			
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts

40 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities 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 operations committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Group's policy, that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

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, 2020, and March 31, 2019. 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:

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2020	+/(-).50%	'(-)/+ 6.20

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2019	+/(-).50%	'(-)/+ 6.46

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

c) Foreign currency sensitivity

Particulars	Change in USD rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.49

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

c) Foreign currency sensitivity (Contd..)

Particulars	Change in USD rate	Effect on PBT
March 31, 2019	+/(-)1%	INR +/(-) 2.19

Particulars	Change in GBP rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.00

Particulars	Change in GBP rate	Effect on PBT
March 31, 2019	+/(-)1%	INR (-)/+ 0.02

Particulars	Change in EUR rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.16

Particulars	Change in EUR rate	Effect on PBT
March 31, 2019	+/(-)1%	INR +/(-) 0.09

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 1.35 crores as on March 31, 2020, (INR 0.25 as on March 31, 2019).

At the reporting date, the exposure to listed equity securities at fair value was INR 7.87 Crore as on March 31, 2020, (INR 11.30 as on March 31, 2019). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 0.79 Crore on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

e) Commodity risk

The Group is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the Group has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Group's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

f) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

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 homogenous Company's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Group is not having the history of the significant bad debts expect one off cases. The receivables are recovered in business operating cycle. 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. Therefore the Group has not created any provision on receivables according to the ECL - Simplified approach.

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, 2020, and March 31, 2019, 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 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 Group also believes a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As on March 31, 2020	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	268.88	162.86	627.01	179.38	1,238.13
Trade and other payables	-	407.72	-	-	407.72
Lease Liabilities	-	0.68	2.05	11.87	14.60
Other financial liabilities	11.18	66.72	1.19	-	79.09
	280.06	**637.98**	**630.25**	**191.25**	**1,739.55**

As on March 31, 2019	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	408.56	191.58	499.01	203.02	1,302.17
Trade and other payables	-	409.41	-	-	409.41
Other financial liabilities	7.47	66.00	0.74	-	74.21
	416.03	**666.99**	**499.75**	**203.02**	**1,785.79**

41 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, lease liabilities, trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	1,238.13	1,302.17
Trade payables	407.72	409.41
Lease liabilities	14.60	-
Other financial liabilities	79.10	74.21
Less: Cash and bank balances	(91.74)	(12.18)
Net debt	**1,647.81**	**1,773.61**
Equity	2,148.97	1,925.50
Capital and net debt	**3,796.78**	**3,699.11**
Gearing ratio	43%	48%

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, 2020.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

42 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Manufacturing expenses*	154.60	191.58
Stores and spares consumed	1.52	1.37
Power and fuel	4.13	5.32
Excise duty, cess and royalty	5.59	9.67
Repairs and maintenance	-	
Building	0.17	0.29
Plant and machinery	0.88	0.99
Earth work	2.01	3.57
Others	0.48	0.43
Salaries and wages	10.37	9.90
Travelling & conveyance	0.71	0.77
Lease rent	1.00	0.71
Rates and taxes	0.24	0.36
Insurance	1.35	0.87
Misc. expenses (including deferred revenue & intangible expenses)	1.86	2.62
Less: Other misc. income	(0.58)	(0.51)
Total	**184.33**	**227.93**

*It includes consumption of breeze, starch binder and other production and mining cost.

43 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 broker involved, against which ESOS Trust has initiated legal proceedings and 4,66,273 shares were blocked for transactions by Stock exchange under legal proceedings. During the year, 4,66,274 shares were transferred/released to ESOS Trust as per NSE order dated July 24, 2019 and are currently held by the Trust.

During the tenure of ESOS Trust, the Holding company had advanced INR 29.54 crores 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 March 31, 2014 held by the Trust.

Once the legal matter will settle ESOS Trust will get the possession of 15,79,922 shares also, the sale proceeds from the disposal of these 20,46,195 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 Holding company as per the recommendation of GHCL's Compensation Committee.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

44 Demerger

The Board of Directors of Holding Company on March 16, 2020, approved a Scheme of Arrangement u/s 230- 232 of the Companies Act 2013, involving a demerger of its Textiles Business into a separate company (to be incorporated as a Resulting Company) (the 'Scheme'). Upon the Scheme becoming effective, the Textile Business (along with all assets and liabilities thereof) shall be carved out and transferred to the Resulting Company on a going concern basis. As a consideration for the Demerger, the Resulting Company would issue its equity shares to the shareholders of GHCL as on the record date in a 1:1 swap ratio (i.e. One (1) share of INR 2 each would be issued by the Resulting Company for every one (1) share of INR 10 each held in GHCL), following which the shareholding of both Companies shall be same as at the record date.

Post Demerger, GHCL shall continue with the Chemicals Business while the Resulting Company shall house the Textiles Business. Shares of GHCL shall continue to be listed on the BSE and NSE and that of the Resulting Company shall also be listed on the BSE and NSE. The Demerger is expected to facilitate focused growth, concentrated approach, business synergies and increased operational and customer focus for respective business verticals apart from exploring independent business opportunities with efficient capital allocation.

The Holding Company shall be filing the requisite documents with the appropriate jurisdiction of NCLT after taking necessary approval or clearance form concerned regulatory authorities . The Scheme would become effective on filing of certified copies of the order of the NCLT sanctioning the scheme by the Demerged Company and the Resulting Company with the registrar of companies

45 Remittances during the year in Foreign currency on account of

a) Dividend for the financial year ended

Particulars	2018-19	2019-20 (Interim)
Dividends to non-resident shareholders	29,628,540	17,752,524
Number of non-resident shareholders	629	617
Number of shares	5,925,708	5,917,508

46 Non-Current Assets held for Sale

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Assets		
Property, Plant & Equipments	31.46	39.23
Current Assets		
Other Current Assets	-	-

The management has identified excessive and surplus land of 64.43 acres outside the premises of factory at Madurai, that is being disposed off and balance is held as non current asset held for sale.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

47 Group information

(i) The Consolidated financial statement of the Group includes subsidiaries are 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 ,2020	100.47%	2,185.56	105.14%	406.50	95.54%	(5.53)	105.29%	400.97
					Mar 31 ,2019	101.37%	1,951.95	102.98%	361.03	-50.47%	1.64	104.41%	362.67
(II)	**Foreign Subsidiaries having no minority interests**												
1	Grace Home Fashions LLC	USA	WOS	100%	Mar 31 ,2020	-0.76%	(16.63)	-5.22%	(20.24)	4.46%	(0.26)	-5.38%	(20.48)
				100%	Mar 31 ,2019	-1.68%	(32.43)	-3.38%	(11.84)	142.84%	(4.64)	4.74%	16.46
2	Dan River Properties LLC	USA	WOS	100%	Mar 31 ,2020	0.29%	6.33	0.09%	0.35	0.00%	-	0.09%	0.35
				100%	Mar 31 ,2019	0.31%	5.98	0.40%	1.39	7.45%	(0.24)	0.33%	1.15
Other consolidation adjustment					Mar 31 ,2020	0.00%	-	0.00%	-				
					Mar 31 ,2019	0.00%	-	0.00%	-				
		Total - March 31, 2020				**100%**	**2,175.27**	**100%**	**386.61**	**100%**	**(5.79)**		**380.82**
		Total - March 31, 2019				**100%**	**1,925.50**	**100%**	**350.58**	**100%**	**(3.24)**		**347.34**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2020, (INR in crores unless specified otherwise)

48 Coronavirus (COVID-19) Impact on Financial Reporting – Accounting Year Ending March 31, 2020

Pursuant to outbreak of Coronavirus Disease (Covid 19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Group and has impacted the overall business activities of the Group. On account of this, management has prepared future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information up-to the date of approval of these financial results/statements. The Group has on a prudent basis charged off INR 20 crores as an additional one time charge in the statement of profit and loss and adjusted the corresponding carrying value of the current assets. Further on the basis of this evaluation and current indicators of future economic conditions, the Group expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Group's business operations. The Group will continue to closely monitor any material changes to future economic conditions viz a viz its business operations.

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. 86370

Place : Gurugram
Date: May 20, 2020

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : New Delhi
Date: May 20, 2020

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

Notes

Notes

GHCL Limited

A Dalmia Brothers Enterprise

Registered Office:

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